

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

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report
For the Nine Months Ended September 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 September 30, 2024 and 2023 (restated), the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2024 and 2023, (restated) as well as the changes in equity and cash flows for the nine months ended September 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 \$1,678,100 thousand and \$1,761,526 thousand, constituting 13% and 14% of the consolidated total assets as of September 30, 2024 and 2023 (restated), respectively; and the total liabilities amounting to \$748,507 thousand and \$1,092,823 thousand, constituting 10% and 17% of consolidated total liabilities; as well as the absolute value of total comprehensive income amounting to \$71,004 thousand, \$10,488 thousand, \$241,023 thousand and \$68,604 thousand, constituting 38%, 5%, 25% and 12% of the absolute value of consolidated total comprehensive income for the three and nine months ended September 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 \$2,019 thousand and \$112,935 thousand, as of September 30, 2024 and 2023 (restated), respectively, and its related share of profit (loss) of associates accounted for using equity method of \$(123) thousand, \$592 thousand, \$(1,090) thousand and \$2,125 thousand for the three and nine months ended September 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 September 30, 2024 and 2023 (restated), and of its consolidated financial performance and its consolidated cash flows for the three and nine months ended September 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 nine months ended September 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)
November 4, 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

September 30, 2024, December 31 and September 30, 2023

(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024		December 31, 2023		September 30, 2023 (Restated)			Liabilities and Equity	September 30, 2024		December 31, 2023		September 30, 2023 (Restated)	
	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:						
1100 Cash and cash equivalents (Note 6(a))	\$ 1,069,380	8	906,461	8	894,417	7	2100 Short-term borrowings (Note 6(o))	\$ 3,053,293	24	2,839,536	24	2,510,495	20	
1110 Current financial assets at fair value through profit or loss (Note 6(b))	-	-	378	-	17,958	-	2110 Short-term notes and bills payable (Note 6(p))	199,737	1	-	-	-	-	
1141 Current contract assets (Note 6(y))	68,000	-	29,939	-	16,272	-	2120 Current financial liabilities at fair value through profit or loss (Note 6(b))	20,616	-	21,994	-	44,678	-	
1170 Notes and accounts receivable, net (Notes 6(d) and (y))	2,761,717	22	3,008,194	25	3,622,802	29	2130 Contract liability (Notes 6(n) and (y))	477,328	4	315,022	3	314,180	3	
1180 Accounts receivable due from related parties, net (Notes 6(d), (y) and 7)	89,506	1	61,574	1	106,569	1	2170 Notes and accounts payable (Note 7)	2,359,290	18	2,316,996	19	2,573,564	21	
1300 Inventories (Note 6(f))	4,006,993	31	4,432,864	37	4,261,270	35	2200 Other payables (Note 7)	456,779	4	588,032	5	531,581	4	
1410 Prepayments (Note 6(n))	732,792	6	474,872	4	475,654	4	2280 Current lease liabilities (Notes 6(s) and 7)	89,330	1	82,199	1	68,398	1	
1470 Other current assets (Note 6(e))	94,657	1	34,134	-	18,232	-	2320 Long-term borrowings, current portion (Note 6(r))	17,824	-	16,686	-	16,805	-	
	<u>8,823,045</u>	<u>69</u>	<u>8,948,416</u>	<u>75</u>	<u>9,413,174</u>	<u>76</u>	2399 Other current liabilities (Note 6(q))	12,626	-	22,048	-	6,526	-	
								<u>6,686,823</u>	<u>52</u>	<u>6,202,513</u>	<u>52</u>	<u>6,066,227</u>	<u>49</u>	
Non-current assets:								Non-current liabilities:						
1510 Non-current financial assets at fair value through profit or loss (Note 6(b))	797,599	6	693,057	6	646,748	5	2500 Non-current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	-	-	46,642	-	
1517 Non-current financial assets at fair value through other comprehensive income (Note 6(c))	173,061	1	118,189	1	98,904	1	2540 Long-term borrowings (Note 6(r))	237,295	2	243,722	2	247,921	2	
1550 Investments accounted for using equity method (Note 6(g))	2,019	-	116,633	1	112,935	1	2580 Non-current lease liabilities (Notes 6(s) and 7)	372,436	3	126,059	1	108,260	1	
1600 Property, plant and equipment (Notes 6(k), 7 and 8)	962,894	8	931,403	8	939,159	8	2600 Other non-current liabilities	237,135	2	108,649	1	137,142	1	
1755 Right-of-use assets (Note 6(l))	444,809	4	199,159	1	168,412	1		<u>846,866</u>	<u>7</u>	<u>478,430</u>	<u>4</u>	<u>539,965</u>	<u>4</u>	
1780 Intangible assets (Notes 6(h) and (m))	1,032,393	8	764,174	6	784,338	6		<u>7,533,689</u>	<u>59</u>	<u>6,680,943</u>	<u>56</u>	<u>6,606,192</u>	<u>53</u>	
1840 Deferred income tax assets	306,372	3	64,238	1	82,367	1	Total liabilities							
1931 Long-term notes receivable (Notes 6(d) and (y))	49,380	-	18,025	-	12,764	-	Equity attributable to owners of parent:							
1990 Other non-current assets (Note 6(e))	154,243	1	122,454	1	116,313	1	3100 Share capital	1,883,573	15	1,883,573	16	1,883,573	15	
	<u>3,922,770</u>	<u>31</u>	<u>3,027,332</u>	<u>25</u>	<u>2,961,940</u>	<u>24</u>	3200 Capital surplus (Notes 6(h), (i) and (w))	1,221,896	9	1,219,380	10	1,273,681	11	
							3310 Legal reserve	541,533	4	482,299	4	482,299	4	
							3320 Special reserve	-	-	17,108	-	17,108	-	
							3350 Unappropriated retained earnings (Note 6(w))	492,260	4	819,246	7	744,247	6	
							3400 Other equity interest	96,419	1	29,379	-	(10,935)	-	
								<u>4,235,681</u>	<u>33</u>	<u>4,450,985</u>	<u>37</u>	<u>4,389,973</u>	<u>36</u>	
							Total equity attributable to owners of parent							
							35XX Equity attributable to former owner of business combination under common control					511,877	4	
							36XX Non-controlling interests (Note 6(j))					867,072	7	
							Total equity					5,768,922	47	
Total assets	<u>\$ 12,745,815</u>	<u>100</u>	<u>11,975,748</u>	<u>100</u>	<u>12,375,114</u>	<u>100</u>	Total liabilities and equity	<u>\$ 12,745,815</u>	<u>100</u>	<u>11,975,748</u>	<u>100</u>	<u>12,375,114</u>	<u>100</u>	

