

Systemx Corporation
Minutes Of 2019 Annual Shareholders' Meeting
(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the Minutes of 2019 Annual Shareholders' Meeting shall govern any and all matters related to the interpretation of the subject matter stated herein.

Time: 9:00 a.m., Friday, June 13, 2019

Place: Liberty Square Convention Center

(2F, 399, Rueiguang Rd., Neihu District, Taipei City.)

Total outstanding shares of Systemx (excluding the shares which had no voting right stipulated in Article 179 of Company Law): 256,570,828 shares

Total shares represented by shareholders present (including 47,804,016 shares represented by shareholders executing voting rights through e-voting): 194,650,612 shares

Percentage of shares held by shareholders present: 75.86%

Directors present: Lin, Lung-Fen; Cheng, Deng-Yuan; Lu, Ta-Wei; Huang, Ting-Rong; Huang, Chi-Rong; Huang, Yi-Shiung; Lin, Chih-Min and Independent Director Huang, Jih-Tsan (The Convener of Audit Committee).

Chairman: Huang, Tsong-Jen, Chairman of the Board of Directors

Recorder: Chen, Yi-Ming

I. Chairman's Address: Omitted

II. Report Items:

1. 2018 Business report and Financial statements

Explanatory Note:

(1) Please refer to Attachment 1 for the Business Report.

(2) Please refer to Attachment 2 for the Financial statements.

2. Audit Committee's review report on 2018 Financial Statements.

Explanatory Note: Please refer to Attachment 3.

3. To report 2018 directors' and employees' compensation.

Explanatory Note:

The Company's 2018 employees' remuneration of NT\$34,055,828 and Directors remuneration of NT\$22,703,885 are issued entirely in cash in accordance with the Company's "Articles of Incorporation."

4. To report 2018 execution status of Endorsements and Guarantees.

Explanatory Note:

(1) The Company's balance amount of endorsements and guarantees for subsidiaries as of December 31, 2018 is NT\$3,305,312,000.

- (2) The report on endorsements and guarantees is hereby submitted to the shareholders' meeting in accordance with the Company's Procedures for Making Endorsements and Guarantees.

III. Ratification Items:

1. Ratification of the 2018 Business report and Financial Statements. (Proposed by the Board of Directors)

Explanatory Note:

The Company's 2018 financial statements have been formulated in accordance with regulations. The statements have been audited by the CPA and reviewed by the Audit Committee; no inconsistencies have been found. Related information has been provided in Attachments 1-3.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,454,207 (41,770,035)	96.83	4,503 (4,503)	0	6,161,478 (6,029,478)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

2. Ratification of 2018 retained earnings distribution proposal. (Proposed by the Board of Directors)

Explanatory Note:

- (1) The Company's net income after taxes in 2018 of NT\$1,051,417,745 (denomination same below), plus undistributed earnings from the previous year of \$1,528,807,507, adjustments for adoption of IFRS 9 Financial Instruments \$1,068,262,489 and the retained earnings for long-term share investment adjustment of (\$2,676,652), minus the actuarial (loss) gains listed in retained earnings of \$23,562,919 and reversal of special capital reserve \$69,484,498 equals the amount available for distribution of \$3,691,732,668. Excluding the legal reserve of \$105,141,774, the proposed cash dividend is \$3.8 per share. Calculated on the basis of the total number of 269,393,304 shares issued by the Company, the dividends total \$1,023,694,555.
- (2) In compliance with the calculation of the undistributed surplus earnings provided in Article 66-9 of the Income Tax Act, the earnings from 2018 are prioritized for distribution.
- (3) The shareholders' meeting is requested to authorize the Chairman to process related matters regarding the baseline date for cash dividends and the issuance of cash dividends following resolution in the general shareholders' meeting.
- (4) With regard to the preceding distribution proposal, the Chairman is authorized to process related matters if the Company transfers (or repurchases) the Company's

shares or transfers, converts, or cancels the Company's treasury stocks and causes changes to the number of shares in external circulation and changes in the distributable dividends per share before the baseline date of the distribution of dividends in accordance with Article 28-2 of the Securities and Exchange Act.

(5) The 2018 earning distribution table has been provided in Attachment 4.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,660,885 (41,976,713)	96.93	4,830 (4,830)	0	5,954,473 (5,822,473)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

IV. Discussion Items(I):

1. Discussion of the distributing cash dividends from the Capital Surplus. (Proposed by the Board of Directors)

Explanatory Note:

- (1) The value of the capital reserve in the Company's 2018 Financial Report exceeding the income on premiums of stocks issued at values exceeding their nominal value was NT\$4,964,758,467 (denomination same below). The proposal, in accordance with Article 241 of the Company Act, includes setting aside cash of \$323,271,965 to be distributed to shareholders from the income on premiums of stocks issued at values exceeding their nominal value.
- (2) The Company has issued a total of 269,393,304 shares. The dividend from the capital reserve is proposed at \$1.2 per share for a total of \$323,271,965, which shall be distributed based on the number of shares held by each shareholder in accordance with the Company's shareholders list on the baseline date. The shareholders' meeting is requested to authorize the Chairman to process related matters regarding the baseline date for issuing the capital reserve and the issuance of capital reserve following resolution in the shareholders' meeting.
- (3) The Chairman is authorized to process related matters if the Company hereafter transfers (or repurchases) the Company's shares or transfers, converts, or cancels the Company's treasury stocks and causes changes to the number of shares in external circulation and changes the distribution of capital reserve before the baseline date of the distribution of capital reserve in accordance with Article 28-2 of the Securities and Exchange Act.
- (4) Regarding the current proposal to distribute cash dividend from the Company's capital reserve, income on premiums of stocks issued at values exceeding their nominal value in the capital reserve from before January 1, 2007 shall be prioritized for distribution.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,660,297 (41,976,125)	96.92	5,832 (5,832)	0	5,981,059 (5,822,059)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

2. Discussion of the amendment to the Articles of Incorporation. (Proposed by the Board of Directors)

Explanatory Note:

Amendments on the Articles of Incorporation according to the Company Act and the

Company's practical operation. The comparison table of amended articles has been included in Attachment 5.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,274,247 (41,579,075)	96.72	402,462 (402,462)	0	5,970,479 (5,822,479)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

3. Discussion of the amendment to the Procedures for the Acquisition and Disposal of Assets. (Proposed by the Board of Directors)

Explanatory Note:

Amendments on the Procedures content and the Company's practical operation were made in response to the Financial Supervisory Commission order No. 1070341072 dated November 26, 2018. The comparison table of amended articles has been included in Attachment 6.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,658,594 (41,963,422)	96.92	17,835 (17,835)	0	5,970,759 (5,822,759)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

4. Discussion of the amendment to the Procedures for Loaning of Funds. (Proposed by the Board of Directors)

Explanatory Note:

Amendments on the Procedures content and the Company's practical operation were made in response to the Financial Supervisory Commission order No. 1080304826 dated March 7, 2019. The comparison table of amended articles has been included in Attachment 7.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,657,979 (41,962,807)	96.92	15,450 (15,450)	0	5,973,759 (5,825,759)

*including votes casted by e-voting (numbers in brackets)
RESOLVED, the above proposal was accepted as submitted.

5. Discussion of the amendment to the Procedures for Making of Endorsements and Guarantees. (Proposed by the Board of Directors)

Explanatory Note:

Amendments on the Procedures content and the Company's practical operation were made in response to the Financial Supervisory Commission order No. 1080304826 dated March 7, 2019. The comparison table of amended articles has been included in Attachment 8.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,656,981 (41,961,809)	96.92	19,451 (19,451)	0	5,970,756 (5,822,756)

*including votes casted by e-voting (numbers in brackets)
RESOLVED, the above proposal was accepted as submitted.

V. Directors Election:

1. To elect thirteen Directors (including three Independent Directors). (Proposed by the Board of Directors)

Explanatory Note:

(1) Upon the expiration of the terms of all SYSTEX Directors, the Board of Directors resolved that thirteen Directors (including three Independent Directors) will be elected at this Annual Shareholders' Meeting. The tenure of newly elected directors shall be 3 years, commencing on June 13, 2019 and expiring on June 12, 2022.

(2) The directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Act. The directors shall be elected from the nominated candidates, whose education and professional qualifications, experience and relevant information, as well as the rationale for nomination of independent directors who have served for three or more consecutive terms, has been included in Attachment 9-10.

Election result: Newly Elected Directors list:

Title	Shareholder No./ ID No.	Name	Votes Received
Director	834	Huang, Tsong-Jen	359,650,259
Independent Director	A1003*****	Huang, Jih-Tsan	221,698,413

Independent Director	1101	Lai, Chien-Hua	221,143,128
Independent Director	X1001*****	Cheng, Wen-Feng	216,142,565
Director	1043	Lin, Lung-Fen	212,575,354
Director	951	Cheng, Deng-Yuan	196,961,769
Director	3	Lu, Ta-Wei	151,511,665
Director	1656	Shaw, Shung-Ho	132,698,912
Director	101474	Hsieh, Chin-Ho	131,907,294
Director	69453	Huang, Ting-Rong	131,860,787
Director	69454	Huang, Chi-Rong	131,853,836
Director	583	Lin, Chih-Min*	131,678,500
Director	583	Wu, Cheng-Huan *	131,124,344

* Representative of Joway Investment Co., Ltd.

VI. Discussion Items(II):

1. To release the non-competition restriction on directors. (Proposed by the Board of Directors)

Explanatory Note:

- (1) According to Article 209 of the Company Act, a Director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the Shareholders' Meeting the essential contents of such an act and secure its approval.
- (2) If the Director candidate to be elected as the 9th Board of Directors actually does anything for themselves or on behalf of another person within the scope of the Company's business as follows, it is proposed to release the non-competition restriction for the would-be newly elected directors and their representatives at the annual Shareholders' Meeting of Year 2019. The list of other position of director & independent director candidates has been included in Attachment 11 (In Handbook for the 2019 Annual Meeting of Shareholders).

