

Code : 6112

**METAAGE 邁達特**

(Formerly known as SYSAGE TECHNOLOGY CO., LTD.)

# **Metaage Corporation**

**2023 Annual General Shareholders' Meeting**

**Meeting Agenda**

**(Translation)**

# **Metaage Corporation**

## **2023 Annual Meeting of Shareholders**

<b>Time:</b>	<b>9:00 a.m. on Wednesday, May 24, 2023</b>
<b>Location:</b>	<b>1F, No. 168, Jingye 4th Rd., Zhongshan Dist., Taipei City (Grand Ballroom of Grand Victoria Hotel)</b>
<b>Held by means of:</b>	<b>Convened physically shareholders meeting</b>

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# I. Report Items

## (I) To report the business of 2022

Greetings to all of our Valued Shareholders,

With many efforts of the company's management team and all colleagues, the consolidated gross margin was 13.9% in 2022, and continue raising, and by adopting a steady business strategy, and in addition to further understanding of market trends and requirements, we focus on cultivating various product lines and enhancing technical services to increase added values, expecting to create considerable results.

The result of operating performance for 2022 and business plan for 2023, are as follows:

### A. Operating performance in 2022

#### (A) Results of business plans implementation

As the economic scale of cloud service grows, Metaage is responding to this new economic wave by not only integrating the world-famous network & communication products of enterprise cloud software and hardware products it distributed, but also acquiring certification of AWS MSP in April 2022, becoming AWS Managed Service Provider, and establishing 7x24 cloud MSP hosting center for increasing business opportunities of cloud services. In July 2022, Metaage also acquires distribution rights of Microsoft, and begin to sell cloud services, such as, Azure, Microsoft 365, etc. Furthermore, Metaage breaks away from the traditional management framework of the distributors, integrates distribution resources of cloud and on-Premises, connects application ecosystems of ISV and SI, and establishes MetaMatch cloud market for connecting the overall application system and strengthening the growth of future operations. Whether the cloud migration, cloud connect, or cloud application development are able to meet customers' demands.

(B) Budget implementation: Not applicable. The company does not announces 2022 financial forecast to the public.

#### (C) Financial status and profitability analysis

##### 1. Financial Status :

According to the consolidated financial statements of 2022, the company's cash provided by operating activities was NT\$ 0.496 billion, and cash used in investing activities was NT\$ 0.129 billion, cash used in financing activities was NT\$ 0.265 billion, as well as cash and cash equivalents increase NT\$ 0.11 billion during the period. Cash and cash equivalent at the end period were NT\$ 0.784 billion.

##### 2. Profitability analysis :

According to the consolidated financial statements of 2022, the company's gross margin, ratio of return on total assets, ratio of return on shareholders' equity, ratio of profit before income tax to capital stock, and profit ratio were 13.91%, 5.10%, 9.63%, 28.28% and 3.55%, respectively. Due to the benefits by the demands of cloud services and stable management, gross margin in 2022 continued to increase. The profit for the period decreased compared with 2021, due to focusing on the core business, and disposed of non-core investments in 2021.

(D) Research and the development status :

Metaage serves as a distributor of global leading brands of software and hardware products in the information industry, and all brands have world-top-notch technical capabilities. Thus, Metaage strives to increase technical capabilities at all times, in order to provide professional services for customers. The company's technical professionals focus on researching various new products, and acquire manufacturers' professional certificates, in order to provide through services to customers.

In addition, for demands of enterprise digital transformation for software integration and consulting services, the company has assembled a team of software development and consulting integration services to assist customers with transforming existing business flows to meet changes in the markets, Also, the company established Cloud Management Platform in 2022, It provides customers with cloud storage and Utilization management services, for creating proficient operating efficiency.

B. Business plan for 2022

(A) Business objectives

The company serves as a distributor for famous global brands of software, hardware and cloud products of information and system, upholds the concept of the integrated marketing of "Brands channels; Cloud Connect.", and provides customers with integration of information and communication in different fields, through cooperation with partners in Taiwan, and integration with cloud-to-premises connection to provide security, competitive cost and flexibility required by enterprises.

In response to the sales model of the distributing brands changing into the mode of subscription and cloud, and becoming distributor for Microsoft(Azure) and AWS MSP in 2022, a MSP hosting center of cloud services has established to improve the value-added cloud services of customers in the future. In addition, the manufacturers of the existing distribution products introduce applications for integration of different manufacturers of cloud services. Hence, Metaage will combine distribution brands to provide applications of solutions of hybrid cloud for customers in Taiwan.

For ISVs and partners with own software solutions, the ecosystem of MetaMatch cloud market will be used to integrate and bundle applications of distributing cloud products, selling through the distribution and marketing channel system, to create a win-win mode with partners, Metaage, and distributing brands.

The company continues to focus on its target of increasing the width and depth of services to customers. In 2021, the company acquired Advanced TEK International Corp., which specializes in providing ERP implementation and maintenance services, and acquired data services provider DSI Group. In December, 2022, merged Metaguru Corporation, which specializes in business process management system, and providing solutions for digital transformation of enterprise human resources, and Corex in South Africa, which also serves as distributor of products of information and communication, for development of overseas markets, and continuing to reaching the goal of becoming the best partner for enterprise IT intelligence with diversified business directions.

(B) Sales forecast and its reference and important policy of production and sales:

1. The company distributes software and hardware products of information and communication, most are project-based sales and value-added services. As the product differentiation is vast and unit price varies, the sales forecast of each product is difficult to predict.
2. The operating strategy and business development focus on consolidation and enhancing "Brands channel; Cloud Connect.": To develop traditional distributing business and cloud business, and to promote products in 6 segments, network, system, information security, business software, big data analysis, and cloud, maintain a good interaction with important customers, and maximize the effectiveness of distributing products. As products are diversified and complete, it will assist digital transformation for customers.
3. We Continue to develop the next stage of the management platform and MSP hosting center of cloud services, and integrated management of the cloud services of AWS, Akamai, Azure, Google Cloud, and Cisco Webex last year. We expect to continue development in 2023 and provide partners to manage all customers' cloud service fees and subscription authorization expiration dates, so that partners can generate bills for customers, improve and enhance the value-added services for partners.
4. Ahead of the competitions, introducing MetaMatch cloud market, which is a new economic cooperation ecosystem, recruiting ISVs (Independent Software Vendors) in Taiwan, and assisting ISVs to integrate technologies and sales with self-developed applications, and cloud services and products distributed by Metaage, for creating the growth with Metaage, ISVs, and manufacturers.

C. Development strategy of the company in the future

- (A) To dedicate on existing distributing product line, and continue to introduce new products with added-value and synergy:

With more than 20 years of sales experience, the company has distributed more than 50 world-renowned IT brand products. With a variety of vertically integrated solutions, excellent and extensive product specifications, a deep and meticulous distribution channel system, and 24/7 uninterrupted service capabilities, we are able to accurately understand the key demands of enterprises, and continue to expand the width of operations and increase the depth of technical services. We have formulated a product development strategy focusing on four major solutions, including "cloud service", "AI data analysis", "modernized application software" and "information security", and put much effort in strengthening the arrangement of related products and services, and also make in-depth connections with Domain Know-how in different industries. In the future, we will continue to expand the arrangement of distribution, and reserve the integration tools of software and hardware for digital transformation with cloud, digitalization, internationalization, and mobilization for customers.

