

Systemx Corporation
Minutes Of 2020 Annual Shareholders Meeting
(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the Minutes of 2020 Annual Shareholders' Meeting shall govern any and all matters related to the interpretation of the subject matter stated herein.

Time: 9:00 a.m., Thursday, June 18, 2020

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): 256,411,828 shares

Total shares represented by shareholders present (including 47,804,016 shares represented by shareholders executing voting rights through e-voting): 193,459,588 shares

Percentage of shares held by shareholders present: 74.86%

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

Recorder: Chen, Yi-Ming

Directors present: Lin, Lung-Fen; Cheng, Deng-Yuan; Lu, Ta-Wei; Huang, Ting-Rong; Huang, Chi-Rong; Shaw, Shung-Ho ; Wu, Cheng-Huan ; Lin, Chih-Min and Independent Director Lai, Chien-Hua (The Member of Audit Committee).

CPA present: Lin, Shu-Wan, Deloitte & Touche Accounting Firm

I. Chairman's Address: Omitted

II. Report Items:

1. 2019 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 2019 Financial Statements.

Explanatory Note: Please refer to Attachment 3.

3. To report 2019 directors' and employees' compensation.

Explanatory Note:

The Company's 2019 employees' remuneration of NT\$58,882,836 and directors' remuneration of NT\$39,255,224 are issued entirely in cash in accordance with the Company's "Articles of Incorporation."

4. To report 2019 retained earnings distribution (Cash Dividend NT\$5 per share)

Explanatory Note:

- (1) In Accordance with Article 22 of the Company's "Articles of Incorporation", the distribution of cash dividend had been approved by the meeting of the Board of Directors by at least half of the directors, provided the number of directors present be at least two-thirds of the entire Board of Directors and report to the shareholders meeting.
- (2) The Company's net income after taxes in 2019 of NT\$1,808,041,120 (denomination same below), plus undistributed earnings from the previous year of \$2,562,896,339, adjustments for the retained earnings for long-term share investment adjustment of \$(34,761,569), minus the actuarial (loss) gains listed in retained earnings of \$40,452,000 equals the amount available for distribution of \$4,295,723,890. Excluding the legal reserve of \$180,804,112 and the special reserve of \$195,622,600 the proposed cash dividend is \$5 per share. Calculated on the basis of the total number of 269,393,304 shares issued by the Company, the dividends total \$1,346,966,520.
- (3) In compliance with the calculation of the undistributed surplus earnings provided in Article 66-9 of the Income Tax Act, the earnings from 2019 are prioritized for distribution.
- (4) The Board of Directors is requested to authorize the Chairman to process related matters regarding the baseline date for cash dividends and the issuance of cash dividends.
- (5) 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. To report 2019 execution status of Endorsements and Guarantees.

Explanatory Note:

- (1) The Company's balance amount of endorsements and guarantees for subsidiaries as of December 31, 2019 is NT\$3,219,600,000.
- (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.

6. To report the amendment of the Rules of Procedure for Board of Directors Meetings.

Explanatory Note:

- (1) Amendments on the Procedures content and the Company's practical operation were made in response to the Financial Supervisory Commission order No. 1080008378.
- (2) The amendments had been approved by the meeting of the Board of Directors and report to the shareholders meeting.
- (3) The comparison table of amended articles, please refer to Attachment 5 of Handbook.

7. To report the amendment of the Ethical Corporate Management Best Practice Principles.

Explanatory Note:

(1) Amendments on the Principles content and the Company's practical operation were made in response to the Taiwan Stock Exchange Corporation order No. 1080361934.

(2) The amendments had been approved by the meeting of the Board of Directors and report to the shareholders meeting.

(3) The comparison table of amended articles, please refer to Attachment 6 of Handbook.

III. Ratification Items:

1. Ratification of the 2019 Business report and Financial Statements. (Proposed by the Board of Directors)

Explanatory Note:

The Company's 2019 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	%			
187,466,989 (50,060,975)	96.92	11,454 (11,454)	0	5,930,221 (5,852,221)

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

RESOLVED, the above proposal was accepted as submitted.

2. Ratification of 2019 retained earnings distribution proposal. (Proposed by the Board of Directors)

Explanatory Note:

(1) The Company's 2019 retained earnings distribution have been approved by the Board of Directors. The earning distribution table have been reviewed by the Audit Committee.

(2) The 2019 earning distribution table has been provided in Attachment 4.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
187,597,219 (50,191,205)	96.99	12,455 (12,455)	0	5,798,990 (5,720,990)

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

RESOLVED, the above proposal was accepted as submitted.

IV. Discussion Items:

1. Discussion of the amendment of 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 7.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
174,293,578 (36,988,564)	90.11	13,156,632 (13,156,632)	0	5,958,454 (5,779,454)

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

RESOLVED, the above proposal was accepted as submitted.

