

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report**  
**For the Six Months Ended June 30, 2024 and 2023 (Restated)**

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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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## 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 June 30, 2024 and 2023 (restated), the related consolidated statements of comprehensive income for the three and six months ended June 30, 2024 and 2023 (restated) as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023 (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 \$1,824,565 thousand and \$1,608,592 thousand, constituting 15% and 14% of the consolidated total assets as of June 30, 2024 and 2023 (restated), respectively; and the total liabilities amounting to \$884,434 thousand and \$926,010 thousand, constituting 12% and 15% of consolidated total liabilities; as well as the absolute value of total comprehensive income amounting to \$134,849 thousand, \$38,916 thousand, \$203,498 thousand and \$68,096 thousand, constituting 33%, 23%, 25% and 18% of the absolute value of consolidated total comprehensive income for the three and six months ended June 30, 2024 and 2023 (restated), respectively.

Furthermore, as stated in Note 6(g), the investments accounted for using equity method of the Group in its investee companies of \$2,142 thousand and \$112,080 thousand, as of June 30, 2024 and 2023 (restated), respectively, and its related share of profit (loss) of associates accounted for using equity method of \$13 thousand, \$1,639 thousand, \$(967) thousand and \$1,533 thousand for the three and six months ended June 30, 2024 and 2023 (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 June 30, 2024 and 2023 (restated), and of its consolidated financial performance and its consolidated cash flows for the three and six months ended June 30, 2024 and 2023 (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.) acquired 35.09% shareholdings in Brainstorm Corporation from subsidiary of Qisda Corporation, DFI Inc. by cash on October 2, 2023. 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 six months ended June 30, 2023. Our conclusion is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors’ review report are Fu, Hung-Wen and Chuang, Chun-Wei.

KPMG

Taipei, Taiwan (Republic of China)  
August 1, 2024

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

**Consolidated Balance Sheets**  
**June 30, 2024, December 31 and June 30, 2023**

(In Thousands of New Taiwan Dollars)

	June 30, 2024		December 31, 2023		June 30, 2023 (Restated)			June 30, 2024		December 31, 2023		June 30, 2023 (Restated)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Assets</b>							<b>Liabilities and Equity</b>						
<b>Current assets:</b>							<b>Current liabilities:</b>						
1100 Cash and cash equivalents (Note 6(a))	\$ 1,303,907	10	906,461	8	1,020,198	9	2100 Short-term borrowings (Note 6(o))	\$ 2,433,305	20	2,839,536	24	1,299,849	11
1110 Current financial assets at fair value through profit or loss (Note 6(b))	4,054	-	378	-	20,520	-	2120 Current financial liabilities at fair value through profit or loss (Note 6(b))	5,149	-	21,994	-	69,201	1
1141 Current contract assets (Note 6(x))	56,776	-	29,939	-	6,605	-	2130 Contract liability (Notes 6(n) and (x))	401,008	3	315,022	3	220,703	2
1170 Notes and accounts receivable, net (Notes 6(d) and (x))	2,588,015	21	3,008,194	25	3,127,448	27	2170 Notes and accounts payable (Note 7)	2,152,782	18	2,316,996	19	2,971,326	25
1180 Accounts receivable due from related parties, net (Notes 6(d), (x) and 7)	83,628	1	61,574	1	91,302	1	2200 Other payables (Note 7)	523,311	4	588,032	5	447,441	4
1300 Inventories (Note 6(f))	3,676,305	30	4,432,864	37	4,239,890	36	2216 Dividends payable	526,887	4	-	-	389,427	3
1410 Prepayments (Note 6(n))	492,321	4	474,872	4	76,214	1	2280 Current lease liabilities (Notes 6(r) and 7)	110,763	1	82,199	1	68,313	1
1470 Other current assets (Note 6(e))	111,116	1	34,134	-	24,157	-	2320 Long-term borrowings, current portion (Note 6(q))	16,900	-	16,686	-	16,552	-
	8,316,122	67	8,948,416	75	8,606,334	74	2399 Other current liabilities (Note 6(p))	34,875	-	22,048	-	6,296	-
<b>Non-current assets:</b>							<b>Non-current liabilities:</b>						
1510 Non-current financial assets at fair value through profit or loss (Note 6(b))	819,758	7	693,057	6	690,766	6	2500 Non-current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	-	-	43,716	-
1517 Non-current financial assets at fair value through other comprehensive income (Note 6(c))	221,005	2	118,189	1	74,830	1	2540 Long-term borrowings (Note 6(q))	235,409	2	243,722	2	252,099	3
1550 Investments accounted for using equity method (Note 6(g))	2,142	-	116,633	1	112,080	1	2580 Non-current lease liabilities (Notes 6(r) and 7)	452,508	4	126,059	1	122,829	1
1600 Property, plant and equipment (Notes 6(k) and 8)	954,085	8	931,403	8	938,273	8	2600 Other non-current liabilities	240,642	2	108,649	1	140,682	1
1755 Right-of-use assets (Note 6(l))	546,031	4	199,159	1	184,213	1		928,559	8	478,430	4	559,326	5
1780 Intangible assets (Notes 6(h) and (m))	1,048,195	9	764,174	6	799,284	7	<b>Total liabilities</b>	7,133,539	58	6,680,943	56	6,048,434	52
1840 Deferred income tax assets	275,473	2	64,238	1	88,544	1	<b>Equity attributable to owners of parent:</b>						
1931 Long-term notes receivable (Notes 6(d) and (x))	50,810	-	18,025	-	15,586	-	3100 Share capital	1,883,573	15	1,883,573	16	1,883,573	16
1990 Other non-current assets (Note 6(e))	161,360	1	122,454	1	113,664	1	3200 Capital surplus (Notes 6(h), (i) and (v))	1,220,924	10	1,219,380	10	1,273,217	11
	4,078,859	33	3,027,332	25	3,017,240	26	3310 Legal reserve	541,533	4	482,299	4	482,299	4
<b>Total assets</b>	\$ 12,394,981	100	11,975,748	100	11,623,574	100	3320 Special reserve	-	-	17,108	-	17,108	-
							3350 Unappropriated retained earnings (Note 6(v))	451,330	4	819,246	7	610,093	5
							3400 Other equity interest	151,850	1	29,379	-	(42,906)	-
							<b>Total equity attributable to owners of parent</b>	4,249,210	34	4,450,985	37	4,223,384	36
							35XX <b>Equity attributable to former owner of business combination under common control</b>	-	-	-	-	503,668	5
							36XX <b>Non-controlling interests (Note 6(j))</b>	1,012,232	8	843,820	7	848,088	7
							<b>Total equity</b>	5,261,442	42	5,294,805	44	5,575,140	48
							<b>Total liabilities and equity</b>	\$ 12,394,981	100	11,975,748	100	11,623,574	100

See accompanying notes to the consolidated financial statements.

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

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three and six months ended June 30, 2024 and 2023****(In Thousands of New Taiwan Dollars)**

	For the three months ended June 30				For the six months ended June 30				
	2024		2023 (Restated)		2024		2023 (Restated)		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue (Notes 6(x) and 7)</b>								
	\$ 4,421,465	100	4,970,125	100	9,170,952	100	9,643,229	100	
5000	<b>Operating costs (Notes 6(f), (t), 7 and 12)</b>								
	<u>3,908,922</u>	<u>88</u>	<u>4,298,084</u>	<u>86</u>	<u>8,038,350</u>	<u>88</u>	<u>8,308,114</u>	<u>86</u>	
	<b>Gross profit</b>								
	<u>512,543</u>	<u>12</u>	<u>672,041</u>	<u>14</u>	<u>1,132,602</u>	<u>12</u>	<u>1,335,115</u>	<u>14</u>	
	<b>Operating expenses (Notes 6(d), (t), (y), 7 and 12):</b>								
6100	Selling expenses	549,281	12	466,508	10	1,034,410	11	891,804	9
6200	General and administrative expenses	76,788	2	56,039	1	145,048	2	109,255	2
6300	Research and development expenses	19,232	1	12,533	-	38,469	-	27,107	-
6450	Expected credit loss (Reversal of expected credit loss)	<u>(11,473)</u>	<u>-</u>	<u>(493)</u>	<u>-</u>	<u>314</u>	<u>-</u>	<u>555</u>	<u>-</u>
		<u>633,828</u>	<u>15</u>	<u>534,587</u>	<u>11</u>	<u>1,218,241</u>	<u>13</u>	<u>1,028,721</u>	<u>11</u>
	<b>Net operating income (loss)</b>								
		<u>(121,285)</u>	<u>(3)</u>	<u>137,454</u>	<u>3</u>	<u>(85,639)</u>	<u>(1)</u>	<u>306,394</u>	<u>3</u>
	<b>Non-operating income and expenses:</b>								
7010	Other income (Notes 6(c), (r) and (z))	17,776	1	12,293	-	18,088	-	12,889	-
7100	Interest income	4,650	-	2,441	-	6,067	-	3,034	-
7020	Other gains and losses (Notes 6(g), (r) and (z))	46,238	1	61,624	1	173,773	2	152,201	2
7050	Finance costs (Notes 6(r), (z) and 7)	<u>(28,773)</u>	<u>(1)</u>	<u>(14,622)</u>	<u>-</u>	<u>(53,621)</u>	<u>-</u>	<u>(27,716)</u>	<u>-</u>
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(g))	<u>13</u>	<u>-</u>	<u>1,639</u>	<u>-</u>	<u>(967)</u>	<u>-</u>	<u>1,533</u>	<u>-</u>
		<u>39,904</u>	<u>1</u>	<u>63,375</u>	<u>1</u>	<u>143,340</u>	<u>2</u>	<u>141,941</u>	<u>2</u>
	<b>Profit (loss) before income tax</b>								
		<u>(81,381)</u>	<u>(2)</u>	<u>200,829</u>	<u>4</u>	<u>57,701</u>	<u>1</u>	<u>448,335</u>	<u>5</u>
7950	Less: Income tax expenses(benefits) (Note 6(u))	<u>(30,623)</u>	<u>(1)</u>	<u>40,610</u>	<u>1</u>	<u>(31,923)</u>	<u>-</u>	<u>80,225</u>	<u>1</u>
	<b>Profit (loss)</b>								
		<u>(50,758)</u>	<u>(1)</u>	<u>160,219</u>	<u>3</u>	<u>89,624</u>	<u>1</u>	<u>368,110</u>	<u>4</u>
8300	<b>Other comprehensive income:</b>								
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	52,616	1	-	-	102,816	1	-	-
8320	Share of other comprehensive income of associates for using equity method (Note 6(g))	-	-	(131)	-	(274)	-	336	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Items that may not be reclassified subsequently to profit or loss</b>								
		<u>52,616</u>	<u>1</u>	<u>(131)</u>	<u>-</u>	<u>102,542</u>	<u>1</u>	<u>336</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	12,774	-	3,055	-	45,488	1	(17,417)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Items that may be reclassified subsequently to profit or loss</b>								
		<u>12,774</u>	<u>-</u>	<u>3,055</u>	<u>-</u>	<u>45,488</u>	<u>1</u>	<u>(17,417)</u>	<u>-</u>
8300	<b>Other comprehensive income, net of tax</b>								
		<u>65,390</u>	<u>1</u>	<u>2,924</u>	<u>-</u>	<u>148,030</u>	<u>2</u>	<u>(17,081)</u>	<u>-</u>
	<b>Total comprehensive income</b>								
		<u>\$ 14,632</u>	<u>-</u>	<u>163,143</u>	<u>3</u>	<u>237,654</u>	<u>3</u>	<u>351,029</u>	<u>4</u>
	<b>Profit (loss) attributable to:</b>								
8610	Owners of parent	\$ 870	-	163,379	3	192,441	2	383,189	4
8615	Former owner of business combination under common control	-	-	(1,359)	-	-	-	(4,395)	-
8620	Non-controlling interests	<u>(51,628)</u>	<u>(1)</u>	<u>(1,801)</u>	<u>-</u>	<u>(102,817)</u>	<u>(1)</u>	<u>(10,684)</u>	<u>-</u>
		<u>\$ (50,758)</u>	<u>(1)</u>	<u>160,219</u>	<u>3</u>	<u>89,624</u>	<u>1</u>	<u>368,110</u>	<u>4</u>
	<b>Comprehensive income (loss) attributable to:</b>								
8710	Owners of parent	\$ 60,094	1	151,880	3	315,166	4	357,391	4
8715	Former owner of business combination under common control	-	-	3,701	-	-	-	(1,336)	-
8720	Non-controlling interests	<u>(45,462)</u>	<u>(1)</u>	<u>7,562</u>	<u>-</u>	<u>(77,512)</u>	<u>(1)</u>	<u>(5,026)</u>	<u>-</u>
		<u>\$ 14,632</u>	<u>-</u>	<u>163,143</u>	<u>3</u>	<u>237,654</u>	<u>3</u>	<u>351,029</u>	<u>4</u>
	<b>Earnings per share (Note 6(w))</b>								
9750	Basic earnings per share (NT dollars)	\$ -	-	0.87	-	1.02	-	2.03	-
9850	Diluted earnings per share (NT dollars)	\$ -	-	0.86	-	1.02	-	2.02	-