- (B) For the new economic model of cloud, we use the MetaMatch brand to integrate applications in the ISV and SI ecosystems. Through the integration of marketing by distributing products, manufacturers/distributors/Metaage create a new ecosystem for creating more business opportunities. In addition, sales of distributing brands have shifted to subscription and Pay As You go model, and the application has been converted to cloud services. In order to provide partners with better services, the Cloud Management Portal will continue to be developed, and be integrated with the subscription and payment management of distribution products, so that partners can simplify the management procedure of the monthly account management and expiration of subscription, and making a closer relationship between Partner and Metaage.
- (C) Integration with group resources, expanding product lines and developing new customers: Integrating resources from Qisda to help company expand present product lines, develop new product lines, carry out diversified business investment plans, and jointly develop opportunities of potential group customers to enhance the company increases its operating revenues, profits, and shareholders' equity.
- (D) To improve demonstrations, display environment, and increase innovation of technical services: Except for continuing to increase innovation and services in the scope of business and technical services, and having sufficient support of technical logistics, we provide excellent exercises and demonstrations. Since our operating sites include 4 locations, in Taipei, Hsinchu, Taichung, and Kaohsiung, and Demo environments across the province, it could immediately provide the best market coverage, technical support, education and training, as well as new equipment and solutions of exercises and demonstrations to manufacturers and partners, hence we increase gross profit margin through the increase in the proportion of services revenue.

D. The impact of the external competitive environment, regulatory environment, and macroeconomic conditions

As the pandemic continues to affect the world in 2022, it triggered enterprises to sense the importance of quickly implementing digital transformation, and provide a positive effect on the company's operation. However, since macroeconomic became unstable due to the pandemic, enterprises adopt a conservative attitude in all expenditures, and it triggers challenges to the company that put much effort in increasing business and we hope to expand business more rapidly, as the pandemic comes to an end and economics becoming stable.

While the industry of information and communication booms and brings various business opportunities, legal compliance is increasingly becoming an important part of the business operation. Besides continue to strengthen the legal compliance requirements for its distributed brands, the company also continue to increase various controls that will amplify legal compliances, and to become a trustworthy partners for the ICT brands its distributing. Therefore, we plan to adopt to ISO 27001(ISMS), ISO 45001(OHS) and ISO14064 (organization greenhouse gas inventory certification) in 2023, which has met the ESG requirements of corporate operations.

We offer our sincerest thanks for shareholders' trust and all employees' effort. During a new year, the company and its subsidiaries shall continue to strive for the increase in operating performance, assume earning profits as our important mission, and focus on becoming a professional suppliers of professional application services of information and communication of the ICT solution provider. We hope to strive for greatest motive behind progress and seek for the best interest of the shareholders. we offer our sincerest appreciations for shareholders' support and openly welcome for feedbacks.

Sincerely yours,

Chairman: Michael Lee

President: TK Young

Accounting Supervisor: Mavis Lin

Date:2023/05/24

(II) Audit Committee's Review Report

## **Audit Committee's Review Report**

The undersigned has duly audited the Operating Report, Financial Statements and Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2022. Hung-Wen Fu and Mei-Ping Wu Certified Public Accountants of KPMG have audited the Financial Statements. The 2022 Financial Statements, Business Report, Independent and Auditors Report have been reviewed and determined to be correct and accurate by the Audit Committee of Metaage Corporation. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act, and Article 219 and 228 of the Company Act.

**Sincerely,**

**Metaage Corporation**

**2023 Annual General Shareholders' Meeting**

**Chair of the Audit Committee: Wen-Tsung Wang**

**February 23, 2023**

(III) To report the distribution of employees' and directors' remuneration of 2022.

Distribution of NT\$44,651,140 and NT\$4,186,046 in cash as remunerations to employees and to directors, respectively, by the resolution of the Board of Directors held on February 23, 2023.

(IV) To report the cash dividends distribution of 2021 earnings.

A. According to Article 22-1 of the company's Article of Incorporation, if earnings distribution plan is performed by means of cash dividends, the resolution thereof shall be reported in the Shareholders' Meeting.

B. The proposed distribution is allocated from the 2022 earnings available for distribution, and cash dividends amounts to NT\$376,714,672 are distributing to shareholders at NT\$2 per share. It is approved by the meeting of the Board of Directors held on February 23, 2023, and the Chairman of the Board of Directors is authorized to determine the ex-dividend date and payment date for the cash dividend distribution and other related matters.

C. If the cash dividend distribution ratio is modified due to change of the company's total number of outstanding common shares, the Chairman of the Board of Directors is authorized with full power to adjust the distribution ratio.

## II. Proposals and Discussion Items

### **Proposal 1(proposed by the Board of Directors):**

To accept the 2022 business report and financial statements.

Explanation: A. The company's 2022 financial statements have been reviewed by Hung-Wen Fu and Mei-Ping Wu, Certified Public Accountants of KPMG, and determined to be a fair representation of the financial conditions as of December 31, 2022, and its 2022 financial performance and cash flows. A business report is attached.

B. For independent Auditors' Report and Financial Statements, please refer to Attachment I(Page 10-25).

Resolution:

**Proposal 2(proposed by the Board of Directors):**

To accept the proposal for the distribution of 2022 earnings.

Explanation: For the 2022 Earnings Distribution Proposal, please refer to Attachment II(page 26).

Resolution:

**Proposal 3(proposed by the Board of Directors):**

To approve the amendment to “Rules of Procedure for Shareholders Meetings”.

Explanation: A. The Amendment is based on the “Rules of Procedure for Shareholders Meetings” promulgated by SFC on March 8, 2022(Financial-Supervisory-Securities-Corporate-1110004250) and meet actual needs, it is proposed to amend the relevant Articles of Rules of Procedure for Shareholders Meetings.

B. The comparison table before and after the amendment are attached hereto as Attachment III(pages 27-30)

Resolution:

**Proposal 4(proposed by the Board of Directors):**

To lift non-competition restrictions on current directors

Explanation: A. According to Article 209 of the Company Act, any Director conducting business for oneself or on another’s behalf, the scope of which business is within the scope of the Company’s business, shall explain at the Shareholders’ Meeting the essential contents of such conduct, and obtain approval from shareholders in the Meeting.

B. It is proposed for the shareholders meeting to approve lifting non-competition restrictions on directors as who may invest or operate a business which is similar to the business scope of the Company.

C. The list of non-competition restrictions proposed to be lifted by the Company on each Director in the 2023 shareholders meeting is attached hereto as Attachment IV(page 31).

Resolution:

**III. Extraordinary Motions**

**IV. Meeting Adjourn**

## Independent Auditors' Report

To the Board of Directors of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.):

### Opinion

We have audited the consolidated financial statements of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021 (restated), the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, (restated), and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021 (restated), and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2022 and 2021, (restated), in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Emphasis of Matter

As stated in Note 1, Note 4(c) and Note 6(g), METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) fully acquired 100% shareholdings in Metaguru Corporation from subsidiary of Qisda Corporation, BenQ Guru Holding Limited by cash on December 1, 2022. Pursuant to the Interpretations (2012) No. 301 issued by Accounting Research and Development Foundation, the aforementioned transaction is an organizational reorganization under common control and had been regarded as a combination from beginning. The Group restated the consolidated financial statements for the year ended December 31, 2021. Our conclusion is not modified in respect of this matter.

### Other Matter

We did not audit the financial statements of certain subsidiaries of the Group and investments accounted for using the equity method. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to the amounts included for those subsidiaries and investees, is based solely on the reports of other auditors. The total assets of those subsidiaries constituted 2.04% and 1.77% of the total consolidated assets as of December 31, 2022 and 2021 (restated), respectively, and the total operating revenue constituted 2.42% and 1.73% of the consolidated operating revenue for the years ended December 31, 2022 and 2021 (restated), respectively. In addition, the recognized investments accounted for using the equity method constituted 1.23% and 1.24% of the total consolidated assets as of December 31, 2022 and 2021 (restated), respectively, and the recognized shares of profit or loss of associates accounted for using equity method constituted 1.35% and 0.68% of the consolidated profit before tax for the years ended December 31, 2022 and 2021 (restated), respectively.

METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with emphasis of matter and other matter paragraph.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Valuation of inventories

Please refer to Note 4(h) for the accounting policy for inventories, Note 5 for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(e) for the details and related expenses for inventories.