2. Discussion of the amendment of the Rules of Procedures for Shareholders Meetings. (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. 1080024221.

The comparison table of amended articles has been included in Attachment 8.

Resolution:

Voting Results*:

In favor		Against	Invalid	Abstained
Votes	%			
187,487,391 (50,182,377)	96.93	21,050 (21,050)	0	5,900,223 (5,721,223)

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

RESOLVED, the above proposal was accepted as submitted.

V. Extemporary Motions: None.

VI. Meeting Adjourned: 9:50 a.m., Thursday, June 18, 2020

Attachment 1

System Corporation 2019 Business report

I. Foreword

Taking “Enabling DX with AI, AI for Digital Transformation” as the focus of development for 2019, the SYSTEX Group helped its corporate clients use real-world AI applications to strengthen operation efficiency and improve marketing performance. As consumer experience and business models continue to evolve, companies and organizations are putting more and more investment into digital transformation. SYSTEX has successfully seized this business opportunity, becoming a partner for strategic growth for clients undergoing digital transformation at various stages. While there have been challenges in the process, the right strategies and the joint efforts of the management team and staff has allowed SYSTEX’s business volume to grow consistently in 2019, reaching historic highs.

II. Summary of 2019 Operational Outcomes

In 2019, SYSTEX achieved an operating revenue of NT\$ (same below) 6,569,020,000, a 3% increase from 2018. Our net income after tax in 2019 was \$1,808,042,000. The consolidated revenue in 2019 was \$22,051,023,000, an increase of 13% from 2018. The consolidated net income after tax in 2019 (excluding non-controlling equities) was \$1,808,042,000 and earnings per share was \$7.31.

III. Summary of 2019 Business Operations and Services

Under the main tenant of “AI for Digital Transformation,” SYSTEX invested resources in the following three directions, which has manifested in the operational outcome for 2019:

■ Assist companies in the development of cloud services and applications

Provides customers with consulting, planning, and deployment services on everything from cloud implementation, cloud usage, cloud management, to cloud protection. This includes services like cloud-based financial management platforms, cross-border heterogeneous platform data integration for Taiwanese companies who were prompted to implement digital transformation because of the US-China trade war, and cloud-based e-commerce platform subscription. The consulting, planning, and sales services authorized for our major Microsoft clients continued to do well in China, Hong Kong, and Taiwan, even winning Microsoft’s “Country Partner of the Year” award. We have also acquired a technical team skilled in AI and cloud-based technology to establish SYSTEX’s own AI-hybrid cloud service platform, which has been adopted by large companies in telecommunications and finance.

■ 5A crossover software pushing AI for digital transformation

The “5A” stands for AP, API, App, Appliance, and Algorithm, which are the basics of SYSTEX’s core capability for corporate digital transformation. To help clients use AI for digital transformation, SYSTEX has actively trained professional talents in 5A to help clients with real-world AI applications. For example, we have helped the finance industry establish consulting services such as personalized financial investment data analysis integration and financial product evaluation and recommendation; collaborated with the aviation industry and retail industry to launch the LINE@Smart Reservation Bot to provide 24-hour service; used AI facial recognition technology and deep learning algorithms to help the manufacturing industry move towards smart manufacturing. In addition, the implementation of smart operations, smart war room intelligence, and smart cyber security also provide SYSTEX room for growth.

■ Consolidate and expand the ecosystem to create win-win opportunities

SYSTEX has partnered with startup ecosystem to leverage the advantages of both parties and expand market opportunities. For example, we have: Worked with AIWin Technology, who possesses 100% in-house-developed AI image recognition technology, to enter the field of AI optical inspection applications in the process of golf manufacturing ; Consolidated the strengths of solutions from various original manufacturers to address customers’ needs with comprehensive one-stop services, not only creating opportunities for the original manufacturers, but also making us a trusted strategic partner for enterprises; Consolidate financial/retail/payment channels to provide innovative applications such as helping major banks to connect with e-commerce institutions to set up mobile transaction, bills collection, and donation functions.

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

The COVID-19 pandemic broke out in Wuhan, China, at the end of 2019, greatly impacting global supply chains. Transportation and tourism industries suffered the most direct hit, and consumer’s willingness to spend was also impacted. As a result, there are many variables in this year’s economic development. However, the raging pandemic has created a surge in demand for remote working, electronic signature, online education, and remote healthcare, which has the potential to speed up economic growth for cloud technologies. The wave of Taiwanese businesses in China returning to Taiwan triggered by the US-China trade war has also created business opportunities in cross-border smart factory construction and digital transformation. War room applications and data collection management will become necessary tools for companies to facilitate their global strategies. In addition, the FSC has announced its 2020 FinTech policy focus, which includes setting up digital accounts for minors, rolling out insurance blockchain, and opening online-only banks in the latter half of the year, prompting the finance industry to invest in digital transformation. Uncertainty in the overall environment brings forth many challenges,

but also creates ample opportunities for growth.