Resolution:

Huang, Tsong-Jen

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,912,238 (32,217,066)	91.91	9,327,550 (9,327,550)	0	6,407,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Lin, Lung-Fen

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
187,049,284 (40,354,112)	96.09	1,243,504 (1,243,504)	0	6,354,400 (6,206,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Cheng, Deng-Yuan

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,912,238 (32,217,066)	91.91	9,327,550 (9,327,550)	0	6,407,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Lu, Ta-Wei

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,912,238 (32,217,066)	91.91	9,327,550 (9,327,550)	0	6,407,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Shaw, Shung-Ho

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,912,838 (32,217,666)	91.91	9,326,950 (9,326,950)	0	6,407,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Hsieh, Chin-Ho

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,910,238 (32,215,066)	91.91	9,329,550 (9,329,550)	0	6,407,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Huang, Ting-Rong

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,912,238 (32,217,066)	91.91	9,327,550 (9,327,550)	0	6,407,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Huang, Chi-Rong

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,912,238 (32,217,066)	91.91	9,327,550 (9,327,550)	0	6,407,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Lin, Chih-Min (Representative of Joway Investment Co., Ltd.)

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,901,838 (32,217,666)	91.91	9,326,950 (9,326,950)	0	6,418,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Wu, Cheng-Huan (Representative of Joway Investment Co., Ltd.)

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
178,901,838 (32,217,666)	91.91	9,326,950 (9,326,950)	0	6,418,400 (6,259,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Huang, Jih-Tsan

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,202,464 (41,518,292)	96.68	79,324 (79,324)	0	6,365,400 (6,206,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Cheng, Wen-Feng

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,213,462 (41,518,290)	96.69	79,326 (79,326)	0	6,354,400 (6,206,400)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

Lai, Chien-Hua

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
188,213,462 (41,518,290)	96.69	79,427 (79,427)	0	6,354,299 (6,206,299)

*including votes casted by e-voting (numbers in brackets)

RESOLVED, the above proposal was accepted as submitted.

VII. Extemporary Motions: None.

VIII. Meeting Adjourned: 10:20 a.m., Friday, June 13, 2019

Attachment 1

System Corporation 2018 Business report

I. Foreword

In 2018, SYSTEX proposed "AI4IA, AI for Industry Applications" as a main theme to help corporate customers to enhance their operational efficiency or elevate marketing benefits by applying SYSTEX AI Applications. On the trend of new technology, corporations and organizations are gradually transforming into digital transformation. Since customer demands have increased significantly along with our correct strategy and the efforts of the operation team and employees, our turnover in 2018 has continued to grow and reach historic new heights.

II. Summary of 2018 Operational Outcomes

In 2018, SYSTEX achieved an operating revenue of NT\$ (same below) 6,353,272,000, a 7.68% increase from 2017. Our net income after tax in 2018 was \$1,051,418,000. The consolidated revenue in 2018 was \$19,515,989,000, an increase of 15.66% from 2017. The consolidated net income after tax in 2018 (excluding non-controlling equities) was \$1,051,418,000 and earnings per share was \$4.27.

III. Summary of 2018 Business Operations and Services

Under the main theme of "AI4IA, AI for Industry Applications", SYSTEX invested resources in the following three directions, which shows in the 2018 operational outcome:

■ Make effort for the budget from corporate and government digital transformation

Actively make effort for the budget from the government prospective plan and acquire hardware facility resources from the Ministry of the Interior's Land Administration to expand and integrate improvements, reaching 90% of market shares in the field of land administration; The increasing demand from corporate digital transformation has driven an explosive growth of Microsoft cloud service market in China, which continues to maintain SYSTEX's position as the top Microsoft distributor across the Taiwan Straits; Extensively manage big clients, provide digital transformation strategy and planning consulting services, win benchmark projects from large corporate clients. All mentioned above are the reasons for SYSTEX to become a long-term strategic partner for corporations who are undergoing digital transformation.

- **Expand cross-border/cross-boundary/cross-domain collaboration opportunities**

The topic of smart manufacturing continues to take effect, SYSTEX integrates our specialties in IT (Information Technology) and OT (Operation Technology) to help customers in the manufacturing industry to lay the foundation for digital transformation and further grasp their opportunities in smart manufacturing; SYSTEX also grasp the demands of customers in the financial industry for AI in RegTech/InsurTech/FinTech, creating diverse applications including anti-money laundering, insurance payout, mobile insurance, and smart financial management.

- **Integration and expansion of cooperative alliances within the ecosystem**

Work with cross-border innovative partners and strategically cooperate with startup unicorns, enhancing the uniqueness of products and increasing the usage of software services; Create alliances with distributors/dealers, expand market channel collaboration, reset group resources to improve product combination, and create win-win opportunities with partners in the ecosystem; Connect and integrate finance/retail/payment innovation and channels, provide innovative application service, grasp data value for clients, such as smart billing management and integrated marketing services, integrating the full-view of financial CRM platform in the mobile financial management app, foreign exchange blockchain application platform, e-voucher "Seeker Voucher" service, automated equipment, and application of robots in the field of smart retail.

IV. The effect of external competition, the legal environment, and the overall business environment

The US-China trade war brought uncertainties to the global financial environment in 2019. Along with major international events such as the Fed interest rate decision, emerging market trend, and the UK hard Brexit, economic development in recent is full of variables; Domestically, telecommunications companies and OEMs have been transitioning towards SI, causing increased competition; However, the government has continued to push prospective plans and digital government policies, which are conducive to drive the digital transformation of the private sector and bring more business opportunities which are expected to benefit the cloud service market. Furthermore, the relaxing of finance laws coupled with the overall trend of FinTech and AI integration also increased the demand for digital transformation related applications in the finance, insurance, and retail industries.

V. 2019 Operational Plan

In order to follow the behaviors of different customers and undergo digital transformation within different industries, SYSTEX will demonstrate our leadership in the ecosystem and

help companies to use AI and other digital technologies to collect, analyze, and examine vast amounts of data, create data value, and adopt more macroscopic application strategies and decision-making, assisting corporate customers to create multi-faceted digital transformations for different industries, and making ourselves to become the AI digital transformation partner for corporations. The following is an overview of this year's strategic focus:

- Help corporations to transit to the cloud, creating a one-step full stack value chain

In the future, every corporation will transit to cloud services. SYSTEX will actively compete for business opportunities for cloud services across the Taiwan Strait by providing comprehensive cloud services from cloud installation, including planning, setup, and consultation for public or private cloud system structures, cloud usage, and covering all kinds of cloud application, cloud management, monitoring mechanisms like user fees reminder management and system monitoring, to cloud protection, backup, security maintenance, and disaster recovery preparation.

- Promote AI digital transformation for corporations with 5A capabilities

5A stands for AP, API, App, Appliance, and Algorithm. 5A is the foundation of corporate AI digital transformation. In order to assist customers in AI digital transformation, SYSTEX will invest resources to further train talents with 5A skills to meet corporations' needs for digital transformation. Furthermore, SYSTEX will redistribute group resources to increase the proportions of 5A services, especially for the five major areas of smart operation, smart combat, smart manufacturing, smart cloud, and smart information security to satisfy the growing demand of corporations and create more room for growth for SYSTEX.

- Continue to make alliances to expand the ecosystem

Continue to distribute/deal products and services of international AI partners and cooperate with AI startups, integrating one another's resources, deepening the core strengths of cross-domain operation, cross-industry integration, and cross-border development, including the growth of software capabilities, strengthening of human resources, and OP service alliances; At the same time, we will integrate finance/retail/payment industry ecosystems, expand cooperation and connection to cultivate the regional economy, lead the cross-domain/cross-industry/cross-border ecosystem to create opportunities for growth that would benefit all.

VI. Future development strategy

We talked about "heterogeneous platform data integration" in 2016, "digital transformation" in 2017, to "AI4IA, AI for Industry Applications" in 2018. This year, we will focus on "Digital Transformation with AI". SYSTEX has always kept up with current

international IT trends. SYSTEX positions itself as a data company that sells software services, operates the market across the Taiwan Strait, provides customers with cloud services in the four main facets of cloud installation, cloud usage, cloud management, and cloud protection, and continues to strengthen core capabilities based on the 5A structure, using AP/API/ App/Appliance/Algorithm 5A cross-border software to integrate data and monetize data, and finally make ourselves become the best choice to all of our customers and partners in the field of Digital Transformation with AI.

Chairman Huang, Tsong-Jen

President Lin, Lung-Fen

Accounting Manager Cheng, Yuan-Yih

Attachment 2

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Systex Corporation

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2018 are addressed as follows:

Valuation of Accounts Receivable

As of December 31, 2018, accounts receivable amounted to \$3,632,563 thousand. When evaluating impairment of accounts receivable, the management uses the expected credit loss model based on the lifetime expected credit loss. The valuation of accounts receivable involves accounting estimates and assumptions determined by the management. Therefore, we consider the valuation of accounts receivable as a key audit matter. For the disclosures related to accounts receivable, refer to Notes 5 and 13 to the consolidated financial statements.

Our audit procedures for the abovementioned key audit matter included the following:

1. We obtained the reports of accounts receivable impairment and assessed the reasonableness of the methodology and data used in the reports.
2. We tested the accounts receivable aging schedule and reviewed the calculation of expected credit loss for reasonableness of the recognized expected credit loss on accounts receivable.
3. We tested the recoverability of accounts receivables by analyzing overdue accounts and by verifying cash receipts in the subsequent period. For a receivable that was past due but not yet received, we assessed the reasonableness of the expected credit loss based on the customer's payment history, customer credit control and tracking of overdue accounts receivable.

Other Matter

We did not audit the financial statements as of and for the year ended December 31, 2017 of SoftMobile Technology Corporation, Rainbow Tech Information (HK) Limited and Systex Information (H.K.) Ltd., which are all consolidated subsidiaries. The aggregate assets of these subsidiaries as of December 31, 2017 amounted to \$468,683 thousand, or 2.42% of the consolidated assets. The aggregate net operating revenues of these subsidiaries in 2017 were \$1,183,995 thousand, or 7.02% of the consolidated net operating revenues. We also did not audit the financial statements as of and for the year ended December 31, 2017 of Sanfran Technologies, Mohist Web Technology Co., Limited and Forms Syntron Information (Shenzhen) Limited, the investments in which were accounted by the equity method in the accompanying consolidated financial statements. The aggregate carrying amounts of these investments accounted by equity method as of December 31, 2017, including those reclassified to noncurrent assets held for sale, were \$801,036 thousand, or 4.14% of the consolidated assets. The aggregate amount of the share in their profit and other comprehensive income in 2017 was \$40,158 thousand, or 5.34% of the consolidated comprehensive income. The financial statements of the abovementioned subsidiaries and investees were audited by other auditors whose reports have been provided to us and, our opinion, insofar as it relates to the amounts included for these subsidiaries and investees, is based solely on the reports of the other auditors.