Description of key audit matter:

Inventories are measured at the lower of cost or net realizable value. Since information products, such as network and servers, are constantly evolving, and prices impact end-consumers' decisions on expenditure, sales of related products may fluctuate, resulting in a risk that the cost of inventories may exceed their net realizable values. Consequently, the estimate of the net realized value of inventories, dependent on management's subjective judgment, was considered to be a matter of high concern in our audit of the financial statements.

How the matter was addressed in our audit:

Our audit procedures included understanding the Group's policy for recognizing inventory allowances so as to assess whether inventory valuation was conducted pursuant to the policy; comparing the reasonableness of management's recognition of the allowance for inventory loss for prior years with the approach and assumption about the recognition of the allowance for inventory loss for the current period, in order to evaluate the appropriateness of the latter; looking into and sampling the sales prices adopted by management and reviewing sales transactions after the balance sheet date, with a view to assessing whether the estimate of the net realizable value of inventories and the loss allowance was reasonable.

## 2. Impairment of goodwill

Please refer to Note 4(o) for the accounting policy on impairment of non-financial assets, Note 5 for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(m) for the assessment of impairment of goodwill.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries is annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

Our audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions; performing a sensitivity analysis of the results; and assessing the adequacy of the Group's disclosures with respect to the related information.

## **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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.

The engagement partners on the audit resulting in this independent auditors' report are HUNG-WEN, FU and MEI-PIN, WU.

KPMG

Taipei, Taiwan (Republic of China)  
February 23, 2023

#### Notes to Readers

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

The auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' review report and consolidated financial statements, the Chinese version shall prevail.



(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2022 and 2021**

(In Thousands of New Taiwan Dollars)

		For the years ended December 31			
		2022		2021 (Restated)	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes 6(w) and 7)</b>	\$ 12,113,025	100	12,000,721	100
5000	<b>Operating costs (Notes 6(e), (s), 7 and 12)</b>	10,428,451	86	10,431,487	87
	<b>Gross profit</b>	<u>1,684,574</u>	14	<u>1,569,234</u>	13
	<b>Operating expenses (Notes 6(c), (s), (x), 7 and 12):</b>				
6100	Selling expenses	1,012,906	8	862,876	7
6200	General and administrative expenses	200,254	2	194,003	2
6300	Research and development expenses	40,032	-	29,850	-
6450	Expected credit loss (Reversal of expected credit loss)	49	-	(13,378)	-
		<u>1,253,241</u>	10	<u>1,073,351</u>	9
	<b>Net operating income</b>	<u>431,333</u>	4	<u>495,883</u>	4
	<b>Non-operating income and expenses:</b>				
7010	Other income (Notes 6(q), (y) and 7)	22,245	-	13,238	-
7100	Interest income	2,991	-	1,439	-
7020	Other gains and losses (Notes 6(i), (j), (y) and 7)	95,520	-	217,519	2
7050	Finance costs (Notes 6(q), (y) and 7)	(25,480)	-	(17,994)	-
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(f))	6,185	-	3,839	-
		<u>101,461</u>	-	<u>218,041</u>	2
	<b>Profit before income tax</b>	532,794	4	713,924	6
7950	<b>Less: Income tax expenses (Note 6(t))</b>	<u>102,046</u>	-	<u>108,800</u>	1
	<b>Profit</b>	<u>430,748</u>	4	<u>605,124</u>	5
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8311	Remeasurements of defined benefit plans (Note 6(s))	962	-	(1,268)	-
8320	Share of other comprehensive income of associates for using equity method (Note 6(f))	(136)	-	349	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Items that may not be reclassified subsequently to profit or loss</b>	<u>826</u>	-	<u>(919)</u>	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	13,043	-	(30,260)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
	<b>Items that may be reclassified subsequently to profit or loss</b>	<u>13,043</u>	-	<u>(30,260)</u>	-
8300	<b>Other comprehensive income, net of tax</b>	<u>13,869</u>	-	<u>(31,179)</u>	-
	<b>Total comprehensive income</b>	<u>\$ 444,617</u>	<u>4</u>	<u>\$ 573,945</u>	<u>5</u>
	<b>Profit attributable to:</b>				
8610	Owners of parent	\$ 412,505	4	577,591	5
8615	Former owner of business combination under common control	5,721	-	6,989	-
8620	Non-controlling interests	12,522	-	20,544	-
		<u>\$ 430,748</u>	<u>4</u>	<u>\$ 605,124</u>	<u>5</u>
	<b>Comprehensive income (loss) attributable to:</b>				
8710	Owners of parent	\$ 425,740	4	547,248	5
8715	Former owner of business combination under common control	5,721	-	6,989	-
8720	Non-controlling interests	13,156	-	19,708	-
		<u>\$ 444,617</u>	<u>4</u>	<u>\$ 573,945</u>	<u>5</u>
	<b>Earnings per share (Note 6(v))</b>				
9750	<b>Basic earnings per share (NT dollars)</b>	<u>\$ 2.19</u>		<u>3.07</u>	
9850	<b>Diluted earnings per share (NT dollars)</b>	<u>\$ 2.17</u>		<u>3.04</u>	

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**

(In Thousands of New Taiwan Dollars)

	Equity Attributable to owners of parent											
	Share capital	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit	Total equity attributable to owners of parent	Equity attributable to former owner of business combination under common control	Non-controlling interests	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings							
<b>Balance on January 1, 2021</b>	\$ 1,883,573	1,333,011	328,387	-	726,330	-	-	-	4,271,301	153,960	275,045	4,700,306
Profit	-	-	-	-	577,591	-	-	-	577,591	6,989	20,544	605,124
Other comprehensive income	-	-	-	-	-	(29,705)	(2)	(636)	(30,343)	-	(836)	(31,179)
Comprehensive income	-	-	-	-	577,591	(29,705)	(2)	(636)	547,248	6,989	19,708	573,945
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	54,902	-	(54,902)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(470,894)	-	-	-	(470,894)	-	-	(470,894)
Reorganization	-	(57,631)	-	-	-	-	-	-	(57,631)	(82,369)	-	(140,000)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(22,914)	(22,914)
Difference between consideration and carrying amount of subsidiaries' share acquired	-	(440)	-	-	-	-	-	-	(440)	-	(60)	(500)
Changes in equity of associates accounted for using equity method	-	979	-	-	-	-	-	-	979	-	-	979
Derecognize non-controlling interests due to disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(227,162)	(227,162)
Acquisition of non-controlling interests in a business combination	-	-	-	-	-	-	-	-	-	-	119,701	119,701
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,777	3,777
<b>Balance on December 31, 2021</b>	1,883,573	1,275,919	383,289	-	778,125	(29,705)	(2)	(636)	4,290,563	78,580	168,095	4,537,238
Profit	-	-	-	-	412,505	-	-	-	412,505	5,721	12,522	430,748
Other comprehensive income	-	-	-	-	-	12,874	(171)	532	13,235	-	634	13,869
Comprehensive income	-	-	-	-	412,505	12,874	(171)	532	425,740	5,721	13,156	444,617
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	57,759	-	(57,759)	-	-	-	-	-	-	-
Special reserve	-	-	-	30,343	(30,343)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(470,894)	-	-	-	(470,894)	-	-	(470,894)
Capital reduction	-	-	-	-	-	-	-	-	-	(56,600)	-	(56,600)
Reorganization	-	(3,299)	-	-	-	-	-	-	(3,299)	(27,701)	-	(31,000)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(18,541)	(18,541)
Changes in equity of associates accounted for using equity method	-	73	-	-	-	-	-	-	73	-	-	73
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	54	-	-	-	-	-	-	54	-	-	54
<b>Balance on December 31, 2022</b>	\$ 1,883,573	1,272,747	441,048	30,343	631,634	(16,831)	(173)	(104)	4,242,237	-	162,710	4,404,947