V. The summary of the business plan for 2020

The global market is fickle. Companies must keep making crossover connections and boldly embrace innovation to adapt to potential drastic changes. To help our clients respond flexibly, SYSTEX will position itself through ecosystem integration (Xi) in 2020, playing the role of 'orchestrator' as it understands the new technological structures and applications needed in the new economic era and makes crossover connections with ecosystem partners to help companies create a second wave of exponential growth. The following is an overview of this year's strategic focus :

■ Make ecosystem crossovers to help clients respond flexibly

From system integration to ecosystem integration (Xi), SYSTEX will put more emphasis on situational applications, experience design, scene interaction, and data integration, not only continuing our work on vertical smart service applications for industries, but also expand horizontally to food, clothing, housing, transportation, education, and entertainment industries to extend and expand the new market ecosystem. SYSTEX will continue to plan strategic comprehensive investments, obtain agency/dealership for international AI products and services, connect with our customers, partners, and markets, expand into a more comprehensive software and data ecosystem, magnify the strength of cooperation, and find innovative applications that can be implemented so that our customers can adapt to the changing market with ease.

■ Enhance marketing and the market for 5A@4C core capabilities

SYSTEX will continue to perform data integration through 5A (AP, APP, API, Appliance, Algorithm) crossover software, providing cloud implementation, cloud usage, cloud management, and cloud protection application and management systems under a hybrid-cloud structure. We will also use machine learning to gradually accumulate data intelligence, help industries implement AI, set up platform services that can be experienced, explored, applied and interacted with, and create brand new business models and customer experiences to expand both marketing and the market.

■ Invest in software and data ecosystem

Strength in software and data are the prerequisites of marketing strength in the new economy. We will utilize our organization and talented professionals to strengthen our software and data capabilities, set up data integration platforms with our software capabilities, create accumulated value of data with our data capabilities, and help customers understand consumer behavioral patterns through online and offline data integration in a cloud-based environment, allowing them to deliver precise marketing and services, and bolster marketing

strength.

VI. Future development strategy

SYSTEX aims to redefine information services. With its positioning of “ecosystem integration,” we will continue to cultivate and make connections with talents who familiar with exponential technology, playing the role of “orchestrator” to help customers speed up “digital transformation” in the era of data economy, create a second wave of growth, and become an “exponential company.”

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, 2019 and 2018, 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, 2019 and 2018, 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, 2019. 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, 2019 is addressed as follows:

Valuation of Receivables

As of December 31, 2019, notes receivable and accounts receivable amounted to \$3,774,194 thousand. When evaluating impairment of receivables, the management uses the expected credit loss model based on the lifetime expected credit loss. The valuation of receivables involves accounting estimates and assumptions determined by the management. Therefore, we consider the valuation of receivables as a key audit matter. For the disclosures related to receivables, refer to Notes 5 and 11 to the consolidated financial statements.

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

1. We obtained the reports of receivables impairment and assessed the reasonableness of the methodology and data used in the reports.
2. We tested the receivables aging schedule and reviewed the calculation of expected credit loss for reasonableness of the recognized expected credit loss on receivables.
3. We tested the recoverability of 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 receivables.

Other Matter

We did not audit the financial statements as of and for the year ended December 31, 2019 of SoftMobile Technology Corporation, Rainbow Tech Information (HK) Limited and Systex Information (H.K.) Ltd., which were all subsidiaries of the Group included in the consolidated financial statements. The aggregate assets of these subsidiaries as of December 31, 2019 amounted to \$846,991 thousand, or 3.92% of the consolidated assets. The aggregate net operating revenues of these subsidiaries in 2019 was \$1,558,408 thousand, or 7.07% of the consolidated net operating revenues. We also did not audit the financial statements as of and for the year ended December 31, 2019 of Genesis Technology Inc. and Fuco Technology Co., Ltd., which investments were accounted for using the equity method in the accompanying consolidated financial statements. The aggregate carrying amounts of which investments accounted for using the equity method was \$313,467 thousand, or 1.45% of the consolidated assets as of December 31, 2019. The aggregate amounts of the share in their profit and other comprehensive income in 2019 was \$1,837 thousand, or 0.12% 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, 2019 and 2018 on which we have issued an unqualified report with other matter paragraph and an unqualified report, respectively.