See accompanying notes to the consolidated financial statements.

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

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

	For the three months ended September 30				For the nine months ended September 30				
	2024		2023 (Restated)		2024		2023 (Restated)		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (Notes 6(y) and 7)	\$ 4,295,187	100	5,447,744	100	13,466,139	100	15,090,973	100
5000	Operating costs (Notes 6(f), (u), 7 and 12)	<u>3,636,229</u>	<u>85</u>	<u>4,651,899</u>	<u>85</u>	<u>11,674,579</u>	<u>86</u>	<u>12,960,013</u>	<u>86</u>
	Gross profit	<u>658,958</u>	<u>15</u>	<u>795,845</u>	<u>15</u>	<u>1,791,560</u>	<u>14</u>	<u>2,130,960</u>	<u>14</u>
	Operating expenses (Notes 6(d), (u), (z), 7 and 12):								
6100	Selling expenses	508,147	12	508,674	10	1,542,557	11	1,400,478	10
6200	General and administrative expenses	77,960	2	54,631	1	223,008	2	163,886	1
6300	Research and development expenses	18,128	-	11,438	-	56,597	1	38,545	-
6450	Expected credit loss	<u>3,628</u>	<u>-</u>	<u>688</u>	<u>-</u>	<u>3,942</u>	<u>-</u>	<u>1,243</u>	<u>-</u>
		<u>607,863</u>	<u>14</u>	<u>575,431</u>	<u>11</u>	<u>1,826,104</u>	<u>14</u>	<u>1,604,152</u>	<u>11</u>
	Net operating income (loss)	<u>51,095</u>	<u>1</u>	<u>220,414</u>	<u>4</u>	<u>(34,544)</u>	<u>-</u>	<u>526,808</u>	<u>3</u>
	Non-operating income and expenses:								
7010	Other income (Notes 6(c), (s) and (aa))	327	-	588	-	18,415	-	13,477	-
7100	Interest income	1,338	-	569	-	7,405	-	3,603	-
7020	Other gains and losses (Notes 6(g), (s) and (aa))	(7,921)	-	(19,085)	-	165,852	2	133,116	1
7050	Finance costs (Notes 6(s), (aa) and 7)	(28,152)	(1)	(13,673)	-	(81,773)	(1)	(41,389)	-
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(g))	<u>(123)</u>	<u>-</u>	<u>592</u>	<u>-</u>	<u>(1,090)</u>	<u>-</u>	<u>2,125</u>	<u>-</u>
		<u>(34,531)</u>	<u>(1)</u>	<u>(31,009)</u>	<u>-</u>	<u>108,809</u>	<u>1</u>	<u>110,932</u>	<u>1</u>
	Profit before income tax	<u>16,564</u>	<u>-</u>	<u>189,405</u>	<u>4</u>	<u>74,265</u>	<u>1</u>	<u>637,740</u>	<u>4</u>
7950	Less: Income tax expenses(benefits) (Note 6(v))	<u>2,373</u>	<u>-</u>	<u>55,422</u>	<u>1</u>	<u>(29,550)</u>	<u>-</u>	<u>135,647</u>	<u>1</u>
	Profit	<u>14,191</u>	<u>-</u>	<u>133,983</u>	<u>3</u>	<u>103,815</u>	<u>1</u>	<u>502,093</u>	<u>3</u>
8300	Other comprehensive income:								
8310	Items that may not be reclassified subsequently to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(49,944)	(1)	24,074	-	52,872	1	24,074	-
8320	Share of other comprehensive income of associates for using equity method (Note 6(g))	-	-	263	-	(274)	-	599	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Items that may not be reclassified subsequently to profit or loss	<u>(49,944)</u>	<u>(1)</u>	<u>24,337</u>	<u>-</u>	<u>52,598</u>	<u>1</u>	<u>24,673</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(14,535)	-	34,998	1	30,953	-	17,581	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	<u>(14,535)</u>	<u>-</u>	<u>34,998</u>	<u>1</u>	<u>30,953</u>	<u>-</u>	<u>17,581</u>	<u>-</u>
8300	Other comprehensive income, net of tax	<u>(64,479)</u>	<u>(1)</u>	<u>59,335</u>	<u>1</u>	<u>83,551</u>	<u>1</u>	<u>42,254</u>	<u>-</u>
	Total comprehensive income	<u>\$ (50,288)</u>	<u>(1)</u>	<u>193,318</u>	<u>4</u>	<u>187,366</u>	<u>2</u>	<u>544,347</u>	<u>3</u>
	Profit (loss) attributable to:								
8610	Owners of parent	\$ 40,930	1	134,154	3	233,371	2	517,343	3
8615	Former owner of business combination under common control	-	-	(1,392)	-	-	-	(5,787)	-
8620	Non-controlling interests	<u>(26,739)</u>	<u>(1)</u>	<u>1,221</u>	<u>-</u>	<u>(129,556)</u>	<u>(1)</u>	<u>(9,463)</u>	<u>-</u>
		<u>\$ 14,191</u>	<u>-</u>	<u>133,983</u>	<u>3</u>	<u>103,815</u>	<u>1</u>	<u>502,093</u>	<u>3</u>
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	\$ (14,501)	-	166,125	4	300,665	3	523,516	3
8715	Former owner of business combination under common control	-	-	8,209	-	-	-	6,873	-
8720	Non-controlling interests	<u>(35,787)</u>	<u>(1)</u>	<u>18,984</u>	<u>-</u>	<u>(113,299)</u>	<u>(1)</u>	<u>13,958</u>	<u>-</u>
		<u>\$ (50,288)</u>	<u>(1)</u>	<u>193,318</u>	<u>4</u>	<u>187,366</u>	<u>2</u>	<u>544,347</u>	<u>3</u>
	Earnings per share (Note 6(x))								
9750	Basic earnings per share (NT dollars)	<u>\$ 0.22</u>		<u>0.71</u>		<u>1.24</u>		<u>2.75</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 0.21</u>		<u>0.71</u>		<u>1.23</u>		<u>2.73</u>	

