

Sysgration Ltd.

2025 Annual Shareholders' Meeting Minutes (Translation)

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Sysgration Ltd.
2025 Annual Shareholders' Meeting Minutes

Time: 9:00 a.m. on Wednesday, May 7, 2025

Place : 6F., No. 1, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City. (Meeting Room)

Method for convening the shareholders' meeting: visual communication assisted shareholders' meeting. The Company will use the e-Meeting Platform by the Taiwan Depository & Clearing Corporation (TDCC) for this year's shareholders' meeting. ([https:// https://stockservices.tdcc.com.tw](https://stockservices.tdcc.com.tw))

Measures for natural disasters, incidents, or other force majeure events hinder the operating of the e-Meeting Platform or prevent shareholders from successfully attending the virtual meeting:

No such circumstances occurred during meeting.

The Number of Shares of Attendance :

Attending shareholders and proxy represented 120,214,104 shares accounting for 62.68% of 191,781,375 shares, the Company's total outstanding shares.

Directors Present:

Chairman Lee Yi-Ren, Director Hsieh Tung-Fu, Independent Director He Ju-Hsiang, Independent Director Lin Kuan-Chao, Independent Director Wei, Che-Chen.

Attendee: Audit Accountant Chih, Ping-Chiun, Lawyer Chen, Ling-Hsuan

Chairperson: Lee, Yi-Ren, the Chairman of the Board of Directors.

Recorder: Hsu, Hsi-Ning

I . Call the Meeting to Order:

The aggregate shareholding of the shareholders present constituted a quorum.

The Chairperson called the meeting to order.

II. Chairperson Remarks: Omitted.

III . Report Items:

- (1) 2024 Business Report. (Appendix 1).
- (2) Audit Committee's Review Report on the 2024 Financial Statements. (Appendix 2).
- (3) 2024 Status Report of Endorsements/Guarantees for Others. (Omitted).
- (4) 2024 Status Report of Fund-lending to Others. (Omitted).
- (5) 2024 Status Report of Financial Derivative Product Transaction. (Omitted).
- (6) 2024 Report on Remunerations of Directors. (Appendix 3).
- (7) Report on 2024 Employees' Profit Sharing and Directors' Compensation. (Omitted).
- (8) Report on 2024 Distribution of Cash Dividends from Earnings and Capital Surplus. (Omitted).

IV. Proposals Resolutions:

Proposal 1: The 2024 Business Report and Financial Statements, please approve.

Explanation:

- (1) Sysgration's 2024 Financial Statements were audited by CPA Chih, Ping-Chiun and CPA Chiu, Chao-Hsien of PricewaterhouseCoopers, Taiwan with written independent auditors' reports and have been approved by Board of Directors.

- (2) 2024 Business Report is attached hereto as Appendix 1.
- (3) 2024 Independent Auditors' Reports, Consolidated Financial Statements and Parent Company Only Financial Statements are attached hereto as Appendix 4 and 5, respectively.

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,404,697	112,598,311	93.66%
Votes against	0	17,734	17,734	0.01%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,476,049	7,598,059	6.32%

RESOLVED, that the 2024 Business Report and Financial Statements be and hereby were approved and acknowledged as proposed.

Proposal 2: 2024 Profit Appropriation Proposal, please approve.

Explanation: The 2024 Profit Appropriation Table is attached hereto as Appendix 6.

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,400,059	112,593,673	93.66%
Votes against	0	22,384	22,384	0.01%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,476,037	7,598,047	6.32%

RESOLVED, that the 2024 Profit Appropriation Proposal be and hereby was approved and acknowledged as proposed.

Proposal 3: Ratification of the related parties involved in the subscription for the second private placement of common shares in 2022, please approve.

Explanation:

- (1) The Company's shareholders' meeting on April 29, 2022, approved the private placement of common shares with a maximum issuance of 25,000,000 shares, and authorized the Board of Directors to carry out the issuance in multiple times within one year from the date of the shareholders' meeting resolution. The Company, on March 9, 2023, resolved through the Board of Directors to issue 12,600,000 shares of 2nd privately placed common stock and completed the fundraising on March 23, 2023.
- (2) Due to the fact that there are related parties in the list of subscribers determined during the actual 2nd private placement, which were not disclosed in the reasons for the shareholders' meeting notice on April 29, 2022, the company ratifies the list of subscribers for the 2nd private placement of common shares in 2022 is attached hereto as Appendix 7.

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,336,173	112,529,787	93.60%
Votes against	0	70,155	70,155	0.05%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,492,152	7,614,162	6.33%

RESOLVED, that the ratification of the related parties involved in the subscription for the second private placement of common shares in 2022 be and hereby was approved and acknowledged as proposed.

V. Discussions Matters:

Proposal 1: Proposal for Releasing the Non-compete Restriction on Directors, please discuss.

Explanation:

- (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 content of such an act and seek approval therefrom.
- (2) The Company's Chairman Lee, Yi- Ren was restricted by the non-compete provision under Article 209 of the Company Act for having investment relationships or being appointed by a legal person to concurrently hold positions in companies with the same or similar business scope as the Company and participating in important business decisions of the company. The non-compete ban against the Chairman is lifted as follows :

Name	Name of the other company and the positions held concurrently
Lee, Yi- Ren	Leadray Energy Co., Ltd. Director and CEO (Lighting and Energy Equipment Manufacturing and Technical Services)

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,255,547	112,449,161	93.54%
Votes against	0	149,777	149,777	0.12%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,493,156	7,615,166	6.33%

RESOLVED, that the proposal for Releasing the Non-compete Restriction on Directors be and hereby was approved and acknowledged as proposed.

Proposal 2: Amendments of Articles of Incorporation, please discuss.

Explanation:

- (1) According to the Letter Jin-Guan-Zheng-Fa-Zi No. 1130385442 issued on November 8, 2024 and paragraph 6, Article 14 of the Securities and Exchange Act, listed companies shall specify in their Articles of Incorporation the allocation of a certain percentage of

annual profits for adjusting salaries or distributing remuneration to frontline employees. Therefore proposed amendments to certain provisions of the Company “Articles of Incorporation.”.

- (2) The Comparison Table of Amendments is attached hereto as Appendix 8.
Resolution.

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,392,289	112,585,903	93.65%
Votes against	0	15,818	15,818	0.01%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,490,373	7,612,383	6.33%

RESOLVED, that the amendments of Articles of Incorporation be and hereby was approved and acknowledged as proposed.

Proposal 3: Amendments to Procedures for Asset Acquisition & Disposal, please discuss.

Explanation:

- (1) Pursuant to practical operations, an amendment to the Company's " Procedures for Asset Acquisition & Disposal” is proposed.
- (2) The Comparison Table of Amendments is attached hereto as Appendix 9.

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,380,840	112,574,454	93.64%
Votes against	0	26,890	26,890	0.02%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,490,750	7,612,760	6.33%

RESOLVED, that the amendments to Procedures for Asset Acquisition & Disposal be and hereby was approved and acknowledged as proposed.

Proposal 4: Private Placement of Common Shares, please discuss.

Explanation:

1. To seek cooperation with strategic investors and enhance operating capital, it is proposed, in accordance with Article 43-6 of the “Securities and Exchange Act” and the “Directions for Public Companies Conducting Private Placements of Securities” to authorize the Board of Directors, within one year from the date of the shareholders’ meeting resolution and within an issuance limit of no more than 25,000 thousand shares, to conduct one or multiple installments private placements of common shares, depending on capital market conditions. The relevant matters are explained as follows.
 - A. Basis and reasonableness of the determination of the private placement price
 - ① The private placement price for each issuance is determined, either based on the simple arithmetic average of the closing prices of common shares over one, three,

or five business days prior to the pricing date, after deducting the ex-rights and ex-dividends from stock dividends and adding back the price adjustment for capital reduction. Alternatively, based on the simple arithmetic average of the closing prices of common shares over thirty business days prior to the pricing date, after deducting the ex-rights and ex-dividends from stock dividends and adding back the price adjustment for capital reduction. The higher of the two calculated prices serves as the reference price, while the actual issuance price is set at no less than 80% of the reference price.

- ② The pricing method for this private placement is based on the provisions of the “Directions for Public Companies Conducting Private Placements of Securities” and takes into consideration the Company’s future prospects, as well as the strict restrictions on the timing, recipients, and quantity of the privately placed securities, which cannot be listed on the Taipei Exchange market for three years, resulting in lower liquidity. Therefore, the determination of the private placement price is deemed reasonable and is not expected to have a significant impact on shareholders’ rights and interests.
- ③ The actual pricing date and private placement price shall be determined by the Board of Directors based on the aforementioned pricing basis, within the range not lower than the percentage approved by the shareholders’ meeting, considering the subsequent negotiation with specific persons and market conditions.

B. Method and purpose of selecting specific persons, necessity, and expected benefits

- ① Selection method and purpose: The targets of this private placement of common shares shall be specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act, the Letter Jin-Guan-Zheng-Fa-Zi No. 1120383220 issued by the FSC on September 12, 2023, and relevant directives such as the “Directions for Public Companies Conducting Private Placements of Securities.” The subscribers of this private placement shall be limited to strategic investors. The Company seeks opportunities for technical collaboration or strategic alliances with leading domestic and international industry players , with the principle of no significant changes in management control, while also enhancing working capital.
- ② Necessity: To respond to the rapid changes in the global market and strengthen the Company’s growth momentum, the Company intends to introduce strategic investors through a private placement of common shares. This will enhance competitiveness and provide significant benefits and necessity for the Company’s long-term business development.
- ③ Expected benefits: After the introduction of strategic investors, a strategic partnership will be established to reduce the Company’s operational risks. On the other hand, it will strengthen operating capital, enhancing the future operational performance and benefits of the Company.
- ④ Currently, no strategic investors have been confirmed.