We have also audited the parent company only financial statements of Systex Corporation as of and for the years ended December 31, 2018 and 2017 on which we have issued an unmodified report with other matter paragraph.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Shu-Wan Lin and Shiow-Ming Shue.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

Notice to Readers

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

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

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,815,309	14	\$ 3,708,235	19
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,079,485	15	3,222,285	17
Available-for-sale financial assets (Notes 4 and 11)	-	-	16,561	-
Debt investments with no active market - current (Notes 4 and 12)	-	-	357,120	2
Notes receivable, net (Notes 4 and 13)	70,881	-	64,837	1
Accounts receivable, net (Notes 4, 5, 13 and 29)	3,632,563	18	3,217,198	17
Other receivables (Notes 30 and 31)	264,386	1	204,277	1
Inventories (Notes 4 and 14)	2,894,176	15	2,910,565	15
Prepayments	934,370	5	836,115	4
Refundable deposits - current	320,128	2	220,715	1
Other current assets (Note 29)	50,868	-	63,149	-
Total current assets	<u>14,062,166</u>	<u>70</u>	<u>14,821,057</u>	<u>77</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,679,823	8	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	111,870	1	-	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	500,000	3	-	-
Financial assets measured at cost - non-current (Notes 4 and 15)	-	-	509,150	3
Debt investments with no active market-non-current (Notes 4 and 12)	-	-	574,400	3
Investments accounted for using equity method (Notes 4 and 17)	1,240,816	6	1,153,527	6
Property, plant and equipment (Notes 4, 18 and 30)	1,913,330	10	1,940,525	10
Computer software (Note 4)	58,359	-	51,368	-
Goodwill (Notes 4 and 25)	26,703	-	-	-
Other intangible assets (Note 4)	31,012	-	-	-
Deferred tax assets (Notes 4 and 23)	75,600	-	54,870	-
Refundable deposits - non-current (Note 31)	189,310	1	162,086	1
Long-term receivables (Notes 4 and 13)	600	-	4,944	-
Other non-current assets (Notes 30 and 31)	89,874	1	92,243	-
Total non-current assets	<u>5,917,297</u>	<u>30</u>	<u>4,543,113</u>	<u>23</u>
TOTAL	<u>\$ 19,979,463</u>	<u>100</u>	<u>\$ 19,364,170</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 19 and 30)	\$ 815,925	4	\$ 1,460,053	7
Notes and accounts payable (Note 29)	3,193,059	16	3,100,522	16
Contract liabilities (Note 4)	1,071,102	5	1,081,130	6
Other payables	1,094,195	6	902,169	5
Current tax liabilities (Notes 4 and 23)	126,689	1	62,039	-
Other current liabilities	191,400	1	160,581	1
Total current liabilities	<u>6,492,370</u>	<u>33</u>	<u>6,766,494</u>	<u>35</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 23)	5,938	-	5,023	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	273,652	1	263,637	1
Other non-current liabilities	12,552	-	6,860	-
Total non-current liabilities	<u>292,142</u>	<u>1</u>	<u>275,520</u>	<u>1</u>
Total liabilities	<u>6,784,512</u>	<u>34</u>	<u>7,042,014</u>	<u>36</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 21)				
Common shares	2,693,933	14	2,693,933	14
Capital surplus	6,729,035	34	7,363,072	38
Retained earnings				
Legal reserve	1,014,689	5	896,914	5
Special reserve	453,327	2	64,494	-
Unappropriated earnings	3,622,248	18	2,708,899	14
Total retained earnings	5,090,264	25	3,670,307	19
Other equity	(383,842)	(2)	(453,327)	(2)
Treasury shares	(1,003,629)	(5)	(1,003,629)	(5)
Total equity attributable to owners of the Corporation	13,125,761	66	12,270,356	64
NON-CONTROLLING INTERESTS (Note 21)	<u>69,190</u>	<u>-</u>	<u>51,800</u>	<u>-</u>
Total equity	<u>13,194,951</u>	<u>66</u>	<u>12,322,156</u>	<u>64</u>
TOTAL	<u>\$ 19,979,463</u>	<u>100</u>	<u>\$ 19,364,170</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 21, 2019)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4 and 29)				
Sales	\$ 14,304,148	73	\$ 12,181,047	72
Less: Sales returns and allowances	<u>40,380</u>	<u>-</u>	<u>86,183</u>	<u>-</u>
Net sales	14,263,768	73	12,094,864	72
Service revenue	5,188,203	27	4,706,829	28
Other operating revenue	<u>64,018</u>	<u>-</u>	<u>72,586</u>	<u>-</u>
Total operating revenues	<u>19,515,989</u>	<u>100</u>	<u>16,874,279</u>	<u>100</u>
OPERATING COSTS (Notes 4, 22 and 29)				
Cost of goods sold	12,224,462	63	10,350,367	61
Service cost	2,246,078	11	1,967,169	12
Other operating cost	<u>11,238</u>	<u>-</u>	<u>23,015</u>	<u>-</u>
Total operating costs	<u>14,481,778</u>	<u>74</u>	<u>12,340,551</u>	<u>73</u>
GROSS PROFIT	<u>5,034,211</u>	<u>26</u>	<u>4,533,728</u>	<u>27</u>
OPERATING EXPENSES (Notes 20, 22 and 29)				
Selling expenses	3,524,984	18	3,194,696	19
General and administrative expenses	368,538	2	359,085	2
Research and development expenses	<u>452,967</u>	<u>2</u>	<u>440,821</u>	<u>3</u>
Total operating expenses	<u>4,346,489</u>	<u>22</u>	<u>3,994,602</u>	<u>24</u>
PROFIT FROM OPERATIONS	<u>687,722</u>	<u>4</u>	<u>539,126</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates (Notes 4 and 17)	44,296	-	66,479	1
Interest income (Note 4)	40,237	-	48,528	-
Dividend income (Note 4)	76,717	1	47,243	-
Other income, net (Note 29)	48,087	-	56,818	-
Gain on sale of investments, net (Note 22)	601,223	3	478,622	3
Foreign exchange gain (loss), net (Note 4)	(10,379)	-	34,492	-
Gain (loss) on financial assets at fair value through profit or loss, net (Note 4)	(222,621)	(1)	98,992	1
Interest expense	(30,513)	-	(32,359)	-
Other expenses	(2,131)	-	(4,227)	-
Gain on disposal of property, plant and equipment, net (Note 4)	8,589	-	4,229	-
Impairment loss on assets (Notes 4 and 22)	<u>-</u>	<u>-</u>	<u>(37,783)</u>	<u>-</u>
Total non-operating income and expenses	<u>553,505</u>	<u>3</u>	<u>761,034</u>	<u>5</u>

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	1,241,227	7	1,300,160	8
INCOME TAX EXPENSE (Notes 4 and 23)	<u>191,055</u>	<u>1</u>	<u>127,042</u>	<u>1</u>
NET INCOME	<u>1,050,172</u>	<u>6</u>	<u>1,173,118</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	(26,385)	-	(32,743)	-
Unrealized gain (loss) on equity instruments at fair value through other comprehensive income	860	-	-	-
Share of the other comprehensive income of associates accounted for using the equity method	5	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 20)	<u>2</u>	<u>-</u>	<u>(151)</u>	<u>-</u>
	<u>(25,518)</u>	<u>-</u>	<u>(32,894)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	80,968	-	(434,475)	(3)
Unrealized loss on available-for-sale financial assets	-	-	(613)	-
Share of the other comprehensive gain (loss) of associates accounted for using the equity method	<u>(17,595)</u>	<u>-</u>	<u>47,070</u>	<u>-</u>
	<u>63,373</u>	<u>-</u>	<u>(388,018)</u>	<u>(3)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>37,855</u>	<u>-</u>	<u>(420,912)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,088,027</u>	<u>6</u>	<u>\$ 752,206</u>	<u>4</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,051,418	5	\$ 1,177,749	7
Non-controlling interests	<u>(1,246)</u>	<u>-</u>	<u>(4,631)</u>	<u>-</u>

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
	<u>\$ 1,050,172</u>	<u>5</u>	<u>\$ 1,173,118</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,089,408	6	\$ 756,949	4
Non-controlling interests	<u>(1,381)</u>	<u>-</u>	<u>(4,743)</u>	<u>-</u>
	<u>\$ 1,088,027</u>	<u>6</u>	<u>\$ 752,206</u>	<u>4</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$4.27</u>		<u>\$4.79</u>	
Diluted	<u>\$4.26</u>		<u>\$4.79</u>	

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

(With Deloitte & Touche audit report dated March 21, 2019)