See accompanying notes to the consolidated financial statements.

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

Consolidated Statements of Changes in Equity
For the nine months ended September 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									
Balance on January 1, 2023 (restated)	\$ 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)	-	-	-	-	517,343	-	-	-	517,343	(5,787)	(9,463)	502,093		
Other comprehensive income	-	-	-	-	-	(18,071)	23,999	245	6,173	12,660	23,421	42,254		
Comprehensive income	-	-	-	-	517,343	(18,071)	23,999	245	523,516	6,873	13,958	544,347		
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	-	908	-	-	-	-	-	-	908	-	10	918		
Balance on September 30, 2023	\$ 1,883,573	1,273,681	482,299	17,108	744,247	(34,902)	23,826	141	4,389,973	511,877	867,072	5,768,922		
Balance on January 1, 2024	\$ 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)	-	-	-	-	233,371	-	-	-	233,371	-	(129,556)	103,815		
Other comprehensive income	-	-	-	-	-	14,422	52,872	-	67,294	-	16,257	83,551		
Comprehensive income	-	-	-	-	233,371	14,422	52,872	-	300,665	-	(113,299)	187,366		
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	-	2,516	-	-	-	-	-	-	2,516	-	27	2,543		
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)		
Balance on September 30, 2024	\$ 1,883,573	1,221,896	541,533	-	492,260	229	96,231	(41)	4,235,681	-	976,445	5,212,126		

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 nine months ended September 30, 2024 and 2023****(In Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2024	2023 (Restated)
Cash flows from operating activities:		
Profit before income tax	\$ 74,265	637,740
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	119,118	79,590
Amortization expense	68,709	57,498
Losses on disposal of property, plant and equipment	8,442	528
Expected credit loss	3,942	1,243
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(105,505)	(139,758)
Share of profit (loss) of associates accounted for using equity method	1,090	(2,125)
Interest expense	81,773	41,389
Interest income	(7,405)	(3,603)
Dividend income	(17,488)	(11,718)
Gains on disposal of investments accounted for using equity method	(44,823)	-
Gains on lease modification	(671)	-
Total adjustments to reconcile profit (loss)	<u>107,182</u>	<u>23,044</u>
Changes in operating assets and liabilities:		
Total net changes in operating assets:		
Notes and accounts receivable (including long-term and related parties)	220,078	(479,711)
Inventories	415,807	7,905
Contract assets	(12,709)	(8,235)
Prepayments and other current assets	(272,854)	(417,561)
Other non-current assets	(12,782)	(208)
Total changes in operating assets	<u>337,540</u>	<u>(897,810)</u>
Total net changes in operating liabilities:		
Contract liability	134,964	11,807
Notes and accounts payable	22,774	(3,054)
Other payables	(69,081)	(1,630)
Advance receipts	-	(866)
Other current liabilities	(11,071)	(57)
Other non-current liabilities	5,128	-
Total changes in operating liabilities	<u>82,714</u>	<u>6,200</u>
Total changes in operating assets and liabilities	<u>420,254</u>	<u>(891,610)</u>
Total adjustments	<u>527,436</u>	<u>(868,566)</u>
Cash inflows (outflows) generated from operations	601,701	(230,826)
Interest received	7,384	3,593
Dividends received	17,488	17,361
Interest paid	(82,737)	(36,785)
Income taxes paid	(199,350)	(99,197)
Net cash inflows (outflows) from operating activities	<u>344,486</u>	<u>(345,854)</u>
Cash flows from investing activities:		
Acquisition of non-current financial assets at fair value through other comprehensive income	(2,000)	(74,830)
Net cash inflows from business combination	62,756	-
Acquisition of property, plant and equipment	(59,277)	(9,740)
Proceeds from disposal of property, plant and equipment	104	257
Increase in refundable deposits	(13,529)	(7,168)
Acquisition of intangible assets	(606)	(118)
Decrease in other current assets	5,071	55
Net cash outflows from investing activities	<u>(7,481)</u>	<u>(91,544)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	212,757	1,123,194
Increase (decrease) in short-term notes and bills payable	199,737	(199,619)
Proceeds from long-term borrowings	7,598	-
Repayments of long-term borrowings	(12,887)	(12,155)
Increase (decrease) in guarantee deposits	(14)	102
Payments of lease liabilities	(76,799)	(50,536)
Change in non-controlling interests	-	(515)
Cash dividends paid	(517,983)	(376,714)
Dividends to non-controlling interests from subsidiaries	(25,020)	(12,713)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	2,543	918
Net cash inflows (outflows) from financing activities	<u>(210,068)</u>	<u>471,962</u>
Effect of exchange rate changes on cash and cash equivalents	35,982	22,083
Increase in cash and cash equivalents	162,919	56,647
Cash and cash equivalents, beginning of period	906,461	837,770
Cash and cash equivalents, end of period	<u>\$ 1,069,380</u>	<u>894,417</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

September 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 September 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 Dell 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 November 4, 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:

Standards or Interpretations	Content of amendment	Effective date per IASB
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"> ● 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. ● 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. ● 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. 	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”

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**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

(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
			September 30, 2024	December 31, 2023	September 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)

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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2024	December 31, 2023	September 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)
DSIGroup	Owl Consulting Co., Ltd. (Owl)	Market research service, marketing consulting, and big data and cloud database, etc.	100.00 %	- %	- %	(Notes 1 and 4)
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 nine months ended September 30, 2023 have been restated for comparison with the financial statements for the nine months ended September 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.