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 2024 and 2023**

(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, 2023 (restated)</b>	\$ 1,883,573	1,272,747	441,048	30,343	631,634	(16,831)	(173)	(104)	4,242,237	505,004	866,358	5,613,599		
Profit (loss)	-	-	-	-	383,189	-	-	-	383,189	(4,395)	(10,684)	368,110		
Other comprehensive income	-	-	-	-	-	(26,000)	(43)	245	(25,798)	3,059	5,658	(17,081)		
Comprehensive income	-	-	-	-	383,189	(26,000)	(43)	245	357,391	(1,336)	(5,026)	351,029		
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	41,251	-	(41,251)	-	-	-	-	-	-	-		
Reversal of special reserve	-	-	-	(13,235)	13,235	-	-	-	-	-	-	-		
Cash dividends	-	-	-	-	(376,714)	-	-	-	(376,714)	-	-	(376,714)		
Distribution of cash dividend by subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(12,713)	(12,713)		
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	-	444	-	-	-	-	-	-	444	-	10	454		
<b>Balance on June 30, 2023 (restated)</b>	<b>\$ 1,883,573</b>	<b>1,273,217</b>	<b>482,299</b>	<b>17,108</b>	<b>610,093</b>	<b>(42,831)</b>	<b>(216)</b>	<b>141</b>	<b>4,223,384</b>	<b>503,668</b>	<b>848,088</b>	<b>5,575,140</b>		
<b>Balance on January 1, 2024</b>	\$ 1,883,573	1,219,380	482,299	17,108	819,246	(13,691)	43,111	(41)	4,450,985	-	843,820	5,294,805		
Profit (loss)	-	-	-	-	192,441	-	-	-	192,441	-	(102,817)	89,624		
Other comprehensive income	-	-	-	-	-	19,909	102,816	-	122,725	-	25,305	148,030		
Comprehensive income	-	-	-	-	192,441	19,909	102,816	-	315,166	-	(77,512)	237,654		
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	59,234	-	(59,234)	-	-	-	-	-	-	-		
Reversal of special reserve	-	-	-	(17,108)	17,108	-	-	-	-	-	-	-		
Cash dividends	-	-	-	-	(517,983)	-	-	-	(517,983)	-	-	(517,983)		
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(25,020)	(25,020)		
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	1,544	-	-	-	-	-	-	1,544	-	27	1,571		
Acquisition of non-controlling interests in a business combination	-	-	-	-	-	-	-	-	-	-	270,917	270,917		
Disposal of investments accounted for using equity method	-	-	-	-	(248)	(502)	248	-	(502)	-	-	(502)		
<b>Balance on June 30, 2024</b>	<b>\$ 1,883,573</b>	<b>1,220,924</b>	<b>541,533</b>	<b>-</b>	<b>451,330</b>	<b>5,716</b>	<b>146,175</b>	<b>(41)</b>	<b>4,249,210</b>	<b>-</b>	<b>1,012,232</b>	<b>5,261,442</b>		

See accompanying notes to the consolidated financial statements.

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

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the six months ended June 30, 2024 and 2023****(In Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2024	2023 (Restated)
<b>Cash flows from operating activities:</b>		
<b>Profit before income tax</b>	\$ 57,701	448,335
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	79,846	52,682
Amortization expense	45,509	38,277
Losses on disposal of property, plant and equipment	8,484	528
Expected credit loss	314	555
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(147,189)	(164,423)
Share of profit (loss) of associates accounted for using equity method	967	(1,533)
Interest expense	53,621	27,716
Interest income	(6,067)	(3,034)
Dividend income	(17,488)	(11,718)
Gain on disposal of investments accounted for using equity method	(44,823)	-
Gain on lease modification	(706)	-
<b>Total adjustments to reconcile profit (loss)</b>	<u>(27,532)</u>	<u>(60,950)</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)	401,032	29,065
Inventories	752,745	34,859
Contract assets	(1,485)	1,432
Prepayments and other current assets	(26,956)	(12,289)
Other non-current assets	(11,560)	(272)
<b>Total changes in operating assets</b>	<u>1,113,776</u>	<u>52,795</u>
<b>Total net changes in operating liabilities:</b>		
Contract liability	58,644	(81,670)
Notes and accounts payable	(182,993)	394,708
Other payables	(35,206)	(32,005)
Advance receipts	-	(866)
Other current liabilities	11,178	(287)
Other non-current liabilities	5,266	-
<b>Total changes in operating liabilities</b>	<u>(143,111)</u>	<u>279,880</u>
<b>Total changes in operating assets and liabilities</b>	<u>970,665</u>	<u>332,675</u>
<b>Total adjustments</b>	<u>943,133</u>	<u>271,725</u>
Cash inflows generated from operations	1,000,834	720,060
Interest received	6,055	3,021
Dividends received	-	5,643
Interest paid	(53,800)	(25,498)
Income taxes paid	(128,269)	(99,193)
<b>Net cash inflows from operating activities</b>	<u>824,820</u>	<u>604,033</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(74,830)
Net cash inflows from business combination	64,605	-
Acquisition of property, plant and equipment	(39,612)	(4,483)
Proceeds from disposal of property, plant and equipment	54	217
Increase in refundable deposits	(15,838)	(3,720)
Acquisition of intangible assets	(106)	-
Decrease in other current assets	536	1,054
<b>Net cash inflows (outflows) from investing activities</b>	<u>9,639</u>	<u>(81,762)</u>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	(407,231)	(87,452)
Decrease in short-term notes and bills payable	-	(199,619)
Repayments of long-term borrowings	(8,099)	(8,230)
Increase (decrease) in guarantee deposits	(21)	105
Payments of lease liabilities	(52,453)	(33,789)
Change in non-controlling interests	-	(515)
Dividends to non-controlling interests from subsidiaries	(16,116)	-
Proceeds from the disposal of forfeited funds from employee stock ownership trust	1,571	454
<b>Net cash inflows from financing activities</b>	<u>(482,349)</u>	<u>(329,046)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	45,336	(10,797)
<b>Increase in cash and cash equivalents</b>	397,446	182,428
<b>Cash and cash equivalents, beginning of period</b>	906,461	837,770
<b>Cash and cash equivalents, end of period</b>	<u>\$ 1,303,907</u>	<u>1,020,198</u>

See accompanying notes to the consolidated financial statements.

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

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

**Notes to Consolidated Financial Statements**

**June 30, 2024 and 2023**

**(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 June 30, 2024 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, other companies, and own products from Skytech Gaming, Digitalization from Red hat, Oracle, and other companies, clouds, software and services from Google 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 acquired 35.09% shares in Brainstorm Corporation (“Brainstorm”) from DFI Inc. (“DFI”) by cash on October 2, 2023. DFI, 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(h) for details.

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

These consolidated financial statements were authorized for issue by the Board of Directors on August 1, 2024.

**(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 details of impact on the Group’s adoption of the new amendments beginning January 1, 2024 are as follows :

- (i) Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

The amendments to IAS 7 and IFRS 7 introduce two new disclosure objectives for an entity to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the entity’s liabilities and cash flows, and the company’s exposure to liquidity risk.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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Under the amendments, in addition to disclosing the terms and conditions of such arrangements, the carrying amount of the relevant financial liability and the range of payment due dates, entities also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement.

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

- (ii) The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
  - Amendments to IAS 1 "Non-current Liabilities with Covenants"
  - Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

- (b) The impact of IFRS endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

- (c) 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 the IASB, but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

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<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

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

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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

**(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, 2023. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

**(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
			June 30, 2024	December 31, 2023	June 30, 2023	
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	Brainstorm Corporation (Brainstorm)	Wholesale and retail of computers and peripheral devices	35.09 %	35.09 %	- %	(Note 2)
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 %	100.00 %	(Note 1)
The Company	GRANDSYS INC. (GRANDSYS)	Data software and data processing services	40.15 %	- %	- %	(Notes 1 and 3)
The Company and EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK CO., LTD. (GLOBAL INTELLIGENCE NETWORK)	Trading in hardware and software for network and communications systems	79.81 %	79.81 %	79.66 %	(Note 1)
The Company and EPIC CLOUD	DSIGroup Co., Ltd. (DSIGroup)	Market research service, marketing consulting, and big data and cloud database, etc.	35.01 %	35.01 %	35.01 %	(Note 1)

(Continued)

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)  
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
DSIGroup	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)
GRANDSYS	Grandsys Technology & Service Corp. (Grandsys Technology & Service)	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of own products and related technical services	100.00 %	- %	- %	(Notes 1 and 3)
GRANDSYS	SYSAGE TECHNOLOGY (SHANGHAI) Co., LTD (SYSAGE SHANGHAI)	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of own products and related technical services	100.00 %	- %	- %	(Notes 1 and 3)

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

Note 2: On October 2, 2023, the Group had acquired a total of 35.09% of common shares and preferred shares of Brainstorm from DFI by cash. It resulted in the Group to hold 55.29% of the voting rights at the shareholders' meeting and obtain the control based on Brainstorm's Article of Incorporation. 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 six months ended June 30, 2023 have been restated for comparison with the financial statements for the six months ended June 30, 2024.