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, 2019 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 Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 19, 2020

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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,775,343	13	\$ 2,815,309	14
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,342,025	16	3,079,485	15
Notes receivable, net (Notes 4 and 11)	36,214	-	70,881	-
Accounts receivable, net (Notes 4, 5, 11 and 27)	3,737,980	17	3,632,563	18
Other receivables (Note 28)	353,521	2	264,386	1
Inventories (Notes 4 and 12)	3,064,087	14	2,894,176	15
Prepayments	893,884	4	934,370	5
Refundable deposits - current	336,545	2	320,128	2
Other current assets	43,369	-	50,868	-
Total current assets	<u>14,582,968</u>	<u>68</u>	<u>14,062,166</u>	<u>70</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,498,961	7	1,679,823	8
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,486,829	7	111,870	1
Financial assets at amortized cost - non-current (Notes 4, 9 and 10)	500,000	2	500,000	3
Investments accounted for using equity method (Notes 4 and 14)	826,251	4	1,240,816	6
Property, plant and equipment (Notes 4, 15 and 28)	1,929,649	9	1,913,330	10
Right-of-use assets (Note 16)	320,023	1	-	-
Computer software (Note 4)	71,871	-	58,359	-
Goodwill (Notes 4 and 23)	-	-	26,703	-
Other intangible assets (Note 4)	14,408	-	31,012	-
Deferred tax assets (Notes 4 and 21)	57,264	-	75,600	-
Refundable deposits - non-current (Note 28)	181,562	1	189,310	1
Long-term receivables (Notes 4 and 11)	11,574	-	600	-
Other non-current assets (Note 28)	105,194	1	89,874	1
Total non-current assets	<u>7,003,586</u>	<u>32</u>	<u>5,917,297</u>	<u>30</u>
TOTAL	<u>\$ 21,586,554</u>	<u>100</u>	<u>\$ 19,979,463</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 17 and 28)	\$ 527,301	2	\$ 815,925	4
Notes and accounts payable (Note 27)	3,828,904	18	3,193,059	16
Contract liabilities (Note 4)	1,300,693	6	1,071,102	5
Other payables	1,376,637	6	1,094,195	6
Lease liabilities - current (Note 16)	124,295	1	-	-
Current tax liabilities (Notes 4 and 21)	103,738	1	126,689	1
Other current liabilities	211,424	1	191,400	1
Total current liabilities	<u>7,472,992</u>	<u>35</u>	<u>6,492,370</u>	<u>33</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 21)	139,438	1	5,938	-
Lease liabilities - non-current (Note 16)	197,816	1	-	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	282,856	1	273,652	1
Other non-current liabilities	11,319	-	12,552	-
Total non-current liabilities	<u>631,429</u>	<u>3</u>	<u>292,142</u>	<u>1</u>
Total liabilities	<u>8,104,421</u>	<u>38</u>	<u>6,784,512</u>	<u>34</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 19)				
Common shares	2,693,933	12	2,693,933	14
Capital surplus	6,407,221	30	6,729,035	34
Retained earnings				
Legal reserve	1,119,831	5	1,014,689	5
Special reserve	383,842	2	453,327	2
Unappropriated earnings	4,295,725	20	3,622,248	18
Total retained earnings	5,799,398	27	5,090,264	25
Other equity	(579,466)	(3)	(383,842)	(2)
Treasury shares	(928,443)	(4)	(1,003,629)	(5)
Total equity attributable to owners of the Corporation	13,392,643	62	13,125,761	66
NON-CONTROLLING INTERESTS (Notes 19 and 24)	<u>89,490</u>	<u>-</u>	<u>69,190</u>	<u>-</u>
Total equity	<u>13,482,133</u>	<u>62</u>	<u>13,194,951</u>	<u>66</u>
TOTAL	<u>\$ 21,586,554</u>	<u>100</u>	<u>\$ 19,979,463</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 19, 2020)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4 and 27)				
Sales	\$ 16,445,449	74	\$ 14,304,148	73
Less: Sales returns and allowances	<u>73,915</u>	-	<u>40,380</u>	-
Net sales	16,371,534	74	14,263,768	73
Service revenue	5,619,929	26	5,188,203	27
Other operating revenue	<u>59,560</u>	-	<u>64,018</u>	-
Total operating revenues	<u>22,051,023</u>	<u>100</u>	<u>19,515,989</u>	<u>100</u>
OPERATING COSTS (Notes 4, 20 and 27)				
Cost of goods sold	13,998,053	64	12,224,462	63
Service cost	2,493,196	11	2,246,078	11
Other operating cost	<u>10,482</u>	-	<u>11,238</u>	-
Total operating costs	<u>16,501,731</u>	<u>75</u>	<u>14,481,778</u>	<u>74</u>
GROSS PROFIT	<u>5,549,292</u>	<u>25</u>	<u>5,034,211</u>	<u>26</u>
OPERATING EXPENSES (Notes 18, 20 and 27)				
Selling expenses	4,081,891	18	3,524,984	18
General and administrative expenses	406,474	2	368,538	2
Research and development expenses	<u>453,910</u>	<u>2</u>	<u>452,967</u>	<u>3</u>
Total operating expenses	<u>4,942,275</u>	<u>22</u>	<u>4,346,489</u>	<u>23</u>
PROFIT FROM OPERATIONS	<u>607,017</u>	<u>3</u>	<u>687,722</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates (Notes 4 and 14)	68,296	-	44,296	-
Interest income (Note 4)	43,114	-	40,237	-
Dividend income (Note 4)	69,109	-	76,717	1
Other income, net (Note 29)	47,370	-	48,087	-
Gain on sale of investments, net (Notes 14 and 20)	1,720,272	8	601,223	3
Foreign exchange gain (loss), net (Note 4)	2,750	-	(10,379)	-
Gain (loss) on financial assets at fair value through profit or loss, net (Note 4)	81,113	1	(222,621)	(1)
Interest expense	(33,500)	-	(30,513)	-
Other expenses	(30,712)	-	(2,131)	-
(Loss) gain on disposal of property, plant and equipment, net (Note 4)	(435)	-	8,589	-
Impairment loss on assets (Notes 4 and 14)	<u>(370,887)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>1,596,490</u>	<u>7</u>	<u>553,505</u>	<u>3</u>