Note 4: On August 1, 2024, the Group acquired 100% of the shares of Owl through a cash transaction, thereby gaining control over the company.

(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.

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

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.

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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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(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

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Cash on hand and petty cash	\$ 523	346	460
Check and demand deposits	973,947	811,322	824,269
Time deposits	<u>94,910</u>	<u>94,793</u>	<u>69,688</u>
	<u>\$ 1,069,380</u>	<u>906,461</u>	<u>894,417</u>

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

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

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Financial assets at fair value through profit or loss:			
Current:			
Pre-purchased/Pre-sold forward \$ exchange contracts	-	378	17,958
Non-current:			
Foreign and domestic unlisted stocks	578,254	453,931	419,041
Foreign and domestic unlisted equities	<u>219,345</u>	<u>239,126</u>	<u>227,707</u>
Total	<u>\$ 797,599</u>	<u>693,435</u>	<u>664,706</u>

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	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities at fair value through profit or loss:			
Current:			
Pre-purchased/Pre-sold forward exchange contracts	\$ (20,616)	(21,994)	(1,689)
Contingent considerations arising from business combinations	-	-	(42,989)
Non-current:			
Contingent considerations arising from business combinations	-	-	(46,642)
Total	\$ (20,616)	(21,994)	(91,320)

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. On July 31, 2024, the Group terminated the related ancillary agreements assumed during the acquisition of COREX. Consequently, the contingent consideration agreements were also terminated and rendered void on the same day.

- (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:

Financial instruments	September 30, 2024		
	Nominal amounts	Maturity period	Pre-agreed exchange rate
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 22,250 thousand	2024.10.01~2024.12.20	31.636~32.601
Buy USD/Sell ZAR	USD 5,700 thousand	2024.10.07~2024.10.21	17.569~17.940
Pre-sold forward exchange contracts			
Buy NTD/Sell ZAR	ZAR 129,000 thousand	2024.10.01~2024.10.21	1.776~1.805

(Continued)

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<u>Financial instruments</u>	<u>December 31, 2023</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 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-sold 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>	<u>September 30, 2023</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 20,674 thousand	2023.10.01~ 2023.12.20	30.354~32.170
Buy USD/Sell ZAR	USD 7,350 thousand	2023.10.20~ 2023.12.15	18.702~20.074
Pre-sold forward exchange contracts			
Buy NTD/Sell USD	USD 100 thousand	2023.10.16~ 2023.11.15	31.572

(iii) As of September 30, 2024, December 31, 2023 and September 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Non-current financial assets at fair value through other comprehensive income			
Domestic unlisted stocks	\$ <u>173,061</u>	<u>118,189</u>	<u>98,904</u>

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- (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.
- (ii) For the three and nine months ended September 30, 2024 and 2023, the dividends of \$0 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 nine months ended September 30, 2024 and 2023.
- (iv) As September 30, 2024, December 31, 2023 and September 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)

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable (including long-term)	\$ 121,935	95,607	165,930
Accounts receivable (including long-term)	2,722,346	2,958,111	3,501,555
Accounts receivable due from related parties	89,506	61,574	106,569
Less: loss allowance	<u>(33,184)</u>	<u>(27,499)</u>	<u>(31,919)</u>
Total	<u>\$ 2,900,603</u>	<u>3,087,793</u>	<u>3,742,135</u>
Current	\$ 2,851,223	3,069,768	3,729,371
Non-current	<u>49,380</u>	<u>18,025</u>	<u>12,764</u>
Total	<u>\$ 2,900,603</u>	<u>3,087,793</u>	<u>3,742,135</u>

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

	September 30, 2024		
	Gross carry amount of notes and accounts receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 2,769,728	0.06%	1,610
1 to 30 days past due	102,110	3.28%	3,349
31 to 60 days past due	9,892	17.50%	1,731
61 to 90 days past due	7,993	52.42%	4,190
91 to 120 days past due	1,648	53.34%	879
More than 121 days past due	42,416	50.51%	21,425
	\$ 2,933,787		33,184
	December 31, 2023		
	Gross carry amount of accounts and notes receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 3,002,600	0.05%	1,583
1 to 30 days past due	44,616	3.91%	1,746
31 to 60 days past due	14,233	11.28%	1,606
61 to 90 days past due	5,827	26.51%	1,545
91 to 120 days past due	1,024	76.66%	785
More than 121 days past due	46,992	43.06%	20,234
	\$ 3,115,292		27,499

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	September 30, 2023		
	Gross carry amount of notes and accounts receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 3,644,706	0.06%	2,281
1 to 30 days past due	60,976	4.05%	2,471
31 to 60 days past due	21,281	6.58%	1,401
61 to 90 days past due	8,951	23.57%	2,110
91 to 120 days past due	1,318	48.33%	637
More than 121 days past due	36,822	62.51%	23,019
	\$ 3,774,054		31,919