Note 3: On January 15, 2024, the Group had acquired the shares of GRANDSYS in cash after which it held 40.15% of the voting shares of GRANDSYS and became its single largest shareholder. Although the Group owns less than 50% of GRANDSYS's voting shares, but the other 59.85% of voting shares are dispersed, and the participation degree of other shareholders on the shareholder's meeting indicated that the Group actually have influence to direct the decision, while there is no indication of agreement requesting all other shareholders to exercise their votes collectively. Thus, the management has determined that the Group controls the entity and its subsidiaries, please refer to note 5.

(c) **Business combination**

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs incurred are expensed as incurred, except for the issuance of debt or equity instruments.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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For each business combination, the Group measures any non-controlling equity interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non-controlling interest are measured at their acquisition date fair values, unless another measurement basis is required by the IFRSs endorsed by FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

(d) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(Continued)

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

(f) 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.

**(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.

Except for the following, 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, 2023. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Judgment of whether the Group has substantive control over its investees

The Group held 40.15% of the voting shares of GRANDSYS and became its single largest shareholder. Although the Group owns less than 50% of GRANDSYS’s voting shares, but the other 59.85% of voting shares are dispersed, and the participation degree of other shareholders on the shareholder’s meeting indicated that the Group actually have influence to direct the decision, while there is no indication of agreement requesting all other shareholders to exercise their votes collectively. Thus, the Group regards GRANDSYS as its subsidiary.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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**(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, 2023. Please refer to Note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cash on hand and petty cash	\$ 523	346	484
Check and demand deposits	1,204,505	811,322	943,601
Time deposits	98,879	94,793	76,113
	<u>\$ 1,303,907</u>	<u>906,461</u>	<u>1,020,198</u>

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

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<b>Financial assets at fair value through profit or loss:</b>			
Current:			
Pre-purchased/Pre-sold forward \$ exchange contracts	4,054	378	20,520
Non-current:			
Foreign and domestic unlisted stocks	589,176	453,931	468,061
Foreign and domestic unlisted equities	230,582	239,126	222,705
Total	<u>\$ 823,812</u>	<u>693,435</u>	<u>711,286</u>

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	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<b>Financial liabilities at fair value through profit or loss:</b>			
Current:			
Pre-purchased/Pre-sold forward exchange contracts	\$ (5,149)	(21,994)	(1,821)
Contingent considerations arising from business combinations	-	-	(67,380)
Non-current:			
Contingent considerations arising from business combinations	-	-	(43,716)
<b>Total</b>	<b>\$ <u>(5,149)</u></b>	<b><u>(21,994)</u></b>	<b><u>(112,917)</u></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 DSIGroup. 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:

<u>Financial instruments</u>	<u>June 30, 2024</u>		
	<u>Nominal amounts</u>	<u>Maturity period</u>	<u>Pre-agreed exchange rate</u>
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 12,718 thousand	2024.07.01~ 2024.09.16	31.708~32.410
Buy USD/Sell ZAR	USD 6,400 thousand	2024.07.05~ 2024.07.22	17.895~18.626
Pre-sold forward exchange contracts			
Buy NTD/Sell ZAR	ZAR 97,000 thousand	2024.07.01~ 2024.07.22	1.713~1.777

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<u>Financial instruments</u>	<b>December 31, 2023</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 21,370 thousand	2024.01.01~ 2024.03.18	30.875~32.125
Buy USD/Sell ZAR	USD 7,463 thousand	2024.01.03~ 2024.02.02	18.330~18.702
Pre-purchased forward exchange contracts			
Buy NTD/Sell ZAR	ZAR 53,000 thousand	2024.01.01~ 2024.01.26	1.643~1.646

<u>Financial instruments</u>	<b>June 30, 2023</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 37,110 thousand	2023.07.01~ 2023.10.20	30.095~31.048
Buy USD/Sell ZAR	USD 6,876 thousand	2023.07.05~ 2023.11.30	18.493~20.074

(iii) As of June 30, 2024, December 31, 2023 and June 30, 2023, none of financial assets at fair value through profit or loss was pledged as collateral, or otherwise subject to any restriction.

(c) Financial assets at fair value through other comprehensive income

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<b>Non-current financial assets at fair value through other comprehensive income</b>			
Domestic unlisted stocks	\$ <u>221,005</u>	<u>118,189</u>	<u>74,830</u>

(i) In June 2023, the Group invested the amount of \$74,830 thousand in High Performance Information Co. Ltd. the Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long term for strategic instead of trading purposes.

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**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)**  
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- (ii) For the three and six months ended June 30, 2024 and 2023, the dividends of \$4,276 thousand, \$0 thousand, \$4,276 thousand and \$0 thousand, related to equity investments at fair value through other comprehensive income were recognized as dividend income, respectively.
- (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the six months ended June 30, 2024.
- (iv) As June 30, 2024, December 31, 2023 and June 30, 2023, none of financial assets at fair value through other comprehensive income was pledged as collateral, or otherwise subject to any restriction.

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Notes receivable (including long-term)	\$ 142,042	95,607	64,192
Accounts receivable (including long-term)	2,526,163	2,958,111	3,109,684
Accounts receivable due from related parties	83,628	61,574	91,302
Less: loss allowance	(29,380)	(27,499)	(30,842)
<b>Total</b>	<b>\$ 2,722,453</b>	<b>3,087,793</b>	<b>3,234,336</b>
Current	\$ 2,671,643	3,069,768	3,218,750
Non-current	50,810	18,025	15,586
<b>Total</b>	<b>\$ 2,722,453</b>	<b>3,087,793</b>	<b>3,234,336</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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	<b>June 30, 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	\$ 3,150,861	0.06%	1,827
1 to 30 days past due	66,280	1.39%	918
31 to 60 days past due	3,083	19.04%	587
61 to 90 days past due	10,139	34.30%	3,478
91 to 120 days past due	2,004	60.23%	1,207
More than 121 days past due	32,811	69.57%	22,825
	<b>\$ 3,265,178</b>		<b>30,842</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 six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 27,499	31,102
Impairment losses	314	555
Acquisition through business combination	321	-
Write-offs of uncollectible amount for the period	(129)	(124)
Transferred from other receivables	130	(467)
Effects of exchange rate changes	1,245	(224)
Ending balance	<b>\$ 29,380</b>	<b>30,842</b>

- (e) Other receivables

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Other receivables (including long-term)	\$ 20,039	15,877	14,657
Less: loss allowance	(630)	(1,930)	(2,030)
	<b>\$ 19,409</b>	<b>13,947</b>	<b>12,627</b>

- (i) As of June 30, 2024, December 31, 2023 and June 30, 2023, there was no other receivables that was past due but not impaired.

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

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 1,930	1,563
Write-offs of uncollectible amount for the period	(1,170)	-
Transferred to accounts receivable	(130)	467
Ending balance	<b>\$ 630</b>	<b>2,030</b>

- (f) Inventories

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Merchandise inventory	<b>\$ 3,676,305</b>	<b>4,432,864</b>	<b>4,239,890</b>

For the three and six months ended June 30, 2024 and 2023, due to the write-down of inventories to net realizable value, a loss of \$79,485 thousand, \$19,509 thousand, \$87,299 thousand and \$70,500 thousand on the decline in value of inventories, respectively, were recognized and reported as operating costs.

- (g) Investments accounted for using equity method

Investments accounted for using the equity method were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Associates	<b>\$ 2,142</b>	<b>116,633</b>	<b>112,080</b>

- (i) The Group originally held 20.96% of the voting shares of GRANDSYS and therefore had a significant influence on the company and thus adopted the equity method. On January 15, 2024 (acquisition date), 5,170 thousand ordinary shares (19.19% of voting shares) were purchased from its original shareholders by the Group in cash amounting to \$192,066 thousand and a total of 40.15% of voting shares were acquired. It is evaluated that the Group has control over GRANDSYS and its subsidiaries, and which are included in the consolidated financial report. For more details, please refer to Note 6(h). The Group's previously held 20.96% ownership of GRANDSYS was remeasured to fair value at the acquisition date, and recognized gain on disposal of investments accounted for using equity method amounted to \$44,823 thousand, which was recognized as other gains and losses.
- (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.

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	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
<b>Attributable to the Group:</b>				
Profit (Loss)	\$ 13	1,639	(967)	1,533
Other comprehensive income	-	(131)	(274)	336
Total comprehensive income	<u>\$ 13</u>	<u>1,508</u>	<u>(1,241)</u>	<u>1,869</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 June 30, 2024, December 31, 2023 and June 30, 2023, none of the investments accounted for using the equity method was pledged as collateral, or otherwise subject to any restriction.

(h) Business combinations

(i) Acquisition of the subsidiary-GRANDSYS and its subsidiaries

1) Acquisition of consideration transferred of the subsidiary

The Group originally held 20.96% of the voting shares of GRANDSYS. On January 15, 2024 (acquisition date), 5,170 thousand ordinary shares (19.19% of voting shares) were purchased from its original shareholders by the Group in cash amounting to \$192,066 thousand and a total of 40.15% of voting shares were acquired. Upon the trading completion, the Group is its single largest shareholder and has the ability to lead one-sided decision in the relevant activities, thereby gaining control over GRANDSYS and its subsidiaries while including it as a consolidated entity from the acquisition date, please refer to note 5. The main services provided by GRANDSYS are voice recognition applications for enterprise customer, big data analytics, CRM applications, and cloud applications. The Group acquired GRANDSYS for the purpose to expand the market of AI intelligent services applications in order to respond to long-term operational development and to achieve synergies of combination.

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2) Identifiable net assets acquired

The following table summarized the fair value of GRANDSYS and its subsidiaries identifiable assets acquired and liabilities assumed recognized at January 15, 2024:

**Consideration transferred:**

Cash	\$	192,066
Fair value of pre-existing interests in GRANDSYS		157,675
Non-controlling interests		270,917

**Fair value of identifiable assets and liabilities assumed:**

Cash and cash equivalents	\$	256,671
Current contract assets		25,352
Notes and accounts receivable, net		37,251
Inventories		11,862
Other current assets		64,826
Property, plant and equipment		4,205
Right-of-use assets		13,731
Intangible assets		151,592
Deferred income tax assets		6,061
Other non-current assets		13,679
Short-term borrowings		(1,000)
Contract liabilities		(27,342)
Notes and accounts payable		(18,779)
Other payables		(36,272)
Current lease liabilities		(3,377)
Other current liabilities		(1,649)
Non-current lease liabilities		(10,307)
Deferred income tax liabilities		(30,132)
Other non-current liabilities		(3,565)
		<u>452,807</u>
Goodwill	\$	<u><u>167,851</u></u>

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3) Intangible assets

The above customer relationships, proprietary technology and others are amortized on a straight-line basis over the estimated future economic useful life of 13.96 years, 5 years, and 5 years, respectively.