(Concluded)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation (Notes 4 and 21)												
	Retained Earnings						Other Equity			Treasury Shares	Total	Non-Controlling Interests (Note 21)	Total Equity
	Common Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Instruments	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2017	\$ 2,693,933	\$ 7,634,980	\$ 786,087	\$ -	\$ 2,681,315	\$ 3,467,402	\$ (83,286)	\$ 18,792	\$ -	\$ (1,003,629)	\$ 12,728,192	\$ 31,003	\$ 12,759,195
Appropriation of 2016 earnings													
Legal reserve	-	-	110,827	-	(110,827)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	64,494	(64,494)	-	-	-	-	-	-	-	-
Cash dividends - NT\$3.5 per share	-	-	-	-	(942,877)	(942,877)	-	-	-	-	(942,877)	-	(942,877)
Change in capital surplus from investments in associates accounted for by using equity method	-	54,304	-	-	-	-	-	-	-	-	54,304	-	54,304
Distribution in cash of the capital surplus - NT\$1.5 per share	-	(404,090)	-	-	-	-	-	-	-	-	(404,090)	-	(404,090)
Net income (loss) for 2017	-	-	-	-	1,177,749	1,177,749	-	-	-	-	1,177,749	(4,631)	1,173,118
Other comprehensive income (loss) for 2017	-	-	-	-	(31,967)	(31,967)	(387,405)	(1,428)	-	-	(420,800)	(112)	(420,912)
Total comprehensive income (loss) for 2017	-	-	-	-	1,145,782	1,145,782	(387,405)	(1,428)	-	-	756,949	(4,743)	752,206
Cash dividends received by subsidiaries from the Corporation	-	117,049	-	-	-	-	-	-	-	-	117,049	-	117,049
Disposal of investments accounted for by using equity method	-	(39,171)	-	-	-	-	-	-	-	-	(39,171)	-	(39,171)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	25,540	25,540
BALANCE AT DECEMBER 31, 2017	2,693,933	7,363,072	896,914	64,494	2,708,899	3,670,307	(470,691)	17,364	-	(1,003,629)	12,270,356	51,800	12,322,156
Effect of retrospective application	-	-	-	-	1,068,262	1,068,262	-	(17,364)	22,619	-	1,073,517	1,215	1,074,732
BALANCE AT JANUARY 1, 2018 AS RESTATED	2,693,933	7,363,072	896,914	64,494	3,777,161	4,738,569	(470,691)	-	22,619	(1,003,629)	13,343,873	53,015	13,396,888
Appropriation of 2017 earnings													
Legal reserve	-	-	117,775	-	(117,775)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	388,833	(388,833)	-	-	-	-	-	-	-	-
Cash dividends - NT\$2.5 per share	-	-	-	-	(673,483)	(673,483)	-	-	-	-	(673,483)	-	(673,483)
Distribution in cash of the capital surplus - NT\$2.5 per share	-	(673,483)	-	-	-	-	-	-	-	-	(673,483)	-	(673,483)
Net income (loss) for 2018	-	-	-	-	1,051,418	1,051,418	-	-	-	-	1,051,418	(1,246)	1,050,172
Other comprehensive income (loss) for 2018	-	-	-	-	(26,240)	(26,240)	63,365	-	865	-	37,990	(135)	37,855
Total comprehensive income (loss) for 2018	-	-	-	-	1,025,178	1,025,178	63,365	-	865	-	1,089,408	(1,381)	1,088,027
Cash dividends received by subsidiaries from the Corporation	-	117,049	-	-	-	-	-	-	-	-	117,049	-	117,049
Actual acquisitions of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	1,499	1,499
Disposal of investments accounted for by using equity method	-	(77,603)	-	-	-	-	-	-	-	-	(77,603)	-	(77,603)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	16,057	16,057
BALANCE AT DECEMBER 31, 2018	\$ 2,693,933	\$ 6,729,035	\$ 1,014,689	\$ 453,327	\$ 3,622,248	\$ 5,090,264	\$ (407,326)	\$ -	\$ 23,484	\$ (1,003,629)	\$ 13,125,761	\$ 69,190	\$ 13,194,951

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

(With Deloitte & Touche audit report dated March 21, 2019)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,241,227	\$ 1,300,160
Adjustments for :		
Depreciation expenses	106,052	114,811
Amortization expenses	30,727	43,620
Expected credit loss recognized	4,084	-
Provision for allowance for doubtful accounts	-	6,057
Loss (gain) on financial assets at fair value through profit or loss, net	222,621	(98,992)
Interest expense	30,513	32,359
Interest income	(40,237)	(48,528)
Dividend income	(76,717)	(47,243)
Share of profit of associates	(44,296)	(66,479)
Gain on disposal of property, plant and equipment, net	(8,589)	(4,229)
Gain on sale of non-current assets held for sale	-	(193,003)
Gain on sale of investments accounted for using equity method	(401,599)	(257,467)
Impairment loss on financial assets	-	4,129
Impairment loss on non-financial assets	-	33,654
Write-down of inventories	58,245	12,731
Unrealized loss on foreign currency exchange, net	2,116	8,982
Changes in operating assets and liabilities		
Increase in financial assets held for trading	-	(328,122)
Increase in financial assets mandatorily classified as at fair value through profit or loss	(112,511)	-
(Increase) decrease in notes receivable	(3,791)	2,742
Increase in accounts receivable	(213,097)	(52,500)
(Increase) decrease in other receivables	(55,654)	17,889
Decrease (increase) in inventories	118,567	(504,184)
Increase in prepayments	(81,346)	(5,995)
Decrease (increase) in other current assets	12,545	(10,066)
(Decrease) increase in contract liabilities	(86,786)	208,421
(Decrease) increase in notes and accounts payable	(121,103)	253,029
Increase in other payables	144,988	13,227
Increase in other current liabilities	28,058	50,410
Decrease in net defined benefit liabilities	(40,011)	(15,485)
Cash generated from operations	714,006	469,928
Interest paid	(30,394)	(32,258)
Income tax paid	(127,657)	(218,027)
Net cash generated from operating activities	<u>555,955</u>	<u>219,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(47,520)	-
Return of capital from capital reduction of financial assets at fair value through other comprehensive income	1,008	-

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
Proceeds on sale of financial assets at amortized cost	357,120	-
Acquisition of debt investments with no active market	-	(32,705)
Acquisition of financial assets measured at cost	-	(88,465)
Return of capital from capital reduction of financial assets measured at cost	-	7,064
Acquisition of investments accounted for using equity method	(324,840)	(33,600)
Proceeds on sale of investments accounted for using equity method	589,935	344,010
Acquisition of subsidiaries (Note 25)	(64,697)	-
Proceeds on sale of non-current assets held for sale	-	275,370
Payments for property, plant and equipment	(93,613)	(61,655)
Proceeds on disposal of property, plant and equipment	18,516	13,530
Increase in refundable deposits	(103,091)	(56,507)
Payments for intangible assets	(37,224)	(16,360)
Decrease in long-term receivables	4,344	49,251
Increase in pledged time deposits	(3,066)	(7,973)
Increase in time deposits with original maturities of more than 3 months	-	(268,614)
(Decrease) increase in other non-current assets	5,458	(4,732)
Interest received	44,272	45,024
Dividends received	76,717	47,341
Dividends received from associates	<u>23,558</u>	<u>31,057</u>
Net cash generated from investing activities	<u>446,877</u>	<u>242,036</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(696,043)	441,084
(Decrease) increase in guarantee deposits received	(3,586)	420
Dividends paid	(673,483)	(942,877)
Increase in non-controlling interests	16,057	25,540
Cash dividends received by subsidiaries from the Corporation	117,049	117,049
Distribution in cash from the capital surplus	<u>(673,483)</u>	<u>(404,090)</u>
Net cash used in financing activities	<u>(1,913,489)</u>	<u>(762,874)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>17,731</u>	<u>(235,852)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(892,926)	(537,047)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>3,708,235</u>	<u>4,245,282</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,815,309</u>	<u>\$ 3,708,235</u>

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

(With Deloitte & Touche audit report dated March 21, 2019)

(Concluded)

Attachment 3

Audit Committee's Review Report

The Board of Directors has prepared and submitted the 2018 business report, financial statements, and earnings distribution proposal, of which the financial statements have been audited by Deloitte. These have been reviewed by the Audit Committee as correctly portraying SYSTEX's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219, 228 of the Company Act, this report is submitted for your examination.

System Corporation
Audit Committee Convener:

Huang, Jih-Tsan

March 21, 2019

Attachment 4

Systemx Corporation
Earnings Distribution Proposal
December 31, 2018

Unit: NTD

Items	Amount	
	Subtotal	Total
Beginning unappropriated earnings		1,528,807,507
Adjustment for adoption of IFRS 9 Financial Instruments	1,068,262,489	
Adjustment for investments accounted for using equity method	(2,676,652)	
Remeasurement on net defined benefit plan	(23,562,919)	
Add: Net income of 2018	1,051,417,745	
Add: Reversal of special capital reserve	69,484,498	
Earnings available for distribution		3,691,732,668
Distribution items		
Legal reserve	(105,141,774)	
Cash dividends (NT\$3.8/per share)	(1,023,694,555)	
Total distribution		(1,128,836,329)
Ending unappropriated earnings		2,562,896,339

Chairman	Huang, Tsong-Jen
President	Lin, Lung-Fen
Accounting Manager	Cheng, Yuan-Yih

Attachment 5

System Corporation

Table of Comparison of Amendments to the Articles of Incorporation

Before Amendments	After Amendments	Remark
<p>Article 21: The Company's fiscal year begins on January 1 and ends on December 31 of every year. The fiscal year shall end on the last day of the Gregorian calendar and the Board shall prepare the following documents and submit them to the Audit Committee for review before ratification in the General Shareholders' Meeting.</p> <p>(I) Business report. (II) Financial Statements. (III) Distribution of earnings or loss offsetting proposals.</p>	<p>Article 21: The Company's fiscal year begins on January 1 and ends on December 31 of every year. The fiscal year shall end on the last day of the Gregorian calendar and the Board shall prepare the following documents and submit them to the Audit Committee for review before ratification in the General Shareholders' Meeting.</p> <p>(I) Business report. (II) Financial Statements.</p>	<p>According to the Company Act, after the board of directors is authorized to distribute the surplus in cash, the general shareholders' meeting only needs to recognize the business report and financial statements, so the third item is deleted.</p>
<p>Article 22: In response to the overall economy and the characteristics of industry growth and in compliance with the Company's long-term financial plans for sustainable operations and stable development, the Company adopts a residual dividend policy. The policy mainly assesses the annual funding requirements based on the Company's future capital budget plans and retains required funding from earnings before distributing remaining earnings as dividend. The distribution procedures are as follows:</p>	<p>Article 22: In response to the overall economy and the characteristics of industry growth and in compliance with the Company's long-term financial plans for sustainable operations and stable development, the Company adopts a residual dividend policy. The policy mainly assesses the annual funding requirements based on the Company's future capital budget plans and retains required funding from earnings before distributing remaining earnings as dividend. The distribution procedures are as follows:</p>	<p>According to the provisions of the Company Act, the statutory surplus reserve and capital reserve shall be distributed in cash or in cash, authorizing the board of directors to For this, and report to the</p>