C. Reasons necessary for private placement

- ① Reason for not adopting a public offering: Considering factors such as the capital market conditions, issuance costs, the fundraising timeliness and feasibility of the

private placement method, and the restriction that privately placed shares cannot be freely transferred within three years, a private placement is more suitable to ensure and strengthen a closer long-term partnership with strategic investors. Therefore, the Company intends to proceed with a private placement for a cash capital increase rather than a public offering.

- ② Amount of private placement: Within the amount of 25,000 thousand shares, it is expected to be processed once or in multiple installments within one year from the date of the shareholders' meeting resolution. The actual fundraising amount will be authorized the Board of Directors based on the market conditions at that time, the company's actual needs, and the circumstances of specific individuals involved.
- ③ Purpose of funds for each issuance: To seek opportunities for technical collaboration or strategic alliances with major domestic and international industry players, while also strengthening operating capital.
- ④ Expected benefits for each issuance: To reduce the Company's operational risks, while also strengthening operating capital to enhance the future operational performance and benefits of the Company.

performance and benefits of the company.			
Issuance	Number of shares	Use of funds	Expected benefits
First Issuance	12,500,000	The Company seeks opportunities for technical collaboration or strategic alliances with leading domestic and international industry players while also strengthening its operating capital.	After the introduction of strategic investors, a strategic partnership will be established to reduce the Company's operational risks. On the other hand, it will strengthen operating capital, enhancing the future operational performance and benefits of the Company.
Second Issuance	12,500,000		
Within an amount of 25,000 thousand shares, it is expected to be conducted one or two installments within one year from the date of the shareholders' meeting resolution. For each actual issuance, any previously unissued shares and/or the shares planned for subsequent issuance may be issued together in full or in part.			

- D. During the period of one year prior to the Board of Directors' resolution to conduct the private placement of securities to one year after the delivery date of the privately placed securities, and after the introduction of strategic investors through the private placement, there has not been any significant change in the management.
2. The rights and obligations of the common shares issued through each private placement are, in principle, the same as those of the Company's previously issued common shares. Except for the transferees specified under Article 43-8 of the Securities and Exchange Act, the privately placed common shares shall be restricted from transfer for three years from the delivery date. After three years from the delivery date of the privately placed common shares, they may only be publicly offered and applied for trading on the TPEX if they comply with relevant laws and regulations.
3. The main contents of the private placement common shares plan, including the actual number of privately placed shares, actual placement price, selection of subscribers, reference date, issuance conditions, project items, use and progress of funds, expected benefits, and other related matters, as well as any other matters related to the issuance

plan, are proposed to be submitted for approval by the shareholders' meeting, granting the Board of Directors the authority to adjust, set, and handle the plan based on market conditions. In the future, if changes in laws or regulations, requests from regulatory authorities, operational evaluations, or changes in the external environment require modifications, the Board of Directors is also authorized to handle such matters with full discretion.

4. 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.
5. Whether independent directors have objections or reservations : No.

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,388,779	112,582,393	93.65%
Votes against	0	32,464	32,464	0.02%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,477,237	7,599,247	6.32%

RESOLVED, that the Private Placement of Common Shares be and hereby was approved and acknowledged as proposed.

Proposal 5: The Company may proceed stock release operations for Power Tank Energy Ltd.("PTE") and waive participation in PTE's cash capital increase in line with PTE's future IPO plan, please discuss.

Explanation:

- (1) To align with the operational development of its subsidiary, PTE, attract and retain the necessary professional talent, and comply with the regulatory requirements for stock listing, the Company must reduce its holdings in PTE to below 70% before the stock listing application. Furthermore, upon the listing of the shares, the Company and its subsidiaries, as well as the directors, supervisors, representatives, and shareholders holding more than 10% of the total shares, along with their related parties, must collectively hold no more than 70% of PTE's outstanding shares. The planned equity dispersion for the future stock listing aims to maintain the Company's control over PTE. Before the listing, the Company may conduct stock release operations and/or waive the subscription of all or part of the shares during PTE's cash capital increase (if any), either in one or multiple instances, and may dispose of part of its shares in PTE in the following manner, either in one or multiple transactions:

A. Waiver of subscription for part of the cash capital increase:

The issuance price of PTE's cash capital increase shall not be lower than the net worth value per share as stated in the most recent financial statements audited or reviewed by a CPA prior to the Board of Directors' resolution for the cash capital increase.

However, if the stock is already traded on a securities exchange, the price shall be determined based on the market price at that time, in addition to being no lower than the aforementioned net worth value. Considering its operational development, the attraction and retention of professional talent to enhance management performance, the Company shall reserve 10% to 15% of the cash capital increase shares for subscription by employees of PTE and, in accordance with Article 28-1 of the Securities and Exchange Act and related regulations, shall fully allocate shares for public offering and underwriting. The Company may waive the subscription of shares in PTE's cash capital increase and encourage PTE, within the scope of the waived subscription shares, to offer a subscription proposal to specific persons, primarily for qualified shareholders of the Company, employees of the Company and its affiliates, as well as strategic or financial investors who can contribute to the operational development of PTE. Qualified shareholders of the Company are those listed in the shareholder register as of the most recent book closure date, who, according to their recorded shareholding, can proportionally subscribe to at least one share (inclusive) of the new shares issued in PTE's cash capital increase (at that time, shareholders of the Company may proceed with the necessary aggregation procedures according to relevant regulations). However, the actual cash capital increase issuance price, the determination of specific persons, and the operational schedule shall be subject to the resolution of PTE's Board of Directors.

B. Disposition of PTE's shares:

The price at which the Company disposes of PTE's shares shall not be lower than the net worth value per share as stated in the most recent financial statements audited or reviewed by a CPA prior to the Board of Directors' resolution for the disposition of PTE's shares. However, if the stock is already traded at a securities exchange, the price shall be determined based on the market price at that time, in addition to being no lower than the aforementioned net worth value. The Company shall prioritize the disposal of PTE's shares to shareholders listed in the Company's shareholder register as of the most recent book closure date, based on their proportionate shareholding at the time of subscription. To reduce shareholder service costs, the shareholder register could use the record the shareholders' holdings ratio based on the most recent book closure register for qualified subscribers, calculation is limited to shareholders who subscribe for one share (inclusive) or more. In consideration of PTE's operational development, the attraction and retention of professional talent to enhance management performance, if shareholders of the Company waive their subscription or if there is insufficient subscription, the Chairman is authorized to negotiate with specific persons for the subscription. The counterpart in the transaction shall primarily consist of PTE employees, employees of the Company and its affiliates, as well as strategic or financial investors who can contribute to the operational development of PTE. The actual transaction price, the determination of the transaction counterpart, and the operational schedule shall be subject to the authorization of the shareholders' meeting, granting the Company's Board of Directors the authority to decide based on the market conditions at that time and PTE's operational situation. The transaction shall be carried

out in accordance with the Company's procedures for the acquisition or disposal of assets in effect at that time.

- (2) For the shares required for PTE's application of listing on the emerging stock market or the stock exchange(TPEX), the company shall allocate shares for subscription by securities firms and perform over- allotment procedures in accordance with relevant laws, regulations, and the listing (TPEX) rules. The number of shares to be allocated and the price will be determined in accordance with relevant laws and regulations, listing (TPEX) rules, current market conditions, PTE's operational situation, and in consultation with the underwriters.
- (3) After completing the above-mentioned share disposal and/or waiver of cash capital increase subscription procedures, the Company's direct or indirect consolidated shareholding in PTE shall remain no less than 50% at the time of its listing, in order to maintain control and realize the synergistic benefits of the Group.
- (4) The above matters regarding the allocation of PTE's shares and/or the waiver of subscription for cash capital increase related to operations are hereby authorized for the Board of Directors to handle with full authority.

Voting Results:

Shares represented at the time of voting : 120,214,104 votes.

Item	Votes in attendance	Electronic votes	The total represented share present	% of the total represented share present
Votes in favor	109,193,614	3,293,461	112,487,075	93.57%
Votes against	0	126,151	126,151	0.10%
Votes invalid	0	0	0	0.00%
Votes abstained	122,010	7,478,868	7,600,878	6.32%

RESOLVED, that the Company may proceed stock release operations for Power Tank Energy Ltd.("PTE") and waive participation in PTE's cash capital increase in line with PTE's future IPO plan, please discuss be and hereby was approved and acknowledged as proposed.

VI. Incidental Motions : None.

Summary of Shareholders' Questions and the Company's Response Thereto :

1. First speech of Shareholder No. 16827 on discussions matters #3: The company has revised the executing unit for short- and long-term securities investments to be the Investment Department. Please ensure that the authority approval matrix is updated accordingly.
The chairperson replied, "Thank you for the shareholder's reminder. The company will handle the matter in accordance with the regulations."
2. First speech of Shareholder No. 16827 on discussions matters #4: Please explain the necessity of conducting a private placement.
The chairperson replied, "The primary purpose of this private placement is to support the company's plans to establish a manufacturing facility in the United States. Through a private placement, the company aims to introduce strategic investors and form strategic alliances, thereby reducing operational risks. Additionally, the funds raised will strengthen working capital and enhance the company's future operational performance."
3. First speech of Shareholder No. 16827 on discussions matters #5: Please provide the subsidiary PTE's company name, capital amount, the company's shareholding, and whether an underwriter has been appointed for this case.
The chairperson replied, "The full name of the subsidiary has been stated in the case description as ' Power

Tank Energy Ltd.' The company's paid-in capital is approximately NT\$310 million, and Sysgration currently holds about 97.1% of its shares. An underwriter has not yet been appointed."