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

	For the nine months ended September 30	
	2024	2023
Beginning balance	\$ 27,499	31,102
Impairment losses	3,942	1,243
Acquisition through business combination	321	-
Write-offs of uncollectible amount for the period	(129)	(124)
Transferred to other receivables	-	(367)
Transferred from other receivables	130	-
Effects of exchange rate changes	1,421	65
Ending balance	\$ 33,184	31,919

- (e) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables (including long-term)	\$ 2,902	15,877	3,480
Less: loss allowance	(630)	(1,930)	(1,930)
	\$ 2,272	13,947	1,550

- (i) As of September 30, 2024, December 31, 2023 and September 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:

	For the nine months ended	
	September 30	
	2024	2023
Beginning balance	\$ 1,930	1,563
Write-offs of uncollectible amount for the period	(1,170)	-
Transferred from accounts receivable	-	367
Transferred to accounts receivable	(130)	-
Ending balance	\$ 630	1,930

- (f) Inventories

	September 30,	December 31,	September 30,
	2024	2023	2023
Merchandise inventory	\$ 4,006,993	4,432,864	4,261,270

For the three and nine months ended September 30, 2024 and 2023, due to the write-down of inventories to net realizable value, a loss (reversal gain) of \$24,698 thousand, \$(12,019) thousand, \$111,997 thousand and \$58,481 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:

	September 30,	December 31,	September 30,
	2024	2023	2023
Associates	\$ 2,019	116,633	112,935

- (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.

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- (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.

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Attributable to the Group:				
Profit (Loss)	\$ (123)	592	(1,090)	2,125
Other comprehensive income	-	263	(274)	599
Total comprehensive income	\$ (123)	855	(1,364)	2,724

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 September 30, 2024, December 31, 2023 and September 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>

(Continued)

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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 September 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 \$201,768 thousand and the net profit of \$5,821 thousand. If this acquisition had occurred on January 1, 2024, the Group estimates that pro-forma operating revenue and net profit would have been \$13,475,994 thousand and \$100,754 thousand for the nine months ended September 30, 2024 and 2023, 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><u>54,835</u></u>

The combination is an organizational reorganization under common control. Accordingly, the difference between the consideration paid and the carrying amount of the net identifiable assets of 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		
		September 30, 2024	December 31, 2023	September 30, 2023	September 30, 2024	December 31, 2023	September 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

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 1,356,316	1,580,843	1,662,162
Non-current assets	1,107,804	642,788	673,447
Current liabilities	(946,900)	(926,270)	(975,425)
Non-current liabilities	(495,473)	(89,305)	(103,582)
Net assets	<u>\$ 1,021,747</u>	<u>1,208,056</u>	<u>1,256,602</u>
Ending balance of non-controlling interests	<u>\$ 563,917</u>	<u>684,850</u>	<u>716,362</u>

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating revenue	\$ <u>1,104,859</u>	<u>1,832,343</u>	<u>3,439,722</u>	<u>4,501,191</u>
Net loss	\$ (60,418)	(3,968)	(209,072)	(16,494)
Other comprehensive income	(14,529)	27,364	22,763	36,081
Total comprehensive income	<u>\$ (74,947)</u>	<u>23,396</u>	<u>(186,309)</u>	<u>19,587</u>
Net loss attributable to non-controlling interests	<u>\$ (39,217)</u>	<u>(2,576)</u>	<u>(135,708)</u>	<u>(10,707)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (48,648)</u>	<u>15,187</u>	<u>(120,933)</u>	<u>12,714</u>

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	For the nine months ended September 30	
	2024	2023
Cash flows from operating activities	\$ (112,668)	208,582
Cash flows from investing activities	(42,998)	(2,684)
Cash flows from financing activities	103,636	(106,173)
Effect of exchange rate changes	23,630	7,569
Increase (decrease) in cash and cash equivalents	\$ (28,400)	107,294
Dividends paid to non-controlling interests	\$ -	-

(ii) GRANDSYS's collective financial information

	September 30, 2024
Current assets	\$ 345,158
Non-current assets	356,964
Current liabilities	(63,142)
Non-current liabilities	(37,036)
Net assets	\$ 601,944
Ending balance of non-controlling interests	\$ 259,789

	For the three months ended September 30, 2024	January 15, 2024 ~September 30, 2024
Operating revenue	\$ 81,668	201,768
Net profit	\$ 12,389	5,821
Other comprehensive income	640	2,477
Total comprehensive income	\$ 13,029	8,298
Net profit attributable to non-controlling interests	\$ 7,414	3,484
Total comprehensive income attributable to non-controlling interests	\$ 7,797	4,966

	January 15, 2024~September 30, 2024
Cash flows from operating activities	\$ 25,670
Cash flows from investing activities	(12,234)
Cash flows from financing activities	(33,193)
Effect of exchange rate changes	2,669
Decrease in cash and cash equivalents	\$ (17,088)
Dividends paid to non-controlling interests	\$ (16,116)

