

**METAAGE CORPORATION**  
**(Original Name : SYSAGE TECHNOLOGY CO., LTD.)**  
**AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report**  
**For the Three Months Ended March 31, 2023 and 2022 (Restated)**

Address: 10F., No. 516 Sec. 1, Neihu Rd., Neihu Dist., Taipei City  
114006, Taiwan (R.O.C.)

Telephone: (02)8797-8260

The independent 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 independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Review Report

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

### Introduction

We have reviewed the accompanying consolidated balance sheets of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) and its subsidiaries (“the Group”) as of March 31, 2023 and 2022 (restated), the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022 (restated), and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusions

As stated in Note 4(b), the consolidated financial statements included in the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,391,543 thousand and \$1,534,496 thousand, constituting 15% and 18% of the consolidated total assets as of March 31, 2023 and 2022 (restated), respectively; and the total liabilities amounting to \$701,021 thousand and \$773,004 thousand, constituting 14% and 19% of consolidated total liabilities as of March 31, 2023 and 2022 (restated), respectively; as well as the absolute value of total comprehensive income amounting to \$29,207 thousand and \$64,114 thousand, constituting 13% and 40% of the absolute value of consolidated total comprehensive income for the three months ended March 31, 2023 and 2022 (restated), respectively.

Furthermore, as stated in Note 6(f), the investments accounted for using equity method of the Group in its investee companies of \$116,215 thousand and \$108,616 thousand, as of March 31, 2023 and 2022 (restated), respectively, and its related share of loss of associates accounted for using equity method of \$106 thousand and \$1,726 thousand for the three months ended March 31, 2023 and 2022 (restated) respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022 (restated), and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 (restated) in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Emphasis of Matter**

As stated in Note 4(b), 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 three months ended March 31, 2022. Our conclusion is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors’ review report are HUNG-WEN, FU and CHUN-WEI, CHUANG.

KPMG

Taipei, Taiwan (Republic of China)  
May 4, 2023

### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent 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 independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022**  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**

**Consolidated Balance Sheets**  
**March 31, 2023, December 31 and March 31, 2022**

(In Thousands of New Taiwan Dollars)

Assets	March 31, 2023		December 31, 2022		March 31, 2022 (Restated)		Liabilities and Equity	March 31, 2023		December 31, 2022		March 31, 2022 (Restated)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>						
1100 Cash and cash equivalents (Note 6(a))	\$ 798,759	8	784,073	9	837,700	10	2100 Short-term borrowings (Note 6(l))	\$ 1,832,350	20	1,291,601	14	1,094,605	13
1110 Current financial assets at fair value through profit or loss (Note 6(b))	5,346	-	623	-	2,438	-	2110 Short-term notes and bills payable (Note 6(m))	-	-	199,619	2	-	-
1141 Current contract assets (Note 6(u))	3,712	-	8,037	-	9,353	-	2120 Current financial liabilities at fair value through profit or loss (Note 6(b))	2,277	-	13,930	-	9,103	-
1170 Notes and accounts receivable, net (Notes 6(c) and (u))	2,768,335	30	2,669,519	29	2,417,350	29	2130 Contract liability (Note 6(u))	251,417	3	300,110	4	185,249	2
1180 Accounts receivable due from related parties, net (Notes 6(c), (u) and 7)	68,590	1	57,129	1	58,031	1	2170 Notes and accounts payable (Note 7)	1,635,035	18	1,934,173	21	1,354,979	16
1300 Inventories (Note 6(e))	3,319,517	36	3,429,498	38	2,854,850	34	2200 Other payables (Note 7)	416,488	4	460,621	5	403,245	5
1410 Prepayments	97,935	1	47,007	-	84,343	1	2216 Dividends payable	376,714	4	-	-	470,894	6
1470 Other current assets (Notes 6(d) and 7)	2,960	-	6,199	-	7,096	-	2280 Current lease liabilities (Notes 6(o) and 7)	41,764	-	43,564	1	47,748	1
	<u>7,065,154</u>	<u>76</u>	<u>7,002,085</u>	<u>77</u>	<u>6,271,161</u>	<u>75</u>	2310 Advance receipts	-	-	866	-	29,651	1
<b>Non-current assets:</b>							2320 Long-term borrowings, current portion (Note 6(n))	16,558	-	16,627	-	17,079	-
1510 Non-current financial assets at fair value through profit or loss (Note 6(b))	614,803	7	510,844	6	354,365	4	2399 Other current liabilities	2,570	-	3,159	-	2,770	-
1550 Investments accounted for using equity method (Note 6(f))	116,215	1	115,854	1	108,616	1		<u>4,575,173</u>	<u>49</u>	<u>4,264,270</u>	<u>47</u>	<u>3,615,323</u>	<u>44</u>
1600 Property, plant and equipment (Notes 6(i) and 8)	918,725	10	926,433	10	939,566	11	<b>Non-current liabilities:</b>						
1755 Right-of-use assets (Note 6(j))	157,087	2	169,707	2	193,165	2	2500 Non-current financial liabilities at fair value through profit or loss (Note 6(b))	91,988	1	63,144	1	95,628	1
1780 Intangible assets (Note 6(k))	184,998	2	191,898	2	205,544	3	2540 Long-term borrowings (Note 6(n))	256,196	3	260,254	3	272,305	3
1840 Deferred income tax assets	56,325	1	45,873	1	50,695	1	2580 Non-current lease liabilities (Notes 6(o) and 7)	119,908	1	131,241	1	151,499	2
1931 Long-term notes receivable (Notes 6(c) and (u))	23,640	-	27,936	-	32,955	1	2600 Other non-current liabilities	6,487	-	6,947	-	6,635	-
1942 Long-term accounts receivables due from related parties (Notes 6(c), (u) and 7)	32,886	-	32,886	-	65,772	1		<u>474,579</u>	<u>5</u>	<u>461,586</u>	<u>5</u>	<u>526,067</u>	<u>6</u>
1990 Other non-current assets (Note 8)	110,005	1	107,287	1	112,021	1	<b>Total liabilities</b>	<u>5,049,752</u>	<u>54</u>	<u>4,725,856</u>	<u>52</u>	<u>4,141,390</u>	<u>50</u>
	<u>2,214,684</u>	<u>24</u>	<u>2,128,718</u>	<u>23</u>	<u>2,062,699</u>	<u>25</u>	<b>Equity attributable to owners of parent:</b>						
							3100 Share capital (Note 6(s))	1,883,573	20	1,883,573	20	1,883,573	23
							3200 Capital surplus (Notes 6(f), (g), (h) and (s))	1,272,896	14	1,272,747	14	1,275,983	15
							3310 Legal reserve (Note 6(s))	441,048	5	441,048	5	383,289	4
							3320 Special reserve (Note 6(s))	30,343	-	30,343	-	-	-
							3350 Unappropriated retained earnings (Note 6(s))	474,730	5	631,634	7	392,348	5
							3400 Other equity interest	(31,407)	-	(17,108)	-	10,569	-
								<u>4,071,183</u>	<u>44</u>	<u>4,242,237</u>	<u>46</u>	<u>3,945,762</u>	<u>47</u>
							<b>Total equity attributable to owners of parent</b>						
							35XX <b>Equity attributable to former owner of business combination under common control</b>					82,018	1
												164,690	2
							36XX <b>Non-controlling interests</b>	158,903	2	162,710	2	4,192,470	50
							<b>Total equity</b>	<u>4,230,086</u>	<u>46</u>	<u>4,404,947</u>	<u>48</u>	<u>8,333,860</u>	<u>100</u>
<b>Total assets</b>	<u>\$ 9,279,838</u>	<u>100</u>	<u>9,130,803</u>	<u>100</u>	<u>8,333,860</u>	<u>100</u>	<b>Total liabilities and equity</b>	<u>\$ 9,279,838</u>	<u>100</u>	<u>9,130,803</u>	<u>100</u>	<u>8,333,860</u>	<u>100</u>

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**Reviewed only, not audited in accordance with Standards on Auditing****METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2023 and 2022****(In Thousands of New Taiwan Dollars)**