Before Amendments	After Amendments	Remark
<p>(I) The optimal capital budget is determined.</p> <p>(II) The amount of capital required to satisfy the capital budget in paragraph (I) is determined.</p> <p>(III) The amount of funding required for financing to be supported by the retained earnings (the remaining can be supported through cash capital increase or corporate bonds etc.) is determined.</p> <p>(IV) An appropriate amount of the remaining earnings shall be retained in accordance with operational requirements before distributing dividends to shareholders.</p> <p>The Company distributes dividends through cash or stocks and cash dividends are prioritized. If dividends are distributed in stocks, the stock dividends shall not exceed 50% of the total dividends issued in the current year. The distribution of dividends may be dependent on the Company's current and future investment environment, funding requirements, domestic and foreign competition, and capital budgets while taking into consideration shareholder interests, balanced dividends, and the Company's long-term financial plans. <u>The Board of Directors shall formulate dividend distribution methods or related options in accordance with the law and submit them to the shareholders' meeting for discussion and resolution.</u></p>	<p>(I) The optimal capital budget is determined.</p> <p>(II) The amount of capital required to satisfy the capital budget in paragraph (I) is determined.</p> <p>(III) The amount of funding required for financing to be supported by the retained earnings (the remaining can be supported through cash capital increase or corporate bonds etc.) is determined.</p> <p>(IV) An appropriate amount of the remaining earnings shall be retained in accordance with operational requirements before distributing dividends to shareholders.</p> <p>The Company distributes dividends through cash or stocks and cash dividends are prioritized. If dividends are distributed in stocks, the stock dividends shall not exceed 50% of the total dividends issued in the current year. The distribution of dividends may be dependent on the Company's current and future investment environment, funding requirements, domestic and foreign competition, and capital budgets while taking into consideration shareholder interests, balanced dividends, and the Company's long-term financial plans. <u>Where a plan to distribute stock dividends is in place, the Board of Directors shall formulate relevant proposals in accordance with the law and report to the shareholders' meeting for discussion and resolution.</u></p>	<p>shareholders' meeting.</p>

Before Amendments	After Amendments	Remark
	<p>For the distribution of the preceding surplus, Legal Reserve, and Additional Paid-in Capital, if the distribution is in cash, the Board of Directors shall be authorized to resolve the proposal by at least half of the directors, provided the number of directors present shall be at least two-thirds of the entire Board of Directors, and report to the shareholders' meeting of the earnings distribution or loss appropriation.</p>	
<p>Article 23-1: Any net income after taxes at final accounting of the current period shall be used to compensate cumulative losses while 10% of net income after taxes shall be allocated as statutory reserve according to the law, except when the cumulative statutory reserve has reached the Company's paid-in capital. The balance shall then be allocated or reversed as special reserve in accordance with regulatory requirements. The remaining balance shall be retained or distributed in accordance with the resolution in the shareholders' meeting.</p>	<p>Article 23-1: Any net income after taxes at final accounting of the current period shall be used to compensate cumulative losses while 10% of net income after taxes shall be allocated as statutory reserve according to the law, except when the cumulative statutory reserve has reached the Company's paid-in capital. The balance shall then be allocated or reversed as special reserve in accordance with regulatory requirements, it shall be handled in accordance with relevant regulations.</p>	<p>Since Article 22 has revised the powers of dividend distribution, this article is adjusted to the procedures and basis for the distribution of dividends.</p>

Before Amendments	After Amendments	Remark
<p>Article 25: The Articles of Incorporation were established on Dec. 26, 1996.</p> <p>The 1st ~ the 17th omitted.</p> <p>The 18th Amendment on June 17, 2016.</p> <p>The Articles of Incorporation were implemented after approval in accordance with laws and regulations.</p>	<p>Article 25: The Articles of Incorporation were established on Dec. 26, 1996.</p> <p>The 1st ~ the 17th omitted.</p> <p>The 18th Amendment on June 17, 2016, <u>and the 19th Amendment on June 13, 2019.</u></p> <p>The Articles of Incorporation were implemented after approval in accordance with laws and regulations.</p>	<p>Addition of revision dates.</p>

Attachment 6

Systemx Corporation

Table of Comparison of Amendments to the Procedures for the Acquisition and Disposal of Assets

Before Amendments	After Amendments	Remark
<p>[Applicable Scope]</p> <p>Article 2: These Procedures apply to the following asset categories:</p> <p>I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</p> <p>II. Real property (including land, houses and buildings, investment property, <u>land use rights</u>, inventory in construction business) and equipment.</p> <p>III. Memberships.</p> <p>IV. Patents, copyrights, trademarks, licenses and other intangible assets.</p> <p>V. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>VI. Derivatives.</p> <p>VII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law.</p>	<p>[Applicable Scope]</p> <p>Article 2: These Procedures apply to the following asset categories:</p> <p>I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</p> <p>II. Real property (including land, houses and buildings, investment property, inventory in construction business) and equipment.</p> <p>III. Memberships.</p> <p>IV. Patents, copyrights, trademarks, licenses and other intangible assets.</p> <p>V. <u>Right-of-use assets.</u></p> <p>VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>VII. <u>Derivatives.</u></p>	<p>In accordance with the provisions of IFRSs 16 Lease, increase “right-of-use assets” and adjust the number of items.</p>

Before Amendments	After Amendments	Remark
VIII. Other major assets.	<p>VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law.</p> <p>IX. Other major assets.</p>	
<p>[Terms and Definitions]</p> <p>Article 3: Terms used in the Procedures are defined as follows:</p> <p>I. Derivatives: Refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts as well as any combination of the above whose value is derived from <u>assets, interest rates, foreign exchange rates, indices or other interests</u>. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>II. Assets acquired or disposed of through mergers, demergers, acquisitions or transfer of shares: refer to assets that have been acquired or disposed of during a merger, demerger, or acquisition in accordance with the Business Mergers and Acquisitions Act or other relevant laws, or through an arrangement whereby new shares are issued in exchange for another company's shares under Article 156, <u>Paragraph 8</u> of the Company Act.</p> <p>Omitted.</p>	<p>[Terms and Definitions]</p> <p>Article 3 Terms used in the Procedures are defined as follows:</p> <p>I. Derivatives: Refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts as well as any combination of the above whose value is derived from <u>a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives</u>. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>II. Assets acquired or disposed of through mergers, demergers, acquisitions or transfer of shares: refer to assets that have been acquired or disposed of during a merger, demerger, or acquisition in accordance with the Business Mergers and Acquisitions Act or other relevant laws, or through an</p>	<p>Revised wording to clarify definitions.</p>

Before Amendments	After Amendments	Remark
	<p>arrangement whereby new shares are issued in exchange for another company's shares under Article 156-3 of the Company Act.</p> <p>Omitted.</p>	
<p>[Specialists]</p> <p>Article 4: Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall <u>not be a related party of any party to the transaction.</u></p>	<p>[Specialists]</p> <p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall <u>meet the following requirements:</u></p> <p><u>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p>	<p>Defining the negative qualifications of external experts and external experts to issue assessments, check and declarations of valuation reports or opinions to clarify external expert responsibilities.</p>

Before Amendments	After Amendments	Remark
	<p><u>II. May not be a related party or de facto related party of any party to the transaction.</u></p> <p><u>III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <p><u>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p><u>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></p> <p><u>III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p>	

Before Amendments	After Amendments	Remark
	<p><u>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></p>	
<p>[Investment Amount]</p> <p>Article 5: Investments in various assets undertaken by the Company and its subsidiaries are restricted to investment amounts as specified below:</p> <p>I. Purchase of real property for non-business use may not exceed 10% of the Company's paid-in capital.</p> <p>II. Total long-term investment in securities is not subject to the maximum amount of 40% of paid-in capital as stipulated in the Company's Articles of Incorporation. Unless otherwise approved in a shareholders' meeting, investment in a single security may not exceed 30% of the equities attributable to the owners of the parent company as specified in the latest financial statements of the Company.</p> <p>III. Total short-term investment in securities may not exceed 60% of the equities attributable to the owners of the parent company as specified in the latest financial statements of the Company and investment in a single security may not exceed</p>	<p>[Investment Amount]</p> <p>Article 5: Investments in various assets undertaken by the Company and its subsidiaries are restricted to investment amounts as specified below:</p> <p>I. Purchase of real property <u>and right-of-use assets</u> for non-business use may not exceed 10% of the Company's paid-in capital.</p> <p>II. Total long-term investment in securities is not subject to the maximum amount of 40% of paid-in capital as stipulated in the Company's Articles of Incorporation. Unless otherwise approved in a shareholders' meeting, investment in a single security may not exceed 30% of the equities attributable to the owners of the parent company as specified in the latest financial statements of the Company.</p> <p>III. Total short-term investment in securities may not exceed 60% of the equities attributable to the owners of the parent company as specified in the latest financial statements of the</p>	<p>In accordance with the provisions of IFRSs 16 Lease, increase "right-of-use assets".</p>

Before Amendments	After Amendments	Remark
<p>10% of the equities attributable to the owners of the parent company as specified in the latest financial statements of the Company.</p>	<p>Company and investment in a single security may not exceed 10% of the equities attributable to the owners of the parent company as specified in the latest financial statements of the Company.</p>	
<p>Article 10: Special Applicable Procedures: I. Appraisal: (I) In acquiring or disposing of real property <u>or</u> equipment where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government authority, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall appoint an objective and independent professional appraiser to formulate an appraisal report prior to the date of occurrence of the event and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to establish a restrictive price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted advance to the Board of Directors for approval; the same procedures shall <u>be complied with for any future changes to the terms and conditions of the transaction.</u></p>	<p>Article 10: Special Applicable Procedures: I. Appraisal: (I) In acquiring or disposing of real property, <u>equipment or its' right-of-use assets</u> where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a <u>domestic</u> government authority, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or its' right-of-use assets</u> for business use, shall appoint an objective and independent professional appraiser to formulate an appraisal report prior to the date of occurrence of the event and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall <u>also be followed whenever there is any subsequent change to the terms</u></p>	<p>1. In accordance with the provisions of IFRSs 16 Lease, increases "right-of-use assets". 2. Exemptions from transactions with domestic government agencies are exempt from the acquisition of expert opinions. 3. Revised wording.</p>