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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>
Cost:				
Balance on January 1, 2024	\$ 587,346	374,891	185,897	1,148,134
Acquisition through business combination	-	-	14,976	14,976
Additions	-	-	59,277	59,277
Disposal	-	-	(47,120)	(47,120)
Transferred from inventories	-	-	4,603	4,603
Effects of exchange rate changes	-	-	4,499	4,499
Balance on September 30, 2024	<u>\$ 587,346</u>	<u>374,891</u>	<u>222,132</u>	<u>1,184,369</u>
Balance on January 1, 2023	\$ 587,346	374,891	214,688	1,176,925
Additions	-	-	9,740	9,740
Disposal	-	-	(21,789)	(21,789)
Transferred from inventories	-	-	13,949	13,949
Effects of exchange rate changes	-	-	(394)	(394)
Balance on September 30, 2023	<u>\$ 587,346</u>	<u>374,891</u>	<u>216,194</u>	<u>1,178,431</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ -	92,487	124,244	216,731
Acquisition through business combination	-	-	10,771	10,771
Depreciation	-	5,576	23,484	29,060
Disposal	-	-	(38,574)	(38,574)
Effects of exchange rate changes	-	-	3,487	3,487
Balance on September 30, 2024	<u>\$ -</u>	<u>98,063</u>	<u>123,412</u>	<u>221,475</u>
Balance on January 1, 2023	\$ -	85,052	149,266	234,318
Depreciation	-	5,576	21,499	27,075
Disposal	-	-	(21,004)	(21,004)
Effects of exchange rate changes	-	-	(1,117)	(1,117)
Balance on September 30, 2023	<u>\$ -</u>	<u>90,628</u>	<u>148,644</u>	<u>239,272</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Office and other equipment</u>	<u>Total</u>
Carrying amounts:				
January 1, 2024	\$ <u>587,346</u>	<u>282,404</u>	<u>61,653</u>	<u>931,403</u>
September 30, 2024	\$ <u>587,346</u>	<u>276,828</u>	<u>98,720</u>	<u>962,894</u>
January 1, 2023	\$ <u>587,346</u>	<u>289,839</u>	<u>65,422</u>	<u>942,607</u>
September 30, 2023	\$ <u>587,346</u>	<u>284,263</u>	<u>67,550</u>	<u>939,159</u>

- (i) The Group identified its property, plant, and equipment from the acquisition of GRANDSYS and its subsidiaries in January, 2024 to September 30, 2024. Please refer to Note 6(h) for details.
- (ii) As of September 30, 2024, December 31, 2023 and September 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>
Cost:			
Balance on January 1, 2024	\$ 442,318	12,759	455,077
Acquisition through business combination	21,686	-	21,686
Additions	400,165	1,529	401,694
Decrease	(233,061)	(3,950)	(237,011)
Effects of exchange rate changes	<u>9,532</u>	<u>1,095</u>	<u>10,627</u>
Balance on September 30, 2024	\$ <u>640,640</u>	<u>11,433</u>	<u>652,073</u>
Balance on January 1, 2023	\$ 382,684	13,450	396,134
Additions	9,096	2,733	11,829
Effects of exchange rate changes	<u>1,503</u>	<u>53</u>	<u>1,556</u>
Balance on September 30, 2023	\$ <u>393,283</u>	<u>16,236</u>	<u>409,519</u>
Accumulated depreciation:			
Balance on January 1, 2024	\$ 248,701	7,217	255,918
Acquisition through business combination	7,955	-	7,955
Depreciation	87,718	2,340	90,058
Decrease	(148,169)	(3,950)	(152,119)
Effects of exchange rate changes	<u>4,929</u>	<u>523</u>	<u>5,452</u>
Balance on September 30, 2024	\$ <u>201,134</u>	<u>6,130</u>	<u>207,264</u>
Balance on January 1, 2023	\$ 182,439	5,928	188,367
Depreciation	49,189	3,326	52,515
Effects of exchange rate changes	<u>99</u>	<u>126</u>	<u>225</u>
Balance on September 30, 2023	\$ <u>231,727</u>	<u>9,380</u>	<u>241,107</u>

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	<u>Buildings</u>	<u>Others</u>	<u>Total</u>
Carrying amount:			
January 1, 2024	\$ <u>193,617</u>	<u>5,542</u>	<u>199,159</u>
September 30, 2024	\$ <u>439,506</u>	<u>5,303</u>	<u>444,809</u>
January 1, 2023	\$ <u>200,245</u>	<u>7,522</u>	<u>207,767</u>
September 30, 2023	\$ <u>161,556</u>	<u>6,856</u>	<u>168,412</u>

The Group identified its right-of-use assets from the acquisition of GRANDSYS and its subsidiaries in January, 2024 to September, 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>
Cost:					
Balance on January 1, 2024	\$ 308,687	574,759	1,827	58,323	943,596
Acquisition through business combination	169,369	-	105,600	53,435	328,404
Additions	-	-	-	606	606
Disposal	-	-	-	(306)	(306)
Effects of exchange rate changes	<u>11,151</u>	<u>-</u>	<u>-</u>	<u>1,014</u>	<u>12,165</u>
Balance on September 30, 2024	\$ <u>489,207</u>	<u>574,759</u>	<u>107,427</u>	<u>113,072</u>	<u>1,284,465</u>
Balance on January 1, 2023	\$ 317,484	574,759	8,234	58,187	958,664
Additions	-	-	-	118	118
Effects of exchange rate changes	<u>(7,359)</u>	<u>-</u>	<u>(453)</u>	<u>1,500</u>	<u>(6,312)</u>
Balance on September 30, 2023	\$ <u>310,125</u>	<u>574,759</u>	<u>7,781</u>	<u>59,805</u>	<u>952,470</u>
Accumulated impairment loss and amortization:					
Balance on January 1, 2024	\$ 1,966	153,387	903	23,166	179,422
Acquisition through business combination	-	-	-	7,035	7,035
Amortization	-	43,110	5,595	16,725	65,430
Disposal	-	-	-	(306)	(306)
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>491</u>	<u>491</u>
Balance on September 30, 2024	\$ <u>1,966</u>	<u>196,497</u>	<u>6,498</u>	<u>47,111</u>	<u>252,072</u>
Balance on January 1, 2023	\$ 1,966	95,908	5,868	10,489	114,231
Amortization	-	43,110	1,366	9,505	53,981
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>(678)</u>	<u>598</u>	<u>(80)</u>
Balance on September 30, 2023	\$ <u>1,966</u>	<u>139,018</u>	<u>6,556</u>	<u>20,592</u>	<u>168,132</u>