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021 (Restated)
<b>Cash flows from operating activities:</b>		
Profit before income tax	\$ 532,794	713,924
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	85,074	79,010
Amortization expense	10,332	11,154
Gains on disposal of investment property and property, plant and equipment	(52)	(10,262)
Loss on disposal of investments accounted for using equity method	15	-
Expected credit loss (Reversal of expected credit loss)	49	(13,378)
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(63,261)	(76,717)
Share of profit (loss) of associates accounted for using equity method	(6,185)	(3,839)
Gain on disposal of non-current assets or liabilities held for sale	-	(84,232)
Gain on disposal of subsidiaries	-	(20,696)
Interest expense	25,480	17,994
Interest income	(2,991)	(1,439)
Dividend income	(13,671)	(7,812)
Others	(65)	(428)
<b>Total adjustments to reconcile profit (loss)</b>	<b>34,725</b>	<b>(110,645)</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Total net changes in operating assets:</b>		
Notes and accounts receivable (including long-term and related parties)	133,623	(795,753)
Current financial assets at fair value through profit or loss	-	154,049
Inventories	(583,906)	142,988
Contract assets	12,355	(6,420)
Other current assets	10,417	28,357
Other non-current assets	(1,254)	4,709
<b>Total changes in operating assets</b>	<b>(428,765)</b>	<b>(472,070)</b>
<b>Total changes in operating liabilities:</b>		
Contract liability	46,110	(107,338)
Notes and accounts payable	480,925	(143,386)
Other payables	(38,729)	60,804
Advance receipts	(22,305)	9,852
Other current liabilities	1,482	(7,454)
<b>Total changes in operating liabilities</b>	<b>467,483</b>	<b>(187,522)</b>
<b>Total changes in operating assets and liabilities</b>	<b>38,718</b>	<b>(659,592)</b>
<b>Total adjustments</b>	<b>73,443</b>	<b>(770,237)</b>
Cash inflows (outflows) generated from operations	606,237	(56,313)
Interest received	3,002	1,375
Dividends received	13,671	7,812
Interest paid	(24,692)	(17,885)
Income taxes paid	(102,606)	(111,056)
<b>Net cash inflows (outflows) from operating activities</b>	<b>495,612</b>	<b>(176,067)</b>
<b>Cash flows from investing activities:</b>		
Decrease in financial liabilities at fair value through profit or loss	(7,408)	-
Acquisition of non-current financial assets at fair value through profit or loss	(130,856)	(100,000)
Acquisition of investments accounted for using equity method	-	(5,000)
Return of capital from investments accounted for using equity method	565	-
Share capital from acquisition of subsidiaries	(31,000)	(140,000)
Consideration from disposal of subsidiaries	-	46,246
Net cash inflows from business combination	-	60,431
Proceeds from disposal of non-current assets or liabilities as held for sale	-	265,795
Acquisition of property, plant and equipment	(8,728)	(7,534)
Proceeds from disposal of investment property and property, plant and equipment	52	27,116
Decrease (increase) in refundable deposits	(7,202)	1,632
Acquisition of intangible assets	(4)	(106)
Decrease (increase) in other current assets	52,899	(9,010)
Decrease (increase) in other non-current assets	3,037	(3,037)
<b>Net cash inflows (outflows) from investing activities</b>	<b>(128,645)</b>	<b>136,533</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	145,943	624,899
Increase in short-term notes and bills payable	199,619	-
Repayments of long-term borrowings	(16,742)	(16,874)
Decrease in other payables	-	(113,742)
Increase (decrease) in guarantee deposits	63	(44)
Payments of lease liabilities	(48,207)	(42,511)
Capital reduction	(56,600)	-
Change in non-controlling interests	-	(500)
Cash dividends paid	(470,894)	(470,894)
Dividends to non-controlling interests from subsidiaries	(18,541)	(22,914)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	54	-
<b>Net cash outflows from financing activities</b>	<b>(265,305)</b>	<b>(42,580)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>8,500</b>	<b>(21,519)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>110,162</b>	<b>(103,633)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>673,911</b>	<b>777,544</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 784,073</b>	<b>673,911</b>

See accompanying notes to the consolidated financial statements.

## **Independent Auditors' Report**

To the Board of Directors of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.):

### **Opinion**

We have audited the parent company only financial statements of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)("the Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021 (restated), the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021 (restated), and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021 (restated), and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 (restated), 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 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Emphasis of Matter**

As stated in Note 1 and Note 6(g), METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) fully acquired 100% shareholdings in Metaguru Corporation from subsidiary of Qisda Corporation, BenQ Guru Holdings Limited by cash on December 1, 2022. Pursuant to the Interpretations (2012) No. 301 issued by Accounting Research and Development Foundation, the aforementioned transaction is an organizational reorganization under common control and had been regarded as a combination from beginning. The Company restated the parent company only financial statements for the year ended December 31, 2021. Our conclusion is not modified in respect of this matter.

### Other Matter

We did not audit the financial statements of certain investments accounted for using equity method. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to amounts included for those investees, is based solely on the reports of the other auditors. The recognized investments accounted for using the equity method constituted 1.84% and 1.83% of the total assets as of December 31, 2022 and 2021 (restated), respectively, and the recognized share of profit or loss of subsidiaries and associates accounted for using equity method constituted 2.81% and 1.63% of the profit before tax for the years ended December 31, 2022 and 2021 (restated), respectively.

### 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 financial statements of the current period. These matters were addressed in the context of our audit of parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Valuation of inventories

Please refer to Note 4(g) for the accounting policy for inventories, Note 5(a) for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(e) for the details and related expenses for inventories.

Description of key audit matter:

Inventories are measured at the lower of cost or net realizable value. Since information products, such as network and servers, are constantly evolving, and prices impact end-consumers' decisions on expenditure, sales of related products may fluctuate, resulting in a risk that the cost of inventories may exceed their net realizable values. Consequently, the estimate of the net realized value of inventories, dependent on management's subjective judgment, was considered to be a matter of high concern in our audit of the financial statements.

How the matter was addressed in our audit:

Our audit procedures included understanding the Company's policy for recognizing inventory allowances so as to assess whether inventory valuation was conducted pursuant to the policy; comparing the reasonableness of management's recognition of the allowance for inventory loss for prior years with the approach and assumption about the recognition of the allowance for inventory loss for the current period, in order to evaluate the appropriateness of the latter; looking into and sampling the sales prices adopted by management and reviewing sales transactions after the balance sheet date, with a view to assessing whether the estimate of the net realizable value of inventories and the loss allowance was reasonable.

#### 2. Impairment of goodwill included in investment in subsidiaries

Please refer to Note 4(n) for the accounting policy on impairment of non-financial assets, Note 5(b) for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(g) for the assessment of impairment of goodwill.

Description of key audit matter:

Goodwill arising from investments in subsidiaries is included in the carrying amount of the investments accounted for using equity method in the parent company only financial statements. The goodwill is annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

Our audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions; performing a sensitivity analysis of the results; and assessing the adequacy of the Company's disclosures with respect to the related information.

#### **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 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 parent company only 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 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 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 judgment and professional skepticism throughout the audit. We also:

1. 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 control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method 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 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 parent company only 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.

The engagement partners on the audit resulting in this independent auditors' report are HUNG-WEN, FU and MEI-PIN, WU.