VII. Meeting Adjourned at 10:45 a.m. on Wednesday, May 7, 2025.

Appendix 1

Sysgration Ltd. Business Report

I. 2024 Annual Operating Result Report

(I) Operating situation

The Company's parent company only operating revenue for the year 2024 was NT\$2,882,607 thousand, a decrease of 10.57% compared to parent company only operating revenue of NT\$3,223,292 thousand in 2023. The parent company only net profit after tax for 2024 was NT\$116,045 thousand, a decrease of NT\$139,439 thousand compared to the net profit of NT\$255,484 thousand in 2023. The parent company only basic earnings per share for 2024 was NT\$0.61.

The Company's consolidated operating revenue for the year 2024 was NT\$3,109,948 thousand, a slight decrease of 5.15% compared to the consolidated operating revenue of NT\$3,278,708 thousand in 2023. The consolidated net profit attributable to the owners of the parent company after tax for 2024 was NT\$116,045 thousand, a decrease of NT\$139,439 thousand compared to the consolidated net profit of NT\$255,484 thousand in 2023. The consolidated basic earnings per share for 2024 was NT\$0.61.

(II) Financial revenue, expenditure and profitability analysis:

Parent Company Only Financial Statements

Unit: NT\$ 1,000

Item		Year	2024	2023	Growth rate %
Financial revenue and expenditure	Operating revenue		2,882,607	3,223,292	(10.57)
	Operating margin		668,812	717,127	(6.74)
	Net profit (loss) after tax		116,045	255,484	(54.58)
Profitability analysis	Return on assets (%)		2.74	6.37	(57.01)
	Return on shareholders' equity (%)		3.83	10.39	(63.09)
	Ratio to paid-up capital %	Net operating profit (loss)	8.66	11.36	(23.75)
		Net profit (loss) before tax	6.06	13.42	(54.86)
	Net profit (loss) ratio (%)		4.03	7.93	(49.21)
	Net profit (loss) per share (NT\$)		0.61	1.41	(56.74)

Consolidated Financial Statements

Unit: NT\$ 1,000

Item		Year	2024	2023	Growth rate %
Financial revenue and expenditure	Operating revenue		3,109,948	3,278,708	(5.15)
	Operating margin		751,831	810,868	(7.28)
	Net profit (loss) after tax - attributable to parent company		116,045	255,484	(54.58)
Profitability analysis	Return on assets (%)		2.66	6.38	(58.26)
	Return on shareholders' equity (%)		3.83	10.39	(63.09)
	Ratio to paid-up capital %	Net operating profit (loss)	2.76	10.18	(72.85)
		Net profit (loss) before tax	5.87	13.44	(56.32)
	Net profit (loss) ratio (%)		3.73	7.79	(52.11)
	Net profit (loss) per share (NT\$)		0.61	1.41	(56.74)

(III) Research and development

Product	Summary description (product specifications or function)
Multi-frequency universal wireless tire pressure monitoring system	TPMS to be compatible with more than 99% of vehicles of the United States, Europe, and Japan 315~433MHz original factories by single design, for customers to greatly reduce inventory and financial pressure.
BLE wireless tire pressure monitoring system	Intelligent TPMS for fleet management applications such as OE front-mounted new-energy electric vehicles, motor-cycles, pickup trucks, heavy trucks, and buses.
Automotive intelligent electronic control systems	Industrial IoT technology is used to integrate the traditional distributed electromechanical control systems of vehicles into a wireless digital central control system. 4G/5G cloud systems can also be used to remotely monitor vehicle status and provide self-driving and automation functions as required.
Industrial portable and wearable systems	By combining embedded high-performance computing systems with industrial application know-how and AI, portable and wearable systems that allow for high-performance computing in different fields are provided.
Industrial backup battery and energy storage system products	Development and integration of backup lithium batteries for industrial UPS systems, AI cloud centers backup lithium batteries, communication power and 5G base station lithium batteries, and industrial energy storage equipment.

II. Summary of 2025 Annual Operation plan

In recent years, Sysgration Ltd. has been committed to the development of a tire pressure monitoring system (TPMS) as a vehicle safety component. In addition to actively expanding the US and Europe RF replacement market, Sysgration Ltd. globally initiated the Bluetooth BLE TPMS with multinational patents, successfully breaking into the OE market, and gradually mass-produced and shipped to internationally well-known vehicle manufacturers. In 2025, the Company will continue to expand its RF replacement market in the US and Europe, as well as continuously expand BLE TPMS applications in the US and Europe OE market, including such fleet management applications as new-energy electric vehicles, motorcycles, pickup trucks, heavy trucks, and buses. Since the Mainland Chinese government has required tire pressure detectors as a standard product for general passenger cars, and the US is also planning to install tire pressure detectors on trucks and large vehicles in the foreseeable future, the TPMS market has considerable room for development. Therefore, Sysgration Ltd. is also actively developing relevant agency partners in the United States, Europe, Japan, and Mainland China and promoting the market to major automakers and other fleet management applications around the world.

In addition, we have applied our technology and experience in Industrial IoT and embedded high-performance computing systems to automotive electronics. This has allowed us to successfully develop technical components of automotive intelligent electronic control systems, including industrial computers, in-vehicle electronic control systems, smart home appliance control, mobile apps, and cloud services. This system helps users control all in-vehicle functions and equipment through both the cloud and the central control panel. Looking ahead, in addition to continuing to collaborate actively with automakers and Tier-1 suppliers to expand market share, the Company will also focus on deepening related technologies and integrating AI to expand into various transportation vehicles and industrial applications. These include drones, autonomous mobile robots, edge computing, portable rugged computers, augmented reality (AR) wearable devices, and more.

In terms of energy products, we will expand the Company's accumulated advantages in high power management and industrial energy storage technology, and widely promote BBUs (battery backup units) to cloud data center customers. Moreover, we will extend our experience in electric vehicle lithium-ion battery packs to UPS systems used in semiconductor plants, community energy storage systems, battery systems for SMR power supply for 4G and 5G base station communication, energy storage and voltage stabilizer systems for power plants, and other industrial applications.

III. Future R&D directions of the Company:

- (I) Enhance the product function of multi-frequency single-machine universal tire pressure detector.
- (II) Expand the application of the world's initiative low-power Bluetooth BLE tire pressure detector in new-energy electric vehicles, motorcycles, heavy trucks, and buses.
- (III) Expand the development of automotive intelligent control systems, portable industrial computers, industrial augmented reality (AR) wearable devices, AI edge computing equipment, and other intelligent industrial applications.
- (IV) Enhance such lithium energy storage technology as the battery management system (BMS) and energy management system (EMS), and expand their applications in data centers, semiconductor factories, residential areas, power plants, wired communication and other industries.

The company will continue to actively cultivate and solicit R&D talents, be committed to product and quality system conformity with the requirements of international laws and regulations and international certifications, and follow the current laws and regulations related to the operating process of Taiwan and foreign investment countries, in the hope of responding to market condition changes and fully grasping changes in relevant laws and regulations in the face of the external competitive environment to prepare and implement appropriate measures. The management team is also aware of any changes in policies and regulations that may affect the Company's financial and business operations. In the face of rapid changes and challenges in both the domestic and foreign environments, the Company will pay more attention to the development and sales of new products and the acquisition of patent rights in order to contribute the maximum interest to shareholders. In this regard, we hope that shareholders can give us even more support and encouragement. All the staff must also work harder to respond to the Company and adhere to the business philosophy of integrity and earnestness, so that the Company can still grow in the changing environment. The management team will also handle variables with the most responsible attitude and the most active and prudent thinking, as in the past, to improve the performance and profit of the Company.

Finally, we would once more like to thank all the shareholders for their support, trust, and encouragement.

Appendix 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's business report, financial statements, and earnings distribution proposal for the fiscal year 2024. The financial statements have been audited and completed by PwC Taiwan (PricewaterhouseCoopers, Taiwan) and received an unqualified audit opinion.

The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee, which finds no discrepancies. Therefore, in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act.

Sysgration Ltd.