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

	2019		2018	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 2,203,507	10	\$ 1,241,227	6
INCOME TAX EXPENSE (Notes 4 and 21)	<u>392,204</u>	<u>2</u>	<u>191,055</u>	<u>1</u>
NET INCOME	<u>1,811,303</u>	<u>8</u>	<u>1,050,172</u>	<u>5</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 18)	(41,866)	-	(26,385)	-
Unrealized (loss) gain on equity instruments at fair value through other comprehensive income	(177,121)	(1)	860	-
Share of the other comprehensive income of associates accounted for using the equity method	24	-	5	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 18)	<u>(20)</u>	<u>-</u>	<u>2</u>	<u>-</u>
	<u>(218,983)</u>	<u>(1)</u>	<u>(25,518)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(94,111)	-	80,968	-
Share of the other comprehensive gain (loss) of associates accounted for using the equity method	<u>65,520</u>	<u>-</u>	<u>(17,595)</u>	<u>-</u>
	<u>(28,591)</u>	<u>-</u>	<u>63,373</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(247,574)</u>	<u>(1)</u>	<u>37,855</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,563,729</u>	<u>7</u>	<u>\$ 1,088,027</u>	<u>6</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,808,042	8	\$ 1,051,418	5
Non-controlling interests	<u>3,261</u>	<u>-</u>	<u>(1,246)</u>	<u>-</u>
	<u>\$ 1,811,303</u>	<u>8</u>	<u>\$ 1,050,172</u>	<u>5</u>

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

	2019		2018	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,560,779	7	\$ 1,089,408	6
Non-controlling interests	<u>2,950</u>	<u>-</u>	<u>(1,381)</u>	<u>-</u>
	<u>\$ 1,563,729</u>	<u>7</u>	<u>\$ 1,088,027</u>	<u>6</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$7.31</u>		<u>\$4.27</u>	
Diluted	<u>\$7.28</u>		<u>\$4.26</u>	

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

(With Deloitte & Touche audit report dated March 19, 2020)

(Concluded)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation (Notes 4 and 19)												
	Retained Earnings						Other Equity			Treasury Shares	Total	Non-Controlling Interests (Note 19)	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, 2018	\$ 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
Appropriation of 2018 earnings													
Legal reserve	-	-	105,142	-	(105,142)	-	-	-	-	-	-	-	-
Cash dividends - NT\$3.8 per share	-	-	-	-	(1,023,695)	(1,023,695)	-	-	-	-	(1,023,695)	-	(1,023,695)
Special reserve reversed	-	-	-	(69,485)	69,485	-	-	-	-	-	-	-	-
Change in capital surplus and unappropriated earnings from investments in associates accounted for by using equity method	-	(24,447)	-	-	(23,574)	(23,574)	-	-	-	-	(48,021)	-	(48,021)
Distribution in cash of the capital surplus - NT\$1.2 per share	-	(323,272)	-	-	-	-	-	-	-	-	(323,272)	-	(323,272)
Net income (loss) for 2019	-	-	-	-	1,808,042	1,808,042	-	-	-	-	1,808,042	3,261	1,811,303
Other comprehensive income (loss) for 2019	-	-	-	-	(41,584)	(41,584)	(28,582)	-	(177,097)	-	(247,263)	(311)	(247,574)
Total comprehensive income (loss) for 2019	-	-	-	-	1,766,458	1,766,458	(28,582)	-	(177,097)	-	1,560,779	2,950	1,563,729
Disposal of the Corporation's share by subsidiaries regarded as treasury share transaction	-	66,274	-	-	-	-	-	-	-	75,186	141,460	-	141,460
Cash dividends received by subsidiaries from the Corporation	-	107,049	-	-	-	-	-	-	-	-	107,049	-	107,049
Disposal of investments accounted for by using equity method	-	(147,418)	-	-	-	-	-	-	-	-	(147,418)	-	(147,418)
Disposal of investments in equity instruments at of fair value through other comprehensive income	-	-	-	-	(10,055)	(10,055)	-	-	10,055	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	17,350	17,350
BALANCE AT DECEMBER 31, 2019	\$ 2,693,933	\$ 6,407,221	\$ 1,119,831	\$ 383,842	\$ 4,295,725	\$ 5,799,398	\$ (435,908)	\$ -	\$ (143,558)	\$ (928,443)	\$ 13,392,643	\$ 89,490	\$ 13,482,133