KPMG

Taipei, Taiwan (Republic of China)  
February 23, 2023

#### **Notes to Readers**

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**

**Balance Sheets**

**December 31, 2022 and 2021**

(In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021 (Restated)			December 31, 2022		December 31, 2021 (Restated)	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>									
<b>Current assets:</b>									
1100	Cash and cash equivalents (Note 6(a))	\$ 424,848	5	385,915	5	2100	Short-term borrowings (Note 6(m))	\$ 1,100,000	13
1110	Current financial assets at fair value through profit or loss (Note 6(b))	623	-	-	-	2110	Short-term notes and bills payable (Note 6(n))	199,619	3
1170	Notes and accounts receivable, net (Notes 6(c) and (v))	2,413,481	29	2,368,915	31	2120	Current financial liabilities at fair value through profit or loss (Notes 6(b) and (g))	13,651	-
1180	Accounts receivable due from related parties, net (Notes 6(c), (v) and 7)	84,927	1	68,429	1	2130	Contract liability (Note 6(v))	155,234	2
1300	Inventories (Note 6(e))	2,914,551	36	2,460,115	32	2170	Accounts payable (Note 7)	1,711,387	21
1470	Other current assets (Notes 6(d) and 7)	16,588	-	27,852	-	2200	Other payables (Note 7)	368,711	5
		<u>5,855,018</u>	<u>71</u>	<u>5,311,226</u>	<u>69</u>	2280	Current lease liabilities (Notes 6(p) and 7)	30,431	-
<b>Non-current assets:</b>									
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	510,844	6	338,296	4	2310	Advance receipts	-	-
1550	Investments accounted for using equity method (Notes 6(f), (g), (h), (i) and 7)	722,180	9	830,285	11	2320	Long-term borrowings, current portion (Note 6(o))	13,915	-
1600	Property, plant and equipment (Notes 6(j) and 8)	803,734	10	842,046	11	2399	Other current liabilities	1,295	-
1755	Right-of-use assets (Note 6(k))	144,314	2	144,228	2			<u>3,594,243</u>	<u>44</u>
1760	Investment property, net (Notes 6(l) and 8)	57,093	1	36,169	-	<b>Non-Current liabilities:</b>			
1840	Deferred income tax assets (Note 6(s))	39,751	-	52,538	1	2500	Non-current financial liabilities at fair value through profit or loss (Notes 6(b) and (g))	63,144	1
1931	Long-term notes receivable (Notes 6(c) and (v))	9,277	-	9,314	-	2540	Long-term borrowings (Note 6(o))	223,425	3
1942	Long-term accounts receivables due from related parties (Notes 6(c), (v) and 7)	32,886	-	65,772	1	2580	Non-current lease liabilities (Notes 6(p) and 7)	117,387	1
1990	Other non-current assets	69,756	1	64,885	1	2640	Other non-current liabilities (Note 6(s))	4,417	-
		<u>2,389,835</u>	<u>29</u>	<u>2,383,533</u>	<u>31</u>			<u>408,373</u>	<u>5</u>
<b>Total assets</b>									
		<u>\$ 8,244,853</u>	<u>100</u>	<u>7,694,759</u>	<u>100</u>	<b>Total liabilities</b>			
						3100	Share capital (Note 6(t))	1,883,573	23
						3200	Capital surplus (Notes 6(f), (g), (h) and (t))	1,272,747	15
						3310	Legal reserve (Note 6(t))	441,048	5
						3320	Special reserve (Note 6(t))	30,343	-
						3350	Unappropriated retained earnings (Note 6(t))	631,634	8
						3400	Other equity interest	(17,108)	-
								<u>4,242,237</u>	<u>51</u>
						35XX	Equity attributable to former owner of business combination under common control	-	-
								<u>4,242,237</u>	<u>51</u>
						<b>Total equity</b>			
								<u>\$ 8,244,853</u>	<u>100</u>
						<b>Total liabilities and equity</b>			
								<u>7,694,759</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**

**Statements of Comprehensive Income**

**For the years ended December 31, 2022 and 2021**

(In Thousands of New Taiwan Dollars)

		<b>For the years ended December 31,</b>			
		<b>2022</b>		<b>2021 (Restated)</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6(v) and 7)</b>	\$ 9,852,906	100	9,437,728	100
5000	<b>Operating costs (Notes 6(e) and 7)</b>	<u>8,528,838</u>	87	<u>8,259,037</u>	88
	<b>Gross profit</b>	<u>1,324,068</u>	13	<u>1,178,691</u>	12
	<b>Operating expenses (Notes 6(c), (r), (w), 7 and 12):</b>				
6100	Selling expenses	726,650	7	603,782	6
6200	General and administrative expenses	157,246	2	151,884	2
6300	Research and development expense	29,473	-	23,683	-
6450	Reversal of expected credit loss	<u>-</u>	<u>-</u>	<u>(15,300)</u>	<u>-</u>
		<u>913,369</u>	<u>9</u>	<u>764,049</u>	<u>8</u>
	<b>Net operating income</b>	<u>410,699</u>	<u>4</u>	<u>414,642</u>	<u>4</u>
	<b>Non-operating income and expenses:</b>				
7010	Other income (Notes 6(p), (q), (x) and 7)	30,290	-	17,729	-
7100	Interest income	1,042	-	355	-
7020	Other gains and losses (Notes 6(i), (x) and 7)	110,032	1	189,859	2
7050	Finance costs (Notes 6(p), (x) and 7)	(15,774)	-	(10,445)	-
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method (Note 6(f))	<u>(21,266)</u>	<u>-</u>	<u>73,674</u>	<u>1</u>
		<u>104,324</u>	<u>1</u>	<u>271,172</u>	<u>3</u>
	<b>Profit before income tax</b>	515,023	5	685,814	7
7950	<b>Less: Income tax expenses (Note 6(s))</b>	<u>96,797</u>	<u>1</u>	<u>101,234</u>	<u>1</u>
	<b>Profit</b>	<u>418,226</u>	<u>4</u>	<u>584,580</u>	<u>6</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8330	Share of other comprehensive income of subsidiaries and associates for using equity method (Note 6(f))	192	-	(83)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Items that may not be reclassified subsequently to profit or loss</b>	<u>192</u>	<u>-</u>	<u>(83)</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	13,043	-	(30,260)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Items that may be reclassified subsequently to profit or loss</b>	<u>13,043</u>	<u>-</u>	<u>(30,260)</u>	<u>-</u>
8300	<b>Other comprehensive income, net of tax</b>	<u>13,235</u>	<u>-</u>	<u>(30,343)</u>	<u>-</u>
	<b>Total comprehensive income</b>	<u>\$ 431,461</u>	<u>4</u>	<u>554,237</u>	<u>6</u>
	<b>Profit (loss) attributable to:</b>				
	Owners of parent	\$ 412,505	4	577,591	6
	Former owner of business combination under common control	<u>5,721</u>	<u>-</u>	<u>6,989</u>	<u>-</u>
		<u>\$ 418,226</u>	<u>4</u>	<u>584,580</u>	<u>6</u>
	<b>Comprehensive income (loss) attributable to:</b>				
	Owners of parent	\$ 425,740	4	547,248	6
	Former owner of business combination under common control	<u>5,721</u>	<u>-</u>	<u>6,989</u>	<u>-</u>
		<u>\$ 431,461</u>	<u>4</u>	<u>554,237</u>	<u>6</u>
	<b>Earnings per share (Note 6(u)):</b>				
9750	<b>Basic earnings per share (NT dollars)</b>	<u>\$ 2.19</u>		<u>3.07</u>	
9850	<b>Diluted earnings per share (NT dollars)</b>	<u>\$ 2.17</u>		<u>3.04</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
 METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	Retained earnings				Unappropriated retained earnings	Total other equity interest			Subtotal equity	Equity attributable to former owner of business combination under common control	Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investment in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit			
<b>Balance on January 1, 2021 (Restated)</b>	\$ 1,883,573	1,333,011	328,387	-	726,330	-	-	-	4,271,301	153,960	4,425,261
Profit	-	-	-	-	577,591	-	-	-	577,591	6,989	584,580
Other comprehensive income	-	-	-	-	-	(29,705)	(2)	(636)	(30,343)	-	(30,343)
Comprehensive income	-	-	-	-	577,591	(29,705)	(2)	(636)	547,248	6,989	554,237
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	54,902	-	(54,902)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(470,894)	-	-	-	(470,894)	-	(470,894)
Reorganization	-	(57,631)	-	-	-	-	-	-	(57,631)	(82,369)	(140,000)
Difference between consideration and carrying amount of subsidiaries' share acquired	-	(440)	-	-	-	-	-	-	(440)	-	(440)
Changes in equity of associates accounted for using equity method	-	979	-	-	-	-	-	-	979	-	979
<b>Balance on December 31, 2021 (Restated)</b>	1,883,573	1,275,919	383,289	-	778,125	(29,705)	(2)	(636)	4,290,563	78,580	4,369,143
Profit	-	-	-	-	412,505	-	-	-	412,505	5,721	418,226
Other comprehensive income	-	-	-	-	-	12,874	(171)	532	13,235	-	13,235
Comprehensive income	-	-	-	-	412,505	12,874	(171)	532	425,740	5,721	431,461
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	57,759	-	(57,759)	-	-	-	-	-	-
Special reserve	-	-	-	30,343	(30,343)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(470,894)	-	-	-	(470,894)	-	(470,894)
Capital reduction	-	-	-	-	-	-	-	-	-	(56,600)	(56,600)
Reorganization	-	(3,299)	-	-	-	-	-	-	(3,299)	(27,701)	(31,000)
Changes in equity of subsidiaries and associates accounted for using equity method	-	80	-	-	-	-	-	-	80	-	80
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	47	-	-	-	-	-	-	47	-	47
<b>Balance on December 31, 2022</b>	\$ 1,883,573	1,272,747	441,048	30,343	631,634	(16,831)	(173)	(104)	4,242,237	-	4,242,237