Goodwill arising from the acquisition of GRANDSYS is due to the control premium, the synergies of the combination, future market development and value of workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

4) Pro-forma information

From the acquisition date to June 30, 2024, the operating results of GRANDSYS have been included in the consolidated statements of comprehensive income of the Group. It had contributed the operating revenue of \$120,100 thousand and the net loss of \$6,568 thousand. If this acquisition had occurred on January 1, 2024, the Group estimates that pro-forma operating revenue and net profit would have been \$9,180,807 thousand and \$86,563 thousand for the six months ended June 30, 2024, respectively.

(ii) Acquisition of the subsidiary-Brainstorm

1) Acquisition of consideration transferred of the subsidiary

On October 2, 2023, the Group acquired a total of 35.09% of common shares and preferred shares of Brainstorm by cash (amounting to \$530,075 thousand) from DFI. It resulted in the Group to hold 55.29% of the voting rights at the shareholders' meeting of, and obtain the control based on Brainstorm's Article of Incorporation. Therefore, Brainstorm has been included in the Group's consolidated financial statement from October 2, 2023. The Group acquired Brainstorm to strengthen the structure of overseas business, better understand the demand of end customers and expand the scope of cross-border sales.

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2) Identifiable net assets acquired

The following table summarized the carrying amount of Brainstorm's identifiable assets acquired and liabilities assumed recognized at October 2, 2023:

**Consideration transferred:**

Cash	\$	530,075
Non-controlling interests		716,362

**Less: Carrying amounts of identifiable assets and liabilities acquired:**

Cash and cash equivalents	\$	166,876
Notes and accounts receivable		518,925
Inventories		957,328
Prepayments		15,495
Other current assets		3,538
Property, plant and equipment		17,569
Right-of-use assets		24,815
Intangible assets		603,387
Deferred income tax assets		26,697
Other non-current assets		979
Short-term borrowings		(29)
Notes and accounts payable		(935,363)
Other payables		(16,255)
Current lease liabilities		(20,650)
Other current liabilities		(3,128)
Non-current lease liabilities		(5,317)
Deferred income tax liabilities		(126,628)
		1,228,239

**Add: Exchanges differences on translation of foreign financial statements due to acquisition**

		36,637
Capital surplus	\$	<u>54,835</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 Brainstorm is debited to the capital surplus of \$54,835 thousand.

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(i) 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.

(j) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiaries	Primary business premises/country of registration	Proportion of non-controlling interests in ownership interests			Proportion of non-controlling interests in voting rights		
		June 30, 2024	December 31, 2023	June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2023
Brainstorm	USA	64.91 %	64.91 %	64.91 %	44.71 %	44.71 %	44.71 %
GRANDSYS	Taiwan	59.85 %	- %	- %	59.85 %	- %	- %

The following information on the aforementioned subsidiaries has been prepared in accordance with the IFRS endorsed by the FSC. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

(i) Brainstorm's collective financial information

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 1,480,400	1,580,843	1,541,155
Non-current assets	1,121,478	642,788	694,476
Current liabilities	(995,071)	(926,270)	(891,841)
Non-current liabilities	(510,113)	(89,305)	(110,584)
Net assets	<u>\$ 1,096,694</u>	<u>1,208,056</u>	<u>1,233,206</u>
Ending balance of non-controlling interests	<u>\$ 612,565</u>	<u>684,850</u>	<u>701,175</u>

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating revenue	\$ 1,118,111	1,396,952	2,334,863	2,668,848
Net loss	\$ (80,972)	(3,876)	(148,654)	(12,526)
Other comprehensive income	9,037	14,423	37,292	8,717
Total comprehensive income	<u>\$ (71,935)</u>	<u>10,547</u>	<u>(111,362)</u>	<u>(3,809)</u>
Net loss attributable to non-controlling interests	<u>\$ (52,559)</u>	<u>(2,517)</u>	<u>(96,491)</u>	<u>(8,131)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (46,693)</u>	<u>6,846</u>	<u>(72,285)</u>	<u>(2,473)</u>

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	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Cash flows from operating activities	\$ (182,127)	147,164
Cash flows from investing activities	(33,019)	(2,339)
Cash flows from financing activities	113,046	(105,123)
Effect of exchange rate changes	41,134	1,479
Increase (decrease) in cash and cash equivalents	<b>\$ (60,966)</b>	<b>41,181</b>
Dividends paid to non-controlling interests	<b>\$ -</b>	<b>-</b>

(ii) GRANDSYS's collective financial information

	<b>June 30, 2024</b>
Current assets	\$ 352,057
Non-current assets	356,993
Current liabilities	(83,468)
Non-current liabilities	(36,667)
Net assets	<b>\$ 588,915</b>
Ending balance of non-controlling interests	<b>\$ 251,992</b>

	<b>For the three months ended</b>	
	<b>June 30, 2024</b>	<b>January 15, 2024 ~June 30, 2024</b>
Operating revenue	<b>\$ 69,137</b>	<b>120,100</b>
Net profit (loss)	\$ 2,105	(6,568)
Other comprehensive income	502	1,837
Total comprehensive income	<b>\$ 2,607</b>	<b>(4,731)</b>
Net profit (loss) attributable to non-controlling interests	<b>\$ 1,261</b>	<b>(3,930)</b>
Total comprehensive income attributable to non-controlling interests	<b>\$ 1,561</b>	<b>(2,831)</b>

	<b>January 15, 2024 ~June 30, 2024</b>
Cash flows from operating activities	\$ 23,280
Cash flows from investing activities	(4,712)
Cash flows from financing activities	(31,111)
Effect of exchange rate changes	2,090
Decrease in cash and cash equivalents	<b>\$ (10,453)</b>
Dividends paid to non-controlling interests	<b>\$ (16,116)</b>

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(k) 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, 2024	\$ 587,346	374,891	185,897	1,148,134
Acquisition through business combination	-	-	14,976	14,976
Additions	-	-	39,612	39,612
Disposal	-	-	(31,507)	(31,507)
Transferred from inventories	-	-	4,562	4,562
Effects of exchange rate changes	-	-	4,598	4,598
Balance on June 30, 2024	<u>\$ 587,346</u>	<u>374,891</u>	<u>218,138</u>	<u>1,180,375</u>
Balance on January 1, 2023	\$ 587,346	374,891	214,688	1,176,925
Additions	-	-	4,483	4,483
Disposal	-	-	(21,738)	(21,738)
Transferred from inventories	-	-	10,029	10,029
Effects of exchange rate changes	-	-	(2,173)	(2,173)
Balance on June 30, 2023	<u>\$ 587,346</u>	<u>374,891</u>	<u>205,289</u>	<u>1,167,526</u>
<b>Accumulated depreciation:</b>				
Balance on January 1, 2024	\$ -	92,487	124,244	216,731
Acquisition through business combination	-	-	10,771	10,771
Depreciation	-	3,717	15,297	19,014
Disposal	-	-	(22,969)	(22,969)
Effects of exchange rate changes	-	-	2,743	2,743
Balance on June 30, 2024	<u>\$ -</u>	<u>96,204</u>	<u>130,086</u>	<u>226,290</u>
Balance on January 1, 2023	\$ -	85,052	149,266	234,318
Depreciation	-	3,718	14,413	18,131
Disposal	-	-	(20,993)	(20,993)
Effects of exchange rate changes	-	-	(2,203)	(2,203)
Balance on June 30, 2023	<u>\$ -</u>	<u>88,770</u>	<u>140,483</u>	<u>229,253</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Office and other equipment</u>	<u>Total</u>
<b>Carrying amounts:</b>				
January 1, 2024	\$ <u>587,346</u>	<u>282,404</u>	<u>61,653</u>	<u>931,403</u>
June 30, 2024	\$ <u>587,346</u>	<u>278,687</u>	<u>88,052</u>	<u>954,085</u>
January 1, 2023	\$ <u>587,346</u>	<u>289,839</u>	<u>65,422</u>	<u>942,607</u>
June 30, 2023	\$ <u>587,346</u>	<u>286,121</u>	<u>64,806</u>	<u>938,273</u>

- (i) The Group identified its property, plant, and equipment from the acquisition of GRANDSYS and its subsidiaries in January, 2024. Please refer to Note 6(h) for details.
- (ii) As of June 30, 2024, December 31, 2023 and June 30, 2023, property, plant, and equipment were pledged as collateral for long-term borrowings, please refer to Note 8.

(l) 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, 2024	\$ 442,318	12,759	455,077
Acquisition through business combination	21,686	-	21,686
Additions	393,103	1,529	394,632
Decrease	(55,268)	(2,076)	(57,344)
Effects of exchange rate changes	<u>16,501</u>	<u>899</u>	<u>17,400</u>
Balance on June 30, 2024	<u>\$ 818,340</u>	<u>13,111</u>	<u>831,451</u>
Balance on January 1, 2023	\$ 382,684	13,450	396,134
Additions	8,320	2,733	11,053
Effects of exchange rate changes	<u>(1,869)</u>	<u>(419)</u>	<u>(2,288)</u>
Balance on June 30, 2023	<u>\$ 389,135</u>	<u>15,764</u>	<u>404,899</u>
<b>Accumulated depreciation:</b>			
Balance on January 1, 2024	\$ 248,701	7,217	255,918
Acquisition through business combination	7,955	-	7,955
Depreciation	59,017	1,815	60,832
Decrease	(42,170)	(2,076)	(44,246)
Effects of exchange rate changes	<u>4,453</u>	<u>508</u>	<u>4,961</u>
Balance on June 30, 2024	<u>\$ 277,956</u>	<u>7,464</u>	<u>285,420</u>
Balance on January 1, 2023	\$ 182,439	5,928	188,367
Depreciation	32,388	2,163	34,551
Effects of exchange rate changes	<u>(2,091)</u>	<u>(141)</u>	<u>(2,232)</u>
Balance on June 30, 2023	<u>\$ 212,736</u>	<u>7,950</u>	<u>220,686</u>

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	<u>Buildings</u>	<u>Others</u>	<u>Total</u>
<b>Carrying amount:</b>			
January 1, 2024	\$ <u>193,617</u>	<u>5,542</u>	<u>199,159</u>
June 30, 2024	\$ <u>540,384</u>	<u>5,647</u>	<u>546,031</u>
January 1, 2023	\$ <u>200,245</u>	<u>7,522</u>	<u>207,767</u>
June 30, 2023	\$ <u>176,399</u>	<u>7,814</u>	<u>184,213</u>

The Group identified its right-of-use assets from the acquisition of GRANDSYS and its subsidiaries in January, 2024. Please refer to Note 6(h) for details.