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	<u>Goodwill</u>	<u>Patents and trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
Carrying amount:					
January 1, 2024	\$ <u>306,721</u>	<u>421,372</u>	<u>924</u>	<u>35,157</u>	<u>764,174</u>
September 30, 2024	\$ <u>487,241</u>	<u>378,262</u>	<u>100,929</u>	<u>65,961</u>	<u>1,032,393</u>
January 1, 2023	\$ <u>315,518</u>	<u>478,851</u>	<u>2,366</u>	<u>47,698</u>	<u>844,433</u>
September 30, 2023	\$ <u>308,159</u>	<u>435,741</u>	<u>1,225</u>	<u>39,213</u>	<u>784,338</u>

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

(n) Prepayments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayment for purchases	\$ 663,528	391,459	425,019
Prepaid expenses and others	69,264	83,413	50,635
	<u>\$ 732,792</u>	<u>474,872</u>	<u>475,654</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 and the amount of \$245,245 thousand in September 2024, respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the prepayments of \$630,630 thousand, \$385,385 thousand and \$385,385 thousand, respectively, had been recognized. The Group continuously keeps track of the relevant procurement matters and monitors the supplier's performance.

As of September 30, 2024, December 31, 2023 and September 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured bank loans	\$ <u>3,053,293</u>	<u>2,839,536</u>	<u>2,510,495</u>
Range of interest rates at the end of period	<u>0.50%~13.25%</u>	<u>1.68%~13.25%</u>	<u>1.65%~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) Short-term notes and bills payable

(i) As of December 31, 2023 and September 30, 2023, there were no short-term notes and bills payable. As of September 30, 2024, the short-term notes and bills payable were summarized as follows:

September 30, 2024				
	Guarantee or acceptance institution	Contract period	Range of interest rates (%)	Amount
Commercial papers payable	MEGA BILLS FINANCE CO., LTD.	2024.9~ 2024.10	1.92%	\$ 200,000
	Less: Discount on short-term notes and bills payable			(263)
	Total			<u><u>\$ 199,737</u></u>

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

(q) Other current liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Refund liabilities	\$ 8,373	18,679	4,028
Others	4,253	3,369	2,498
	<u><u>\$ 12,626</u></u>	<u><u>22,048</u></u>	<u><u>6,526</u></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.

(r) Long-term borrowings

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

September 30, 2024				
	Currency	Range of interest rates	Maturity period	Amount
Secured bank loans	NTD	1.98%~2.13%	2024.10~2039.03	\$ 247,976
Secured bank loans	USD	7.44%	2024.10~2030.07	6,572
Secured other loans	USD	11.20%	2024.10~2029.03	571
	Less: current portion			(17,824)
	Total			<u><u>\$ 237,295</u></u>
	Unused credit lines			<u><u>\$ -</u></u>

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December 31, 2023				
	Currency	Range of interest rates	Maturity period	Amount
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>
September 30, 2023				
	Currency	Range of interest rates	Maturity period	Amount
Secured bank loans	NTD	1.85%~2.01%	2023.10~2039.03	\$ 264,726
Less: current portion				(16,805)
Total				<u>\$ 247,921</u>
Unused credit lines				<u>\$ -</u>

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

(s) Lease liabilities

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ 89,330	82,199	68,398
Non-current	372,436	126,059	108,260
	<u>\$ 461,766</u>	<u>208,258</u>	<u>176,658</u>

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 7,865	868	19,132	2,492
Income from sub-leasing right-of-use assets	\$ -	(288)	(61)	(858)
Gains (losses) on lease modifications	\$ (35)	-	671	-

(Continued)

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

	For the nine months ended	
	September 30	
	2024	2023
Interest payments for lease liabilities in operating activities	\$ (19,132)	(2,492)
Payments of lease liabilities in financing activities	<u>(76,799)</u>	<u>(50,536)</u>
Total cash outflow for leases	<u><u>\$ (95,931)</u></u>	<u><u>(53,028)</u></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(t).

(t) 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).

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

	September 30,	December 31,	September 30,
	2024	2023	2023
Less than one year	\$ -	1,159	1,150
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	<u>-</u>	<u>391</u>	<u>684</u>
	<u><u>\$ -</u></u>	<u><u>5,072</u></u>	<u><u>5,356</u></u>

(u) Employee benefits

For the three and nine months ended September 30, 2024 and 2023, pension expenses from the defined benefit plans were recognized by the Group amounted to \$12 thousand, \$0 thousand, \$35 thousand and \$0 thousand, respectively, which was recognized as operating expenses.

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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.

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Operating costs	\$ 1,320	997	3,829	2,852
Operating expenses	8,376	7,321	25,113	21,745
	\$ 9,696	8,318	28,942	24,597

(v) Income taxes

(i) Income tax expenses (benefits):

Income tax expenses (benefits) are summarized as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Current income tax expenses (benefits)	\$ 2,373	55,422	(29,550)	135,647

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

(iii) The Company's income tax returns have been assessed and approved by the R.O.C. tax authorities through the years to 2022.

(w) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the nine months ended September 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.