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**

**Statements of Cash Flows**

**For the years ended December 31, 2022 and 2021**

(In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021 (Restated)
<b>Cash flows from operating activities:</b>		
<b>Profit before income tax</b>	\$ 515,023	685,814
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	66,383	57,906
Amortization expense	745	769
Gains on disposal of property, plant and equipment	-	(136)
Reversal of expected credit loss	-	(15,300)
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(63,620)	(76,542)
Share of profit (loss) of subsidiaries and associates accounted for using equity method	21,266	(73,674)
Gain on disposal of subsidiaries	-	(20,696)
Loss on disposal of associates	15	-
Gain on disposal of non-current assets held for sale	-	(57,528)
Interest expense	15,774	10,445
Interest income	(1,042)	(355)
Dividend income	(13,671)	(7,812)
<b>Total adjustments to reconcile profit (loss)</b>	<u>25,850</u>	<u>(182,923)</u>
<b>Changes in operating assets and liabilities:</b>		
Total net changes in operating assets:		
Current financial assets at fair value through profit or loss	-	150,043
Notes and accounts receivable (including long-term and related parties)	(28,141)	(646,202)
Inventories	(465,618)	258,693
Other current assets	11,266	(4,126)
Other non-current assets	(590)	-
Total net changes in operating assets	<u>(483,083)</u>	<u>(241,592)</u>
Total net changes in operating liabilities:		
Contract liability	(29,476)	(111,126)
Accounts payable	534,161	(285,782)
Other payables	(48,870)	45,016
Advance receipts	(22,614)	9,295
Other current liabilities	171	214
Total net changes in operating liabilities	<u>433,372</u>	<u>(342,383)</u>
Total net changes in operating assets and liabilities	<u>(49,711)</u>	<u>(583,975)</u>
Total adjustments	<u>(23,861)</u>	<u>(766,898)</u>
Cash inflows (outflows) generated from operations	491,162	(81,084)
Interest received	1,040	355
Dividends received	49,237	32,263
Interest paid	(15,798)	(10,336)
Income taxes paid	(97,708)	(97,417)
<b>Net cash inflows (outflow) from operating activities</b>	<u>427,933</u>	<u>(156,219)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of non-current financial assets at fair value through profit or loss	(130,856)	(100,000)
Acquisition of investments accounted for using equity method	(31,000)	(367,495)
Proceeds from disposal of investments accounted for using equity method	-	49,890
Return of capital from investments accounted for using equity method	565	-
Proceeds from disposal of non-current assets as held for sale	-	181,450
Acquisition of property, plant and equipment	(6,579)	(6,127)
Proceeds from disposal of property, plant, and equipment	-	708
Decrease (increase) in refundable deposits	(5,026)	4,256
<b>Net cash outflows from investing activities</b>	<u>(172,896)</u>	<u>(237,318)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	100,000	700,000
Increase in short-term notes and bills payable	199,619	-
Repayments of long-term borrowings	(14,029)	(14,160)
Increase(decrease) in guarantee deposits	62	(330)
Payments of lease liabilities	(30,909)	(24,859)
Cash dividends paid	(470,894)	(470,894)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	47	-
<b>Net cash inflows (outflows) from financing activities</b>	<u>(216,104)</u>	<u>189,757</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>38,933</u>	<u>(203,780)</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>385,915</u>	<u>589,695</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 424,848</u>	<u>385,915</u>

See accompanying notes to parent company only financial statements.

## Metaage Corporation The 2022 Earnings Distribution Proposal

	Unit: NT\$
<b>Net income of 2022</b>	<b>412,504,861</b>
Less: Provisioned as Legal Reserve	(41,250,486)
Add: Reserved as Special reserve	13,234,266
<b>Retained earnings available for distribution in 2022</b>	<b>384,488,641</b>
Add: Unappropriated retained earnings from previous years	219,129,523
<b>Retained earnings available for distribution as of December 31, 2022</b>	<b>603,618,164</b>
Distributable Items:	
Cash Dividend (NT\$2,000 for every 1,000 common shares)	(376,714,672)
<b>Unappropriated retained earnings after earnings distribution</b>	<b>226,903,492</b>

Note: The cash dividend distribution to each shareholder will be paid to the rounded-down full NT dollar. Amounts less than one whole NT dollar are rounded-down to the nearest NT dollar. The aggregate unpaid cash dividend resulting from the above rounded-down, will be distributed to shareholders in the descending order of decimal point and the ascending order of shareholder account numbers, until the total amount of the approved cash dividend has been fully distributed.

Chairman:

President:

Accounting Supervisor:

## Comparison table for “Rules of Procedure for Shareholder Meetings” before and after amendment

Article No.	After the Revision	Before the Revision	Explanation for edition
Article 2-1	<p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p> <p>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</p>	(Added)	Amend according to Regulations & actual need
Article 2-2	<p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> <li>1. <u>How shareholders attend the virtual meeting and exercise their rights.</u></li> <li>2. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <ol style="list-style-type: none"> <li>A. <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></li> <li>B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></li> <li>C. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be</u></li> </ol> </li> </ol>	(Added)	Amend according to Regulations & actual need

Article No.	After the Revision	Before the Revision	Explanation for edition
	<p><u>counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p>D. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p>3. <u>To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>		
Article 3	<p>(Omitted)</p> <p>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>(Omitted)</p> <p>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	Amend according to Regulations & actual need
Article 4	<p>The meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, <u>which may not be changed without a resolution of the shareholders meeting;</u> And the process of the meeting shall be audio and video recording as preserved for at least 1 year. <u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end, kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>	<p>The meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, and the process of the meeting shall be audio and video recording as preserved for at least 1 year. <del>The shareholders cannot designate any other person as the chairman and continue the meeting in the same or other place after the meeting is adjourned. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</del></p>	Amend according to Regulations & actual need

Article No.	After the Revision	Before the Revision	Explanation for edition
	<p><u>When a meeting is in progress, the chair may announce a break based on time considerations. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs, except by a resolution of the shareholders meeting. After the meeting adjourned, the shareholders meeting may not appoint a chair to adopt a resolution to resume the meeting at original or another venues.</u></p>	(Added)	
Article 7	<p>The order in which shareholders speak will be set by the chair in discussion of the proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</u></p>	<p>The order in which shareholders speak will be set by the chair in discussion of the proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p>	Amend according to Regulations & actual need
Article 11	<p>When the company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</p> <p>Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.</p>	<p>When the company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</p> <p>Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.</p>	Amend according to Regulations & actual need