		For the three months ended March 31			
		2023		2022 (Restated)	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(u) and 7)	\$ 3,401,208	100	2,818,500	100
5000	Operating costs (Notes 6(e), (q), 7 and 12)	<u>2,890,922</u>	<u>85</u>	<u>2,435,636</u>	<u>86</u>
	<b>Gross profit</b>	<u>510,286</u>	<u>15</u>	<u>382,864</u>	<u>14</u>
	<b>Operating expenses (Notes 6(c), (q), (v), 7 and 12):</b>				
6100	Selling expenses	267,700	8	234,468	8
6200	General and administrative expenses	53,216	2	45,082	2
6300	Research and development expenses	14,574	-	9,430	1
6450	Expected credit loss (Reversal of expected credit loss)	<u>866</u>	<u>-</u>	<u>(395)</u>	<u>-</u>
		<u>336,356</u>	<u>10</u>	<u>288,585</u>	<u>11</u>
	<b>Net operating income</b>	<u>173,930</u>	<u>5</u>	<u>94,279</u>	<u>3</u>
	<b>Non-operating income and expenses:</b>				
7010	Other income (Notes 6(o), (w) and 7)	596	-	2,496	-
7100	Interest income	593	-	318	-
7020	Other gains and losses (Note 6(w))	92,789	2	15,288	1
7050	Finance costs (Notes 6(o), (w) and 7)	(11,504)	-	(5,943)	-
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(f))	<u>(106)</u>	<u>-</u>	<u>(1,726)</u>	<u>-</u>
		<u>82,368</u>	<u>2</u>	<u>10,433</u>	<u>1</u>
	<b>Profit before income tax</b>	256,298	7	104,712	4
7950	Less: Income tax expenses (Note 6(r))	<u>39,757</u>	<u>1</u>	<u>19,562</u>	<u>1</u>
	<b>Profit</b>	<u>216,541</u>	<u>6</u>	<u>85,150</u>	<u>3</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8320	Share of other comprehensive income of associates for using equity method (Note 6(f))	467	-	(34)	-
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>467</u>	<u>-</u>	<u>(34)</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	(14,766)	-	40,946	1
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>(14,766)</u>	<u>-</u>	<u>40,946</u>	<u>1</u>
8300	<b>Other comprehensive income, net of tax</b>	<u>(14,299)</u>	<u>-</u>	<u>40,912</u>	<u>1</u>
	<b>Total comprehensive income</b>	<u>\$ 202,242</u>	<u>6</u>	<u>126,062</u>	<u>4</u>
	<b>Profit attributable to:</b>				
8610	Owners of parent	\$ 219,810	6	85,117	3
8615	Former owner of business combination under common control	-	-	3,438	-
8620	Non-controlling interests	<u>(3,269)</u>	<u>-</u>	<u>(3,405)</u>	<u>-</u>
		<u>\$ 216,541</u>	<u>6</u>	<u>85,150</u>	<u>3</u>
	<b>Comprehensive income (loss) attributable to:</b>				
8710	Owners of parent	\$ 205,511	6	126,029	4
8715	Former owner of business combination under common control	-	-	3,438	-
8720	Non-controlling interests	<u>(3,269)</u>	<u>-</u>	<u>(3,405)</u>	<u>-</u>
		<u>\$ 202,242</u>	<u>6</u>	<u>126,062</u>	<u>4</u>
	<b>Earnings per share (Note 6(t))</b>				
9750	<b>Basic earnings per share (NT dollars)</b>	<u>\$ 1.17</u>		<u>0.45</u>	
9850	<b>Diluted earnings per share (NT dollars)</b>	<u>\$ 1.16</u>		<u>0.45</u>	

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**Reviewed only, not audited in accordance with Standards on Auditing****METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES****Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2023 and 2022****(In Thousands of New Taiwan Dollars)**

	Equity Attributable to owners of parent										Equity attributable to former owner of business combination under common control	Non-controlling interests	Total equity
	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				
			Legal reserve	Special reserve	Unappropriated retained earnings								
<b>Balance on January 1, 2022 (restated)</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	-	-	-	-	85,117	-	-	-	85,117	3,438	(3,405)	85,150	
Other comprehensive income	-	-	-	-	-	40,878	(171)	205	40,912	-	-	40,912	
Comprehensive income	-	-	-	-	85,117	40,878	(171)	205	126,029	3,438	(3,405)	126,062	
Appropriation and distribution of retained earnings:													
Cash dividends	-	-	-	-	(470,894)	-	-	-	(470,894)	-	-	(470,894)	
Changes in equity of associates accounted for using equity method	-	64	-	-	-	-	-	-	64	-	-	64	
<b>Balance on March 31, 2022 (restated)</b>	<u>\$ 1,883,573</u>	<u>1,275,983</u>	<u>383,289</u>	<u>-</u>	<u>392,348</u>	<u>11,173</u>	<u>(173)</u>	<u>(431)</u>	<u>3,945,762</u>	<u>82,018</u>	<u>164,690</u>	<u>4,192,470</u>	
<b>Balance on January 1, 2023</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	
Profit	-	-	-	-	219,810	-	-	-	219,810	-	(3,269)	216,541	
Other comprehensive income	-	-	-	-	-	(14,501)	(43)	245	(14,299)	-	-	(14,299)	
Comprehensive income	-	-	-	-	219,810	(14,501)	(43)	245	205,511	-	(3,269)	202,242	
Appropriation and distribution of retained earnings:													
Cash dividends	-	-	-	-	(376,714)	-	-	-	(376,714)	-	-	(376,714)	
Difference between consideration and carrying amount of subsidiaries' share acquired	-	26	-	-	-	-	-	-	26	-	(541)	(515)	
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	123	-	-	-	-	-	-	123	-	3	126	
<b>Balance on March 31, 2023</b>	<u>\$ 1,883,573</u>	<u>1,272,896</u>	<u>441,048</u>	<u>30,343</u>	<u>474,730</u>	<u>(31,332)</u>	<u>(216)</u>	<u>141</u>	<u>4,071,183</u>	<u>-</u>	<u>158,903</u>	<u>4,230,086</u>	

See accompanying notes to the consolidated financial statements.

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**Reviewed only, not audited in accordance with Standards on Auditing**

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2023 and 2022**

**(In Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2023	2022 (Restated)
<b>Cash flows from operating activities:</b>		
Profit before income tax	\$ 256,298	104,712
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	20,390	20,838
Amortization expense	2,499	2,618
Losses on disposal of property, plant and equipment	530	-
Expected credit loss (Reversal of expected credit loss)	866	(395)
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(91,496)	(19,106)
Share of profit (loss) of associates accounted for using equity method	106	1,726
Interest expense	11,504	5,943
Interest income	(593)	(318)
<b>Total adjustments to reconcile profit (loss)</b>	<u>(56,194)</u>	<u>11,306</u>
<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)	(106,702)	345,574
Inventories	111,614	(664)
Contract assets	4,325	11,039
Other current assets	(51,494)	(31,759)
Other non-current assets	(87)	(1,865)
<b>Total changes in operating assets</b>	<u>(42,344)</u>	<u>322,325</u>
<b>Total changes in operating liabilities:</b>		
Contract liability	(48,693)	(68,751)
Notes and accounts payable	(299,138)	(98,269)
Other payables	(96,593)	(120,603)
Advance receipts	(866)	6,480
Other current liabilities	(589)	1,093
<b>Total changes in operating liabilities</b>	<u>(445,879)</u>	<u>(280,050)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(488,223)</u>	<u>42,275</u>
<b>Total adjustments</b>	<u>(544,417)</u>	<u>53,581</u>
Cash inflows (outflows) generated from operations	(288,119)	158,293
Interest received	601	377
Interest paid	(9,851)	(5,570)
Income taxes paid	-	(206)
<b>Net cash inflows (outflows) from operating activities</b>	<u>(297,369)</u>	<u>152,894</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(1,247)	(3,695)
Proceeds from disposal of property, plant and equipment	106	-
Decrease (increase) in refundable deposits	(24)	5,405
Decrease in other current assets	-	53,000
Increase in other non-current assets	-	(7,071)
<b>Net cash inflows (outflows) from investing activities</b>	<u>(1,165)</u>	<u>47,639</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	540,749	(51,053)
Decrease in short-term notes and bills payable	(199,619)	-
Repayments of long-term borrowings	(4,127)	(4,239)
Increase (decrease) in guarantee deposits	109	(38)
Payments of lease liabilities	(12,499)	(11,326)
Change in non-controlling interests	(515)	-
Proceeds from the disposal of forfeited funds from employee stock ownership trust	126	-
<b>Net cash inflows (outflows) from financing activities</b>	<u>324,224</u>	<u>(66,656)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(11,004)</u>	<u>29,912</u>
<b>Increase in cash and cash equivalents</b>	<u>14,686</u>	<u>163,789</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>784,073</u>	<u>673,911</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 798,759</u>	<u>837,700</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)  
 AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**March 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

METAAGE CORPORATION (“the Company”), formerly called SYSAGE TECHNOLOGY CO., LTD., was incorporated on April 16, 1998 under the approval of Ministry of Economic Affairs, Republic of China (“R.O.C.”). The Company changed the name to METAAGE CORPORATION in June, 2022. The address of its registered office is 10F, No. 516, Sec. 1, Neihu Rd., Taipei City 114064, Taiwan (R.O.C.). The consolidated financial statements as of March 31, 2023 consist of the Company and its subsidiaries (collectively as “the Group”), and the interests of associates. The Group’s major business activities include distributing and reselling products of software and hardware equipment of ICT Infrastructures from Cisco and other companies, Computing & Data Utilization from IBM, Dell, EMC, and other companies, Digitalization from Oracle and other companies. The Group provides integrated planning for the products it sells, including related services of consulting, education and training as well as research, development of software of information applications, services and sales business, and market research.

The Company had fully acquired Metaguru Corporation (“Metaguru”) from BenQ Guru Holding Limited (“GSH”) by cash on December 1, 2022. GSH and the Company have the same ultimate parent, which is Qisda Corporation. The transactions are an organizational reorganization under common control; please refer to Note 6(g) for details.

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements were authorized for issuance by the Board of Directors on May 4, 2023.

**(3) New standards, amendments, and interpretations adopted:**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission (“FSC”), R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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- (b) The impact of IFRSs issued by International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by IASB, but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.  The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.  Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’ s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

**(4) Summary of significant accounting policies**

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (“the IFRSs endorsed by the FSC”) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2022.

**(b) Basis of consolidation**

The subsidiaries included in the consolidated financial statements were as follows:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	EPIC CLOUD CO., LTD. (EPIC CLOUD)	Data software and data processing services	100.00 %	100.00 %	100.00 %	(Note 1)
The Company	COREX (PTY) LTD (COREX)	Sale, import and export of electronic products	100.00 %	100.00 %	100.00 %	(Note 1)
The Company	ADVANCEDTEK INTERNATIONAL CORP. (ADVANCEDTEK INTERNATIONAL)	Implementing services of application software	34.09 %	34.09 %	34.09 %	(Note 1)
The Company	Metaguru Corporation (Metaguru)	R&D and sales of computer information systems	100.00 %	100.00 %	-	% (Note 1 and 2)
The Company and EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK CO., LTD. (GLOBAL INTELLIGENCE NETWORK)	Trading in hardware and software for network and communications systems	79.66 %	79.43 %	79.43 %	(Note 1 and 3)

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company and EPIC CLOUD	STATINC COMPANY (STATINC)	Market research service, marketing consulting, and big data and cloud database, etc.	35.01 %	35.01 %	35.01 %	(Note 1)
STATINC	DKABio Co., Ltd. (DKABio)	Market research service, marketing consulting, and big data and cloud database, etc.	100.00 %	100.00 %	100.00 %	(Note 1)
ADVANCEDTEK INTERNATIONAL	APEO Human Capital Services Corp. (APEO Human Capital)	Applications implementing services	100.00 %	100.00 %	100.00 %	(Note 1)

Note 1: The company is a non-significant subsidiary, its financial statements have not been reviewed.