(m) 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, 2024	\$ 308,687	574,759	1,827	58,323	943,596
Acquisition through business combination	167,851	-	105,192	53,435	326,478
Additions	-	-	-	106	106
Disposal	-	-	-	(306)	(306)
Effects of exchange rate changes	<u>7,175</u>	<u>-</u>	<u>-</u>	<u>1,740</u>	<u>8,915</u>
Balance on June 30, 2024	\$ <u>483,713</u>	<u>574,759</u>	<u>107,019</u>	<u>113,298</u>	<u>1,278,789</u>
Balance on January 1, 2023	\$ 317,484	574,759	8,234	58,187	958,664
Effects of exchange rate changes	<u>(9,528)</u>	<u>-</u>	<u>(586)</u>	<u>360</u>	<u>(9,754)</u>
Balance on June 30, 2023	\$ <u>307,956</u>	<u>574,759</u>	<u>7,648</u>	<u>58,547</u>	<u>948,910</u>
<b>Accumulated impairment loss and amortization:</b>					
Balance on January 1, 2024	\$ 1,966	153,387	903	23,166	179,422
Acquisition through business combination	-	-	-	7,035	7,035
Amortization	-	28,739	3,614	11,089	43,442
Disposal	-	-	-	(306)	(306)
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001</u>	<u>1,001</u>
Balance on June 30, 2024	\$ <u>1,966</u>	<u>182,126</u>	<u>4,517</u>	<u>41,985</u>	<u>230,594</u>
Balance on January 1, 2023	\$ 1,966	95,908	5,868	10,489	114,231
Amortization	-	28,740	910	6,284	35,934
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>(698)</u>	<u>159</u>	<u>(539)</u>
Balance on June 30, 2023	\$ <u>1,966</u>	<u>124,648</u>	<u>6,080</u>	<u>16,932</u>	<u>149,626</u>

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	<u>Goodwill</u>	<u>Patents and trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
<b>Carrying amount:</b>					
January 1, 2024	\$ <u>306,721</u>	<u>421,372</u>	<u>924</u>	<u>35,157</u>	<u>764,174</u>
June 30, 2024	\$ <u>481,747</u>	<u>392,633</u>	<u>102,502</u>	<u>71,313</u>	<u>1,048,195</u>
January 1, 2023	\$ <u>315,518</u>	<u>478,851</u>	<u>2,366</u>	<u>47,698</u>	<u>844,433</u>
June 30, 2023	\$ <u>305,990</u>	<u>450,111</u>	<u>1,568</u>	<u>41,615</u>	<u>799,284</u>

- (i) The Group identified its intangible assets from the acquisition of GRANDSYS and its subsidiaries in January, 2024. Please refer to Note 6(h) for details.
- (ii) As of June 30, 2024, December 31, 2023 and June 30, 2023, none of the intangible assets was pledged as collateral.

(n) Prepayments

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Prepayment for purchases	\$ 427,382	391,459	26,329
Prepaid expenses and others	64,939	83,413	49,885
	<u>\$ 492,321</u>	<u>474,872</u>	<u>76,214</u>

In May 2023, due to customer's demand, the Group signed an information and communication equipment purchase contract with a supplier, at a total price of \$700,700 thousand, wherein the Group prepaid the amount of \$385,385 thousand in July 2023. As of June 30, 2024, December 31, 2023 and June 30, 2023, the prepayments of \$385,385 thousand, \$385,385 thousand and \$0 thousand, respectively, had been recognized. The Group continuously keeps track of the relevant procurement matters and monitors the supplier's performance.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the advance receipts deriving from the above transactions of 43,671 thousand, 36,393 thousand and 0 thousand, respectively, had been received by the Group from its customer and were recognized as contract liability.

(o) Short-term borrowings

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unsecured bank loans	\$ <u>2,433,305</u>	<u>2,839,536</u>	<u>1,299,849</u>
Range of interest rates at the end of period	<u>0.50%~13.25%</u>	<u>1.68%~13.25%</u>	<u>1.69%~10.95%</u>

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(ii) The Group has no pledged any assets as collateral to guarantee the payment of short-term borrowings.

(p) Other current liabilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Refund liabilities	\$ 26,038	18,679	-
Others	8,837	3,369	6,296
	<u>\$ 34,875</u>	<u>22,048</u>	<u>6,296</u>

Refund liabilities were mainly derived from the amount expected to be paid to customers due to the right of return and sales discounts provided to customers after the goods have been sold.

(q) Long-term borrowings

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

<b>June 30, 2024</b>				
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Maturity period</b>	<b>Amount</b>
Secured bank loans	NTD	1.98%~2.13%	2024.07~2039.03	\$ 252,309
Less: current portion				(16,900)
Total				<u>\$ 235,409</u>
Unused credit lines				<u>\$ -</u>
<b>December 31, 2023</b>				
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Maturity period</b>	<b>Amount</b>
Secured bank loans	NTD	1.85%~2.01%	2024.01~2039.03	\$ 260,408
Less: current portion				(16,686)
Total				<u>\$ 243,722</u>
Unused credit lines				<u>\$ -</u>
<b>June 30, 2023</b>				
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Maturity period</b>	<b>Amount</b>
Secured bank loans	NTD	1.85%~2.01%	2023.07~2039.03	\$ 268,651
Less: current portion				(16,552)
Total				<u>\$ 252,099</u>
Unused credit lines				<u>\$ -</u>

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

(r) Lease liabilities

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current	\$ 110,763	82,199	68,313
Non-current	452,508	126,059	122,829
	<u>\$ 563,271</u>	<u>208,258</u>	<u>191,142</u>

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ <u>8,120</u>	<u>865</u>	<u>11,267</u>	<u>1,624</u>
Income from sub-leasing right-of-use assets	\$ <u>-</u>	<u>(285)</u>	<u>(61)</u>	<u>(570)</u>
Gains on lease modifications	\$ <u>-</u>	<u>-</u>	<u>706</u>	<u>-</u>

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

	<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Interest payments for lease liabilities in operating activities	\$ (11,267)	(1,624)
Payments of lease liabilities in financing activities	<u>(52,453)</u>	<u>(33,789)</u>
Total cash outflow for leases	<u>\$ (63,720)</u>	<u>(35,413)</u>

(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(s).

(s) 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(l).

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Less than one year	\$ -	1,159	1,142
1 to 2 years	-	1,174	1,174
2 to 3 years	-	1,174	1,174
3 to 4 years	-	1,174	1,174
4 to 5 years	-	391	977
	<u>\$ -</u>	<u>5,072</u>	<u>5,641</u>

(t) Employee benefits

For the three and six months ended June 30, 2024 and 2023, pension expenses from the defined benefit plans were recognized by the Group amounted to \$13 thousand, \$0 thousand, \$23 thousand and \$0 thousand, respectively, which was recognized as operating expenses.

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.

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating costs	\$ 1,305	936	2,509	1,855
Operating expenses	8,430	7,284	16,737	14,424
	<u>\$ 9,735</u>	<u>8,220</u>	<u>19,246</u>	<u>16,279</u>

(u) Income taxes

(i) Income tax expenses (benefits):

Income tax expenses (benefits) are summarized as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax expenses (benefits)	\$ <u>(30,623)</u>	<u>40,610</u>	<u>(31,923)</u>	<u>80,225</u>

(ii) The Group had no income taxes recognized directly in equity and other comprehensive income for the three and six months ended June 30, 2024 and 2023.

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(iii) The Company's income tax returns have been assessed and approved by the R.O.C. tax authorities through the years to 2023.

(v) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the six months ended June 30, 2024 and 2023. For related information, please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

The components of capital surplus were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Share capital premium	\$ 1,134,185	1,134,185	1,189,020
Treasury share transactions	54,637	54,637	54,637
Difference arising from subsidiary's share price and its carrying value from acquisition or disposal	28,012	28,012	28,010
Changes in equity of associates accounted for using equity method and others	4,090	2,546	1,550
	<u>\$ 1,220,924</u>	<u>1,219,380</u>	<u>1,273,217</u>

(ii) Retain earning – Earning distribution

On February 29, 2024, cash dividends in the distribution plan for 2023 had been approved at the Board of Directors meeting, and other items of earnings distribution had been approved in shareholder's meeting on May 31, 2024. The cash dividends of earnings distribution for 2022 had been approved at the Board of Director's meeting on February 23, 2023, and other items of earnings distribution had been approved in shareholder's meeting on May 24, 2023.

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Dividends to shareholders - cash, \$2.75 and \$2 per share \$	<u>517,983</u>	<u>376,714</u>

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## (w) Earnings per share

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
<b>Basic earnings per share:</b>				
Profit attributable to the Company	\$ <u>870</u>	<u>163,379</u>	<u>192,441</u>	<u>383,189</u>
Weighted-average number of ordinary shares outstanding (basic / thousand shares)	<u>188,357</u>	<u>188,357</u>	<u>188,357</u>	<u>188,357</u>
Earnings per share (dollars)	\$ <u>0.00</u>	<u>0.87</u>	<u>1.02</u>	<u>2.03</u>
<b>Diluted earnings per share:</b>				
Profit attributable to the Company	\$ <u>870</u>	<u>163,379</u>	<u>192,441</u>	<u>383,189</u>
Weighted-average number of ordinary shares outstanding (diluted / thousand shares)	<u>188,650</u>	<u>188,906</u>	<u>188,951</u>	<u>189,286</u>
Earnings per share (dollars)	\$ <u>0.00</u>	<u>0.86</u>	<u>1.02</u>	<u>2.02</u>

## (x) Revenue from contracts with customers

## (i) Details of revenue

	For the three months ended June 30, 2024					Total
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	
Major products/service lines:						
Sale of goods	\$ 926,030	2,464,580	230,970	437,656	17,452	4,076,688
Services rendered	-	-	-	344,777	-	344,777
Total	\$ <u>926,030</u>	<u>2,464,580</u>	<u>230,970</u>	<u>782,433</u>	<u>17,452</u>	<u>4,421,465</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 926,030	2,464,580	230,970	437,656	17,452	4,076,688
Services transferred over time or by the stage of completion	-	-	-	344,777	-	344,777
Total	\$ <u>926,030</u>	<u>2,464,580</u>	<u>230,970</u>	<u>782,433</u>	<u>17,452</u>	<u>4,421,465</u>