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

(With Deloitte & Touche audit report dated March 19, 2020)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,203,507	\$ 1,241,227
Adjustments for :		
Depreciation expenses	256,240	106,052
Amortization expenses	32,651	30,727
Expected credit loss recognized	119,451	4,084
(Gain) loss on financial assets at fair value through profit or loss, net	(81,113)	222,621
Interest expense	33,500	30,513
Interest income	(43,114)	(40,237)
Dividend income	(69,109)	(76,717)
Share of profit of associates	(68,296)	(44,296)
Loss (gain) on disposal of property, plant and equipment, net	435	(8,589)
Gain on sale of investments accounted for using equity method	(1,574,851)	(401,599)
Impairment loss on financial assets	344,184	-
Impairment loss on non-financial assets	26,703	-
Write-down of inventories	102,146	58,245
Unrealized loss on foreign currency exchange, net	1,988	2,116
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(22,489)	(112,511)
Notes receivable	34,667	(3,791)
Accounts receivable	(273,394)	(213,097)
Other receivables	(88,908)	(55,654)
Inventories	(275,841)	118,567
Prepayments	(67,934)	(81,346)
Other current assets	7,367	12,545
Contract liabilities	232,592	(86,786)
Notes and accounts payable	670,261	(121,103)
Other payables	196,557	144,988
Other current liabilities	21,821	28,058
Net defined benefit liabilities	(32,662)	(40,011)
Cash generated from operations	1,686,359	714,006
Interest paid	(31,214)	(30,394)
Income tax paid	(260,111)	(127,657)
Net cash generated from operating activities	<u>1,395,034</u>	<u>555,955</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(7,799)	(47,520)
Disposal of financial assets at fair value through other comprehensive income	29,745	-
Return of capital from capital reduction of financial assets at fair value through other comprehensive income	730	1,008
Proceeds on sale of financial assets at amortized cost	-	357,120

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Acquisition of investments accounted for using equity method	\$ (427,226)	\$ (324,840)
Proceeds on sale of investments accounted for using equity method	546,308	589,935
Acquisition of subsidiaries (Note 23)	-	(64,697)
Payments for property, plant and equipment	(136,191)	(93,613)
Proceeds on disposal of property, plant and equipment	221	18,516
Increase in refundable deposits	(9,589)	(103,091)
Payments for intangible assets	(45,429)	(37,224)
Proceeds from disposal of intangible assets	12,354	-
(Increase) decrease in long-term receivables	(10,974)	4,344
Decrease (increase) in pledged time deposits	2,338	(3,066)
(Decrease) increase in other non-current assets	(17,710)	5,458
Interest received	43,288	44,272
Dividends received	69,586	76,717
Dividends received from associates	<u>45,974</u>	<u>23,558</u>
Net cash generated from investing activities	<u>95,626</u>	<u>446,877</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(275,154)	(696,043)
Decrease in guarantee deposits received	(1,194)	(3,586)
Repayment of the principal portion of lease liabilities	(144,487)	-
Dividends paid	(1,023,695)	(673,483)
Increase in non-controlling interests	17,350	16,057
Proceeds on disposal of the Corporation's share by subsidiaries	141,460	-
Cash dividends received by subsidiaries from the Corporation	107,049	117,049
Distribution in cash from the capital surplus	<u>(323,272)</u>	<u>(673,483)</u>
Net cash used in financing activities	<u>(1,501,943)</u>	<u>(1,913,489)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>(28,683)</u>	<u>17,731</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,966)	(892,926)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,815,309</u>	<u>3,708,235</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,775,343</u>	<u>\$ 2,815,309</u>

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

(With Deloitte & Touche audit report dated March 19, 2020)

(Concluded)

Attachment 3

Audit Committee's Review Report

The Board of Directors has prepared and submitted the 2019 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, 208 of the Company Act, this report is submitted for your examination.