Convenor of the Audit Committee: Lin, Kuan-Chao

February 26, 2025

Appendix 3

Report on Remunerations of Directors

Remuneration of general director and independent director (disclosure of individual name and remuneration method)

Unit: NT\$1,000; %; For the Year 2024 ended December 31

Title	Name	Director Remuneration								Total Amount of Items A,B,C,D and Ratio to Net Profit After Tax		Relevant Remuneration Received by Directors Who are Also Employees								Total Amount of Items A,B,C,D,F,G and Ratio to Net Profit After Tax		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or the Parent Company
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit-Sharing of Employee Bonus (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
Cash	Stock															Cash	Stock					
Chairman	Lee, Yi-Ren	60	60	0	0	2,182	2,182	0	0	2,242 1.93%	2,242 1.93%	6,968	7,532	0	0	1,500	0	1,500	0	10,710 9.23%	11,274 9.72%	0
Director	Hsieh, Tung-Fu	60	60	0	0	1,455	1,455	0	0	1,515 1.31%	1,515 1.31%	4,918	6,557	108	108	1,500	0	1,500	0	8,041 6.93%	9,680 8.34%	0
Director	Lee, Cheng-Han	60	60	0	0	1,455	1,455	0	0	1,515 1.31%	1,515 1.31%	4,063	4,063	108	108	300	0	300	0	5,986 5.16%	5,986 5.16%	0
Director	Tai, Feng-Yi	600	600	0	0	727	727	0	0	1,327 1.14%	1,327 1.14%	0	0	0	0	0	0	0	0	1,327 1.14%	1,327 1.14%	0
Independent Director	Lin, Kuan-Chao	600	600	0	0	727	727	0	0	1,327 1.14%	1,327 1.14%	0	0	0	0	0	0	0	0	1,327 1.14%	1,327 1.14%	0
Independent Director	He, Ju- Hsiang	600	600	0	0	727	727	0	0	1,327 1.14%	1,327 1.14%	0	0	0	0	0	0	0	0	1,327 1.14%	1,327 1.14%	0
Independent Director	Wei, Che-Chen	600	600	0	0	727	727	0	0	1,327 1.14%	1,327 1.14%	0	0	0	0	0	0	0	0	1,327 1.14%	1,327 1.14%	0

Note 1: According to the Articles of Incorporation, regardless of any profit or loss, all directors performing duties for Sysgration may claim travel allowance and remuneration, which will be paid, as authorized, by the Board of Directors taking into account the standard in the industry. Among the current directors, those who are also employees will be paid a monthly amount of NTD5 thousand as remuneration. The ordinary and independent directors who are not employees will be paid a monthly amount of NTD50 thousand as remuneration due to the responsibilities and risks they bear and after giving consideration to the time they have invested in corporate governance and the fact that independent directors also serve as members of the Audit Committee and the Remuneration Committee, taking into account the standard in the industry.

Note 2: According to the Articles of Incorporation, where Sysgration has a profit in a year, it shall allocate no more than 3% thereof as the remuneration for directors, provided that an amount thereof is retained to offset any accumulated losses Sysgration still has. The remuneration for each director is based on the level of his/her participation in and his/her contribution to the operations of Sysgration. Pursuant to the "Regulations for Evaluation of the Performance of the Board of Directors," a performance evaluation is conducted each year to review the performance of directors comprehensively based on items including their understanding of the goals and missions of Sysgration, the awareness of their responsibilities, the level of their participation in the operations of Sysgration, management and communication regarding internal relationship, the professionalism and continuing training of directors, and internal control. the board remuneration has been distributed as per the resolution. Additionally, the company's Board of Directors and the Compensation Committee resolved on 26th February 2025 to allocate a director remuneration of NT\$4,000,000, which was 2.98% of the imputed profit for the current period.

Note 3: Severance Pay was defined contribution amount allocated, not the actual amount paid.

Appendix 4

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of SYSGRATION LTD.

Opinion

We have audited the accompanying consolidated balance sheets of Sysgration Ltd. and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Existence and occurrence of revenue

Description

Please refer to Note 4(32) for accounting policies on revenue recognition and Note 6(24) for details of sales revenue.

The Group is primarily engaged in the manufacture and sales of automobile electronics products and power management products. Revenue is the main indicator of whether the Group achieves its business and financial goals, and existence and occurrence of revenue have a significant impact on financial reports. The revenue from automobile electronic products accounts for 90.33% of the operating income. Thus, we considered the existence and occurrence of automobile electronic products revenue as a key audit matter.

How our audit addressed the matter

The key audit procedures performed in respect of the above included the following:

- A. Obtained an understanding of and tested the internal control procedures of recognition of revenue and tested the effectiveness in exercising internal controls in relation to sales revenue.
- B. Obtained the details of revenue and verified customers' orders, delivery orders and sales invoices to confirm whether the sales revenue transactions indeed occurred.

- C. Examined the content and related supporting documents of sales returns and discounts after the balance sheet date and checked the subsequent collection to confirm the existence of sales revenue.

Valuation of allowance for inventory valuation losses

Description

Please refer to Note 4(14) for accounting policies on inventory, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for allowance for inventory valuation losses. As at December 31, 2024, the Group's inventories and allowances for inventory valuation losses were NT\$440,595 thousand and NT\$41,429 thousand, respectively.

The Group is primarily engaged in the manufacture and sale of automobile electronics products and power management products. Because of the rapid change in development of electronic products, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Group's inventories are measured at the lower of cost and net realizable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories. The material's net realizable value is calculated based on the latest purchase price, and the net realizable values of work in process and finished goods are measured at the last sales price as well as taken into consideration of the operating expense ratio.

The industry technology is rapidly changing, and the net realizable value of inventories involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. Considering that the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

The key audit procedures performed in respect of the above included the following:

- A. Assessed the reasonableness of provision policies on allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of the industry, including the classification of inventory for determining net realizable value and the reasonableness of determining the obsolescence of inventory.
- B. Obtained an understanding of the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
- C. Obtained an understanding of the policy on inventory aging report and the logic of inventory aging report program. Selected samples to verify the accuracy of inventory aging report.
- D. Verified the reasonableness of inventory valuation basis, including test sampling the latest purchase price, purchase invoice, the latest sales price and sales invoices in order to verify that the inventory was measured at the lower of cost and net realizable value.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion, with an other matter paragraph, on the parent company only financial statements of Sysgration Ltd. as at and for the years ended December 31, 2024 and 2023.

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 the International Financial Reporting

Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

- A. 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.

- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chih, Ping-Chiun

Chiu, Chao-Hsien

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,797,789	35	\$ 2,164,325	45
1110	Financial assets at fair value through profit or loss - current	6(2)	9,364	-	121	-
1136	Current financial assets at amortized cost	6(1)(4) and 8	57,724	1	-	-
1140	Current contract assets	6(24)	37,082	1	-	-
1150	Notes receivable, net	6(5) and 12(2)	4,205	-	4,447	-
1170	Accounts receivable, net	6(5) and 12(2)	809,553	16	970,522	20
1200	Other receivables		14,507	-	24,907	1
1220	Current income tax assets	6(31)	-	-	705	-
130X	Inventories	6(6)	399,166	8	370,126	8
1470	Other current assets		85,924	2	48,830	1
11XX	Current assets		3,215,314	63	3,583,983	75
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	29,303	1	25,103	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	226,120	4	231,456	5
1535	Non-current financial assets at amortized cost	6(1)(4) and 8	42,234	1	16,700	-
1560	Non-current contract assets	6(24)	28,062	1	-	-
1550	Investments accounted for using equity method	6(7)	-	-	127,494	3
1600	Property, plant and equipment	6(8) and 8	1,288,899	25	554,777	12
1755	Right-of-use assets	6(9)	69,895	1	71,114	1
1760	Investment property - net	6(10)	3,750	-	3,888	-
1780	Intangible assets	6(11)	62,297	1	26,628	1
1840	Deferred income tax assets	6(31)	27,322	1	40,941	1
1900	Other non-current assets		85,401	2	90,482	2
15XX	Non-current assets		1,863,283	37	1,188,583	25
1XXX	Total assets		\$ 5,078,597	100	\$ 4,772,566	100

(Continued)

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 8,956	-	\$ -	-
2120	Financial liabilities at fair value through profit or loss - current	6(13)	-	-	3,250	-
2130	Current contract liabilities	6(24)	74,588	1	6,209	-
2150	Notes payable		234	-	936	-
2170	Accounts payable		536,397	11	638,169	14
2200	Other payables	6(16)(34)	221,576	4	243,288	5
2220	Other payables - related parties	7	-	-	195	-
2230	Current income tax liabilities	6(31)	5,937	-	-	-
2250	Current provisions	6(19)	67,906	1	39,323	1
2280	Current lease liabilities		28,920	1	35,601	1
2320	Long-term liabilities, current portion	6(14)(15) and 8	591,094	12	100,953	2
2399	Other current liabilities, others		12,704	-	15,422	-
21XX	Current liabilities		<u>1,548,312</u>	<u>30</u>	<u>1,083,346</u>	<u>23</u>
Non-current liabilities						
2530	Bonds payable	6(14)	-	-	469,333	10
2540	Long-term borrowings	6(15) and 8	186,922	4	207,078	4
2550	Non-current provisions	6(19)	13,744	-	-	-
2570	Deferred income tax liabilities	6(31)	1,958	-	1,000	-
2580	Non-current lease liabilities		41,784	1	36,000	1
2600	Other non-current liabilities		430	-	715	-
25XX	Non-current liabilities		<u>244,838</u>	<u>5</u>	<u>714,126</u>	<u>15</u>
2XXX	Total liabilities		<u>1,793,150</u>	<u>35</u>	<u>1,797,472</u>	<u>38</u>
Equity attributable to owners of the parent						
Share capital		6(20)				
3110	Ordinary shares		1,909,364	38	1,845,849	39
3130	Certificate of entitlement to new shares from convertible bonds		2,185	-	55,073	1
3140	Advance receipts for share capital		3,195	-	2,264	-
Capital surplus		6(21)				
3200	Capital surplus		953,517	19	899,048	19
Retained earnings		6(22)				
3310	Legal reserve		30,119	1	4,497	-
3320	Special reserve		76,332	2	1,563	-
3350	Retained earnings		170,621	3	295,125	6
Other equity interest		6(23)				
3400	Other equity interest		(68,452)	(2)	(128,325)	(3)
31XX	Equity attributable to owners of the parent		<u>3,076,881</u>	<u>61</u>	<u>2,975,094</u>	<u>62</u>
36XX	Non-controlling interest	6(33)	<u>208,566</u>	<u>4</u>	<u>-</u>	<u>-</u>
3XXX	Total equity		<u>3,285,447</u>	<u>65</u>	<u>2,975,094</u>	<u>62</u>
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 5,078,597</u>	<u>100</u>	<u>\$ 4,772,566</u>	<u>100</u>