Note 2: On December 1, 2022, the Group had fully acquired Metaguru from GSH by cash and obtained control over Metaguru. This transaction is an organizational reorganization under common control, adopted the book value method and regarded as a combination from beginning. The consolidated financial statements for the three months ended March 31, 2022 have been restated for comparison with the financial statements for the three months ended March 31, 2023.

Note 3: For the changes in the Group's percentage of ownership in GLOBAL INTELLIGENCE NETWORK, please refer to note 6(h).

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, "Interim Financial Reporting".

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using that actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” and endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2022.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 6 of the 2022 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand and petty cash	\$ 384	566	449
Check and demand deposits	742,519	727,713	731,498
Time deposits	<u>55,856</u>	<u>55,794</u>	<u>105,753</u>
	<u>\$ 798,759</u>	<u>784,073</u>	<u>837,700</u>

(b) Financial assets and liabilities at fair value through profit or loss

(i) Details are set out in the following table:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<b>Financial assets at fair value through profit or loss:</b>			
Current:			
Pre-purchased forward exchange contracts	\$ 5,346	623	2,438
Non-current:			
Foreign and domestic unlisted stocks	390,721	280,153	257,901
Foreign and domestic unlisted equities	<u>224,082</u>	<u>230,691</u>	<u>96,464</u>
Total	<u>\$ 620,149</u>	<u>511,467</u>	<u>356,803</u>

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<b>Financial liabilities at fair value through profit or loss:</b>			
Current:			
Pre-purchased forward exchange contracts	\$ (2,277)	(13,930)	(1,388)
Contingent considerations arising from business combinations	-	-	(7,715)
Non-current:			
Contingent considerations arising from business combinations	(91,988)	(63,144)	(95,628)
<b>Total</b>	<b>\$ (94,265)</b>	<b>(77,074)</b>	<b>(104,731)</b>

The above contingent considerations arising from business combinations were generated from the merger of COREX, the Partner Tech's sale and purchase agreement and the related accessory contracts from the prior year, and the merger of STATINC. Under the contingent consideration arrangement, the contingent consideration was estimated by the discounted cash flow method based on the future profitability of each subsidiary.

- (ii) Derivative financial instruments are used to hedge assets or liabilities denominated in foreign currencies for risks arising from exchange rate fluctuations. The following table sets out the Group's derivatives recognized as held-for-trading financial assets and liabilities to which hedging accounting was not applicable:

	<b>March 31, 2023</b>		
<b>Financial instruments</b>	<b>Nominal amounts</b>	<b>Maturity period</b>	<b>Pre-agreed exchange rate</b>
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 23,910 thousand	2023.04.01~ 2023.07.21	29.458~30.778
Buy USD/Sell ZAR	USD 2,823 thousand	2023.04.03~ 2023.04.19	17.777~18.095
Buy ZAR/Sell USD	USD 1,500 thousand	2023.04.03	17.763~18.095

(Continued)

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<u>Financial instruments</u>	<b>December 31, 2022</b>		
	<u>Nominal amounts</u>	<u>Maturity period</u>	<u>Pre-agreed exchange rate</u>
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 33,350 thousand	2023.01.01~ 2023.04.19	30.224~32.045
Buy USD/Sell ZAR	USD 845 thousand	2023.01.04~ 2023.01.27	17.100~17.268
<u>Financial instruments</u>	<b>March 31, 2022</b>		
	<u>Nominal amounts</u>	<u>Maturity period</u>	<u>Pre-agreed exchange rate</u>
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 9,927 thousand	2022.04.01~ 2022.07.15	27.823~28.683
Buy USD/Sell ZAR	USD 1,492 thousand	2022.04.14~ 2022.04.29	14.495~15.460
Buy NTD/Sell USD	USD 380 thousand	2022.05.05~ 2022.05.11	28.430

(c) Notes and accounts receivable (including long-term and related parties)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes receivable (including long-term)	\$ 215,783	134,624	235,779
Accounts receivable (including long-term)	2,603,343	2,589,261	2,242,579
Accounts receivable due from related parties (including long-term)	101,476	90,015	123,803
Less: loss allowance	(27,151)	(26,430)	(28,053)
<b>Total</b>	<b>\$ 2,893,451</b>	<b>2,787,470</b>	<b>2,574,108</b>
Current	\$ 2,836,925	2,726,648	2,475,381
Non-current	56,526	60,822	98,727
<b>Total</b>	<b>\$ 2,893,451</b>	<b>2,787,470</b>	<b>2,574,108</b>

- (i) The Group did not discount or provide any of the notes and accounts receivable (including long-term and related parties) as collateral. The above-mentioned notes and accounts receivable, whose maturity period were less than one year, were not discounted and their carrying amounts were presumed to approximate their fair value.
- (ii) Non-current notes and accounts receivable mainly arose from installment sales.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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- (iii) The Group applies the simplified approach to provide for its expected credit losses (“ECL”), the use of lifetime ECL provision for all notes and accounts receivables (including long-term and related parties). To measure the ECL, notes and accounts receivable have been grouped based on shared credit risk characteristics and customer’s ability to pay all the amounts due based on the terms of the contract as well as incorporated forward-looking information. The analysis of ECL on notes and accounts receivable was as follows:

	<b>March 31, 2023</b>		
	<b>Gross carry amount of notes and accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for lifetime expected credit losses</b>
Current	\$ 2,819,386	0.11%	3,070
1 to 30 days past due	26,619	4.79%	1,276
31 to 60 days past due	40,205	4.07%	1,638
61 to 90 days past due	1,744	19.78%	345
91 to 120 days past due	181	81.77%	148
More than 121 days past due	<u>32,467</u>	63.68%	<u>20,674</u>
	<u><u>\$ 2,920,602</u></u>		<u><u>27,151</u></u>
	<b>December 31, 2022</b>		
	<b>Gross carry amount of accounts and notes receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for lifetime expected credit losses</b>
Current	\$ 2,699,590	0.07%	1,884
1 to 30 days past due	51,837	3.34%	1,730
31 to 60 days past due	25,219	10.71%	2,701
61 to 90 days past due	2,425	24.29%	589
91 to 120 days past due	2,098	34.46%	723
More than 121 days past due	<u>32,731</u>	57.45%	<u>18,803</u>
	<u><u>\$ 2,813,900</u></u>		<u><u>26,430</u></u>

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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	<b>March 31, 2022</b>		
	<b>Gross carry amount of notes and accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for lifetime expected credit losses</b>
Current	\$ 2,443,786	0.12%	2,857
1 to 30 days past due	50,158	2.64%	1,326
31 to 60 days past due	67,039	6.94%	4,651
61 to 90 days past due	2,520	20.00%	504
91 to 120 days past due	500	50.00%	250
More than 121 days past due	38,158	48.39%	18,465
	<b>\$ 2,602,161</b>		<b>28,053</b>

- (iv) The movements in the loss allowance for notes and accounts receivable (including long-term and related parties) were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 26,430	27,844
Impairment losses (reversal of impairment loss)	866	(395)
Effects of exchange rate changes	(145)	604
Ending balance	<b>\$ 27,151</b>	<b>28,053</b>

- (d) Other receivables

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Other receivables	\$ 2,362	2,656	23,720
Less: loss allowance	(1,563)	(1,563)	(19,641)
	<b>\$ 799</b>	<b>1,093</b>	<b>4,079</b>

- (i) As of March 31, 2023, December 31, 2022 and March 31, 2022, there was no other receivables that was past due but not impaired.

- (ii) The movements in the loss allowance for other receivables were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance( Ending balance)	<b>\$ 1,563</b>	<b>19,641</b>

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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## (e) Inventories

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Merchandise inventory	\$ <u>3,319,517</u>	<u>3,429,498</u>	<u>2,854,850</u>

For the three months ended March 31, 2023 and 2022, due to the write-down of inventories to net realizable value, a loss of \$47,118 thousand and a reversal gain of \$43,856 thousand on the decline in value of inventories, respectively, were recognized and reported as operating costs.

For the three months ended March 31, 2023 and 2022, loss on scrap of inventories amounted to \$0 thousand and \$43,161 thousand, respectively.

## (f) Investments accounted for using equity method

Investments accounted for using the equity method were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Associates	\$ <u>116,215</u>	<u>115,854</u>	<u>108,616</u>

- (i) In February 2022, GRANDSYS issued 925 thousand new shares to be exercised as employee stock options. Resulting the Group's shareholding in GRANDSYS to decrease from 21.84% to 21.08%, and the Group's Capital surplus to increase by \$64 thousand due to the change in equity.
- (ii) Aggregate financial information of associates for using equity method that were not individually material was summarized as follows. The financial information was included in the Group's consolidated financial statements.