Before Amendments	After Amendments	Remark
<p>2.-4.Omitted.</p> <p>(II) Omitted.</p> <p>(III) If the dollar amount of <u>memberships</u> or intangible assets to be acquired or disposed of by the Company is 20% or more of the Company's paid-in capital or NT\$300 million or more, except in transactions with a government authority, the Company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; the certified public accountant shall comply with the provisions of Statement of Auditing Standards No. 20.</p> <p>(IV) Omitted.</p> <p>II. Reports to the Board of Directors:</p> <p>(I) ~(IV) Omitted.</p>	<p><u>and conditions of the transaction.</u></p> <p>2.-4. Omitted.</p> <p>(II) Omitted.</p> <p>(III) If the dollar amount of intangible assets <u>or its' right-of-use assets or memberships</u> to be acquired or disposed of by the Company is 20% or more of the Company's paid-in capital or NT\$300 million or more, except in transactions with a <u>domestic</u> government authority, the Company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; the certified public accountant shall comply with the provisions of Statement of Auditing Standards No. 20.</p> <p>(IV) Omitted.</p> <p>II. Reports to the Board of Directors:</p> <p>(I) ~(IV) Omitted.</p>	
<p>Article 12: Evaluation of Transaction Cost:</p> <p>I. When the Company acquires real property from a related party, it shall evaluate the reasonableness of the transaction costs by means of the following methods:</p> <p>(I)~ (II) Omitted.</p> <p>II. Where land and buildings thereupon are combined as a single property purchased in one transaction, the transaction costs</p>	<p>Article 12: Evaluation of Transaction Cost:</p> <p>I. When the Company acquires real property <u>or right-of-use assets thereof</u> from a related party, it shall evaluate the reasonableness of the transaction costs by means of the following methods:</p> <p>(I)~ (II) omitted.</p> <p>II. Where land and buildings thereupon are combined as a single</p>	<p>1. In accordance with the provisions of IFRSs 16 Lease, increases "right-of-use assets".</p> <p>2. Exemption from the evaluation of the transaction cost of the</p>

Before Amendments	After Amendments	Remark
<p>for the land and buildings may be separately appraised in accordance with either of the methods listed above.</p> <p>III. When acquiring real property from a related party, the Company shall appraise the cost of the real property in accordance with Paragraphs 1 and 2 above, and engage a CPA to review the appraisal and render an opinion.</p> <p>IV. Where the Company acquires real property from a related party under any of the following circumstances, the acquisition shall be conducted in accordance with Article 15 and the preceding three paragraphs shall not apply:</p> <p>(I) The real property was acquired in the first place by the related party as an inheritance or gift.</p> <p>(II) More than 5 years have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>(III) Omitted.</p>	<p>property purchased <u>or leased</u> in one transaction, the transaction costs for the land and buildings may be separately appraised in accordance with either of the methods listed above.</p> <p>III. When acquiring real property <u>or right-of-use assets thereof</u> from a related party, the Company shall appraise the cost of the real property <u>or right-of-use assets thereof</u> in accordance with Paragraphs 1 and 2 above, and engage a CPA to review the appraisal and render an opinion.</p> <p>IV. Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party under any of the following circumstances, the acquisition shall be conducted in accordance with Article 15 and the preceding three paragraphs shall not apply:</p> <p>(I) The real property or right-of-use assets thereof was acquired in the first place by the related party as an inheritance or gift.</p> <p>(II) More than 5 years have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets thereof</u> to the signing date for the current transaction.</p> <p>(III) Omitted.</p> <p><u>(IV.) The real property right-of-use assets for business use</u></p>	<p>real property or right-of-use assets for business use between the parent and subsidiary companies or directly and indirectly holding 100% of the subsidiaries.</p> <p>3. Revised wording.</p>

Before Amendments	After Amendments	Remark
	<p style="text-align: center;"><u>are acquired by the company with subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.</u></p>	
<p>Article 13: Principles for Processing Non-Arm's Length Transactions:</p> <p>Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with Article 12 and Article 14 are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>I. A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in the investee, a special reserve shall be set aside pro rata in a proportion consistent with the share of the equity stake in the investee.</p> <p>II. ~ III. Omitted.</p> <p>IV. If the Company has set aside a special reserve under Paragraph 1, it shall not draw on the reserve unless it has recognized the loss on decline in market value of the assets it purchased at a premium; has disposed of the assets or</p>	<p>Article 13: Principles for Processing Non-Arm's Length Transactions:</p> <p>Where the Company acquires real property <u>or its' right-of-use assets</u> from a related party and the results of appraisals conducted in accordance with Article 12 and Article 14 are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>I. A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property <u>or its' right-of-use assets</u> transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in the investee, a special reserve shall be set aside pro rata in a proportion consistent with the share of the equity stake in the investee.</p> <p>II. ~ III. Omitted.</p> <p>IV. If the Company has set aside a special reserve under Paragraph 1, it shall not draw on the reserve unless it has recognized the loss on decline in market value of the assets</p>	<p>In accordance with the provisions of IFRSs 16 Lease, increases "right-of-use assets" and revised wording.</p>

Before Amendments	After Amendments	Remark
<p>made adequate compensation; or has restored the status quo ante; or there is other evidence confirming that there was nothing unreasonable regarding the transaction. Approval from the competent authority is also required.</p> <p>Omitted.</p>	<p>it purchased <u>or leased</u> at a premium; has disposed <u>or the leasing contract has been terminated</u> of the assets or made adequate compensation; or has restored the status quo ante; or there is other evidence confirming that there was nothing unreasonable regarding the transaction. Approval from the competent authority is also required.</p> <p>Omitted.</p>	
<p>Article 14: Standards for Determining Non-Arm's Length Transactions:</p> <p>Where the results of appraisals conducted by the Company in accordance with Article 12 are uniformly lower than the transaction price, the transaction shall be carried out in accordance with regulations in Article 13. However, under the following circumstances and where objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p>I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance that fulfills one of the following conditions:</p> <p>(I) Where the sum of undeveloped land appraised in accordance with the means in the preceding Article and buildings appraised according to the related party's</p>	<p>Article 14: Standards for Determining Non-Arm's Length Transactions:</p> <p>Where the results of appraisals conducted by the Company in accordance with Article 12 are uniformly lower than the transaction price, the transaction shall be carried out in accordance with regulations in Article 13. However, under the following circumstances and where objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p>I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance that fulfills one of the following conditions:</p> <p>(I) Where the sum of undeveloped land appraised in accordance with the means in the preceding Article and buildings appraised according to the related party's</p>	<p>Adjusted according to the Company practical operation.</p>

Before Amendments	After Amendments	Remark
<p>construction cost plus reasonable construction profit are valued in excess of the actual transaction price.</p> <p>(II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p><u>(III) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</u></p> <p>II. Where the Company has provided evidence that the terms and conditions for purchasing the real property from the related party are equivalent to the terms of the transactions concluded in neighboring areas for similarly-sized parcels by other non-related parties within one year.</p>	<p>construction cost plus reasonable construction profit are valued in excess of the actual transaction price.</p> <p>(II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and <u>transaction or leasing terms</u> are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p>II. Where the Company has provided evidence that the terms and conditions for purchasing <u>or leasing</u> the real property <u>or its' right-of-use assets</u> from the related party are equivalent to the terms of the transactions concluded in neighboring areas for similarly-sized parcels by other non-related parties within one year.</p>	
<p>Article 15: Approval by the Board of Directors: When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire</p>	<p>Article 15: Approval by the Board of Directors: When the Company intends to acquire or dispose of real property <u>or its' right-of-use assets</u> from or to a related party, or</p>	<p>1. In accordance with the provisions of IFRSs 16 Lease, increases</p>

Before Amendments	After Amendments	Remark
<p>or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by a domestic securities investment trust enterprise, the Company may not enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:</p> <p>I. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.</p> <p>II. The reason for choosing the related party as a trading counterparty.</p> <p>III. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance Article 12 and Article 14.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from</p>	<p>when it intends to acquire or dispose of assets other than real property <u>or its' right-of-use assets</u> from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% of the company's total assets, or NT\$300 million or more, except in trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by a domestic securities investment trust enterprise, the Company may not enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:</p> <p>I. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.</p> <p>II. The reason for choosing the related party as a trading counterparty.</p> <p>III. With respect to the acquisition of real property <u>or its' right-of-use assets</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance Article 12 and Article 14.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p>	<p>"right-of-use assets".</p> <p>2. Revised wording to clarify definitions.</p> <p>3. Adjusted according to the Company practical operation and revised wording.</p>

Before Amendments	After Amendments	Remark
<p>the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. Professional value's report or CPA's opinion obtained according to the regulations.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be conducted in accordance with Article 29, Paragraph 2 herein. In the meantime, "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the Audit Committee in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of business-use equipment between the Company and its subsidiaries, the Company's Board of Directors authorizes the Chairman of the Board sole discretion to decide such matters in accordance with related regulations in the Procedures when the transaction is within NT\$500 million; the decisions shall be submitted to and retroactively ratified by the next Board of Directors meeting.</p>	<p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. Professional value's report or CPA's opinion obtained according to the regulations.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be conducted in accordance with Article 29, Paragraph 2 herein. In the meantime, "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the Audit Committee in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors authorizes the Chairman of the Board sole discretion to decide such matters in accordance with related regulations in the Procedures when the transaction is</p>	