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For the three months ended June 30, 2023						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 1,163,987	2,721,890	246,196	286,283	300,777	4,719,133
Services rendered	-	-	-	250,992	-	250,992
Total	<u>\$ 1,163,987</u>	<u>2,721,890</u>	<u>246,196</u>	<u>537,275</u>	<u>300,777</u>	<u>4,970,125</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 1,163,987	2,721,890	246,196	286,283	300,777	4,719,133
Services transferred over time or by the stage of completion	-	-	-	250,992	-	250,992
Total	<u>\$ 1,163,987</u>	<u>2,721,890</u>	<u>246,196</u>	<u>537,275</u>	<u>300,777</u>	<u>4,970,125</u>
For the six months ended June 30, 2024						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 2,007,638	5,128,554	529,081	846,688	13,660	8,525,621
Services rendered	-	-	-	645,331	-	645,331
Total	<u>\$ 2,007,638</u>	<u>5,128,554</u>	<u>529,081</u>	<u>1,492,019</u>	<u>13,660</u>	<u>9,170,952</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 2,007,638	5,128,554	529,081	846,688	13,660	8,525,621
Services transferred over time or by the stage of completion	-	-	-	645,331	-	645,331
Total	<u>\$ 2,007,638</u>	<u>5,128,554</u>	<u>529,081</u>	<u>1,492,019</u>	<u>13,660</u>	<u>9,170,952</u>
For the six months ended June 30, 2023						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 2,196,781	5,558,728	469,358	512,835	433,457	9,171,159
Services rendered	-	-	-	472,070	-	472,070
Total	<u>\$ 2,196,781</u>	<u>5,558,728</u>	<u>469,358</u>	<u>984,905</u>	<u>433,457</u>	<u>9,643,229</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 2,196,781	5,558,728	469,358	512,835	433,457	9,171,159
Services transferred over time or by the stage of completion	-	-	-	472,070	-	472,070
Total	<u>\$ 2,196,781</u>	<u>5,558,728</u>	<u>469,358</u>	<u>984,905</u>	<u>433,457</u>	<u>9,643,229</u>

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## (ii) Contract balances

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable (including long-term)	\$ 142,042	95,607	64,192
Accounts receivable (including long-term and related parties)	2,609,791	3,019,685	3,200,986
Less: loss allowance	<u>(29,380)</u>	<u>(27,499)</u>	<u>(30,842)</u>
	<u>\$ 2,722,453</u>	<u>3,087,793</u>	<u>3,234,336</u>
Contract assets	<u>\$ 56,776</u>	<u>29,939</u>	<u>6,605</u>
Contract liability	<u>\$ 401,008</u>	<u>315,022</u>	<u>220,703</u>

- 1) For the impairment of notes and accounts receivable (including long-term and related parties), please refer to Note 6(d).
- 2) The amounts of contract liability balance, recognized as revenue as of January 1, 2024 and 2023 at the beginning of the period, were as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue				
Recognition	<u>\$ 26,598</u>	<u>32,055</u>	<u>235,075</u>	<u>241,708</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.

## (y) 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 \$295 thousand, \$17,277 thousand, \$19,145 thousand and \$39,748 thousand for the three and six months ended June 30, 2024 and 2023, respectively, and estimated its remuneration to directors at \$28 thousand, \$1,619 thousand, \$1,795 thousand and \$3,726 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, 2023 and 2022, the remunerations to employees amounted to \$63,591 thousand and \$44,651 thousand, respectively. The remunerations to directors amounted to \$5,962 thousand and \$4,186 thousand, respectively. There was no difference from the actual distribution. The information is available on the Market Observation Post System website.

(z) Non-operating income and expenses

(i) Other income

The Group's other income was as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Rental income	\$ 288	575	600	1,171
Dividend income	17,488	11,718	17,488	11,718
	<u>\$ 17,776</u>	<u>12,293</u>	<u>18,088</u>	<u>12,889</u>

(ii) Other gains and losses

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Net foreign exchange gains (losses)	\$ 8,126	(15,592)	(11,481)	(13,752)
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	43,280	72,927	147,189	164,423
Gains (Losses) on disposal of property, plant and equipment	(8,464)	2	(8,484)	(528)
Gains on disposal of investment accounted for using equity method	-	-	44,823	-
Others	3,296	4,287	1,726	2,058
	<u>\$ 46,238</u>	<u>61,624</u>	<u>173,773</u>	<u>152,201</u>

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(iii) Finance costs

The Group's financial costs were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 20,653	13,757	42,354	26,092
Interest on lease liabilities	8,120	865	11,267	1,624
	<u>\$ 28,773</u>	<u>14,622</u>	<u>53,621</u>	<u>27,716</u>

(aa) 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(aa) of the consolidated financial statements for the year ended December 31, 2023.

(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 June 30, 2024, December 31, 2023 and June 30, 2023, 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(d). Other financial assets measured at amortized cost include other receivables. For related information for details and impairment, please refers to Note 6(e).

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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>June 30, 2024</b>					
Non-derivative financial liabilities					
Long-term and short-term borrowings	\$ 2,685,614	2,732,560	2,465,345	86,424	180,791
Lease liabilities (including non-current)	563,271	673,660	140,995	403,516	129,149
Notes and accounts payable	2,152,782	2,152,782	2,152,782	-	-
Other payables	447,039	447,039	447,039	-	-
Dividends payable	526,887	526,887	526,887	-	-
Refund liabilities	26,038	26,038	26,038	-	-
Guarantee deposits	1,710	1,710	-	1,710	-
Derivative financial liabilities					
Outflow	5,149	284,133	284,133	-	-
Inflow	-	(278,984)	(278,984)	-	-
	<u>\$ 6,408,490</u>	<u>6,565,825</u>	<u>5,764,235</u>	<u>491,650</u>	<u>309,940</u>
<b>December 31, 2023</b>					
Non-derivative financial liabilities					
Long-term and short-term borrowings	\$ 3,099,944	3,148,797	2,872,935	85,803	190,059
Lease liabilities (including non-current)	208,258	213,611	84,949	128,662	-
Notes and accounts payable	2,316,996	2,316,996	2,316,996	-	-
Other payables	446,831	446,831	446,831	-	-
Refund liabilities	18,679	18,679	18,679	-	-
Guarantee deposits	1,731	1,731	-	1,731	-
Derivative financial liabilities					
Outflow	21,994	914,383	914,383	-	-
Inflow	-	(892,389)	(892,389)	-	-
	<u>\$ 6,114,433</u>	<u>6,168,639</u>	<u>5,762,384</u>	<u>216,196</u>	<u>190,059</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>June 30, 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)					
	\$ 111,096	146,547	79,744	66,803	-
Long-term and short-term borrowings	1,568,500	1,611,588	1,324,940	85,911	200,737
Lease liabilities (including non-current)	191,142	196,788	71,046	125,742	-
Notes and accounts payable	2,971,326	2,971,326	2,971,326	-	-
Other payables	363,123	363,123	363,123	-	-
Dividends payable	389,427	389,427	389,427	-	-
Guarantee deposits	1,745	1,745	-	1,745	-
Derivative financial liabilities					
Outflow	1,821	87,928	87,928	-	-
Inflow	-	(86,107)	(86,107)	-	-
	<u>\$ 5,598,180</u>	<u>5,682,365</u>	<u>5,201,427</u>	<u>280,201</u>	<u>200,737</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>June 30, 2024</u>			<u>December 31, 2023</u>			<u>June 30, 2023</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	\$ 5,614	32.45	182,186	3,676	30.75	113,044	2,024	31.10	62,941
ZAR/NTD	100,064	1.78	178,284	53,289	1.66	88,299	-	-	-
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD/NTD	\$ 25,389	32.45	823,882	26,666	30.75	819,974	43,537	31.10	1,353,997

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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, short-term borrowings, 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/ZAR against NTD as of June 30, 2024 and 2023 with all other variables including derivative financial instruments remaining constant, would have increased or decreased the profit before income tax by \$159 thousand and decrease or increase \$769 thousand, respectively. The analysis for both periods was performed on the same basis.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three and six months ended June 30, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$8,126 thousand, \$(15,592) thousand, \$(11,481) thousand and \$(13,752) thousand, respectively.

(iv) Fair value of financial instruments

1) Types of financial instrument and fair value hierarchy

The fair value of financial assets/liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income 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	June 30, 2024			
		Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Pre-purchased/Pre-sold forward exchange contracts	\$ 4,054	-	-	4,054	4,054
Foreign and domestic unlisted stocks	589,176	-	-	589,176	589,176
Foreign and domestic unlisted equities	<u>230,582</u>	-	-	230,582	230,582
	<u>\$ 823,812</u>				

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	<u>Carrying amount</u>	<u>June 30, 2024</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Financial assets at fair value through other comprehensive income</b>					
Domestic unlisted stocks	\$ <u>221,005</u>	-	-	221,005	221,005
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents	\$ 1,303,907				
Notes and accounts receivable, net (including long-term and related parties)	2,722,453				
Other receivables	19,409				
Refundable deposits	117,014				
Other financial assets	<u>40,245</u>				
	<u>\$ 4,203,028</u>				
<b>Financial liabilities at fair value through profit or loss:</b>					
Pre-purchased/Pre-sold forward exchange contracts	\$ <u>5,149</u>	-	-	5,149	5,149
<b>Financial liabilities measured at amortized cost:</b>					
Long-term and short-term borrowings	\$ 2,685,614				
Lease liabilities (including non-current)	563,271				
Notes and accounts payable	2,152,782				
Other payables	447,039				
Dividends payable	526,887				
Refund liabilities	26,038				
Guarantee deposits	<u>1,710</u>				
	<u>\$ 6,403,341</u>				

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	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Pre-purchased forward exchange contracts	\$ 378	-	-	378	378
Foreign and domestic unlisted stocks	453,931	-	-	453,931	453,931
Foreign and domestic unlisted equities	<u>239,126</u>	-	-	239,126	239,126
	<u><b>\$ 693,435</b></u>				
<b>Financial assets at fair value through other comprehensive income</b>					
Domestic unlisted stocks	<u><b>\$ 118,189</b></u>	-	-	118,189	118,189
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	906,461				
Notes and accounts receivable (including long-term and related parties)	3,087,793				
Other receivables	13,947				
Refundable deposits	98,993				
Other financial assets	<u>4,613</u>				
	<u><b>\$ 4,111,807</b></u>				
<b>Financial liabilities at fair value through profit or loss:</b>					
Pre-purchased/Pre-sold forward exchange contracts	<u><b>\$ 21,994</b></u>	-	-	21,994	21,994
<b>Financial liabilities measured at amortized cost:</b>					
Long-term and short-term borrowings	3,099,944				
Lease liabilities (including non-current)	208,258				
Notes and accounts payable	2,316,996				
Other payables	446,831				
Refund liabilities	18,679				
Guarantee deposits	<u>1,731</u>				
	<u><b>\$ 6,092,439</b></u>				

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	<u>Carrying amount</u>	<u>June 30, 2023</u>			<u>Total</u>
		<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Financial assets at fair value through profit or loss</b>					
Pre-purchased forward exchange contracts	\$ 20,520	-	-	20,520	20,520
Foreign and domestic unlisted stocks	468,061	-	-	468,061	468,061
Foreign and domestic unlisted equities	<u>222,705</u>	-	-	222,705	222,705
	<u>\$ 711,286</u>				
<b>Financial assets at fair value through other comprehensive income</b>					
Foreign and domestic unlisted stocks	<u>\$ 74,830</u>	-	-	74,830	74,830
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	\$ 1,020,198				
Notes and accounts receivable (including long-term and related parties)	3,234,336				
Other receivables	12,627				
Refundable deposits	<u>89,132</u>				
	<u>\$ 4,356,293</u>				
<b>Financial liabilities at fair value through profit or loss:</b>					
Pre-purchased forward exchange contracts	\$ 1,821	-	-	1,821	1,821
Contingent considerations arising from business combinations	<u>111,096</u>	-	-	111,096	111,096
	<u>\$ 112,917</u>				

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	<u>Carrying amount</u>	<u>June 30, 2023</u>			<u>Total</u>
		<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Financial liabilities measured at amortized cost:</b>					
Long-term and short-term borrowings	\$ 1,568,500				
Lease liabilities (including non-current)	191,142				
Notes and accounts payable	2,971,326				
Other payables	363,123				
Dividends payable	389,427				
Guarantee deposits	<u>1,745</u>				
	<b><u>\$ 5,485,263</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.