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Attributable to the Group:</b>		
Loss	\$ (106)	(1,726)
Other comprehensive income	<u>467</u>	<u>(34)</u>
Total comprehensive income	\$ <u>361</u>	<u>(1,760)</u>

The investments accounted for using equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

- (iii) As of March 31, 2023, December 31, 2022 and March 31, 2022, none of the investments accounted for using the equity method was pledged as collateral, or otherwise subject to any restriction.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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(g) Business combinations – Acquisition of the subsidiary – Metaguru

(i) Acquisition of consideration transferred of the subsidiary

On December 1, 2022, the Group acquired 100% ownership of Metaguru amounting \$31,000 thousand from GSH, and obtained control over Metaguru. Therefore, Metaguru has been included in the Group's consolidated financial statement from December 1, 2022. Metaguru is primarily engaged in providing software services and electronic information supply services. The Group acquired Metaguru to expand new customers through Metaguru's channel, and provide customers with more complete information system software, hardware and cloud product integration services.

(ii) Identifiable net assets acquired

The following table summarized the carrying amount of Metaguru's identifiable assets acquired and liabilities assumed recognized at December 1, 2022:

**Consideration transferred:**

Cash	\$	31,000
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**Carrying amounts of identifiable assets and liabilities acquired:**

Cash and cash equivalents	\$	25,325
Notes and accounts receivable (including related parties)		8,438
Prepayments		7
Other current assets		388
Other non-current assets		5,875
Contract liabilities		(7,011)
Notes and accounts payable		(2,839)
Other payables		(2,057)
Other current liabilities		(425)
		<u>27,701</u>
Capital surplus	\$	<u><u>3,299</u></u>

The combination is an organizational reorganization under common control. Accordingly, the difference between the consideration paid and the carrying amount of the net identifiable assets of Metaguru is debited to the capital surplus of \$3,299 thousand.

(h) Changes in ownership interest in a subsidiary

On March 31, 2023, the Group paid \$515 thousand for 30 thousand shares from GLOBAL INTELLIGENCE NETWORK's original shareholders. Therefore, the Group's shareholding ratio increased to 79.66%, and capital surplus increased by \$26 thousand due to changes in equity.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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(i) Property, plant and equipment

Information about the movement of costs and accumulated depreciation of property, plant and equipment was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Office and other equipment</u>	<u>Total</u>
<b>Cost:</b>				
Balance on January 1, 2023	\$ 587,346	374,891	186,220	1,148,457
Additions	-	-	1,247	1,247
Disposal	-	-	(6,069)	(6,069)
Transferred from inventories	-	-	116	116
Effects of exchange rate changes	-	-	(1,492)	(1,492)
Balance on March 31, 2023	<u>\$ 587,346</u>	<u>374,891</u>	<u>180,022</u>	<u>1,142,259</u>
Balance on January 1, 2022	\$ 587,346	374,891	192,718	1,154,955
Additions	-	-	3,695	3,695
Transferred from inventories	-	-	1,565	1,565
Effects of exchange rate changes	-	-	3,750	3,750
Balance on March 31, 2022	<u>\$ 587,346</u>	<u>374,891</u>	<u>201,728</u>	<u>1,163,965</u>
<b>Accumulated depreciation:</b>				
Balance on January 1, 2023	\$ -	85,052	136,972	222,024
Depreciation	-	1,858	6,484	8,342
Disposal	-	-	(5,433)	(5,433)
Effects of exchange rate changes	-	-	(1,399)	(1,399)
Balance on March 31, 2023	<u>\$ -</u>	<u>86,910</u>	<u>136,624</u>	<u>223,534</u>
Balance on January 1, 2022	\$ -	77,617	133,874	211,491
Depreciation	-	1,859	7,623	9,482
Effects of exchange rate changes	-	-	3,426	3,426
Balance on March 31, 2022	<u>\$ -</u>	<u>79,476</u>	<u>144,923</u>	<u>224,399</u>
<b>Carrying amounts:</b>				
January 1, 2023	<u>\$ 587,346</u>	<u>289,839</u>	<u>49,248</u>	<u>926,433</u>
March 31, 2023	<u>\$ 587,346</u>	<u>287,981</u>	<u>43,398</u>	<u>918,725</u>
January 1, 2022	<u>\$ 587,346</u>	<u>297,274</u>	<u>58,844</u>	<u>943,464</u>
March 31, 2022	<u>\$ 587,346</u>	<u>295,415</u>	<u>56,805</u>	<u>939,566</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, property, plant, and equipment were pledged as collateral for short-term and long-term borrowings, please refer to Note 8.

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(j) Right-of-use assets

Information about the movement of costs and accumulated depreciation of leases for which the Group as a lessee was presented below:

	<u>Buildings</u>	<u>Others</u>	<u>Total</u>
<b>Cost:</b>			
Balance on January 1, 2023	\$ 318,080	6,799	324,879
Effects of exchange rate changes	<u>(1,844)</u>	<u>(367)</u>	<u>(2,211)</u>
Balance on March 31, 2023	<u>\$ 316,236</u>	<u>6,432</u>	<u>322,668</u>
Balance on January 1, 2022	\$ 293,172	6,167	299,339
Additions	13,746	-	13,746
Decrease	-	(1,285)	(1,285)
Effects of exchange rate changes	<u>4,667</u>	<u>828</u>	<u>5,495</u>
Balance on March 31, 2022	<u>\$ 311,585</u>	<u>5,710</u>	<u>317,295</u>
<b>Accumulated depreciation:</b>			
Balance on January 1, 2023	\$ 153,074	2,098	155,172
Depreciation	11,667	381	12,048
Effects of exchange rate changes	<u>(1,520)</u>	<u>(119)</u>	<u>(1,639)</u>
Balance on March 31, 2023	<u>\$ 163,221</u>	<u>2,360</u>	<u>165,581</u>
Balance on January 1, 2022	\$ 107,001	3,631	110,632
Depreciation	10,954	402	11,356
Decrease	-	(1,285)	(1,285)
Effects of exchange rate changes	<u>2,924</u>	<u>503</u>	<u>3,427</u>
Balance on March 31, 2022	<u>\$ 120,879</u>	<u>3,251</u>	<u>124,130</u>
<b>Carrying amount:</b>			
January 1, 2023	<u>\$ 165,006</u>	<u>4,701</u>	<u>169,707</u>
March 31, 2023	<u>\$ 153,015</u>	<u>4,072</u>	<u>157,087</u>
January 1, 2022	<u>\$ 186,171</u>	<u>2,536</u>	<u>188,707</u>
March 31, 2022	<u>\$ 190,706</u>	<u>2,459</u>	<u>193,165</u>

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(k) Intangible assets

Information about the costs and accumulated impairment losses and amortization of intangible asset was presented below:

	<u>Goodwill</u>	<u>Patents and trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
<b>Cost:</b>					
Balance on January 1, 2023	\$ 164,505	5,490	8,234	28,259	206,488
Effects of exchange rate changes	<u>(5,627)</u>	<u>-</u>	<u>(346)</u>	<u>-</u>	<u>(5,973)</u>
Balance on March 31, 2023	<u>\$ 158,878</u>	<u>5,490</u>	<u>7,888</u>	<u>28,259</u>	<u>200,515</u>
Balance on January 1, 2022	\$ 160,041	5,490	7,959	31,458	204,948
Effects of exchange rate changes	<u>14,240</u>	<u>-</u>	<u>876</u>	<u>-</u>	<u>15,116</u>
Balance on March 31, 2022	<u>\$ 174,281</u>	<u>5,490</u>	<u>8,835</u>	<u>31,458</u>	<u>220,064</u>
<b>Accumulated impairment loss and amortization:</b>					
Balance on January 1, 2023	\$ 1,966	1,030	5,868	5,726	14,590
Amortization	-	138	455	716	1,309
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>(382)</u>	<u>-</u>	<u>(382)</u>
Balance on March 31, 2023	<u>\$ 1,966</u>	<u>1,168</u>	<u>5,941</u>	<u>6,442</u>	<u>15,517</u>
Balance on January 1, 2022	\$ 1,966	478	4,195	6,066	12,705
Amortization	-	138	455	716	1,309
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>506</u>	<u>-</u>	<u>506</u>
Balance on March 31, 2022	<u>\$ 1,966</u>	<u>616</u>	<u>5,156</u>	<u>6,782</u>	<u>14,520</u>
<b>Carrying amount:</b>					
January 1, 2023	<u>\$ 162,539</u>	<u>4,460</u>	<u>2,366</u>	<u>22,533</u>	<u>191,898</u>
March 31, 2023	<u>\$ 156,912</u>	<u>4,322</u>	<u>1,947</u>	<u>21,817</u>	<u>184,998</u>
January 1, 2022	<u>\$ 158,075</u>	<u>5,012</u>	<u>3,764</u>	<u>25,392</u>	<u>192,243</u>
March 31, 2022	<u>\$ 172,315</u>	<u>4,874</u>	<u>3,679</u>	<u>24,676</u>	<u>205,544</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, none of the intangible assets was pledged as collateral.

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## (l) Short-term borrowings

(i) The details of the Group's short-term borrowings were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Unsecured bank loans	\$ 1,832,350	1,291,601	1,093,605
Secured bank loans	-	-	1,000
	<b><u>\$ 1,832,350</u></b>	<b><u>1,291,601</u></b>	<b><u>1,094,605</u></b>
Range of interest rates at the end of period	<b><u>1.58%~10.45%</u></b>	<b><u>1.50%~9.70%</u></b>	<b><u>0.80%~6.95%</u></b>

(ii) For the collateral and pledge for bank loans, please refer to Note 8.

## (m) Short-term notes and bills payable

(i) As of March 31, 2023 and March 31, 2022, there were no short-term notes and bills payable. As of December 31, 2022, the short-term notes and bills payable were summarized as follows:

	<b>December 31, 2022</b>			
	<b>Guarantee or acceptance institution</b>	<b>Contract period</b>	<b>Range of interest rates (%)</b>	<b>Amount</b>
Commercial papers payable	DAH CHUNG BILLS FINANCE CORP.	2022.12~ 2023.02	1.79%	\$ 200,000
Less: Discount on short-term notes and bills payable				(381)
Total				<b><u>\$ 199,619</u></b>

(ii) The Group has not pledged any assets as collateral to guarantee the payment of short-term notes and bills payable.