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

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31					
Items		Notes	2024		2023		
			AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(24)	\$ 3,109,948	100	\$ 3,278,708	100	
5000	Operating costs	6(6)(17)(18)(29)(30) and 7	(2,358,117)	(76)	(2,467,840)	(75)	
5900	Gross profit from operations		751,831	24	810,868	25	
	Operating expenses	6(17)(18)(29)(30)					
6100	Selling expenses		(105,292)	(3)	(124,505)	(4)	
6200	Administrative expenses		(241,941)	(8)	(229,743)	(7)	
6300	Research and development expenses		(329,461)	(11)	(256,264)	(8)	
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12(2)	(22,213)	(1)	(6,598)	-	
6000	Total operating expenses		(698,907)	(23)	(617,110)	(19)	
6900	Operating profit		52,924	1	193,758	6	
	Non-operating income and expenses						
7100	Interest income	6(4)(25)	35,878	1	22,238	1	
7010	Other income	6(26)	9,578	-	12,679	-	
7020	Other gains and losses	6(2)(13)(27)	38,040	1	36,308	1	
7050	Finance costs	6(9)(14)(15)(28)	(18,830)	-	(13,125)	-	
7055	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	-	-	6,592	-	
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(5,205)	-	(2,717)	-	
7000	Total non-operating income and expenses		59,461	2	61,975	2	
7900	Profit before income tax		112,385	3	255,733	8	
7950	Income tax expense	6(31)	(8,333)	-	(249)	-	
8200	Profit for the year		\$ 104,052	3	\$ 255,484	8	
	Other comprehensive income						
	Components of other comprehensive income that will not be reclassified to profit or loss	6(3)(23)(31)					
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ 22,559	1	(\$ 16,833)	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(6,192)	-	3,513	-	
8310	Total other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax		16,367	1	(13,320)	-	
	Components of other comprehensive income that will be reclassified to profit or loss	6(23)(31)					
8361	Exchange differences on translation		45,722	1	(27,259)	(1)	
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(9,146)	-	5,452	-	
8360	Total other comprehensive income (loss) that will be reclassified to profit or loss, net of tax		36,576	1	(21,807)	(1)	
8300	Other comprehensive income (loss) for the year, net of tax		\$ 52,943	2	(\$ 35,127)	(1)	
8500	Total comprehensive income for the year		\$ 156,995	5	\$ 220,357	7	
	Profit, attributable to:						
8610	Owners of the parent		\$ 116,045	4	\$ 255,484	8	
8620	Non-controlling interest		(11,993)	(1)	-	-	
			\$ 104,052	3	\$ 255,484	8	
	Comprehensive income attributable to:						
8710	Owners of the parent		\$ 168,988	5	\$ 220,357	7	
8720	Non-controlling interest		(11,993)	-	-	-	
			\$ 156,995	5	\$ 220,357	7	
	Basic earnings per share	6(32)					
9750	Basic earnings per share		\$ 0.61		\$ 1.41		
	Diluted earnings per share	6(32)					
9850	Diluted earnings per share		\$ 0.61		\$ 1.32		

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

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent											
		Capital			Retained Earnings			Other Equity Interest					
			Certificate of entitlement to new shares from convertible bond	Advance receipts for share capital	Total capital surplus, additional paid-in capital				Financial statements translation differences of foreign operations	Total Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
	Notes	Ordinary shares				Legal reserve	Special reserve	Retained earnings					
2023													
		\$ 1,670,605	\$ 1,360	\$ 8,267	\$ 310,036	\$ -	\$ -	\$ 44,968	(\$ 51,526)	(\$ 40,939)	\$ 1,942,771	\$ -	\$ 1,942,771
		-	-	-	-	-	-	255,484	-	-	255,484	-	255,484
	6(23)	-	-	-	-	-	-	-	(21,807)	(13,320)	(35,127)	-	(35,127)
		-	-	-	-	-	-	255,484	(21,807)	(13,320)	220,357	-	220,357
	6(18)(20)(21)	-	-	-	16,851	-	-	-	-	-	16,851	-	16,851
	6(14)(20)(21)(34)	36,320	53,713	-	216,853	-	-	-	-	-	306,886	-	306,886
	6(18)(20)(21)	12,924	-	(6,003)	10,223	-	-	-	-	-	17,144	-	17,144
		-	-	-	-	-	-	733	-	(733)	-	-	-
		126,000	-	-	315,000	-	-	-	-	-	441,000	-	441,000
	6(22)	-	-	-	30,085	-	-	-	-	-	30,085	-	30,085
Appropriations of net income for 2022													
		-	-	-	-	4,497	-	(4,497)	-	-	-	-	-
		-	-	-	-	-	1,563	(1,563)	-	-	-	-	-
		\$ 1,845,849	\$ 55,073	\$ 2,264	\$ 899,048	\$ 4,497	\$ 1,563	\$ 295,125	(\$ 73,333)	(\$ 54,992)	\$ 2,975,094	\$ -	\$ 2,975,094
2024													
		\$ 1,845,849	\$ 55,073	\$ 2,264	\$ 899,048	\$ 4,497	\$ 1,563	\$ 295,125	(\$ 73,333)	(\$ 54,992)	\$ 2,975,094	\$ -	\$ 2,975,094
		-	-	-	-	-	-	116,045	-	-	116,045	(11,993)	104,052
	6(23)	-	-	-	-	-	-	-	36,576	16,367	52,943	-	52,943
		-	-	-	-	-	-	116,045	36,576	16,367	168,988	(11,993)	156,995
	6(18)(20)(21)	-	-	-	26,827	-	-	-	-	-	26,827	-	26,827
	6(14)(20)(34)	55,099	(52,888)	-	6,043	-	-	-	-	-	8,254	-	8,254
	6(18)(20)(21)	8,416	-	931	21,599	-	-	-	-	-	30,946	-	30,946
	6(3)(23)	-	-	-	-	-	-	(6,930)	-	6,930	-	-	-
Appropriations of net income for 2023													
	6(22)	-	-	-	-	25,622	-	(25,622)	-	-	-	-	-
		-	-	-	-	-	74,769	(74,769)	-	-	-	-	-
		-	-	-	-	-	-	(133,228)	-	-	(133,228)	-	(133,228)
	6(33)	-	-	-	-	-	-	-	-	-	-	220,559	220,559
		\$ 1,909,364	\$ 2,185	\$ 3,195	\$ 953,517	\$ 30,119	\$ 76,332	\$ 170,621	(\$ 36,757)	(\$ 31,695)	\$ 3,076,881	\$ 208,566	\$ 3,285,447

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

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 112,385	\$ 255,733
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through	6(27)	(1,328)	(3,148)
Expected credit impairment loss	12(2)	22,213	6,598
Loss on decline (gain on reversal) for inventory		9,273	(9,727)
Depreciation	6(8)(9)(10)(29)	174,472	130,426
Amortization	6(11)(29)	28,882	23,074
Share of loss of associates accounted for using equity method	6(7)	5,205	2,717
Loss (gain) on disposal of property, plant and equipment	6(27)	1,330	(174)
Loss on disposal of investments accounted for using equity method	6(27)	793	-
Interest expense	6(9)(14)(15)(28)	18,830	13,125
Interest income	6(25)	(35,878)	(22,238)
Dividend income	6(26)	(3,633)	(2,836)
Share-based payments	6(18)	26,827	16,851
Profit from lease modification	6(27)	-	(4)
Gain recognized in bargain purchase transaction	6(26)	(129)	(2,415)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		3,055	-
Notes receivable		5,370	(1,946)
Accounts receivable		159,912	(58,983)
Other receivables		9,792	(10,940)
Inventories	(	20,956)	62,603
Other current assets	(	33,547)	27,048
Changes in operating liabilities			
Contract liabilities		66,066	(3,903)
Notes payable	(	702)	(788)
Accounts payable	(	106,136)	48,852
Other payables	(	21,199)	39,078
Other payables - related parties	(	195)	49
Current provisions		16,456	18,077
Other current liabilities	(	3,004)	(28)
Cash inflow generated from operations		434,154	527,101
Interest received		37,005	20,588
Interest paid	(	18,851)	(4,714)
Income tax paid	(	1,814)	(1,407)
Dividend received		3,633	2,836
Net cash flows from operating activities		454,127	544,404

(Continued)