Article No.	After the Revision	Before the Revision	Explanation for edition
	<p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p>		
Article 12	<p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.</p> <p>(Deleted)</p>	<p><del>The proposal shall be provided by correspondence means, when there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</del></p> <p>The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.</p> <p><del>The Board of Directors is to state in the agenda manual why the proposals that are proposed before the meeting are not enlisted in the agenda of directors' meeting and the record of agenda.</del></p>	Amend according to actual need
Article 14	Any matters which are not adequately provided for herein shall be subject to the Company Act, the articles of incorporation, and other relevant laws and regulations.	Any matters which are not adequately provided for herein shall be subject to the Company Act, the articles of incorporation.	Amend according to actual need
Article 16	<p>These rules and procedures were enacted on April 10, 2000.</p> <p>The 1st amendment was made on May 27, 2002.</p> <p>The 2nd amendment was made on June 9, 2006.</p> <p>The 3rd amendment was made on June 28, 2017.</p> <p>The 4th amendment was made on May 24, 2023.</p>	<p>These rules and procedures were enacted on April 10, 2000.</p> <p>The 1st amendment was made on May 27, 2002.</p> <p>The 2nd amendment was made on June 9, 2006.</p> <p>The 3rd amendment was made on June 28, 2017.</p>	Amendment number of times & date added

**List of non-competition restrictions on current directors**

<b>Director</b>	<b>Released restriction items</b>
<b>Wen-Tsung Wang</b>	Independent director CHYI DING TECHNOLOGIES CO., LTD.
<b>Chin-Lai Wang</b>	Director (Legal representative) TATUNG SYSTEM TECHNOLOGIES INC. General Manager Tatung Company

**Metaage Corporation**  
**Rules and Procedures for Shareholders' Meeting**  
**(Before the amendments)**

- Article 1: Metaage Corporation (the "Company") shall convene the shareholders' meeting in accordance with these Rules of Procedures (the "Rules")
- Article 2: Shareholders attending at shareholders' meetings shall wear attendance cards, and hand in a sign-in card in lieu of signing in.
- Article 3: The chairman of a shareholders' meeting shall call the meeting to order at the time when the meeting is scheduled to commence, as the number of shares represented by the attending shareholders has constituted more than an aggregate of one half of the total outstanding shares issued. If the number of shares represented by the attending shareholders has not yet constituted more than an aggregate of one half of the total outstanding shares issued, the chairman may postpone the time for the meeting. The postponements shall only reach two times at most, and the meeting shall not be postponed for more than 20 minutes at the first time and 10 minutes at the second time in total. If after two postponements the shares represented by attending shareholders has not reached the quorum but has constituted more than one third of the total of outstanding shares issued, a tentative resolution may be passed in accordance with the article 175 of the Company Act.  
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 4: The meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, and the process of the meeting shall be audio and video recording as preserved for at least 1 year. The shareholders cannot designate any other person as the chairman and continue the meeting in the same or other place after the meeting is adjourned. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- Article 5: When a shareholder attending a shareholders' meeting wishes to speak, he or she should fill out a speech note with a summary of the speech, shareholder's account number (or the number of attendance card) and the account name of the shareholder in advance. The sequence of speeches shall be determined by the chairman.
- Article 6: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 7: The order in which shareholders speak will be set by the chair in discussion of the proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

- Article 8: Each proposition shall not exceed 5 minutes, and its discussion, inquiries, and replies shall not exceed 3 minutes; however, if permitted by the chairman, he or she shall draw the meeting out for another 3 minutes.
- Article 9: A person may not speak more than twice on the same proposal.
- Article 10: The chairman may announce end of discussion of an item listed in the agenda and submit the item for voting if the chairman deems that the item is ready for voting in discussion of the proposal.
- Article 11: When the company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.  
Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.
- Article 12: The proposal shall be provided by correspondence means, when there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.  
The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.  
The Board of Directors is to state in the agenda manual why the proposals that are proposed before the meeting are not enlisted in the agenda of directors' meeting and the record of agenda.
- Article 13: Where it is impossible to continue proceeding with the meeting due to natural disasters (typhoon, flood, earthquake, etc.) or other accidents (an air-raid or fire alarm, etc.), the chairman the meeting should be stopped immediately or re-scheduled.
- Article 14: Any matters which are not adequately provided for herein shall be subject to the Company Act, the articles of incorporation.
- Article 15: The rules and any amendment shall take effect after being approved at the shareholders' meeting.
- Article 16: These rules and procedures were enacted on April 10, 2000.  
The 1st amendment was made on May 27, 2002.  
The 2nd amendment was made on June 9, 2006.  
The 3rd amendment was made on June 28, 2017.

### Articles of Incorporation

#### Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act with the name of 邁達特數位股份有限公司 in Traditional Chinese and Metaage Corporation in English.

Article 2: The Company engages in the following types of business:

- I. I301010 Information Software Services
- II. F113050 Wholesale of Computers and Clerical Machinery Equipment
- III. CC01050 Data Storage Media Units Manufacturing
- IV. F118010 Wholesale of Computer Software
- V. F113070 Wholesale of Telecommunication Apparatus
- VI. CC01060 Wired Communication Mechanical Equipment Manufacturing
- VII. CC01070 Wireless Communication Mechanical Equipment Manufacturing
- VIII. F401010 International Trade
- IX. F213060 Retail Sale of Telecommunication Apparatus
- X. F218010 Retail Sale of Computer Software
- XI. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
- XII. I301020 Data Processing Services
- XIII. I301030 Electronic Information Supply Services
- XIV. I601010 Rental and Leasing
- XV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

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

Article 3: The Company may provide endorsements and guarantees for others for business and investment purposes.

Article 4: The limitation as stated in Article 13 of the Company Act does not apply to the total amount of external investments of the Company.

Article 5: The Company is headquartered in Taipei City, and branches or offices at home and abroad may be set up by resolution of the Board of Directors.

#### Chapter 2 Shares

Article 6: The total authorized capital of the Company is Two Billion Five Hundred Million New Taiwan Dollar (NT\$2,500,000,000) divided into two hundred and fifty million (250,000,000) shares with a par value of Ten New Taiwan Dollar (NT\$10) and to be issued installment. The Board is authorized to decide on the issuance of unissued shares as necessary.

Three Hundred Million New Taiwan Dollar (NT\$300,000,000), divided into thirty million (30,000,000) shares with a par value of Ten New Taiwan Dollar (NT\$10), shall be reserved from the total authorized capital stated in the preceding paragraph to issue stock options or stock warrants, including employee stock options and warrant bonds, for share subscription. The Board is authorized to issue such shares in installments.

With the consent of over two thirds of the voting rights of the shareholders in a meeting of shareholders attended by shareholders representing over one half of the total issued shares, the Company may issue employee stock options at a subscription price below the market value or transfer treasury stock to employees at an average price below the actual buy-back price.

Article 6-1: The Company may transfer the treasury stock purchased according to the Stocks and Exchange Act to employees of controlled or subordinate companies meeting specific requirements. Employees qualified for receiving the employee stock options may include employees of controlled or subordinate companies meeting specific requirements. When the Company issues new shares, employees of controlled or subordinate companies meeting specific requirements are qualified for subscription. When the Company issues restricted stock awards, employees of controlled or subordinate companies meeting specific requirements are qualified for subscription.

Article 7: The Company may issue shares without printing share certificates. If the Company decides to print share certificates for the issued shares, the Company shall comply with the Company Act and related laws and regulations. The share certificates of the Company shall all be name-bearing share certificates and issued in accordance with the Company Act and related laws and regulations.