System Corporation
Audit Committee Convener:

Huang, Jih-Tsan

March 19, 2020

Attachment 4

SYSTEX Corporation
Earnings Distribution Proposal
December 31, 2019

Unit: NT\$

Items	Amount	
	Subtotal	Total
Beginning unappropriated earnings		2,562,896,339
Adjustment for investments accounted for using equity method	(34,761,569)	
Remeasurement on net defined benefit plan	(40,452,000)	
Add: Net income of 2019	1,808,041,120	
Earnings available for distribution		<u>4,295,723,890</u>
Distribution items		
Legal reserve	(180,804,112)	
Special reserve	(195,622,600)	
Cash dividends (NT\$5 per share)	(1,346,966,520)	
Total distribution		<u>(1,723,393,232)</u>
Ending unappropriated		<u>2,572,330,658</u>

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

Attachment 7

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. (I) Business report. (II) Financial Statements.</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. (I) Business report. (II) Financial Statements. <u>(III) Distribution of earnings or loss offsetting proposals.</u></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</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</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>remaining earnings as dividend. The distribution procedures are as follows:</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. Where a plan to distribute stock dividends is in place, the Board of Directors shall formulate relevant proposals in</p>	<p>remaining earnings as dividend. The distribution procedures are as follows:</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. Where a plan to distribute stock dividends is in place, the Board of Directors shall formulate relevant proposals in</p>	<p>shareholders' meeting.</p>

Before Amendments	After Amendments	Remark
<p>accordance with the law and report to the shareholders' meeting for discussion and resolution.</p> <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>accordance with the law and report to the shareholders' meeting for discussion and resolution.</p> <p>For the distribution of the preceding surplus, 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 distribution.</p> <p>The company may distribute all or part of the reserve in accordance with laws or the regulations of the competent authority. If it is distributed in cash, it authorizes the board of directors to make resolutions in accordance with Article 241 of the Company Act and report to the shareholders' meeting.</p>	
<p>Article 25: The Articles of Incorporation were established on Dec. 26, 1996.</p> <p>The 1st Amendment was approved by the shareholders' meeting on June 23, 1998, the 2nd Amendment on May 6, 1999, the 3rd Amendment on April 18, 2000, the 4th Amendment on April 12, 2001, the 5th Amendment on October 2, 2001, the 6th Amendment on March 28, 2002, the 7th Amendment on April 22, 2003, the 8th Amendment on April 14, 2004, the 9th Amendment on June 24, 2004, the 10th Amendment on May 18, 2005, the 11th Amendment on June 15, 2006, the 12th</p>	<p>Article 25: The Articles of Incorporation were established on Dec. 26, 1996.</p> <p>The 1st Amendment was approved by the shareholders' meeting on June 23, 1998, the 2nd Amendment on May 6, 1999, the 3rd Amendment on April 18, 2000, the 4th Amendment on April 12, 2001, the 5th Amendment on October 2, 2001, the 6th Amendment on March 28, 2002, the 7th Amendment on April 22, 2003, the 8th Amendment on April 14, 2004, the 9th Amendment on June 24, 2004, the 10th Amendment on May 18, 2005, the 11th Amendment on June</p>	<p>Addition of revision dates.</p>

Before Amendments	After Amendments	Remark
<p>Amendment on June 13, 2007, the 13th Amendment on June 13, 2008, the 14th Amendment on June 18, 2010, the 15th Amendment on June 24, 2011, the 16th Amendment on June 15, 2012, the 17th Amendment on June 17, 2015, the 18th Amendment on June 17, 2016, <u>and</u> the 19th Amendment on June 13, 2019.</p> <p>The Articles of Incorporation were implemented after approval in accordance with laws and regulations.</p>	<p>15, 2006, the 12th Amendment on June 13, 2007, the 13th Amendment on June 13, 2008, the 14th Amendment on June 18, 2010, the 15th Amendment on June 24, 2011, the 16th Amendment on June 15, 2012, the 17th Amendment on June 17, 2015, the 18th Amendment on June 17, 2016, the 19th Amendment on June 13, 2019, <u>and the 20th Amendment on June 18, 2020.</u></p> <p>The Articles of Incorporation were implemented after approval in accordance with laws and regulations.</p>	