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 six months ended June 30, 2024 and 2023.

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4) Reconciliation of Level 3 fair values

	<u>Measured at fair value through profit or loss</u>	<u>Measured at fair value through other comprehensive income</u>	
	<u>Derivative financial assets (liabilities)</u>	<u>Non-derivative financial assets (liabilities) measured at fair value through profit or loss</u>	
		<u>Equity instruments without an active market</u>	
January 1, 2024	\$ (21,616)	693,057	118,189
Recognized in profit or loss	20,488	126,701	-
Recognized in other comprehensive income	-	-	102,816
Effects of exchange rate changes	33	-	-
June 30, 2024	<u>\$ (1,095)</u>	<u>819,758</u>	<u>221,005</u>
January 1, 2023	\$ (13,307)	447,700	-
Acquisition	-	-	74,830
Recognized in profit or loss	32,453	131,970	-
Effects of exchange rate changes	(447)	-	-
June 30, 2023	<u>\$ 18,699</u>	<u>579,670</u>	<u>74,830</u>

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The aforementioned total gains and losses that were recognized in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income”. The gains or losses attributable to the assets and liabilities held on June 30, 2024 and 2023 were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Total gains and losses				
Recognized in profit or loss (recognized as other gains and losses) \$	43,299	72,485	125,606	150,669
Recognized in other comprehensive income (recognized as unrealized gains and losses on financial asset at fair value through other comprehensive income)	52,616	-	102,816	-
	<b>\$ 95,915</b>	<b>72,485</b>	<b>228,422</b>	<b>150,669</b>

- 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 (liabilities) measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, 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.

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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 instruments without an active market	Comparable companies approach	· Market liquidity discount rate (25.00%~27.08% as of June 30, 2024, 25.00%~30.00% as of December 31, 2023, 23.63%~27.08% as of June 30, 2023)	· The higher the market liquidity discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income-investments in equity instruments without an active market	Comparable companies approach	· Market liquidity discount rate (13.56% as of June 30, 2024, 17.39% as of December 31, 2023, 41.50% as of June 30, 2023)	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 (both 8.56%~13.51% as of June 30, 2024 and December 31, 2023, 8.81%~18.35% as of June 30, 2023)	· 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 (loss) and other comprehensive income:

	<b>Inputs</b>	<b>Current profit (loss) arising from changes in fair value</b>		<b>Other comprehensive income arising from changes in fair value</b>	
		<b>10% increase</b>	<b>10% decrease</b>	<b>10% increase</b>	<b>10% decrease</b>
<b>June 30, 2024</b>					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(80,346)</u>	<u>80,346</u>	<u>-</u>	<u>-</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>-</u>	<u>-</u>	<u>(25,570)</u>	<u>25,570</u>
<b>December 31, 2023</b>					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(62,357)</u>	<u>62,357</u>	<u>-</u>	<u>-</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>-</u>	<u>-</u>	<u>(14,303)</u>	<u>14,303</u>

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	Inputs	Current profit (loss) arising from changes in fair value		Other comprehensive income arising from changes in fair value	
		10% increase	10% decrease	10% increase	10% decrease
<b>June 30, 2023</b>					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(61,292)</u>	<u>61,292</u>	<u>-</u>	<u>-</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>2,674</u>	<u>(2,801)</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>-</u>	<u>-</u>	<u>(12,785)</u>	<u>12,785</u>

(ab) Financial risk management

The objective and policies of the Group's financial risk management were not materially different from those disclosed in Note 6(ab) of the consolidated financial statements for the year ended December 31, 2023.

(ac) 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, 2023. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2023. For relevant information, please refer to Note 6(ac) of the consolidated financial statements for the year ended December 31, 2023.

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

For the six months ended June 30, 2024 and 2023, 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(1).

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(ii) The reconciliation of liabilities arising from financing activities was as follows:

	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>June 30, 2024</b>
Long-term borrowings	\$ 260,408	(8,099)	-	252,309
Short-term borrowings	2,839,536	(407,231)	1,000	2,433,305
Guarantee deposits	1,731	(21)	-	1,710
Lease liabilities (including non-current)	208,258	(52,453)	407,466	563,271
Total liabilities from financing activities	<b>\$ 3,309,933</b>	<b>(467,804)</b>	<b>408,466</b>	<b>3,250,595</b>
	<b>January 1, 2023</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>June 30, 2023</b>
Long-term borrowings	\$ 276,881	(8,230)	-	268,651
Short-term borrowings	1,387,301	(87,452)	-	1,299,849
Short-term notes and bills payable	199,619	(199,619)	-	-
Guarantee deposits	1,640	105	-	1,745
Lease liabilities (including non-current)	214,049	(33,789)	10,882	191,142
Total liabilities from financing activities	<b>\$ 2,079,490</b>	<b>(328,985)</b>	<b>10,882</b>	<b>1,761,387</b>

**(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:

<b>Name of related party</b>	<b>Relationship with the Group</b>
Qisda Corporation (Qisda)	Parent of the Group
GRANDSYS INC. (GRANDSYS)	Prior to January 15, 2024, GRANDSYS was an associate of the Group. Starting January 15, 2024, GRANDSYS has been included in the Group's consolidated entities.
BenQ Material Corporation. (BenQ Material)	It and the Company have the same ultimate parent company
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

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<u>Name of related party</u>	<u>Relationship with the Group</u>
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
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
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
WiXtar Corporation (WiXtar)	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
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

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Partner Tech Asia Pacific Corp. (PTP)	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
BenQ America Corporation (BQA)	It and the Company have the same ultimate parent company
DFI AMERICA, LLC (DFI USA)	It and the Company have the same ultimate parent company
Marketop Smart Solutions Co., Ltd. (Marketop Smart)	Associate of the 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
DARAD INNOVATION CORPORATION (DARAD INNOVATION)	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
BenQ Foundation	Substantive related party
GIANTECH CORP. (GIANTECH)	Substantive related party
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
Dolica Corporation (Dolica)	Substantive related party
UTICA 10990 LLC (UTICA)	Substantive related party
Key management personnel	Key management personnel of the Group

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(b) Significant related-party transactions

(i) Sales

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Parent Company	\$ 900	3,764	2,368	9,286
Associates	-	301	-	1,269
Other associates	33,200	20,868	72,545	70,247
Other related parties	61,968	19,514	89,188	58,064
	<u>\$ 96,068</u>	<u>44,447</u>	<u>164,101</u>	<u>138,866</u>

The selling price offered to related parties approximated the market price, and the credit terms. For the six months ended June 30, 2024 were based on terms ranging from advance receipt to 120 days after the end of the month; while the credit terms for the six months ended June 30, 2023 ranged from 30 to 120 days after the end of the month. Receivables from related parties were not pledged as collateral, and no allowance was needed to provide for impairment loss after assessment.

(ii) Purchases

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Parent Company	\$ -	-	505	999
Other associates	2,496	2,891	5,050	5,045
	<u>\$ 2,496</u>	<u>2,891</u>	<u>5,555</u>	<u>6,044</u>

Purchase prices and payment terms from related parties were not significant difference from third-party suppliers. The payment terms for the six months ended June 30, 2024 and 2023 ranged from 30 to 90 days from the end of the month.

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(iii) Receivables from related parties

The receivables due from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts receivable	Parent Company	\$ 1,826	212	33,815
Accounts receivable	Associates	-	520	316
Accounts receivable	Other associates	32,070	20,987	23,874
Accounts receivable	Other related parties	<u>49,732</u>	<u>39,855</u>	<u>33,297</u>
		<u><b>\$ 83,628</b></u>	<u><b>61,574</b></u>	<u><b>91,302</b></u>

(iv) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts payable	Parent Company	\$ 531	-	-
Accounts payable	Other associates	<u>860</u>	<u>883</u>	<u>1,304</u>
		<u><b>\$ 1,391</b></u>	<u><b>883</b></u>	<u><b>1,304</b></u>

(v) Lease

The Group rented buildings from its other related party and entered into lease contract by reference of the rental price of the nearby offices. For the three and six months ended June 30, 2024 and 2023, the Group recognized the interest expenses amounted to \$399 thousand, \$103 thousand, \$440 thousand and \$144 thousand. As of June 30, 2024, December 31, 2023 and June 30, 2023, the balance of lease liabilities amounted to \$20,902 thousand, \$2,009 thousand and \$4,855 thousand, respectively.

(vi) Donation

The Group made donations of \$2,000 thousand to its substantive related party, BenQ Foundation, based on resolutions approved during the Board of Directors meeting held on February 23, 2023. As of June 30, 2024, December 31, 2023 and June 30, 2023, the related other payable amounted to \$0 thousand, \$0 thousand and \$2,000 thousand respectively.

(vii) The Group's subsidiary, Brainstron, obtained financing from financial institution as of June 30, 2024 and December 31, 2023, with its director serving as the joint guarantor.

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(viii) 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 June 30		For the six months ended June 30		June 30, 2024	December 31, 2023	June 30, 2023
	2024	2023	2024	2023			
Parent Company	\$ 56	205	117	412	-	310	137
Other associates	474	952	530	1,864	1,903	167	118
Other related parties	22,411	18,321	44,393	30,545	393	639	378
	<u>\$ 22,941</u>	<u>19,478</u>	<u>45,040</u>	<u>32,821</u>	<u>2,296</u>	<u>1,116</u>	<u>633</u>

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
	Short-term employee benefits	\$ 22,508	21,772	54,663
Post-employment benefits	262	266	797	533
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Share-based payment	-	-	-	-
	<u>\$ 22,770</u>	<u>22,038</u>	<u>55,460</u>	<u>46,526</u>

(8) Pledged assets

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

Asset Name	Liabilities secured by pledged	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	Long-term borrowings	<u>\$ 486,051</u>	<u>488,192</u>	<u>490,333</u>

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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	June 30, 2024	December 31, 2023	June 30, 2023
Promissory notes issued	NTD	\$ <u>6,319,665</u>	<u>6,132,000</u>	<u>5,782,000</u>
	USD	\$ <u>10,000</u>	<u>9,500</u>	<u>9,500</u>

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

**(11) Subsequent events:**

To revitalize the Group's assets and increase its working capital, the Board of Directors meeting approved to sell the land and buildings in Luzhu District, Taoyuan City on August 1, 2024, with the chairman being granted the authority to handle all subsequent related matters.