Article 8: The Company handles stock services in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authorities.

Article 9: Registration for transfer of shares shall be suspended within sixty days before the date of the annual general meeting of shareholders and within thirty days before the date of the extraordinary general meeting of shareholders, or within five days before the day on which dividends, bonuses, or other benefits are scheduled to be paid by the Company.

### Chapter 3 Meetings of Shareholders

Article 10: Meetings of shareholders include the annual general meeting (AGM) of shareholders and extraordinary general meeting (EGM) of shareholders:

- I. The AGM shall be held once a year within six months after the end of each accounting year.

II. The EGM shall be held as necessary.

The AGM shall be convened thirty days in advance, while the EGM shall be convened fifteen days in advance. Shareholders shall be informed of the date, place, and purpose of the meeting by a meeting notice.

The company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 11: Shareholders unable to attend a meeting of shareholders for any reasons may assign a proxy to represent them according to Article 177 of the Company Act and state the scope of authorization in a power of attorney as stipulated in the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the competent authorities.

Article 12: Each shareholder of the Company is entitled to one vote per share.

Article 13: Except as otherwise required by the Company Act, resolutions of the meetings of shareholders shall be approved by over one half of the voting rights of the shareholders in a meeting of shareholders attended by shareholders representing over one half of the total issued shares. Shareholders may exercise their voting rights electronically in accordance with the relevant laws and regulations.

#### Chapter 4 Directors

Article 14: The chairperson of the Board shall chair the meetings of shareholders. When the chairperson is absent or unable to exercise their powers, a proxy shall be assigned in accordance with Article 208 of the Company Act.

Article 15: Resolutions made at a meeting of shareholders shall be adopted in the meeting minutes containing information regarding the date, place, chair, and resolutions of the meeting. The minutes shall be signed or sealed by the chair and preserved.

Article 16: The Company shall have seven to eleven directors, and the Board is authorized to determine the exact number of directors through discussion. The term of office is three years and the directors shall be eligible for re-election. The candidate nomination system is adopted for the directorial election, and directors shall be elected from among candidates by the meeting of shareholders.

A minimum of three seats or one fifth of the total number of directors shall be independent directors. The professional qualifications, limitations on the shareholding and concurrent jobs, nomination, and other requirements for independent directors as stated in the preceding paragraph shall be subject to the related regulations of the competent authorities of securities.

The total amount of registered shares held by all directors shall not exceed the percentage specified by the competent authorities.

Article 16-1: The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act to exercise the powers of supervisors as stated in the Company Act, the Securities and Exchange Act, and other related laws and regulations.

Article 17: The Board shall be formed by directors. The chairperson shall be elected by over one half of the directors in a Board meeting attended by over two thirds of all directors. A vice chairperson may be elected as necessary. The chairperson represents the Company externally.

Article 18: The Board meeting shall be convened by the chairperson. Except as otherwise required by the Company Act, a Board resolution shall be approved by over one half of the directors in a Board meeting attended by over one half of all directors. Directors absent from the Board meeting for any reasons may assign other directors to represent them.

Article 19: A Board meeting may be convened in writing or by e-mail or fax. The Board is authorized to determine the remuneration of all directors through discussion. The Board may determine by resolution to distribute the honorarium to directors according to the general standard in the industry and purchase the liability insurance for directors.

#### Chapter 5 Managers

Article 20: The Company may hire several managers whose appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

#### Chapter 6 Accounting

Article 21: At the end of each fiscal year, the Board shall produce the (1) business report, (2) financial statements, and (3) earnings distribution or deficit compensation proposal and submit them to the AGM in accordance with law.

Article 22: If there is profit in the year, the Company shall appropriate 5-20% as the reward for employees and no more than 1% as the reward for directors. When there is a deficit, however, the amount for compensation shall first be reserved.

If there is net profit after the account is closed, the Company shall first pay the taxes and compensate the previous deficits before appropriating 10% as the legal reserve (except when the accumulated amount of the legal reserve equals the amount of the paid-in capital). The special reserve may be appropriated or reversed based on the operational needs and by law. The remaining balance, if any, shall be combined with the accumulated beginning unappropriated earnings for the Board to formulate a proposal for allocation as dividends and submitted to the AGM for resolution.

If the retained earnings in the preceding paragraph are distributed in cash dividends, the Board is authorized to make a decision and report it to the meeting of shareholders.

The recipients of the employee reward, either in stock or in cash, as stated in paragraph 1 shall include employees meeting specific requirements of controlled companies or subsidiaries. The Board or a person authorized by the Board shall be authorized to determine these requirements and the methods of distribution.

Article 22-1: The Company may distribute new shares or cash using the legal reserve or additional paid-in capital in accordance with Article 241 of the Company Act.

If it is distributed in cash, the Board is authorized to make a decision and report it to the meeting of shareholders.

Article 23: In the startup and growth stages, the Company adopts the residual dividend policy. After the end of the fiscal year, based on the profit in the year and the accumulated profit in the previous years and in consideration of the profit status, capital structure, and future operational needs, if there is profit after the final accounting and the amount of distributable earnings in the year exceeds 2% of the total authorized capital, the dividends shall not be lower than 10% of the distributable earnings of the year. Dividends are distributed either in cash or in stock, and the minimum amount of cash dividends shall be 10% of the total amount of dividends.

Article 24: (deleted)

Article 25: (deleted)

#### Chapter 7 Supplementary Provisions

Article 26: Matters not provided for herein shall be subject to the Company Act and the related laws and regulations.

Article 27: These Articles of Incorporation shall be implemented upon the approval of the meeting of shareholders. The same shall apply to amendments thereto.

These Articles of Incorporation were established on April 8, 1998.

The 1st amendment was made on July 15, 1998.

The 2nd amendment was made on January 21, 1999.

The 3rd amendment was made on April 1, 1999.

The 4th amendment was made on June 10, 1999.

The 5th amendment was made on November 22, 1999.

The 6th amendment was made on April 10, 2000.

The 7th amendment was made on September 5, 2000.

The 8th amendment was made on March 27, 2001.

The 9th amendment was made on May 27, 2002.

The 10th amendment was made on May 27, 2003.

The 11th amendment was made on May 18, 2004.

The 12th amendment was made on June 13, 2007. However, Article 22, paragraph 1, subparagraph 2 was validated after the approval of the competent authorities on January 1, 2008.

The 13th amendment was made on June 13, 2008.

The 14th amendment was made on June 16, 2009.  
The 15th amendment was made on June 18, 2010.  
The 16th amendment was made on June 18, 2012.  
The 17th amendment was made on June 23, 2014.  
The 18th amendment was made on June 24, 2015.  
The 19th amendment was made on June 13, 2016.  
The 20th amendment was made on June 28, 2017.  
The 21st amendment was made on May 28, 2019.  
The 22nd amendment was made on August 1, 2019.  
The 23rd amendment was made on September 26, 2019.  
The 24th amendment was made on May 28, 2020.  
The 25th amendment was made on August 25, 2021.  
The 26th amendment was made on May 26, 2022.

## Metaage Corporation

### Shareholding of Directors

2023/3/26

Title	Name	Date Elected	Term	No. of Shareholding (Note)	Shareholding %
Chairman	Qisda Corporation Representative: Michael Lee	2022.5.26	3	96,841,239	51.41
Director	Qisda Corporation Representative: Chiu-Chin Hung				
	Qisda Corporation Representative: Shu-Erh Kuo				
	Qisda Corporation Representative: TK Young				
Independent Director	Wen-Tsung Wang	—	—		
	Chin-Lai Wang				
	Shan-Kuei Lai				
The minimum shareholding of all directors				11,301,440	6.00
Total shareholding of all directors				96,841,239	51.41

Note : As of the book closure date of the shareholder's meeting, shareholding information was as the above.