Attachment 8

System Corporation

Table of Rules of Procedures for Shareholders Meetings

Before Amendments	After Amendments	Remark
<p>Article 5: <u>Unless otherwise provided in the Company Act, the Chairman of the Board shall chair shareholders' meetings.</u> In the event the Chairman is on leave or unable to exercise his/her authority, the Vice Chairman, if available, shall act on his/her behalf. In the absence of a Vice Chairman or the Vice Chairman is also on leave or unable to exercise his/her authority, the Chairman shall designate a Managing Director to act on his/her behalf. In the absence of Managing Directors, a Director shall be designated. If none has been designated by the Chairman, a Managing Director or Director shall be elected to act on the Chairman's behalf from among all Managing Directors and Directors of the Company.</p> <p>When a Managing Director or a Director serves as chair as referred to in the preceding paragraph, the Managing Director or Director shall be an individual who has held said position for a period specified by the competent authority and who possesses</p>	<p>Article 5: <u>If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board.</u> In the event the Chairman is on leave or unable to exercise his/her authority, the Vice Chairman, if available, shall act on his/her behalf. In the absence of a Vice Chairman or the Vice Chairman is also on leave or unable to exercise his/her authority, the Chairman shall designate a Managing Director to act on his/her behalf. In the absence of Managing Directors, a Director shall be designated. If none has been designated by the Chairman, a Managing Director or Director shall be elected to act on the Chairman's behalf from among all Managing Directors and Directors of the Company.</p> <p>When a Managing Director or a Director serves as chair as referred to in the preceding paragraph, the Managing Director or Director shall be an individual who has held said position for a period specified by</p>	<p>According to the Article 182-1, paragraph 1 of the Company Act.</p>

Before Amendments	After Amendments	Remark
<p>adequate knowledge of the Company's financial and business conditions. The same shall apply to representatives of corporate directors serving as chair.</p>	<p>the competent authority and who possesses adequate knowledge of the Company's financial and business conditions. The same shall apply to representatives of corporate directors serving as chair.</p> <p><u>If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</u></p>	
<p>Article 9: <u>The agenda of the meeting shall be formulated by the Board of Directors. Unless otherwise resolved at the meeting by shareholders, the meeting shall proceed in accordance with the agenda.</u></p> <p>Unless by the resolution of the shareholders' meeting, the chair may not declare the meeting ended until all items on the agenda (including extempore motions) stipulated in the preceding paragraph have been completed.</p> <p>If the chair violates the rules of procedure and declares the adjournment of the shareholders' meeting, one person may be elected chair with the</p>	<p>Article 9: <u>If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</u></p> <p><u>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.</u></p> <p>Unless by the resolution of the shareholders' meeting, the chair may not declare the meeting ended until all items on the agenda (including</p>	<p>Cooperate with TWSE and TPEX listed companies to fully implement electronic voting since 2018 and implement the case-by-case voting spirit.</p>

Before Amendments	After Amendments	Remark
<p>consent of one half of the votes represented by shareholders present to resume the meeting.</p> <p>The shareholders cannot designate any other person as chair and resume the meeting in the same or another place after the meeting is adjourned.</p>	<p>extempore motions) stipulated in the preceding paragraph have been completed.</p> <p>If the chair violates the rules of procedure and declares the adjournment of the shareholders' meeting, one person may be elected chair with the consent of one half of the votes represented by shareholders present to resume the meeting.</p> <p>The shareholders cannot designate any other person as chair and resume the meeting in the same or another place after the meeting is adjourned.</p>	
<p>Article 14:</p> <p>When the chairman considers that a matter has been sufficiently discussed to qualify for a vote, the chairman may announce the discussion closed and bring the matter to a vote.</p>	<p>Article 14:</p> <p>When the chairman considers that a matter has been sufficiently discussed to qualify for a vote, the chairman may announce the discussion closed and bring the matter to a vote <u>and arrange adequate voting time.</u></p>	<p>Let shareholders adequate time to vote.</p>
<p>Article 17:</p> <p>Unless otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders (or proxies) present at the meeting.</p> <p><u>In voting, a proposal is considered approved if the chair receives no dissenting opinions after</u></p>	<p>Article 17:</p> <p>Unless otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders (or proxies) present at the meeting.</p> <p><u>At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce</u></p>	<p>Implement the case-by-case voting spirit.</p>

Before Amendments	After Amendments	Remark
<p><u>requesting, which has the same effect as voting by ballot.</u></p>	<p><u>the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p>	
<p>Article 20: These Rules and Procedures shall come into force after the approval of the Board of Directors and ratification in the shareholders' meeting. The same procedures shall apply for future amendments. These Rules and Procedures were established on April 12, 2001, the 1st Amendment on March 28, 2002, <u>and</u> the 2nd Amendment on June 21, 2013.</p>	<p>Article 20: These Rules and Procedures shall come into force after the approval of the Board of Directors and ratification in the shareholders' meeting. The same procedures shall apply for future amendments. These Rules and Procedures were established on April 12, 2001, the 1st Amendment on March 28, 2002, the 2nd Amendment on June 21, 2013, <u>and the 3rd Amendment on June 18, 2020.</u></p>	<p>Addition of revision dates.</p>