## (n) Long-term borrowings

(i) The details of the Group's long-term borrowings were as follows:

	<b>March 31, 2023</b>			
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Maturity period</b>	<b>Amount</b>
Secured bank loans	NTD	1.73%~1.95%	2023.04~2039.03	\$ 272,754
Less: current portion				(16,558)
Total				<b><u>\$ 256,196</u></b>
Unused credit lines				<b><u>\$ -</u></b>

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<b>December 31, 2022</b>				
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Maturity period</b>	<b>Amount</b>
Secured bank loans	NTD	1.60%~1.83%	2023.01~2039.03	\$ 276,881
Less: current portion				(16,627)
Total				<u>\$ 260,254</u>
Unused credit lines				<u>\$ -</u>
<b>March 31, 2022</b>				
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Maturity period</b>	<b>Amount</b>
Secured bank loans	NTD	1.10%~1.45%	2022.04~2039.03	\$ 289,384
Less: current portion				(17,079)
Total				<u>\$ 272,305</u>
Unused credit lines				<u>\$ -</u>

(ii) For the collateral and pledge for bank loans, please refer to Note 8.

(o) Lease liabilities

(i) The carrying amounts of the Group's lease liabilities were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Current	\$ 41,764	43,564	47,748
Non-current	119,908	131,241	151,499
	<u>\$ 161,672</u>	<u>174,805</u>	<u>199,247</u>

(ii) The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on lease liabilities	\$ 650	882
Income from sub-leasing right-of-use assets	\$ (285)	(285)

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(iii) The amounts recognized in the statements of cash flows of the Group were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest payments for lease liabilities in operating activities	\$ (650)	(882)
Payments of lease liabilities in financing activities	(12,499)	(11,326)
Total cash outflow for leases	<b>\$ (13,149)</b>	<b>(12,208)</b>

(iv) Real estate leases

The Group leases buildings for its office and warehouse space. The leases typically run for 2 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(v) For the Group's leased right-of-use assets under operating leases, please refer to Note 6(p).

(p) Operating leases

The Group leases out its right-of-use assets. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6(j).

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date was as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Less than one year	\$ 1,139	1,139	5,163
1 to 2 years	1,168	1,159	1,139
2 to 3 years	1,174	1,174	1,168
3 to 4 years	1,174	1,174	1,174
4 to 5 years	1,174	1,174	1,174
More than 5 years	97	391	1,271
	<b>\$ 5,926</b>	<b>6,211</b>	<b>11,089</b>

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(q) Employee benefits

No pension expenses from the defined benefit plans were recognized by the Group for the three months ended March 31, 2023 and 2022, respectively.

The Group allocates 6% of each employee's monthly wages to the Labor Pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Foreign subsidiaries make contributions in compliance with their respective local regulation. Under these defined contribution plans, the Group allocates a fixed amount to the authorities without additional legal or constructive obligation.

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Operating costs	\$ 919	775
Operating expenses	7,140	6,185
	<b>\$ 8,059</b>	<b>6,960</b>

(r) Income taxes

(i) Income tax expenses:

Income tax expenses are summarized as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Current income tax expenses	\$ 39,757	19,562

(ii) The Group had no income taxes expenses recognized directly in equity and other comprehensive income for the three months ended March 31, 2023 and 2022, respectively.

(iii) The Company's income tax returns have been assessed and approved by the R.O.C. tax authorities through the years to 2020.

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(s) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the three months ended March 31, 2023 and 2022. For related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2022.

(i) Capital surplus

The components of capital surplus were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Share capital premium	\$ 1,189,020	1,189,020	1,192,319
Treasury share transactions	54,637	54,637	54,637
Difference arising from subsidiary's share price and its carrying value from acquisition or disposal of	28,010	27,984	27,984
Changes in equity of associates accounted for using equity method and others	<u>1,229</u>	<u>1,106</u>	<u>1,043</u>
	<u>\$ 1,272,896</u>	<u>1,272,747</u>	<u>1,275,983</u>

(ii) Retain earning – Earning distribution

The cash dividends of earnings distribution for 2022 had been approved and other items of earnings distribution had been proposed at the Board of Director's meeting on February 23, 2023 but have yet to be approved in shareholder's meeting. The cash dividends of earnings distribution for 2021 had been approved at the Board of Director's meeting on February 24, 2022, and other items of earnings distribution had been approved in shareholder's meeting on May 20, 2022.

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Dividends to shareholders - cash, \$2 and \$2.5 per share	\$ <u>376,714</u>	<u>470,894</u>

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## (t) Earnings per share

The Company's basic and diluted earnings per share were calculated as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Basic earnings per share:</b>		
Profit attributable to the Company	\$ <u>219,810</u>	<u>85,117</u>
Weighted-average number of ordinary shares outstanding (basic / thousand shares)	<u>188,357</u>	<u>188,357</u>
Earnings per share (dollars)	\$ <u>1.17</u>	<u>0.45</u>
	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Diluted earnings per share:</b>		
Profit attributable to the Company	\$ <u>219,810</u>	<u>85,117</u>
Weighted-average number of ordinary shares outstanding (diluted / thousand shares)	<u>189,676</u>	<u>189,619</u>
Earnings per share (dollars)	\$ <u>1.16</u>	<u>0.45</u>

## (u) Revenue from contracts with customers

## (i) Details of revenue

	<b>For the three months ended March 31, 2023</b>					
	<b>ICT Infrastructures</b>	<b>Computing &amp; Data Utilization</b>	<b>Digitalization</b>	<b>Clouds, Software and Services</b>	<b>Other products</b>	<b>Total</b>
Major products/service lines:						
Sale of goods	\$ 1,032,794	1,564,942	223,162	226,552	132,680	3,180,130
Services rendered	-	-	-	221,078	-	221,078
Total	<u>\$ 1,032,794</u>	<u>1,564,942</u>	<u>223,162</u>	<u>447,630</u>	<u>132,680</u>	<u>3,401,208</u>
	<b>For the three months ended March 31, 2022</b>					
	<b>ICT Infrastructures</b>	<b>Computing &amp; Data Utilization</b>	<b>Digitalization</b>	<b>Clouds, Software and Services</b>	<b>Other products</b>	<b>Total</b>
Major products/service lines:						
Sale of goods	\$ 825,743	1,281,143	353,024	140,009	1,077	2,600,996
Services rendered	-	-	-	217,504	-	217,504
Total	<u>\$ 825,743</u>	<u>1,281,143</u>	<u>353,024</u>	<u>357,513</u>	<u>1,077</u>	<u>2,818,500</u>

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(ii) Contract balances

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes receivable (including long-term)	\$ 215,783	134,624	235,779
Accounts receivable (including long-term and related parties)	2,704,819	2,679,276	2,366,382
Less: loss allowance	<u>(27,151)</u>	<u>(26,430)</u>	<u>(28,053)</u>
	<u><b>\$ 2,893,451</b></u>	<u><b>2,787,470</b></u>	<u><b>2,574,108</b></u>
Contract assets	<u><b>\$ 3,712</b></u>	<u><b>8,037</b></u>	<u><b>9,353</b></u>
Contract liability	<u><b>\$ 251,417</b></u>	<u><b>300,110</b></u>	<u><b>185,249</b></u>

- 1) For the impairment of notes and accounts receivable (including long-term and related parties), please refer to Note 6(c).
- 2) The amounts of contract liability balance, recognized as revenue as of January 1, 2023 and 2022 at the beginning of the period, were as follows:

	<b>For the three months ended March 31</b>	
	<u>2023</u>	<u>2022</u>
Revenue Recognition	<u><b>\$ 207,390</b></u>	<u><b>152,942</b></u>

- 3) The major changes in the balance of contract asset and liability is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(v) Remuneration to employees and directors

In accordance with the Article of Association, once the Company has annual earnings, it should contribute 5% to 20% of the earnings as employee remuneration, and less than 1% as directors' remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees entitled to receive the aforementioned employee remuneration, in shares or cash, include the employees of the controlling or subsidiaries of the company who meet certain specific requirement. The aforementioned requirement and distribution methods should first be approved by the Company's Board of Directors or its authorized person. The Company estimated its remuneration to employees at \$22,471 thousand and \$9,268 thousand for the three months ended March 31, 2023 and 2022, respectively, and estimated its remuneration to directors at \$2,107 thousand and \$869 thousand, respectively.

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The aforementioned amounts were calculated using the Company's net income before tax, without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period, related information is available on the website of the Market Observation Post System. The differences between accrual and actual payment, if any, will be treated as the change in accounting estimate and recognized in profit or loss in the following year.

For the years ended December 31, 2022 and 2021, the remunerations to employees amounted to \$44,651 thousand and \$59,513 thousand, respectively. The remunerations to directors amounted to \$4,186 thousand and \$5,580 thousand, respectively. There was no difference from the actual distribution. The information is available on the Market Observation Post System website.

(w) Non-operating income and expenses

(i) Other income

The Group's other income was as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<u>2023</u>	<u>2022</u>
Rent income	<u>\$ 596</u>	<u>2,496</u>

(ii) Other gains and losses

The Group's other gains and losses were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<u>2023</u>	<u>2022</u>
Net foreign exchange gains (losses)	\$ 1,840	(3,728)
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	91,496	19,106
Losses on disposal of property, plant and equipment	(530)	-
Others	<u>(17)</u>	<u>(90)</u>
	<u>\$ 92,789</u>	<u>15,288</u>

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(iii) Finance costs

The Group's financial costs were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on bank loans	\$ 10,854	5,061
Interest on lease liabilities	650	882
	<b><u>\$ 11,504</u></b>	<b><u>5,943</u></b>

(x) Financial instruments

Except for the following disclosure, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(z) of the consolidated financial statements for the year ended December 31, 2022.

