

**SYSGRATION LTD.**  
**NOTICE OF ANNUAL SHAREHOLDERS' MEETING 2021**  
(Summary Translation)

A. Meeting Notice

1. Meeting Time : 9:00 a.m., April 29, 2022 (Friday), (reporting time begins at 30 minutes before the Meeting Time)
2. Meeting Venue : 6F, No.1, Sec.1, Tiding Blvd., Neihu District,  
Taipei City, Taiwan R.O.C
3. Meeting Agenda :
  - I. Report Items
    - (1) 2021 Business Report.
    - (2) Audit Committee's Review Report on the 2021 Financial Statements.
    - (3) Report on Implementation of 2021 Business Improvement Plan.
    - (4) Status Report of Endorsements/Guarantees for Others.
    - (5) Status Report of Fund-lending to Others.
    - (6) Status Report of Financial Derivative Product Transaction.
    - (7) Report on Remunerations of Directors.
  - II. Proposed Resolutions
    - (1) The 2021 Business Report and Financial Statements.
    - (2) The 2021 Profit Appropriation Proposal.
  - III. Discussion
    - (1) Private Placement of Common Shares.
    - (2) Amendment of Articles of Incorporation.
  - IV. Questions and Motions

- B. The Company proposed private placement of common stocks, please refer to the appendix for detail information.
- C. In accordance with Article 172 of the Company Act, the content of shareholders' meeting proposals can be found on the Market Observation Post System (<https://mops.twse.com.tw>) by selecting "Electronic Books/Shareholders' meetings" or "Profiles/Company Profile/Web Address" .
- D. In accordance with Article 165 of the Company Act, the book closure period for common shares is set as March 1, 2022 to April 29, 2022.
- E. The Notice of Attendance and Proxy Form are hereby enclosed. Shareholders planning to attend the Annual Shareholders' Meeting in person should sign or

stamp the Notice of Attendance and submit the same when signing in on the day of the meeting (shareholders attending in person are not required to mail in said Notice). Shareholders wishing to appoint a proxy should sign or stamp the Proxy Form; provide the proxy name, address, and signature; and deliver or mail said form to the Company's share transfer agent and registrar Grand Fortune Securities Transfer Agency Department at least five days prior to the Meeting date. The Grand Fortune Securities Transfer Agency Department will return the Notice of Attendance with seal to the said shareholders for attendance. In the case of not receiving the Notice of Attendance prior the Shareholders' Meeting date, the shareholders can attend the meeting by presenting individual Identification Card and chop stamp in person.

- F. The Company is required to post public proxy solicitations for the Annual Shareholders' Meeting on the Securities & Futures Institute website (<http://free.sfi.org.tw>) by March 29, 2022. Shareholders wishing to obtain relevant information can enter associated search criteria on the Free Proxy Disclosure Search Engine with Company code.
- G. Shareholders may exercise their voting rights by electronic means from March 30, 2022 to April 26, 2022 by logging in to the Taiwan Depository & Clearing Corporation Stockvote platform (<http://www.stockvote.com.tw>) and vote according to the instructions provided.
- H. The verification and calculation of the Proxy Form of the Shareholders' Meeting will be performed by Grand Fortune Securities Transfer Agency Department.

Board of Directors  
Sysgration Ltd.

## Appendix:

In accordance with Article 43-6 of the Securities Exchange Act, detail information of private placement of common stocks proposal is as follows:

I. The information related to the issuance of common shares by cash capital increase of private placement is as follows:

(I) Conditions of issuance

1. Type of private placement shares: Common stocks.
2. Number of private placement shares: The total number of shares issued shall not exceed 25,000,000 shares.
3. Par value of each share: NT\$10 per share.
4. Total amount of private placement: The Board of Directors shall be authorized to make this decision according to the actual situation.