SYSGRATION LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through profit or loss		\$ 565	\$ -
Acquisition of financial assets at fair value through profit or loss		(15,930)	(9,000)
Acquisition of investments accounted for using equity method	6(7)	(5,940)	(127,796)
Proceeds from disposal of financial assets at fair value through other comprehensive income		30,106	6,644
Acquisition of financial assets at fair value through other comprehensive income		(2,211)	(105,981)
(Increase) decrease in financial assets at amortized cost		(50,600)	104,501
Acquisition of property, plant and equipment	6(34)	(662,547)	(133,933)
Proceeds from disposal of property, plant and equipment		2,507	21,177
Acquisition of intangible assets	6(11)	(64,458)	(29,910)
(Decrease) increase in refundable deposits		493	(6,144)
Increase in prepayments for business facilities		(1,681)	(55,551)
Increase in other non-current assets		(6,690)	(1,565)
Acquisition of subsidiaries	6(33)	172,734	-
Net cash flows used in investing activities		(603,652)	(337,558)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(35)	(1,044)	(8,862)
Proceeds from long-term borrowings	6(35)	-	87,801
Repayment of long-term borrowings	6(35)	(110,111)	(90,769)
Proceeds from issuance of bonds	6(35)	-	497,300
Repayments of bonds	6(35)	-	(154,900)
Exercise of employee share options	6(20)	30,946	17,144
Payments of lease liabilities	6(35)	(42,577)	(35,824)
(Decrease) increase in guarantee deposits received		(716)	517
Cash dividends paid	6(22)	(133,228)	-
Cash capital increase	6(20)	-	441,000
Net cash flows (used in) from financing activities		(256,730)	753,407
Effect of exchange rate changes on cash and cash equivalents		39,719	(24,891)
Net (decrease) increase in cash and cash equivalents		(366,536)	935,362
Cash and cash equivalents at beginning of year	6(1)	2,164,325	1,228,963
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,797,789</u>	<u>\$ 2,164,325</u>

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

Appendix 5

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Sysgration Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Sysgration Ltd. as at December 31, 2024 and 2023, and the related parent company only balance statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sysgration Ltd. as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 parent company only 2024 financial statements. These

matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 financial statements are stated as follows:

Existence and occurrence of revenue

Description

Please refer to Note 4(30) for accounting policies on revenue recognition and Note 6(23) for details of sales revenue.

Sysgration Ltd. is engaged in the manufacture and sales of automobile electronics products and power management products. Revenue is the main indicator of whether the Company achieves its business and financial goals, and existence and occurrence of revenue have a significant impact on financial reports. The revenue from automobile electronic products accounts for 97.53% of the operating income. Thus, we considered the existence and occurrence of automobile electronic products revenue as a key audit matter.

How our audit addressed the matter

The key audit procedures performed in respect of the above included the following:

- A. Obtained an understanding of and tested the internal control procedures of recognition of revenue and tested the effectiveness in exercising internal controls in relation to sales revenue.
- B. Obtained the details of revenue and verified customers' orders, delivery orders, sales invoices, bill of lading and receipt of customers to confirm whether the sales revenue transactions indeed occurred.
- C. Examined the content and related supporting documents of sales returns and discounts after the balance sheet date and checked the subsequent collection to confirm the existence of sales revenue.

Valuation of allowance for inventory valuation losses

Description

Sysgration Ltd. is primarily engaged in the manufacture and sale of automobile electronics products and power management products. Because of the rapid change of electronic products, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. Sysgration Ltd.'s inventories are measured at the lower of cost and net realizable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories. The material's net realizable value is calculated based on the latest purchase price, and the net realizable values of work in process and finished goods are measured at the last sales price as well as taken into consideration of the operating expense ratio.

The industry technology is rapidly changing, and the net realizable value involves subjective judgement result in an uncertainty when assessing the obsolete or slow-moving inventories. Considering that the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

Refer to Note 4(12) for accounting policy on inventory, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(6) for detailed information on allowance for inventory valuation losses.

How our audit addressed the matter:

The key audit procedures performed in respect of the above included the following:

- A. Assessed the reasonableness of provision policies on allowance for inventory valuation losses based on our understanding of the Sysgration Ltd.'s operations and the characteristics of the industry, including the classification of inventory for determining net realizable value and the reasonableness of determining the obsolescence of inventory.

- B. Obtained an understanding of the Sysgration Ltd.'s warehousing control procedures. Reviewed the annual physical inventory count plan and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
- C. Obtained an understanding of the policy on inventory aging report and the logic of inventory aging report program. Selected samples to verify the accuracy of inventory aging report.
- D. Verified the reasonableness of inventory valuation basis, including sampled the latest purchase price, purchase invoice, the latest sales price and sales invoices in order to verify that the inventory was measured at the lower of cost and net realizable value.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- B. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Chih, Ping-Chiun

Chiu, Chao-Hsien

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SYSGRATION LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,153,695	25	\$ 1,408,258	29
1110	Current financial assets at fair value through profit or loss	6(2)	9,364	-	-	-
1150	Notes receivable, net	6(5)	1,402	-	4,447	-
1170	Accounts receivable, net	6(5)	685,760	15	942,230	20
1180	Accounts receivable-related parties	7	-	-	1,322	-
1200	Other receivables		13,542	-	12,616	-
1210	Other receivables-related parties	7	64,769	1	64,854	2
1220	Current tax assets	6(30)	2,371	-	1,583	-
130X	Inventories	6(6)	212,630	5	174,993	4
1470	Other current assets		19,451	1	14,244	-
11XX	Current assets		2,162,984	47	2,624,547	55
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	29,303	1	25,103	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	226,120	5	231,456	5
1535	Non-current financial assets at amortized cost	6(4) and 8	16,700	-	16,700	
1550	Investments accounted for using equity method	6(7)	1,692,188	36	1,397,283	29
1600	Property, plant and equipment	6(8) and 8	339,698	7	336,101	7
1755	Right-of-use assets	6(9) and 7	29,512	1	41,220	1
1760	Investment property, net	6(10)	3,750	-	3,888	-
1780	Intangible assets	6(11)	59,886	1	23,684	-
1840	Deferred tax assets	6(30)	26,436	1	40,299	1
1900	Other non-current assets		50,312	1	63,863	1
15XX	Non-current assets		2,473,905	53	2,179,597	45
1XXX	Total assets		\$ 4,636,889	100	\$ 4,804,144	100

(Continued)

SYSGRATION LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2120	Current financial liabilities at fair value through profit or loss	6(12)	\$ -	-	\$ 3,250	-
2130	Current contract liabilities	6(23)	65,789	2	5,499	-
2150	Notes payable		-	-	936	-
2170	Accounts payable		294,677	6	250,406	5
2180	Accounts payable-related parties	7	243,395	5	386,731	8
2200	Other payables	6(15)(32)	171,016	4	188,880	4
2220	Other payables-related parties	7	1,436	-	120,124	3
2250	Current provisions	6(18)	60,141	1	39,323	1
2280	Current lease liabilities	6(9) and 7	18,970	1	16,299	-
2320	Long-term liabilities, current portion	6(13)(14) and 8	573,318	12	100,953	2
2399	Other current liabilities, others		12,378	-	14,634	-
21XX	Current liabilities		<u>1,441,120</u>	<u>31</u>	<u>1,127,035</u>	<u>23</u>
	Non-current liabilities					
2530	Bonds payable	6(13)	-	-	469,333	10
2540	Long-term borrowings	6(14) and 8	106,052	3	207,078	4
2570	Deferred tax liabilities	6(30)	1,958	-	483	-
2580	Non-current lease liabilities	6(9) and 7	10,878	-	25,121	1
25XX	Non-current liabilities		<u>118,888</u>	<u>3</u>	<u>702,015</u>	<u>15</u>
2XXX	Liabilities		<u>1,560,008</u>	<u>34</u>	<u>1,829,050</u>	<u>38</u>
	Equity					
	Share capital	6(19)				
3110	Ordinary share		1,909,364	41	1,845,849	38
3130	Certificate of entitlement to new shares from convertible bonds		2,185	-	55,073	1
3140	Advance receipts for share capital		3,195	-	2,264	-
	Capital surplus	6(20)				
3200	Capital surplus		953,517	20	899,048	19
	Retained earnings	6(21)				
3310	Legal reserve		30,119	1	4,497	-
3320	Special reserve		76,332	2	1,563	-
3350	Retained earnings		170,621	4	295,125	6
	Other equity interest	6(22)				
3400	Other equity interest		(68,452)	(2)	(128,325)	(2)
3XXX	Equity		<u>3,076,881</u>	<u>66</u>	<u>2,975,094</u>	<u>62</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 4,636,889</u>	<u>100</u>	<u>\$ 4,804,144</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