(i) Credit risk

1) The maximum exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group believes that there is no significant concentration of credit risk due to its customer fragmentation.

3) Credit risk of receivables

For credit risk exposure of note and accounts receivable (including long-term and related parties), please refer to Note 6(c). Other financial assets measured at amortized cost include other receivables. For related information for details and impairment, please refers to Note 6(d).

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## (ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1~5 years</u>	<u>Over 5 years</u>
<b>March 31, 2023</b>					
Non-derivative financial liabilities					
Financial liabilities at fair value through profit or loss - Contingent considerations arising from business combinations (Current and Non-current)	\$ 91,988	124,554	-	124,554	-
Long-term and short-term borrowings	2,105,104	2,149,439	1,858,991	85,441	205,007
Lease liabilities (including non-current)	161,672	166,272	43,731	119,251	3,290
Notes and accounts payable	1,635,035	1,635,035	1,635,035	-	-
Other payables	273,746	273,746	273,746	-	-
Dividends payable	376,714	376,714	376,714	-	-
Guarantee deposits	1,749	1,749	-	1,749	-
Derivative financial liabilities					
Outflow	2,277	452,483	452,483	-	-
Inflow	-	(450,206)	(450,206)	-	-
	<u>\$ 4,648,285</u>	<u>4,729,786</u>	<u>4,190,494</u>	<u>330,995</u>	<u>208,297</u>
<b>December 31, 2022</b>					
Non-derivative financial liabilities					
Financial liabilities at fair value through profit or loss - Contingent considerations arising from business combinations (Current and Non-current)	\$ 63,144	91,660	-	91,660	-
Long-term and short-term borrowings	1,568,482	1,610,916	1,317,663	84,705	208,548
Short-term notes and bills payable	199,619	200,000	200,000	-	-
Lease liabilities (including non-current)	174,805	180,126	45,797	126,103	8,226
Notes and accounts payable	1,934,173	1,934,173	1,934,173	-	-
Other payables	368,686	368,686	368,686	-	-
Guarantee deposits	1,640	1,640	-	1,640	-
Derivative financial liabilities					
Outflow	13,930	867,076	867,076	-	-
Inflow	-	(853,146)	(853,146)	-	-
	<u>\$ 4,324,479</u>	<u>4,401,131</u>	<u>3,880,249</u>	<u>304,108</u>	<u>216,774</u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1~5 years</u>	<u>Over 5 years</u>
<b>March 31, 2022</b>					
Non-derivative financial liabilities					
Financial liabilities at fair value through profit or loss - Contingent considerations arising from business combinations (Current and Non-current)	\$ 103,343	144,249	7,715	136,534	-
Long-term and short-term borrowings	1,383,989	1,414,304	1,117,843	81,090	215,371
Lease liabilities (including non-current)	199,247	205,878	50,586	129,104	26,188
Notes and accounts payable	1,354,979	1,354,979	1,354,979	-	-
Other payables	286,397	286,397	286,397	-	-
Dividends payable	470,894	470,894	470,894	-	-
Guarantee deposits	1,539	1,539	-	1,539	-
Derivative financial liabilities					
Outflow	1,388	133,285	133,285	-	-
Inflow	-	(131,897)	(131,897)	-	-
	<u>\$ 3,801,776</u>	<u>3,879,628</u>	<u>3,289,802</u>	<u>348,267</u>	<u>241,559</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposure of financial assets and liabilities to foreign currency risk was as follows:

	<u>March 31, 2023</u>			<u>December 31, 2022</u>			<u>March 31, 2022</u>		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD/NTD	\$ 2,207	30.48	67,264	4,666	30.73	143,401	2,799	28.60	80,038
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD/NTD	\$ 27,397	30.48	835,065	33,490	30.73	1,029,145	9,148	28.60	261,641

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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, notes and accounts payable, and other payables denominated in foreign currency. To avoid the decrease in the value of foreign currency assets and fluctuations of future cash flows resulted from changes in exchange rates, the Group uses derivative instruments to hedge exchange rate risk (see Note 6(b)). An appreciation (depreciation) of 1% of the USD against NTD as of March 31, 2023 and 2022, with all other variables including derivative financial instruments remaining constant, would have decreased or increased the profit before income tax by \$13 thousand and \$1,341 thousand, respectively. The analysis for both periods was performed on the same basis.

3) Foreign exchange gains and losses on monetary items

The amounts of exchange gains and losses (including realized and unrealized) of monetary items of the Group which were converted into functional currency, and the exchange rate information converted to the Company's functional currency, NTD, were as follows:

	<b>For the three months ended March 31,</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Foreign exchange (loss) gain</b>	<b>Average exchange rate</b>	<b>Foreign exchange (loss) gain</b>	<b>Average exchange rate</b>
NTD	\$ 1,518	1	(4,391)	1
ZAR	322	1.74	663	1.81
	<b>\$ 1,840</b>		<b>(3,728)</b>	

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(iv) Fair value of financial instruments

1) Types of financial instrument and fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The following sets out carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy but excluding financial instruments not measured at fair value with carrying amount reasonably close to their fair value, and lease liabilities, disclosure of fair value information is not required:

	Carrying amount	March 31, 2023			
		Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Pre-purchased forward exchange contracts	\$ 5,346	-	-	5,346	5,346
Foreign and domestic unlisted stocks	390,721	-	-	390,721	390,721
Foreign and domestic unlisted equities	<u>224,082</u>	-	-	224,082	224,082
	<u>\$ 620,149</u>				
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents	\$ 798,759				
Notes and accounts receivable, net (including long-term and related parties)	2,893,451				
Other receivables	799				
Refundable deposits	84,505				
Other financial assets	<u>101</u>				
	<u>\$ 3,777,615</u>				
<b>Financial liabilities at fair value through profit or loss:</b>					
Pre-purchased forward exchange contracts	\$ 2,277	-	-	2,277	2,277
Contingent considerations arising from business combinations	<u>91,988</u>	-	-	91,988	91,988
	<u>\$ 94,265</u>				

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	December 31, 2022				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities at fair value through profit or loss:</b>					
Pre-purchased forward exchange contracts	\$ 13,930	-	-	13,930	13,930
Contingent considerations arising from business combinations	<u>63,144</u>	-	-	63,144	63,144
	<u>\$ 77,074</u>				
<b>Financial liabilities measured at amortized cost:</b>					
Long-term and short-term borrowings	\$ 1,568,482				
Short-term notes and bills payable	199,619				
Lease liabilities (including non-current)	174,805				
Notes and accounts payable	1,934,173				
Other payables	368,686				
Guarantee deposits	<u>1,640</u>				
	<u>\$ 4,247,405</u>				
<b>Financial assets at fair value through profit or loss</b>					
<b>March 31, 2022</b>					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Pre-purchased forward exchange contracts	\$ 2,438	-	-	2,438	2,438
Foreign and domestic unlisted stocks	257,901	-	-	257,901	257,901
Domestic unlisted equities	<u>96,464</u>	-	-	96,464	96,464
	<u>\$ 356,803</u>				

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	<u>Carrying amount</u>	<u>March 31, 2022</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	\$ 837,700				
Notes and accounts receivable (including long-term and related parties)	2,574,108				
Other receivables	4,079				
Refundable deposits	71,874				
Other financial assets	<u>10,108</u>				
	<b><u>\$ 3,497,869</u></b>				
<b>Financial liabilities at fair value through profit or loss:</b>					
Pre-purchased forward exchange contracts	\$ 1,388	-	-	1,388	1,388
Contingent considerations arising from business combinations	<u>103,343</u>	-	-	103,343	103,343
	<b><u>\$ 104,731</u></b>				
<b>Financial liabilities measured at amortized cost:</b>					
Long-term and short-term borrowings	\$ 1,383,989				
Lease liabilities (including non-current)	199,247				
Notes and accounts payable	1,354,979				
Other payables	286,397				
Dividends payable	470,894				
Guarantee deposits	<u>1,539</u>				
	<b><u>\$ 3,697,045</u></b>				

2) Valuation techniques for financial instruments measured at fair value

The measurements of fair value of equity instruments without an active market are based on the market comparable listed company approach, which assumes that the fair value is measured by the investee' estimated net worth and the price-book ratio estimated based on comparable quoted market price. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

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Discounted cash flow model is used to estimate the fair value of contingent consideration arising from business combination. The main assumption takes into consideration the possibility of occurrence to estimate the consideration for payment, by the discounted present value.

Measurement of the fair value of derivative instruments is based on the valuation techniques accepted by the market participants, such as the discounted cash flow or option pricing models. Fair value of forward exchange contracts is usually determined by the forward currency exchange rate.

3) Transfers between Level 1 and Level 2

There were no transfers between level 1 and level 2 of the financial instruments for the three months ended March 31, 2023 and 2022.

4) Reconciliation of Level 3 fair values

	<b>Measured at fair value through profit or loss</b>	
	<b>Derivative financial assets (liabilities)</b>	<b>Non-derivative financial assets (liabilities) measured at fair value through profit or loss</b>
January 1, 2023	\$ (13,307)	447,700
Recognized in profit or loss	16,381	75,115
Effects of exchange rate changes	(5)	-
March 31, 2023	<b>\$ 3,069</b>	<b>522,815</b>
January 1, 2022	\$ (2,043)	235,074
Recognized in profit or loss	3,158	15,948
Effects of exchange rate changes	(65)	-
March 31, 2022	<b>\$ 1,050</b>	<b>251,022</b>

The aforementioned total gains and losses that were recognized in “other gains and losses”. The gains or losses attributable to the assets and liabilities held on March 31, 2023 and 2022 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Total gains and losses		
Recognized in profit or loss (recognized as other gains and losses)	<b>\$ 78,184</b>	<b>16,998</b>

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- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through profit or loss and derivative financial instruments.