(II) Basis and reasonableness of private placement price

1. The price of common stocks of this private placement shall be no less than 80% of the higher one of the following two base prices calculated on the Company's pricing date:

- (1) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; or
- (2) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

However, the actual pricing date and actual issuing price shall be determined by the Board of Directors authorized by the Shareholders' Meeting in accordance with the above method, depending on the specific subscribers.

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

(III) Specific persons selection method

To enhance the feasibility of the private placement of the Company's common stock, private placement is limited to specific persons subject to the provisions of Article 43-6 of the Securities Exchange Act and Financial Supervisory Commission Order (91) TCZY No. 0910003455 issued on June 13, 2002 and intends to include insiders and related parties. When evaluating and selecting subscribers, the Company will take the principle of no significant change to management rights. Currently, no specific persons are engaged with, and the Board of Directors shall be authorized by the Shareholder's Meeting to handle all matters related to the determination of specific persons.

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

Subscriber	Selection method and purpose	Relationship to the Company
Lee, Yi-Ren	Well understanding of the Company's operations	Chairman himself

Talent Investment Co., Ltd.	Well understanding of the Company's operations	Chairman held company in the name of others.
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2. Top ten shareholders of institutional subscribers and their relationships to the Company:

Talent Investment Co., Ltd.:

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

(IV) Necessary reasons for private placement

- Reasons for not adopting the public offering: With the considerations of timeliness, feasibility, and issuing costs to raise capital, as well as considerations of private placement securities restrictions on transfer freely within three years, it shall ensure the long-term equity relationship between the Company and the subscribers. Furthermore, authorizing the Board of Directors to handle the private placement according to the actual demand for company operation will also improve the mobility and flexibility of the Company's financing. Therefore, it will not adopt the public offering but plans to issue shares in private placement.
- Amount of private placement: Within 25,000,000 shares, it is expected to be handled twice within one year from the date of resolution of the Shareholders' Meeting.
- Fund use and expected benefit of each private placement:

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

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

- The rights and obligations of common stocks issued in this private placement and the subsequent allotment shall be the same as those of outstanding common stocks issued by the Company; however, the common stocks issued in this private placement and subsequent allotment may not be sold for a period of three years from the date of delivery of the common stock in this private placement, except in accordance with Article 43-8 of the Securities Exchange Act.
  - After three years from the date of delivery of the common stocks issued in this private placement and the subsequent allotment, an application for retroactive handling of public issuance procedures in accordance with relevant laws and regulations and for the over-the-counter transaction in the form of transfer from books to delivery without entity.
- II. The intention is to authorize the Board of Directors to handle matters related to the issue of new shares for cash increase in the private placement within one year starting from the date of resolution of the Shareholders' Meeting depending on the actual situation of the offering; within one year from the date of the resolution of the Shareholders' Meeting,

regardless of whether the stock capital is fully raised, the intention is to submit the proposal to the Shareholders' Meeting to authorize the Board of Directors to determine whether the original plan is still feasible, it shall be deemed to have received the full amount of the shares issued by the private placement for cash capital increase and complete the raising of the new shares issued by the private placement for cash capital increase.

- III. The pricing date, actual issuing price, and capital increase record date of new shares of the private placement shall be authorized to be determined by the Board of Directors.
- IV. In case of changes in laws and regulations, opinions of the competent authority, or changes in market conditions, the Shareholders' Meeting shall authorize the Board of Directors to handle the issuing price, issuing conditions, planned projects, and other related matters of the new cash capital increase of private placement shares.
- V. In addition to the scope of the aforementioned authorization, the intention is to request the Shareholders' Meeting to authorize the Chairman to sign and negotiate all contracts and documents relating to the private placement of common stocks on behalf of the Company, as well as to handle all matters related to the private placement of common stocks for the Company.
- VI. The investors can refer to related information regarding private placement on the Market Observation Post System (<https://mops.twse.com.tw>) private placement section and on the Company's website (<https://www.sysgration.com/>).