Before Amendments	After Amendments	Remark
	<p>within NT\$500 million; the decisions shall be submitted to and retroactively ratified by the next Board of Directors meeting:</p> <p><u>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p><u>II. Acquisition or disposal of real property right-of-use assets held for business use.</u></p>	
<p>Article 16: Definitions of Terms for Acquisition of Real Property from Related Parties are as follows:</p> <p>I.~ II. Omitted.</p> <p>III. <u>Completed transactions</u> for neighboring parcels of land: The "<u>completed transactions</u> for neighboring parcels of land" specified in Article 14, Paragraph 1, Subparagraph 2 in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value.</p> <p>IV. Similar land area: The "similar land area" specified in Article 14, Paragraph 1, Subparagraph 2 in principle refers to <u>transactions completed</u> by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction.</p> <p>V. Within the preceding year: The "within the preceding year" specified in Article 14, Paragraph 2 refers to the year preceding the date of occurrence of the acquisition of the</p>	<p>Article 16: Definitions of Terms for Acquisition of Real Property or Its' Right-of-use Assets from Related Parties are as follows:</p> <p>I.~ II. Omitted.</p> <p>III. <u>Transactions</u> for neighboring parcels of land: The "<u>transactions</u> for neighboring parcels of land" specified in Article 14, Paragraph 1, Subparagraph 2 in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value.</p> <p>IV. Similar land area: The "similar land area" specified in Article 14, Paragraph 1, Subparagraph 2 in principle refers to <u>transactions</u> by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction.</p> <p>V. Within the preceding year: The "within the preceding year" specified in Article 14, Paragraph 2 refers to the year preceding the date of occurrence of the acquisition of the</p>	<p>In accordance with the provisions of IFRSs 16 Lease, increases "right-of-use assets" and revised wording.</p>

Before Amendments	After Amendments	Remark
real property.	real property <u>or its' right-of-use assets.</u>	
<p>[Information Disclosure]</p> <p>Article 29: Under any of the following circumstances, the department undertaking the acquisition or disposal of assets shall immediately notify the Shareholder Service Department which shall, within 2 days from the date of occurrence of the event, publicly announce and report relevant information on the acquisition or disposal of assets on the website designated by the competent authority using the specified format:</p> <p>I. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more. This however shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures.</p>	<p>[Information Disclosure]</p> <p>Article 29: Under any of the following circumstances, the department undertaking the acquisition or disposal of assets shall immediately notify the Shareholder Service Department which shall, within 2 days from the date of occurrence of the event, publicly announce and report relevant information on the acquisition or disposal of assets on the website designated by the competent authority using the specified format:</p> <p>I. When the Company intends to acquire or dispose of real property <u>or right-of-use assets thereof</u> from or to a related party, or when it intends to acquire or dispose of assets other than real property <u>or right-of-use assets thereof</u> from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more. This however shall not apply to trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in</p>	<p>1. In accordance with the provisions of IFRSs 16 Lease, increases "right-of-use assets" and revised wording.</p> <p>2. Revised wording to clarify definitions.</p> <p>3. Since the company did not operate the construction business, the fifth item was deleted and the item was adjusted.</p>

Before Amendments	After Amendments	Remark
<p>IV. Where the type of asset acquired or disposed of is equipment for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p>	<p>the Procedures.</p>	
<p>V. <u>Acquisition or disposal by a public company in the construction business of real property for construction use, where the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</u></p>	<p>IV. Where the type of asset acquired or disposed of is equipment <u>or right-of-use assets thereof</u> for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p>	
<p>VI. Where real property is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is more than NT\$500 million.</p>	<p>V. Where real property is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, <u>and furthermore the transaction counterparty is not a related party,</u> and the amount the company expects to invest in the transaction is more than NT\$500 million.</p>	
<p>VII. With the exception of the transaction of assets specified in the <u>six</u> preceding paragraphs or investment conducted in the China region, the amount of any individual transaction, the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year, the cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals,</p>	<p>VI. With the exception of the transaction of assets specified in the <u>five</u> preceding paragraphs or investment conducted in the China region, the amount of any individual transaction, the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year, the cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within</p>	

Before Amendments	After Amendments	Remark
<p>respectively) within the same development project within the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year that reaches 20% of the Company's paid-in capital or NT\$300 million shall be included. This shall not apply to the following circumstances:</p> <p>(I) Trading of government bonds.</p> <p>(II) Trade of bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions specified in the preceding paragraph shall be calculated as follows:</p> <p>I. The amount of any individual transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>III. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and</p>	<p>the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year that reaches 20% of the Company's paid-in capital or NT\$300 million shall be included. This shall not apply to the following circumstances:</p> <p>(I) Trading of <u>domestic</u> government bonds.</p> <p>(II) Trade of bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions specified in the preceding paragraph shall be calculated as follows:</p> <p>I. The amount of any individual transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>III. The cumulative transaction amount of real property <u>or right-of-use assets thereof</u> acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals,</p>	

Before Amendments	After Amendments	Remark
<p>disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. Omitted.</p>	<p>respectively) of the same security within the preceding year. Omitted.</p>	
<p>[Other Matters] Article 34: Supplementary Provisions I.~ V. Omitted. VI. The Procedures was established in October 1999. The 1st ~ the 12th Amendment omitted. The 13th Amendment on June 16, 2017.</p>	<p>[Other Matters] Article 34: Supplementary Provisions I.~ V. Omitted. VI. The Procedures was established in October 1999. The 1st ~ the 12th Amendment omitted. The 13th Amendment on June 16, 2017, <u>and the 14th Amendment on June 13, 2019.</u></p>	<p>Addition of revision dates.</p>

Attachment 7

System Corporation

Table of Comparison of Amendments to the Procedures for Loaning of Funds

Before Amendments	After Amendments	Remark
<p>[Scope]</p> <p>Article 2</p> <p>The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:</p> <p>(1) Companies or firms with which the Company does business.</p> <p>(2) Companies or firms where short-term financing facility is necessary. Short-term refers to one year or one business cycle (whichever is longer).</p> <p>The restriction in the Subparagraph 2 of the preceding paragraph shall not apply to inter-company loans of funds between overseas companies in which the Company directly or indirectly holds 100% of the voting shares <u>where short-term financing facility is necessary.</u></p>	<p>[Scope]</p> <p>Article 2</p> <p>The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:</p> <p>(1) Companies or firms with which the Company does business.</p> <p>(2) Companies or firms where short-term financing facility is necessary. Short-term refers to one year or one business cycle (whichever is longer).</p> <p>The restriction in the Subparagraph 2 of the preceding paragraph shall not apply to inter-company loans of funds between overseas companies in which the Company directly or indirectly holds 100% of the voting shares, <u>or when overseas companies in which the Company directly or indirectly holds 100% of the voting shares conduct fund lending with the Company.</u></p>	<p>Increase the flexibility of the internal fund allocation and use of the Group's enterprises, and increase the number of foreign companies that directly and indirectly hold voting rights of the Company to engage in capital lending to the Company, which is not subject to the one-year limit.</p>

Before Amendments	After Amendments	Remark
<p>[Total amount of fund loans and limit for individual subjects]</p> <p>Article 4</p> <p>Total amount of fund loans and limit for individual subjects</p> <p>(1) The total amount of fund loans the Company gives to others are limited to no more than 40% of the Company's net worth.</p> <p>(2) For companies and firms that have business dealings with the Company, the amount of individual loans should not exceed the fund loan between the two parties and the business transaction amount during the past 12 months. Business transaction amount refers to the higher value of goods purchased or sold between the two parties.</p> <p>(3) For companies or firms with short-term financing needs, individual loans and amount should not exceed 20% of the Company's net worth.</p> <p>Fund loans between foreign companies in which the Company directly or indirectly holds 100% of voting share <u>where short-term financing facility is necessary</u> are not subject to the loan cap that is 40% of the company's net worth, the amount of individual loans are also not subject to the limit of 20% of the company's net worth, but the total amount of the fund loan should not exceed 40% of the Company's net worth, while the amount of individual loans must not exceed 20% of the Company's net worth.</p>	<p>[Total amount of fund loans and limit for individual subjects]</p> <p>Article 4</p> <p>Total amount of fund loans and limit for individual subjects</p> <p>(1) The total amount of fund loans the Company gives to others are limited to no more than 40% of the Company's net worth.</p> <p>(2) For companies and firms that have business dealings with the Company, the amount of individual loans should not exceed the fund loan between the two parties and the business transaction amount during the past 12 months. Business transaction amount refers to the higher value of goods purchased or sold between the two parties.</p> <p>(3) For companies or firms with short-term financing needs, individual loans and amount should not exceed 20% of the Company's net worth.</p> <p>Fund loans between foreign companies in which the Company directly or indirectly holds 100% of voting shares, <u>or fund loans directly conducted with the Company by foreign companies in which the Company directly or indirectly holds 100% of voting shares</u> are not subject to the loan cap that is 40% of the company's net worth, the amount of individual loans are also not subject to the limit of 20% of the company's net worth, but the total amount of the fund loan should not exceed 40% of the</p>	<p>1. Increase the flexibility of the internal fund allocation and use of the Group's enterprises, and increase the number of foreign companies that directly and indirectly hold voting rights of the Company to engage in capital lending to the Company, which is not subject to the loan cap that is 40% of the company's net worth</p> <p>2. When the financial communication exceeds the prescribed limit, the person in charge of the company shall be jointly responsible for the return of damages.</p>

Before Amendments	After Amendments	Remark
	<p>Company's net worth, while the amount of individual loans must not exceed 20% of the Company's net worth.</p> <p><u>If the person in charge of the Company violates the limits stipulated in the preceding paragraph, he shall be responsible for repaying the loan along with the borrower; If there are damages to the Company, he shall also be responsible for compensation.</u></p>	
<p>[Duration of financing and interest calculation] Article 5 Duration of financing and interest calculation (1) Term: The maximum loan period of the Company and its subsidiaries is one year, with the exception of loans between foreign companies in which the Company directly or indirectly holds 100% of voting shares, which have loan periods of up to 5 years, but can be extended by the Board of Directors if necessary. (2) Interest calculation method: The loan interest is calculated based on the market interest rate or the cost of capital. The capital loan and interest rate shall be no lower than the maximum interest rate of the Company's short-term loans from financial institutions. The loan interest rate of the Company should be calculated and collected monthly in principle. Under special circumstances, it can be adjusted with the approval of the Board of Directors.</p>	<p>[Duration of financing and interest calculation] Article 5 Duration of financing and interest calculation (1) Term: The maximum loan period of the Company and its subsidiaries is one year, with the exception of loans between foreign companies in which the Company directly or indirectly holds 100% of voting shares, <u>or fund loans directly conducted with the Company by foreign companies in which the Company directly or indirectly holds 100% of voting shares</u>, which have loan periods of up to 5 years, but can be extended by the Board of Directors if necessary. (2) Interest calculation method: The loan interest is calculated based on the market interest rate or the cost of capital. The capital loan and interest rate shall be no lower than the maximum interest rate of the Company's short-term loans from financial institutions. The loan interest rate of the Company should be calculated and collected monthly in</p>	<p>Increase the fund loans directly conducted with the Company by foreign companies in which the Company directly or indirectly holds 100% of voting shares, which have loan periods of up to 5 years.</p>

Before Amendments	After Amendments	Remark
	principle. Under special circumstances, it can be adjusted with the approval of the Board of Directors.	
[Supplemental Provisions] Article 11: Supplemental Provisions (1)~(5) Omitted. (6) The 1st ~ the 10th amendment omitted. The 11th amendment on June 17, 2015.	[Supplemental Provisions] Article 11: Supplemental Provisions (1)~(5) Omitted. (6) The 1st ~ the 10th amendment omitted. The 11th amendment on June 17, 2015 <u>and the 12th amendment on June 13, 2019.</u>	Addition of revision dates.