The fair value of derivative financial instruments resulted from the quotation of a third party and did not use any unobservable inputs in its calculation. Therefore, the Group did not disclose the quantitative information about significant unobservable inputs and sensitivity analysis.

Quantified information on other significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit or loss-investments in equity instrument without active market	Comparable listed companies approach	· Market liquidity discount rate (23.63%~27.08% as of March 31, 2023, 23.63%~27.08% as of December 31, 2022, and 25.00%~30.74% as of March 31, 2022)	· The higher the market liquidity discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss-Contingent considerations arising from business combinations	Discounted cash flow method	· Discount rate (8.81%~18.35% as of March 31, 2023, (8.81%~18.35% as of December 31, 2022, and 8.19%~14.75% as of March 31, 2022)	· The higher the discount rate, the lower the fair value

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- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit:

	Inputs	Current profit (loss) arising from changes in fair value	
		10% increase	10% decrease
<b>March 31, 2023</b>			
Financial assets (liabilities) at fair value through profit or loss			
Investments in equity instrument without an active market	Discount for marketability	\$ <u>(51,164)</u>	<u>51,164</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>2,423</u>	<u>(2,544)</u>
<b>December 31, 2022</b>			
Financial assets (liabilities) at fair value through profit or loss			
Investments in equity instrument without an active market	Discount for marketability	\$ <u>(36,719)</u>	<u>36,719</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>2,063</u>	<u>(2,176)</u>
<b>March 31, 2022</b>			
Financial assets (liabilities) at fair value through profit or loss			
Investments in equity instrument without an active market	Discount for marketability	\$ <u>(36,158)</u>	<u>36,158</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>2,984</u>	<u>(3,144)</u>

- (y) Financial risk management

The objective and policies of the Group's financial risk management were not materially different from those disclosed in Note 6(aa) of the consolidated financial statements for the year ended December 31, 2022.

- (z) Capital management

The objectives, policies, and procedures of the Group's capital management have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2022. For relevant information, please refer to Note 6(bb) of the consolidated financial statements for the year ended December 31, 2022.

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(aa) Investing and financing activities not affecting current cash flow

For the three months ended March 31, 2023 and 2022, the Group's investing and financing activities, not affecting the current cash flow, were as follows:

- (i) For the acquisition of right-of-use assets by lease, please refer to Note 6(j).  
(ii) The reconciliation of liabilities arising from financing activities was as follows:

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>March 31, 2023</u>
Long-term borrowings	\$ 276,881	(4,127)	-	272,754
Short-term borrowings	1,291,601	540,749	-	1,832,350
Short-term notes and bills payable	199,619	(199,619)	-	-
Guarantee deposits	1,640	109	-	1,749
Lease liabilities (including non-current)	174,805	(12,499)	(634)	161,672
Total liabilities from financing activities	<u>\$ 1,944,546</u>	<u>324,613</u>	<u>(634)</u>	<u>2,268,525</u>
	<u>January 1, 2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>March 31, 2022</u>
Long-term borrowings	\$ 293,623	(4,239)	-	289,384
Short-term borrowings	1,145,658	(51,053)	-	1,094,605
Guarantee deposits	1,577	(38)	-	1,539
Lease liabilities (including non-current)	194,449	(11,326)	16,124	199,247
Total liabilities from financing activities	<u>\$ 1,635,307</u>	<u>(66,656)</u>	<u>16,124</u>	<u>1,584,775</u>

**(7) Related-party transactions:**

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Qisda Corporation (Qisda)	Parent of the Group
GRANDSYS INC. (GRANDSYS)	Associate of the Group
BenQ Material Corporation. (BenQ Material)	It and the Company have the same ultimate parent company

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Partner Tech Corporation (Partner Tech)	It and the Company have the same ultimate parent company
DFI Inc. (DFI)	It and the Company have the same ultimate parent company
Data Image Corporation (Data Image)	It and the Company have the same ultimate parent company
BenQ Corporation (New BenQ)	It and the Company have the same ultimate parent company
SIMULA TECHNOLOGY INC. (SIMULA TECHNOLOGY)	It and the Company have the same ultimate parent company
BenQ Asia Pacific Corporation (BenQ Asia Pacific)	It and the Company have the same ultimate parent company
ACE Energy Co., Ltd. (ACE Energy)	It and the Company have the same ultimate parent company
ACE PILLAR CO., LTD. (ACE PILLAR)	It and the Company have the same ultimate parent company
AEWIN Technologies Co., Ltd (AEWIN Technologies)	It and the Company have the same ultimate parent company
BenQ Medical Technology Corporation (BenQ Medical Technology)	It and the Company have the same ultimate parent company
Alpha Networks Inc. (Alpha)	It and the Company have the same ultimate parent company
Topview Optronics Corporation (Topview Optronics)	It and the Company have the same ultimate parent company
BenQ AB DentCare Corp. (BenQ AB DentCare)	It and the Company have the same ultimate parent company
Action Star Technology Co., Ltd. (Action Star)	It and the Company have the same ultimate parent company
BENQ HEALTHCARE CORPORATION (BHS)	It and the Company have the same ultimate parent company
Transnet Corporation (Transnet)	It and the Company have the same ultimate parent company
HITRON TECHNOLOGIES INC. (HITRON TECHNOLOGIES)	It and the Company have the same ultimate parent company
Interactive Digital Technologies Inc. (Interactive Digital)	It and the Company have the same ultimate parent company

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<u>Name of related party</u>	<u>Relationship with the Group</u>
LA FRESH INFORMATION CO., LTD. (LA FRESH)	It and the Company have the same ultimate parent company
Webest Solution Corporation (Webest Solution)	It and the Company have the same ultimate parent company
Concord Medical Co., Ltd (Concord)	It and the Company have the same ultimate parent company
DIVA LABORATORIES, LTD. (DIVA)	It and the Company have the same ultimate parent company
E-STRONG MEDICAL TECHNOLOGY CO., LTD. (ESM)	It and the Company have the same ultimate parent company
EASTECH CO., LTD. (EASTECH)	It and the Company have the same ultimate parent company
Mace Digital Corporation (PTMG)	It and the Company have the same ultimate parent company
WEB-PRO Corporation (WPC)	It and the Company have the same ultimate parent company
New Best Hearing International Trade Co., Ltd. (NBHIT)	It and the Company have the same ultimate parent company
BenQ Guru Software Co., Ltd. (GSS)	It and the Company have the same ultimate parent company
Partner Tech Middle East FZCO (PTME)	It and the Company have the same ultimate parent company
BenQ Guru Holding Limited(GSH)	It and the Company have the same ultimate parent company
Darfon Electronics Corporation (Darfon Electronics)	Associate of the parent company
AUO Corporation (AUO)	Associate of the parent company
Darfon Energy Technology Corp. (Darfon Energy)	Subsidiary of Darfon Electronics
Astro Tech Co., Ltd (Astro Tech)	Subsidiary of Darfon Electronics
AUO Envirotech Inc. (AUO Envirotech)	Subsidiary of AUO
AUO Digitech Taiwan Inc. (AUO Digitech)	Subsidiary of AUO
AUO Display Plus Corporation (AUO Display Plus)	Subsidiary of AUO
DARWIN PRECISIONS CORPORATION (DARWIN)	Subsidiary of AUO
AUO Education Service Corp. (AUO Education Service)	Subsidiary of AUO
BenQ Foundation	Substantive related party

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<u>Name of related party</u>	<u>Relationship with the Group</u>
RECEIVE-MORE INVESTMENTS NO 9 (PTY) LTD (RECEIVE-MORE INVESTMENTS NO 9)	Substantive related party
AMS HEALTHCARE (PTY) LTD (AMS HEALTHCARE)	Substantive related party
ASML LOGISTICS (PTY) LTD (ASML LOGISTICS)	Substantive related party
4A GROUP (PTY) LTD (4A GROUP)	Substantive related party
METAWORK (PTY) LTD (METAWORK)	Substantive related party
Key management personnel	Key management personnel of the Group

(b) Significant related-party transactions

(i) Sales

The amounts of significant sales by the Group to related parties were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Parent Company	\$ 5,522	2,669
Associates	968	565
Other associates	49,379	23,789
Other related parties	16	-
	<b>\$ 55,885</b>	<b>27,023</b>

The selling price offered to related parties approximated the market price, and the credit terms. For the three months ended March 31, 2023 were based on terms ranging from 30 to 120 days after the end of the month; while the credit terms for the three months ended March 31, 2022 ranged from 30 to 120 days after the end of the month or the terms stated in the contract. Receivables from related parties were not pledged as collateral, and no allowance was needed to provide for impairment loss after assessment.

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(ii) Purchases

The amounts of significant purchase by the Group from related parties were as follows:

	For the three months ended March 31	
	2023	2022
Parent Company	\$ 999	-
Other associates	1,692	1,859
	<b>\$ 2,691</b>	<b>1,859</b>

Purchase prices and payment terms from related parties were not significant difference from third-party suppliers. The payment terms for the three months ended March 31, 2023 and 2022 ranged from 30 to 90 days from the end of the month and 30 to 60 days from the end of month, respectively.