**(12) Others:**

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

By item	By function	For the three months ended June 30, 2024			For the three months ended June 30, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		28,944	270,744	299,688	29,684	238,079	267,763
Labor and health insurance		2,884	23,612	26,496	1,739	19,487	21,226
Pension		1,305	8,443	9,748	936	7,284	8,220
Other employee benefits expense		1,027	14,580	15,607	877	12,792	13,669
Depreciation		997	42,959	43,956	984	25,625	26,609
Amortization		27	23,050	23,077	6	19,116	19,122

By item	By function	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		53,039	523,912	576,951	50,326	465,947	516,273
Labor and health insurance		5,662	48,985	54,647	3,598	40,075	43,673
Pension		2,509	16,760	19,269	1,855	14,424	16,279
Other employee benefits expense		1,975	28,186	30,161	1,562	25,143	26,705
Depreciation		2,001	77,845	79,846	1,966	50,716	52,682
Amortization		40	45,469	45,509	13	38,264	38,277

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(c) Seasonal operation:

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

**(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 Report by Securities Issuers” for the Group for the six months ended June 30, 2024:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	the Company	COREX	Other current assets-other receivables	Yes	260,360	259,600	172,825	6.22%~6.30%	Short-term loan	-	Working capital	-	None	-	849,842	1,699,684	Notes 1, 2

Note 1: Due to its subsidiary's financing need, the Company provided a short-term loan to its subsidiaries, wherein the amount of loans for individual shall not exceed 20% of the Company's net worth in its latest financial statements, and the total amount of loans provided by the Company shall not exceed 40% of the Company's net worth in its latest financial statements.

Note 2: Related transactions have been eliminated during preparing the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

No.	Name of Guarantor/Endorse	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	631,600	297,250	281,398	-	7.00 %	(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 \$849,842 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 \$2,124,605 thousand.

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- (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	4,404	589,176	19.15	589,176	(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	-	1.12	-	"
"	KINGTEL CORPORATION	-	"	443	-	18.09	-	(Note 1 and 3)
"	High Performance Information Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,138	221,005	8.36	221,005	(Note 1)
GRANDSYS	Equity: Taiwan Capital Buffalo Fund V, LP.	-	"	114	-	0.17	-	"
the Company	New Economy Ventures L.P.	-	Non-current financial assets at fair value through profit and loss	(Note 2)	188,969	12.78	188,969	"
"		-	"	(Note 2)	41,613	7.36	41,613	"
					<u>1,040,763</u>		<u>1,040,763</u>	

Note 1: Unlisted company.

Note 2: Limited partnership.

Note 3: KINGTEL CORPORATION had filed for dissolution, with the liquidated procedures still in progress.

- (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).

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(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	47,328	60 days from the end of the month	0.52%
"	"	"	1	Accounts receivable	38,146	"	0.31%
"	"	"	1	Other revenue	5,291	"	0.06%
"	"	EPIC CLOUD	1	Sales	33,917	"	0.37%
"	"	"	1	Accounts receivable	15,498	"	0.13%
"	"	COREX	1	Other receivable	178,284	(Note 3)	1.44%
1	APEO Human Capital	ADVANCEDTEK INTERNATIONAL	2	Sales	9,430	(Note 4)	0.10%

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 subsidiary.

Note 3: The maturity date is one year from the date of using the loan. Upon maturity, the borrower needs to repay the principal and interest to the lender, and it can be repaid at any time during the repayment period.

Note 4: Clearance made within the month and payments received before the end of the month.

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

Note 6: Related transactions have been eliminated during preparing the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2024:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying amount			
the Company	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	120,001	120,001	10,525	79.73 %	178,569	10,286	8,201	(Notes 1 and 3)
"	EPIC CLOUD	Taiwan	Data software and data processing services	55,000	55,000	5,500	100.00 %	51,383	(4,422)	(4,422)	(Notes 1 and 3)
"	COREX	South Africa	Import and export of electronic products for sale and purchase	251,872	251,872	1	100.00 %	19,253	(168,431)	(168,431)	(Notes 1 and 3)
"	DSIGroup	Taiwan	Market research, management consulting and data processing services	69,983	69,983	1,754	34.99 %	76,388	(12,528)	(4,715)	(Notes 1 and 3)
"	GRANDSYS	Taiwan	Data software and data processing services	286,613	94,547	10,813	40.15 %	336,923	(3,224)	(3,440)	(Notes 1 and 3)
"	ADVANCEDTEK INTERNATIONAL	Taiwan	Applications of software implementing services	30,091	30,091	1,153	34.09 %	37,158	5,534	1,887	(Notes 1 and 3)
"	Everlasting Digital ESG	Taiwan	Development and sale of software	5,000	5,000	500	29.41 %	2,142	(1,154)	(165)	(Note 2)

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying amount			
the Company	Metaguru	Taiwan	R&D and sales of computer information systems	31,000	31,000	2,000	100.00 %	29,383	3,557	3,557	(Notes 1 and 3)
"	Brainstorm	U.S.A	Wholesale and retail of computers and Peripheral Equipment	530,075	530,075	233	35.09 %	484,129	(125,883)	(52,163)	(Notes 1 and 3)
EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	172	172	10	0.08 %	172	10,286	-	(Notes 1 and 3)
"	DSIGroup	Taiwan	Market research, management consulting and data processing services	40	40	1	0.02 %	40	(12,528)	-	(Notes 1 and 3)
ADVANCEDTEKI INTERNATIONAL	APEO Human Capital	Taiwan	Applications of software implementing services	2,060	2,060	200	100.00 %	3,065	526	526	(Notes 1 and 3)
DSIGroup	DKABio	Taiwan	Market research, management consulting and data processing services	20,000	20,000	2,000	100.00 %	3,398	(3,564)	(3,564)	(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.

(c) Information on investment in Mainland China:

- (i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) recognized	Carrying value as of March 31, 2024	Accumulated inward remittance of earnings as of March 31, 2024	Note
					Outflow	Inflow							
Grandsys Technology & Service	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of the Group's products and related technical services	35,695 (USD1,100 thousand)	Note 2	35,695 (USD1,100 thousand)	-	-	35,695 (USD1,100 thousand)	(6,871)	100.00%	(6,871)	52,372	-	Note 3
SYSAGE SHANGHAI	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of the Group's products and related technical services	32,450 (USD1,000 thousand)	Note 2	32,450 (USD1,000 thousand)	-	-	32,450 (USD1,000 thousand)	4	100.00%	4	6,139	-	Note 3

Note1: The above investment amounts were translated based on the USD exchange rate at the reporting date, which was 32.45.

Note2: The investee in mainland China is directly invested by GRANDSYS.

Note3: The equity investments have already been eliminated during preparing the consolidated financial statements.

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(ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
68,145 (USD 2,100 thousand)	68,145 (USD 2,100 thousand)	2,549,526

Note1: The above investment amounts were translated based on the USD exchange rate at the reporting date, which was 32.45.

The above investment income(losses) in Mainland China, came from financial reports prepared by the investees, not reviewed by auditors.

(iii) Significant transactions:

There were no significant inter-company transactions with the subsidiary in Mainland China for the six months ended June 30, 2024.

(d) Major Shareholders:

Major shareholder's name	Unit: Shares	
	Shareholding	Percentage
Qisda	96,841,239	51.41 %

**(14) Segment information:**

The Group's operating segment information and reconciliation are as follows:

	For the three months ended June 30, 2024						Total
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	
Revenue							
Revenue from external customers	\$ 926,030	2,464,580	230,970	782,433	17,452	-	4,421,465
Intersegment revenues	7,062	23,633	772	26,140	-	(57,607)	-
Total revenue	<u>\$ 933,092</u>	<u>2,488,213</u>	<u>231,742</u>	<u>808,573</u>	<u>17,452</u>	<u>(57,607)</u>	<u>4,421,465</u>
Gross profit (loss)	<u>\$ 128,020</u>	<u>218,644</u>	<u>38,255</u>	<u>230,541</u>	<u>(20,005)</u>	<u>(82,912)</u>	<u>512,543</u>

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For the three months ended June 30, 2023							
	<u>ICT Infrastructures</u>	<u>Computing &amp; Data Utilization</u>	<u>Digitalization</u>	<u>Clouds, Software and Services</u>	<u>Other products</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Revenue							
Revenue from external							
customers	\$ 1,163,987	2,721,890	246,196	537,275	300,777	-	4,970,125
Intersegment revenues	<u>5,709</u>	<u>20,232</u>	<u>193</u>	<u>12,427</u>	<u>-</u>	<u>(38,561)</u>	<u>-</u>
Total revenue	<u>\$ 1,169,696</u>	<u>2,742,122</u>	<u>246,389</u>	<u>549,702</u>	<u>300,777</u>	<u>(38,561)</u>	<u>4,970,125</u>
Gross profit (loss)	<u>\$ 156,827</u>	<u>284,389</u>	<u>45,187</u>	<u>131,244</u>	<u>76,039</u>	<u>(21,645)</u>	<u>672,041</u>
For the six months ended June 30, 2024							
	<u>ICT Infrastructures</u>	<u>Computing &amp; Data Utilization</u>	<u>Digitalization</u>	<u>Clouds, Software and Services</u>	<u>Other products</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Revenue							
Revenue from external							
customers	\$ 2,007,638	5,128,554	529,081	1,492,019	13,660	-	9,170,952
Intersegment revenues	<u>11,440</u>	<u>38,549</u>	<u>2,666</u>	<u>46,312</u>	<u>-</u>	<u>(98,967)</u>	<u>-</u>
Total revenue	<u>\$ 2,019,078</u>	<u>5,167,103</u>	<u>531,747</u>	<u>1,538,331</u>	<u>13,660</u>	<u>(98,967)</u>	<u>9,170,952</u>
Gross profit (loss)	<u>\$ 286,155</u>	<u>463,738</u>	<u>68,625</u>	<u>432,774</u>	<u>(24,534)</u>	<u>(94,156)</u>	<u>1,132,602</u>
For the six months ended June 30, 2023							
	<u>ICT Infrastructures</u>	<u>Computing &amp; Data Utilization</u>	<u>Digitalization</u>	<u>Clouds, Software and Services</u>	<u>Other products</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Revenue							
Revenue from external							
customers	\$ 2,196,781	5,558,728	469,358	984,905	433,457	-	9,643,229
Intersegment revenues	<u>16,632</u>	<u>73,827</u>	<u>3,387</u>	<u>26,033</u>	<u>-</u>	<u>(119,879)</u>	<u>-</u>
Total revenue	<u>\$ 2,213,413</u>	<u>5,632,555</u>	<u>472,745</u>	<u>1,010,938</u>	<u>433,457</u>	<u>(119,879)</u>	<u>9,643,229</u>
Gross profit (loss)	<u>\$ 289,313</u>	<u>664,682</u>	<u>73,804</u>	<u>268,159</u>	<u>113,118</u>	<u>(73,961)</u>	<u>1,335,115</u>