SYSGRATION LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(23) and 7		\$ 2,882,607	100	\$ 3,223,292	100
5000 Operating costs	6(6)(16)(17)(28)(29) and 7		(2,213,795)	(77)	(2,506,165)	(78)
5900 Gross profit from operations			<u>668,812</u>	<u>23</u>	<u>717,127</u>	<u>22</u>
Operating expenses	6(16)(17)(28)(29) and 7					
6100 Selling expenses			(77,043)	(3)	(106,442)	(3)
6200 Administrative expenses			(174,740)	(6)	(187,806)	(6)
6300 Research and development expenses			(245,999)	(8)	(204,514)	(6)
6450 Impairment gain and reversal of impairment loss determined in accordance with IFRS 9			(5,233)	-	(2,242)	-
6000 Operating expenses			(503,015)	(17)	(501,004)	(15)
6900 Net operating income			<u>165,797</u>	<u>6</u>	<u>216,123</u>	<u>7</u>
Non-operating income and expenses						
7100 Interest income	6(4)(24)		11,248	-	18,613	-
7010 Other income	6(3)(7)(10)(25)		6,329	-	8,435	-
7020 Other gains and losses	6(2)(9)(12)(26)		32,107	1	33,855	1
7050 Finance costs	6(9)(13)(14)(27)		(16,431)	-	(12,656)	-
7055 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9			-	-	4,355	-
7070 Share of (loss) profit of associates and joint ventures accounted for using equity method	6(7)		(83,024)	(3)	(13,241)	-
7000 Non-operating income and expenses			(49,771)	(2)	(39,361)	1
7900 Profit before income tax			116,026	4	255,484	8
7950 Income tax expense	6(30)		19	-	-	-
8200 Profit for the year			<u>\$ 116,045</u>	<u>4</u>	<u>\$ 255,484</u>	<u>8</u>
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss	6(3)(22)(30)					
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income			\$ 22,559	1	(\$ 16,833)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss			(6,192)	-	3,513	-
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss			<u>16,367</u>	<u>1</u>	(<u>13,320</u>)	-
Components of other comprehensive income that will be reclassified to profit or loss	6(22)(30)					
8361 Exchange differences on translation			45,722	1	(27,259)	(1)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss			(9,146)	-	5,452	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss			<u>36,576</u>	<u>1</u>	(<u>21,807</u>)	(1)
8300 Other comprehensive income (loss) for the year, net of tax			<u>\$ 52,943</u>	<u>2</u>	(<u>\$ 35,127</u>)	(1)
8500 Total comprehensive income for the year			<u>\$ 168,988</u>	<u>6</u>	<u>\$ 220,357</u>	<u>7</u>
Basic earnings per share						
9750 Basic earnings per share	6(31)		<u>\$ 0.61</u>		<u>\$ 1.41</u>	
Diluted earnings per share						
9850 Diluted earnings per share	6(31)		<u>\$ 0.61</u>		<u>\$ 1.32</u>	

The accompanying notes are an integral part of these parent company only financial statements.

SYSGRATION LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Capital			Retained Earnings			Other Equity Interest			
			Certificate of entitlement to new shares from convertible bond	Advance receipts for share capital	Capital surplus, additional paid-in capital				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
	Notes	Ordinary share				Legal reserve	Special reserve	Retained earnings			Total equity
Year 2023											
Balance at January 1, 2023		\$ 1,670,605	\$ 1,360	\$ 8,267	\$ 310,036	\$ -	\$ -	\$ 44,968	(\$ 51,526)	(\$ 40,939)	\$ 1,942,771
Profit for the year		-	-	-	-	-	-	255,484	-	-	255,484
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	-	-	-	(21,807)	(13,320)	(35,127)
Total comprehensive income (loss)		-	-	-	-	-	-	255,484	(21,807)	(13,320)	220,357
Share-based compensation cost	6(17)(19)(20)	-	-	-	16,851	-	-	-	-	-	16,851
Convertible bonds	6(19)(20)	36,320	53,713	-	216,853	-	-	-	-	-	306,886
Exercise of employee stock options	6(19)(20)	12,924	-	(6,003)	10,223	-	-	-	-	-	17,144
Proceeds from disposal of equity instruments at fair value through other comprehensive income	6(3)(22)	-	-	-	-	-	-	733	-	(733)	-
Cash capital increase	6(19)	126,000	-	-	315,000	-	-	-	-	-	441,000
Recognition of share option in issuance of convertible bonds		-	-	-	30,085	-	-	-	-	-	30,085
Appropriations of net income for 2022	6(21)										
Legal reserve appropriated		-	-	-	-	4,497	-	(4,497)	-	-	-
Special reserve appropriated		-	-	-	-	-	1,563	(1,563)	-	-	-
Balance at December 31, 2023		\$ 1,845,849	\$ 55,073	\$ 2,264	\$ 899,048	\$ 4,497	\$ 1,563	\$ 295,125	(\$ 73,333)	(\$ 54,992)	\$ 2,975,094
Year 2024											
Balance at January 1, 2024		\$ 1,845,849	\$ 55,073	\$ 2,264	\$ 899,048	\$ 4,497	\$ 1,563	\$ 295,125	(\$ 73,333)	(\$ 54,992)	\$ 2,975,094
Profit for the year		-	-	-	-	-	-	116,045	-	-	116,045
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	-	-	-	36,576	16,367	52,943
Total comprehensive income (loss)		-	-	-	-	-	-	116,045	36,576	16,367	168,988
Share-based compensation cost	6(17)(19)(20)	-	-	-	26,827	-	-	-	-	-	26,827
Convertible bonds	6(19)(20)	55,099	(52,888)	-	6,043	-	-	-	-	-	8,254
Exercise of employee stock options	6(19)(20)	8,416	-	931	21,599	-	-	-	-	-	30,946
Proceeds from disposal of equity instruments at fair value through other comprehensive income	6(3)(22)	-	-	-	-	-	-	(6,930)	-	6,930	-
Appropriations of net income for 2023	6(21)										
Legal reserve appropriated		-	-	-	-	25,622	-	(25,622)	-	-	-
Special reserve appropriated		-	-	-	-	-	74,769	(74,769)	-	-	-
Cash dividends distributed		-	-	-	-	-	-	(133,228)	-	-	(133,228)
Balance at December 31, 2024		\$ 1,909,364	\$ 2,185	\$ 3,195	\$ 953,517	\$ 30,119	\$ 76,332	\$ 170,621	(\$ 36,757)	(\$ 31,695)	\$ 3,076,881

The accompanying notes are an integral part of these parent company only financial statements.

SYSGRATION LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 116,026	\$ 255,484
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and financial liabilities at fair value through profit or loss	6(2)(12)(26)	(884)	(3,025)
Expected credit impairment loss		5,233	2,242
Depreciation	6(8)(9)(10)(28)	88,538	73,352
Amortization	6(11)(28)	27,853	22,238
Gain on reversal for inventory in market value	6(6)	(63)	(6,421)
Profit from lease modification	6(26)	-	(4)
Gain recognized in bargain purchase transaction	6(25)	-	(2,415)
Gain on disposal of property, plant and equipment	6(26)	(52)	(48)
Loss on disposal of investments accounted for using equity method	6(26)	793	-
Share of profit of subsidiaries and associates for using equity method	6(7)	83,024	13,241
Interest expense	6(9)(13)(14)(27)	16,431	12,656
Interest income	6(24)	(11,248)	(18,613)
Dividend income	6(25)	(3,633)	(2,836)
Share-based compensation cost	6(17)	26,827	16,851
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		3,076	(1,946)
Accounts receivable		251,206	(95,947)
Accounts receivables - related parties		1,322	3,680
Other receivables	(	786)	(1,025)
Other receivables - related parties		85	(174,600)
Inventories	(	37,574)	109,336
Other current assets	(	5,207)	(3,253)
Changes in operating liabilities			
Current contract liabilities		60,290	(2,175)
Notes payable	(	936)	(787)
Accounts payable		44,271	12,082
Accounts payable-related parties	(	143,336)	15,201
Other payables	(	6,700)	35,329
Other payables-related parties	(	118,688)	118,213
Current provisions		20,818	18,077
Other current liabilities, others	(	2,256)	(400)
Cash inflow generated from operations		414,430	394,487
Interest paid	(	16,453)	(4,628)
Interest received		11,108	18,808
Dividend received		3,633	2,836
Income tax paid	(	769)	(1,398)
Net cash flows from operating activities		411,949	410,105

(Continued)

SYSGRATION LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 15,930)	(\$ 9,000)
Acquisition of financial assets at fair value through other comprehensive income		(2,211)	(105,981)
Proceeds from disposal of financial assets at fair value through other comprehensive income		30,106	6,644
Acquisition of investments accounted for using equity method		(333,000)	(781,542)
Decreased in financial assets at amortized cost		-	104,501
Acquisition of property, plant and equipment	6(32)	(44,321)	(40,292)
Proceeds from disposal of property, plant and equipment		431	73
Acquisition of intangible assets	6(11)	(64,055)	(29,480)
Increase in refundable deposits		(45)	(2,458)
Increase in prepayments for business facilities		(15,924)	(52,324)
Decrease (increase) in other current assets		1,701	(2,294)
Net cash flows used in investing activities		(443,248)	(912,153)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from long-term borrowings	6(33)	-	87,801
Repayment of long-term borrowings	6(33)	(101,332)	(90,769)
Proceeds from convertible bond issuance	6(13)(33)	-	497,300
Repayments of bonds	6(33)	-	(154,900)
Proceeds from exercise of employee stock options	6(19)	30,946	17,144
Payments of lease liabilities	6(9)(33)	(19,650)	(19,765)
Decrease in guarantee deposits received		-	(198)
Cash dividends paid		(133,228)	-
Cash capital increase	6(19)	-	441,000
Net cash flows (used in) from financing activities		(223,264)	777,613
Net (decrease) increase in cash and cash equivalents		(254,563)	275,565
Cash and cash equivalents at beginning of year	6(1)	1,408,258	1,132,693
Cash and cash equivalents at end of year	6(1)	\$ 1,153,695	\$ 1,408,258

The accompanying notes are an integral part of these parent company only financial statements.