(iii) Receivables from related parties

The receivables due from related parties were as follows:

Account	Relationship	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable (including long-term)	Parent Company	\$ 67,247	76,083	101,488
Accounts receivable	Associates	1,016	423	593
Accounts receivable	Other associates	33,213	13,437	21,722
Accounts receivable	Other related parties	-	72	-
		<b>\$ 101,476</b>	<b>90,015</b>	<b>123,803</b>

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable	Parent Company	\$ 1,049	-	164
Accounts payable	Other associates	950	62	1,091
		<b>\$ 1,999</b>	<b>62</b>	<b>1,255</b>

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## (v) Lease

## 1) Lessor

The Group leased out building to its related parties. The amount of rental income were as follow:

Lessee	For the three months ended March 31	
	2023	2022
Other associates - DFI	\$ -	2,012

The deposit and monthly rental are determined based on nearby office rental rates, and the rent is received monthly. As of March 31, 2023, December 31, 2022 and March 31, 2022, the other receivables amounted to \$0 thousand, \$0 thousand and \$1,408 thousand, respectively, which were recorded as other current assets.

## 2) Lessee

The Group rented buildings from its ultimate controlling company and entered into 10-years lease contract by reference of the rental price of the nearby offices. For the three months ended March 31, 2023 and 2022, the Group recognized the interest expenses amounted to \$0 thousand, and \$4 thousand, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of lease liabilities amounted to \$0 thousand, \$0 thousand and \$806 thousand, respectively.

The Group rented buildings from its other related party and entered into 5-years lease contract by reference of the rental price of the nearby offices. For the three months ended March 31, 2023 and 2022, the Group recognized the interest expenses amounted to \$41 thousand, and \$0 thousand, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of lease liabilities amounted to \$535 thousand, \$2,233 thousand and \$0 thousand, respectively.

## (vi) Donation

The Group made donations of \$2,000 thousand and \$3,000 thousand, respectively, to its substantive related party, BenQ Foundation, based on resolutions approved during the Board of Directors meeting held on February 23, 2023 and February 24, 2022. As of March 31, 2023, December 31, 2022 and March 31, 2022, the related other payable amounted to \$2,000 thousand, \$0 thousand and \$3,000 thousand, respectively.

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(vii) Miscellaneous transactions

In addition to the above transactions, the amounts of other significant outstanding balances by related parties were as follows:

	Cost and expense		Other payables		
	For the three months ended		March 31	December	March 31
	March 31				
	2023	2022	31, 2023	31, 2022	31, 2022
Parent Company	\$ 207	431	-	128	-
Other associates	81	1,224	96	157	262
Other related parties	4,382	-	-	-	-
	<b>\$ 4,670</b>	<b>1,655</b>	<b>96</b>	<b>285</b>	<b>262</b>

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended	
	2023	2022
Short-term employee benefits	\$ 24,221	26,946
Post-employment benefits	267	347
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payment	-	-
	<b>\$ 24,488</b>	<b>27,293</b>

(8) Pledged assets

The carrying amounts of the assets which the Group pledged as collateral were as follows:

Asset Name	Liabilities secured by pledged	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	Long-term and short-term borrowings	\$ 491,403	492,474	828,374
Other non-current assets	Short-term borrowings	-	-	10,108
		<b>\$ 491,403</b>	<b>492,474</b>	<b>838,482</b>

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**(9) Significant commitments and contingencies**

- (a) The promissory notes, issued by the Group for loans from financial institutions, forward exchange transactions, and purchase limits, are detailed as follows:

	Currency	March 31, 2023	December 31, 2022	March 31, 2022
Promissory notes issued	NTD	\$ 5,822,000	5,846,000	5,801,000
	USD	\$ 9,500	4,500	14,350

**(10) Losses due to major disasters: None**

**(11) Subsequent events: None**

**(12) Others:**

- (a) The summary of employee benefits, depreciation, depletion and amortization, by function, was as follows:

By item	By function	For the three months ended March 31, 2023			For the three months ended March 31, 2022		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		20,642	199,825	220,467	23,144	163,697	186,841
Labor and health insurance		1,859	15,585	17,444	1,542	13,681	15,223
Pension		919	7,140	8,059	775	6,185	6,960
Other employee benefits expense		685	11,745	12,430	999	9,789	10,788
Depreciation		982	19,408	20,390	991	19,847	20,838
Amortization		7	2,492	2,499	7	2,611	2,618

- (b) Seasonal operation:

The operations of the Group are not affected by seasonal or cyclical factors.

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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**Notes to the Consolidated Financial Statements**

**(13) Other disclosures**

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2023:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of Guarantor/Endorser	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the Period	Balance for guarantees and endorsements as of reporting date	Actual borrowing amount	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company guarantees/endorsements to third parties on behalf of subsidiary	Subsidiary guarantees/endorsements to third parties on behalf of parent company	guarantees/endorsements to third parties on behalf of companies in Mainland China
		Name	Relationship										
0	the Company	COREX	Subsidiary of the Company	Note 1	302,750	302,400	152,116	-	7.43 %	(Note 1)	Y	-	-

Note 1: The amount of the guarantees and endorsements for a single entity company shall not exceed 20% of the Company's net worth of \$814,237 thousand when the guarantees and endorsements was provided; the total amount of guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth of \$2,035,592 thousand.

- (iii) Securities held as balance sheet date (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand shares/thousand units

Holder Company	Category and name of security	Relationship with company	Account	Ending Balance				Note
				Shares/Units	Carrying amount	Percentage of Ownership (%)	Fair value	
the Company	Stock:							
	DYNASAFE TECHNOLOGIES, INC.	-	Non-current financial assets at fair value through profit or loss	3,906	390,721	19.53	390,721	(Note 1)
"	CDS Holdings Limited	-	"	600	-	1.11	-	"
"	YOBON TECHNOLOGIES, INC.	-	"	3	-	0.42	-	"
"	Touch Cloud Inc.	-	"	200	-	1.50	-	"
"	Gemini Data, Inc.	-	"	2,706	-	1.23	-	"
"	KINGTEL CORPORATION	-	"	443	-	18.09	-	"
	Equity:							
"	Taiwania Capital Buffalo Fund V, L.P.	-	"	(Note 2)	196,586	12.78	196,586	"
"	New Economy Ventures L.P.	-	"	(Note 2)	27,496	7.36	27,496	"
					<u>614,803</u>		<u>614,803</u>	

Note 1: Unlisted company.  
Note 2: Limited partnership.

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of 100 million or 20% of the capital stock: None
- (viii) Receivable from related parties with amount exceeding the lower of \$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: Please refer to Note 6(b).
- (x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany Transactions			
				Account	Amount	Trading terms	Percentage of the consolidated net sales or total assets
0	the Company	GLOBAL INTELLIGENCE NETWORK	1	Sales	61,667	60 days from the end of the month	1.81%
"	"	"	1	Accounts receivable	64,750	"	0.70%
"	"	EPIC CLOUD	1	Sales	8,338	"	0.25%
"	"	"	1	Accounts receivable	8,754	"	0.09%
1	GLOBAL INTELLIGENCE NETWORK	the Company	2	Sales	8,045	"	0.24%
"	"	"	2	Accounts receivable	8,447	"	0.09%

Note 1: No. are filled in as follows:

- (i) "0" represents the parent company  
(ii) Subsidiaries are numbered starting from "1".

Note 2: Natures of relationship with counterparty are as below:

- 1.Parent company to subsidiary.  
2.Subsidiary to parent company.

Note 3: Disclosure of only the amounts exceeding of \$5 million.

Note 4: Related transactions have been eliminated during preparing the consolidated financial statements.

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2023:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (loss) of investee	Share of profits/losses of investee	Note
				March 31, 2023	December 31, 2022	(In thousands of shares)	Percentage of ownership	Carrying amount			
the Company	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	119,657	119,142	10,505	79.58 %	189,468	7,953	6,311	(Notes 1 and 3)
"	EPIC CLOUD	Taiwan	Data software and data processing services	27,500	27,500	2,750	100.00 %	4,410	(17)	(17)	(Notes 1 and 3)
"	COREX	South Africa	Import and export of electronic products for sale and purchase	251,872	251,872	1	100.00 %	281,269	27,536	27,263	(Notes 1 and 3)
"	STATINC	Taiwan	Market research, management consulting and data processing services	69,983	69,983	1,754	34.99 %	79,344	(7,676)	(2,851)	(Notes 1 and 3)
"	GRANDSYS	Taiwan	Data software and data processing services	94,547	94,547	5,643	20.96 %	113,445	2,012	237	(Note 2)
"	ADVANCEDTEK INTERNATIONAL	Taiwan	Applications of software implementing services	30,091	30,091	1,153	34.09 %	39,283	58	20	(Notes 1 and 3)
"	Everlasting Digital ESG	Taiwan	Development and sale of software	5,000	5,000	500	29.41 %	2,770	(1,166)	(343)	(Note 2)
"	Metaguru	Taiwan	R&D and sales of computer information systems	31,000	31,000	2,000	100.00 %	26,372	805	805	(Notes 1, 3 and 4)
EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	172	172	10	0.08 %	172	7,953	-	(Notes 1 and 3)
"	STATINC	Taiwan	Market research, management consulting and data processing services	40	40	1	0.02 %	40	(7,676)	-	(Notes 1 and 3)
ADVANCEDTEK INTERNATIONAL	APEO Human Capital	Taiwan	Applications of software implementing services	2,060	2,060	200	100.00 %	2,725	143	143	(Notes 1 and 3)
STATINC	DKABio	Taiwan	Market research, management consulting and data processing services	20,000	20,000	2,000	100.00 %	11,168	(1,282)	(1,282)	(Notes 1 and 3)

Note 1: Subsidiary of the Company.

Note 2: Associates of the Company.

Note 3: The equity transactions on the left have already been eliminated during preparing the consolidated financial statements.

Note 4: On February 20, 2023, pursuant to the resolutions approved during the board of directors, the investee company increased its capital by \$2,881 thousand and issued 288 thousand new shares, from retained earnings. The date of capital increase was March 17, 2023. The relevant statutory registration procedures have since been completed.

(c) Information on investment in Mainland China: None

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