Attachment 8

System Corporation

Table of Comparison of Amendments to the Procedures for Making of Endorsement and Guarantee

Before Amendments	After Amendments	Remark
<p>[Procedures for making endorsements/guarantees]</p> <p>Article 13: All external endorsements/guarantees made by the Company should be officially recorded by the accounting division, and the original application records should be retained for future review and evaluation. The Company shall evaluate or record the contingent loss for endorsements/guarantees <u>by GAAP No.9</u>, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.</p>	<p>[Procedures for making endorsements/guarantees]</p> <p>Article 13: All external endorsements/guarantees made by the Company should be officially recorded by the accounting division, and the original application records should be retained for future review and evaluation. The Company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.</p>	<p>Revised wording.</p>
<p>[Endorsement/Guarantee Amount]</p> <p>Article 19: The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month. Along with monthly turnover announcement, if the amount of</p>	<p>[Endorsement/Guarantee Amount]</p> <p>Article 19: The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month. Along with monthly turnover announcement, if the amount of</p>	<p>Revised wording to clarify definitions.</p>

Before Amendments	After Amendments	Remark
<p>endorsements/guarantees meets one of the following criteria, the Company shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement. 2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. 3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more, and the aggregate amount of all endorsements/guarantees, <u>long-term investments</u>, loan funds, and balance reaches over 30% of the Company's net worth as stated in its latest financial statement. <p>Omitted.</p>	<p>endorsements/guarantees meets one of the following criteria, the Company shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement. 2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. 3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more, and the aggregate amount of all endorsements/guarantees, <u>investments accounted for using the equity method</u>, loan funds, and balance reaches over 30% of the Company's net worth as stated in its latest financial statement. <p>Omitted.</p>	

Before Amendments	After Amendments	Remark
<p>[Supplemental Provisions]</p> <p>Article 26:</p> <p>The Procedures were established in October 1999.</p> <p>The 1st ~ the 7th amendment omitted.</p> <p>The 8th amendment on June 17, 2015.</p>	<p>[Supplemental Provisions]</p> <p>Article 26:</p> <p>The Procedures were established in October 1999.</p> <p>The 1st ~ the 7th amendment omitted.</p> <p>The 8th amendment on June 17, 2015 <u>and the 9th amendment on June 13, 2019.</u></p>	<p>Addition of revision dates.</p>

Attachment 9

System Corporation
The 2019 Annual Shareholders' Meeting
List of Director Candidates

Name	Shareholdings (shares)	Education & Major Past Positions	Current Positions
Huang, Tsong-Jen	20,755,750	Ph.D. in Computer Science, University of Wisconsin Chairman, Systex Corp.	Chairman, Systex Corp. Chairman, Asiavest Capital Co., Ltd.
Lin, Lung-Fen	1,324,762	EMBA, CEIBS Master's degree in Computer Science, University of the Pacific President of SYSEX Corp.	President of Systex Corp.
Cheng, Deng-Yuan	168,152	EMBA, Fudan University Fu Jen University, Dept. of Accounting Chief Strategy Officer of SYSEX Corp.	Chief Strategy Officer of Systex Corp.
Lu, Ta-Wei	415,656	Tunghai University, Dept. of Chemistry Chairman, Firstweb Limited	Chairman, Firstweb Limited
Shaw, Shung-Ho	945,475	MBA, National Chengchi University Chairman, Liang Hsin Finance Corp.	Chairman, Liang Hsin Finance Corp. Director, Scientech Corp. / WPG Holdings Limited / Sundia Meditech Group

Hsieh, Chin-Ho	20,000	Master Degree in Graduate of East Asian Studies, NCCU Chairman, representative of Wealth Media Corp.	Chairman, representative of Wealth Media Corp. / Investment Media Ltd., Genetinfo Inc. / Wealth Magazine Co., Ltd. / Business Today Publisher Chairman, Business Today Co., Ltd. Director, representative of Cashbox Partyworld Co., Ltd. / Business Today Marketing Corp., Director, Diancan Art & Collection Ltd.
Huang, Ting-Rong	242,152	MBA, Waseda University Independent Director, Chipbond Technology Corp.	Independent Director, Chipbond Technology Corp. Executive Director, Asiavest Capital Co., Ltd. Director, Sundia Meditech Group
Huang, Chi-Rong	633,780	Wharton School of the University of Pennsylvania, Dept. of Economics Director, representative of Taiwan Hopax Chems. Mfg. Co., Ltd.	Executive Director, Asiavest Capital Co., Ltd. Director, representative of Taiwan Hopax Chems. Mfg. Co., Ltd.
Lin, Chih-Min (Representative of Joway Investment Co., Ltd.)	482,309	National Taiwan University, Dept. of Law Director, representative of Hanmore Investment Corp.	Director, representative of Hanmore Investment Corp.
Wu, Cheng-Huan (Representative of Joway Investment Co., Ltd.)	482,309	Fu Jen University, Dept. of Business Administration Chairman, representative of Hanmore Investment Corp.	Chairman, representative of Hanmore Investment Corp.

Attachment 10

System Corporation
The 2019 Annual Shareholders' Meeting
List of Independent Director Candidates

Name	Shareholdings (shares)	Education & Major Past Positions	Current Positions
Huang, Jih-Tsan (Note)	0	Ph.D. in Law, Harvard University Partner lawyer, Jones Day	Partner lawyer, Jones Day Independent Director, WPG Holdings Limited. / Taiwan Mobile Co., Ltd. / CTCI Corp. Director, representative of Yulod Motor Co., Ltd. / Taiwan Capital Buffalo Fund Co, Ltd. / Taiwan Capital Biotech Co., Ltd. Director, Taiwan Capital Management Corp.
Cheng, Wen-Feng	0	Master Degree in Chemical Engineering, National Tsing Hua University Chairman & President, Boardtek Electronics Corp.	Chairman, Boardtek Electronics Corp. Director, Sundia Meditech Group Director, representative of Chipboard Technology Corp.
Lai, Chien-Hua	6,000	Feng Chia University, Dept. of Business Administration Assistant director of GM office, Foong Yu Paper Mfg. Co., Ltd. Senior Assistant Vice President, System Corp.(Before Merge) CFO & Vice President, System Corp.(August, 2008~ May, 2014)	Consultant, LoreMaster Tech Inc. Consultant, Jades Integrate Co., Ltd.

Note: Mr. Huang, Jih-Tsan is the Ph.D. in Law, Harvard University. He is qualified as a lawyer in Taiwan and the United States. He is good at legal affairs, has practiced for many years, and has rich practical experience. Expertise in corporate mergers and acquisitions, cross-border investment, securities finance, corporate governance and other fields, has a clear benefit to SYSTEX in business planning and decision-making. And in accordance with the relevant conditions of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", Mr. Huang, Jih-Tsan has been nominated as an independent director candidate.

Attachment 11

System Corporation

Other Position of Director & Independent Director Candidates

Name	Position of other companies
Huang, Tsong-Jen	Chairman, Asiavest Capital Co., Ltd.
Lin, Lung-Fen	Chairman, representative of Etu Corp. / Taiwan Electronic Data Processing Corp. Director, representative of Syspower Corp. / Shenzhen Forms Syntron Information Co., Ltd. / Forms Syntron Information (HK) Limited
Cheng, Deng-Yuan	Director, Shenzhen Sunlight Technology Co., Ltd.
Lu, Ta-Wei	Chairman, Firstweb Limited
Shaw, Shung-Ho	Chairman, Liang Hsin Finance Corp. Director, Scientech Corp. / WPG Holdings Limited / Sundia Meditech Group
Hsieh, Chin-Ho	Chairman, representative of Wealth Media Corp. / Investment Media Ltd. / Genetinfo Inc. / Wealth Magazine Co., Ltd. / Business Today Publisher Chairman, Business Today Co., Ltd. Director, representative of Cashbox Partyworld Co., Ltd. / Business Today Marketing Corp. Director, Diancan Art & Collection Ltd.
Huang, Ting-Rong	Independent Director, Chipbond Technology Corp. Executive Director, Asiavest Capital Co., Ltd. Director, Sundia Meditech Group
Huang, Chi-Rong	Executive Director, Asiavest Capital Co., Ltd. Director, representative of Taiwan Hopax Chems. Mfg. Co., Ltd.
Lin, Chih-Min (Representative of Joway Investment Co., Ltd.)	Director, representative of Hanmore Investment Corp.
Wu, Cheng-Huan (Representative of Joway Investment Co., Ltd.)	Chairman, representative of Hanmore Investment Corp.

Name	Position of other companies
Huang, Jih-Tsan	Partner lawyer, Jones Day Independent Director, WPG Holdings Limited. / Taiwan Mobile Co., Ltd. / CTCI Corp. Director, representative of Yulod Motor Co., Ltd. / Taiwan Capital Buffalo Fund Co, Ltd. / Taiwan Capital Biotech Co., Ltd. Director, Taiwan Capital Management Corp.
Cheng, Wen-Feng	Chairman, Boardtek Electronics Corp. Director, Sundia Meditech Group Director, representative of Chipboard Technology Corp.
Lai, Chien-Hua	Consultant, LoreMaster Tech Inc. Consultant, Jades Integrate Co., Ltd.