Appendix 6

Sysgration Ltd. Profit Appropriation Table For the Year 2024

		Unit: NT\$
Item		Amount
Distributable earnings at the beginning of the period	\$	61,507,309
Plus: 2024 Net profit after tax		116,044,018
Minus:		
Lose on disposal of financial assets measured at fair value through other comprehensive income		(6,930,765)
Minus:		
Legal reserves		(10,911,325)
Plus:		
Reversal of special reserve		7,880,417
Distributable earnings at the end of the period	\$	167,589,654
Distribution items:		
Cash dividend:		
The cash dividend from earnings is NT\$0.5 per share.		(95,848,988)
Unappropriated retained earnings at the end of the period	\$	71,740,666

Note 1: In principle, the Company's distributable earnings in 2024 are distributed first.

Note 2: The cash dividend to be distributed per share is calculated based on the total number of 191,697,975 shares outstanding at the time of the resolution of the Board of Directors on February 26, 2025. The amount of cash dividends distributed is rounded down to the nearest dollar, with any fractional amount less than one dollar being transferred and treated as other income.

Note 3: According to Article 26 of the Company's Articles of Incorporation, the Board of Directors is authorized to decide, with the attendance of more than two-thirds of the directors and a majority resolution of the attending directors, to distribute all or part of the dividends, bonuses, capital surplus, or legal reserve in the form of cash. This decision is not subject to the requirement for approval by the shareholders' meeting.

Chairman: Lee, Yi-Ren

President: Hsieh, Tung-Fu

CFO: Tsai, Hsiu-Mei

Appendix 7

The list of subscribers for the 2nd private placement of common shares in 2022

The list of intended subscribers for the private placement, approved at the shareholders' meeting on April 29, 2022.	The list of actual subscribers for 2 nd private placement.																																										
<p>1. The list of subscribers consists of insiders or related parties of the Company.</p> <table border="1" data-bbox="148 560 751 788"> <tr> <th>Subscriber's Name</th><th>Relationship with the Company.</th></tr> <tr> <td>Lee, Yi-Ren</td><td>Chairman</td></tr> <tr> <td>Talent Investment Co., Ltd.</td><td>The Chairman holding shares in the name of others.</td></tr> </table> <p>2. The list of subscribers who are not insiders or related parties of the Company: Not been finalized.</p>	Subscriber's Name	Relationship with the Company.	Lee, Yi-Ren	Chairman	Talent Investment Co., Ltd.	The Chairman holding shares in the name of others.	<p>1. The list of subscribers who are insiders or related parties of the Company.</p> <table border="1" data-bbox="798 560 1390 748"> <tr> <th>Subscriber's Name</th><th>Relationship with the Company</th></tr> <tr> <td>Lee, Yi-Ren</td><td>Chairman</td></tr> <tr> <td>Lee, Cheng-Ta (Ratification)</td><td>First degree of kinship to Chairman</td></tr> </table> <p>2. The list of subscribers who are not insiders or related parties of the Company:</p> <table border="1" data-bbox="798 871 1444 1644"> <tr> <th>Subscriber's Name</th><th>Relationship with the Company</th></tr> <tr> <td>Dai, Yi-Ying</td><td>Non-related Party</td></tr> <tr> <td>CTBC Venture Capital Co., Ltd.</td><td>Non-related Party</td></tr> <tr> <td>Chang, Ching-Chuan</td><td>Non-related Party</td></tr> <tr> <td>Wu, Hsi-Kun</td><td>Non-related Party</td></tr> <tr> <td>Fu Li Investment Co., Ltd.</td><td>Non-related Party</td></tr> <tr> <td>Baldwin Asset Management Co., Ltd.</td><td>Non-related Party</td></tr> <tr> <td>Tai, Feng-Yi</td><td>Non-related Party</td></tr> <tr> <td>Chen, Wen-Shu</td><td>Non-related Party</td></tr> <tr> <td>Sung, Fang-Pei</td><td>Non-related Party</td></tr> <tr> <td>Sung, Ping-Chung</td><td>Non-related Party</td></tr> <tr> <td>Wu, Chung-He</td><td>Non-related Party</td></tr> <tr> <td>Liu, Hsiao-Lan</td><td>Non-related Party</td></tr> <tr> <td>Hsueh, Nai-Je</td><td>Non-related Party</td></tr> <tr> <td>Wu, Kun-Yang</td><td>Non-related Party</td></tr> </table>	Subscriber's Name	Relationship with the Company	Lee, Yi-Ren	Chairman	Lee, Cheng-Ta (Ratification)	First degree of kinship to Chairman	Subscriber's Name	Relationship with the Company	Dai, Yi-Ying	Non-related Party	CTBC Venture Capital Co., Ltd.	Non-related Party	Chang, Ching-Chuan	Non-related Party	Wu, Hsi-Kun	Non-related Party	Fu Li Investment Co., Ltd.	Non-related Party	Baldwin Asset Management Co., Ltd.	Non-related Party	Tai, Feng-Yi	Non-related Party	Chen, Wen-Shu	Non-related Party	Sung, Fang-Pei	Non-related Party	Sung, Ping-Chung	Non-related Party	Wu, Chung-He	Non-related Party	Liu, Hsiao-Lan	Non-related Party	Hsueh, Nai-Je	Non-related Party	Wu, Kun-Yang	Non-related Party
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Appendix 8

Sysgration Ltd.

Comparison Table of Amendments to “Articles of Incorporation”

Article before amendment	Article after amendment	Reasons of amendment
<p>Article 25:</p> <p>The Company shall allocate 10% to 15% of its annual profits for the remuneration of its employees and no more than 3% for the remuneration of its directors. However, if the Company still has accumulated losses, it shall reserve the amount to make up for them in advance.</p> <p>The stock or cash payments to employees referred to in the preceding paragraph may include the employees of affiliated companies who meet certain conditions, and the Board of Directors shall be authorized to determine the conditions and distribution methods.</p>	<p>Article 25:</p> <p>The Company shall allocate 10% to 15% of its annual profits for the remuneration of its employees and no more than 3% for the remuneration of its directors. However, if the Company still has accumulated losses, it shall reserve the amount to make up for them in advance.</p> <p><u>The employee remuneration mentioned in the previous paragraph, no less than 2% should be allocated to compensate grassroots employees.</u></p> <p>The stock or cash payments to employees referred to in the paragraph 1 may include the employees of affiliated companies who meet certain conditions, and the Board of Directors shall be authorized to determine the conditions and distribution methods.</p>	<p>Amend the allocation ratio of employee compensation to grassroots employees.</p>
<p>Article 28:</p> <p>These Articles of Incorporation were made on August 13, 1977; the 1st amendment was made on September 3, 1977; the 2nd amendment was made on September 23, 1977; the 3rd amendment was made on March 17, 1979; 41st amendment was made on April 30, 2020; the 42nd amendment was made on April 29,2022 ; the 43rd amendment was made on April 27,2023 ; the 44th amendment was made on May 6, 2024 and implemented upon approval of the shareholders’ meeting.</p>	<p>Article 28:</p> <p>These Articles of Incorporation were made on August 13, 1977; the 1st amendment was made on September 3, 1977; the 2nd amendment was made on September 23, 1977; the 3rd amendment was made on March 17, 1979; 41st amendment was made on April 30, 2020; the 42nd amendment was made on April 29,2022 ; the 43rd amendment was made on April 27,2023 ; the 44th amendment was made on May 6, 2024; <u>the 45th amendment was made on May 7,2025</u> and implemented upon approval of the shareholders’ meeting.</p>	<p>Add revision date.</p>

Appendix 9

Sysgration Ltd.

Comparison Table of Amendments to “Procedures for Asset Acquisition & Disposal”

Article before amendment	Article after amendment	Reasons of amendment
<p>Article 5: Procedures for Acquisition or Disposal of Assets</p> <p>1. When acquiring or disposing of assets, the responsible unit shall evaluate the reasons for the acquisition or disposal, the subject matter, the counterparty, the transfer price, payment terms, and the reference basis for the price. After the evaluation, the matter shall be submitted for decision by the responsible authority. The management department shall execute the decision, and the relevant matters shall be handled in accordance with the company's internal control system and the relevant operational regulations of this procedure.</p> <p>2. The responsible unit for the execution of the company's long-term and short-term securities investments is the <u>Finance Department</u>. For real estate or equipment, the executing units are the respective department using the asset and/or relevant responsible unit . For other assets that are not securities investments, real estate, or equipment, the responsible unit must conduct an evaluation before proceeding with the acquisition or disposal.</p> <p>3. The acquisition or disposal of assets shall be carried out in accordance with the relevant provisions of the company's internal control system. If any significant violations are discovered, the relevant personnel shall be dealt with according to the nature of the violation.</p>	<p>Article 5: Procedures for Acquisition or Disposal of Assets</p> <p>1. When acquiring or disposing of assets, the responsible unit shall evaluate the reasons for the acquisition or disposal, the subject matter, the counterparty, the transfer price, payment terms, and the reference basis for the price. After the evaluation, the matter shall be submitted for decision by the responsible authority. The management department shall execute the decision, and the relevant matters shall be handled in accordance with the company's internal control system and the relevant operational regulations of this procedure.</p> <p>2. The responsible unit for the execution of the company's long-term and short-term securities investments is the <u>Investment Department</u>. For real estate or equipment, the executing units are the respective department using the asset and/or relevant responsible unit . For other assets that are not securities investments, real estate, or equipment, the responsible unit must conduct an evaluation before proceeding with the acquisition or disposal.</p> <p>3. The acquisition or disposal of assets shall be carried out in accordance with the relevant provisions of the company's internal control system. If any significant violations are discovered, the relevant personnel shall be dealt with according to the nature of the violation.</p>	<p>Amend execution unit for long-term and short-term securities investment.</p>