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(i) Capital surplus

The components of capital surplus were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
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	5,062	2,546	2,014
	<u>\$ 1,221,896</u>	<u>1,219,380</u>	<u>1,273,681</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>

(x) Earnings per share

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

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Basic earnings per share:				
Profit attributable to the Company	\$ <u>40,930</u>	<u>134,154</u>	<u>233,371</u>	<u>517,343</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>0.22</u>	<u>0.71</u>	<u>1.24</u>	<u>2.75</u>

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	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Diluted earnings per share:				
Profit attributable to the Company	\$ <u>40,930</u>	<u>134,154</u>	<u>233,371</u>	<u>517,343</u>
Weighted-average number of ordinary shares outstanding (diluted / thousand shares)	<u>188,890</u>	<u>189,262</u>	<u>189,091</u>	<u>189,516</u>
Earnings per share (dollars)	\$ <u>0.21</u>	<u>0.71</u>	<u>1.23</u>	<u>2.73</u>

(y) Revenue from contracts with customers

(i) Details of revenue

	<u>For the three months ended September 30, 2024</u>					<u>Total</u>
	<u>ICT Infrastructures</u>	<u>Computing & Data Utilization</u>	<u>Digitalization</u>	<u>Clouds, Software and Services</u>	<u>Other products</u>	
Major products/service lines:						
Sale of goods	\$ 827,388	2,438,468	242,463	394,391	20,309	3,923,019
Services rendered	-	-	-	372,168	-	372,168
Total	<u>\$ 827,388</u>	<u>2,438,468</u>	<u>242,463</u>	<u>766,559</u>	<u>20,309</u>	<u>4,295,187</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 827,388	2,438,468	242,463	394,391	20,309	3,923,019
Services transferred over time or by the stage of completion	-	-	-	372,168	-	372,168
Total	<u>\$ 827,388</u>	<u>2,438,468</u>	<u>242,463</u>	<u>766,559</u>	<u>20,309</u>	<u>4,295,187</u>

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For the three months ended September 30, 2023						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 1,140,494	3,257,091	222,831	467,195	71,240	5,158,851
Services rendered	-	-	-	288,893	-	288,893
Total	<u>\$ 1,140,494</u>	<u>3,257,091</u>	<u>222,831</u>	<u>756,088</u>	<u>71,240</u>	<u>5,447,744</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 1,140,494	3,257,091	222,831	467,195	71,240	5,158,851
Services transferred over time or by the stage of completion	-	-	-	288,893	-	288,893
Total	<u>\$ 1,140,494</u>	<u>3,257,091</u>	<u>222,831</u>	<u>756,088</u>	<u>71,240</u>	<u>5,447,744</u>
For the nine months ended September 30, 2024						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 2,835,026	7,567,022	771,544	1,241,079	33,969	12,448,640
Services rendered	-	-	-	1,017,499	-	1,017,499
Total	<u>\$ 2,835,026</u>	<u>7,567,022</u>	<u>771,544</u>	<u>2,258,578</u>	<u>33,969</u>	<u>13,466,139</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 2,835,026	7,567,022	771,544	1,241,079	33,969	12,448,640
Services transferred over time or by the stage of completion	-	-	-	1,017,499	-	1,017,499
Total	<u>\$ 2,835,026</u>	<u>7,567,022</u>	<u>771,544</u>	<u>2,258,578</u>	<u>33,969</u>	<u>13,466,139</u>
For the nine months ended September 30, 2023						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 3,337,275	8,815,819	692,189	980,030	504,697	14,330,010
Services rendered	-	-	-	760,963	-	760,963
Total	<u>\$ 3,337,275</u>	<u>8,815,819</u>	<u>692,189</u>	<u>1,740,993</u>	<u>504,697</u>	<u>15,090,973</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 3,337,275	8,815,819	692,189	980,030	504,697	14,330,010
Services transferred over time or by the stage of completion	-	-	-	760,963	-	760,963
Total	<u>\$ 3,337,275</u>	<u>8,815,819</u>	<u>692,189</u>	<u>1,740,993</u>	<u>504,697</u>	<u>15,090,973</u>

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(ii) Contract balances

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Notes receivable (including long-term)	\$ 121,935	95,607	165,930
Accounts receivable (including long-term and related parties)	2,811,852	3,019,685	3,608,124
Less: loss allowance	<u>(33,184)</u>	<u>(27,499)</u>	<u>(31,919)</u>
	<u>\$ 2,900,603</u>	<u>3,087,793</u>	<u>3,742,135</u>
Contract assets	<u>\$ 68,000</u>	<u>29,939</u>	<u>16,272</u>
Contract liability	<u>\$ 477,328</u>	<u>315,022</u>	<u>314,180</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</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue				
Recognition	<u>\$ 22,760</u>	<u>15,022</u>	<u>257,835</u>	<u>256,730</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.

(z) 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 \$5,907 thousand, \$16,452 thousand, \$25,052 thousand and \$56,200 thousand for the three and nine months ended September 30, 2024 and 2023, respectively, and estimated its remuneration to directors at \$554 thousand, \$1,543 thousand, \$2,349 thousand and \$5,269 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.

(aa) Non-operating income and expenses

(i) Other income

The Group's other income was as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Rental income	\$ 327	588	927	1,759
Dividend income	-	-	17,488	11,718
	\$ 327	588	18,415	13,477

(ii) Other gains and losses

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Net foreign exchange gains (losses)	\$ 23,367	4,098	11,886	(9,654)
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(41,684)	(24,665)	105,505	139,758
Gains (Losses) on disposal of property, plant and equipment	42	-	(8,442)	(528)
Gains on disposal of investment accounted for using equity method	-	-	44,823	-
Others	10,354	1,482	12,080	3,540
	\$ (7,921)	(19,085)	165,852	133,116

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(iii) Finance costs

The Group's financial costs were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 20,287	12,805	62,641	38,897
Interest on lease liabilities	7,865	868	19,132	2,492
	\$ 28,152	13,673	81,773	41,389

(ab) 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 September 30, 2024, December 31, 2023 and September 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>
September 30, 2024					
Non-derivative financial liabilities					
Long-term and short-term borrowings	\$ 3,308,412	3,362,606	3,093,523	92,503	176,580
Short-term notes and bills payable	199,737	200,000	200,000	-	-
Lease liabilities (including non-current)	461,766	561,469	117,689	336,192	107,588
Notes and accounts payable	2,359,290	2,359,290	2,359,290	-	-
Other payables	412,445	412,445	412,445	-	-
Refund liabilities	8,373	8,373	8,373	-	-
Guarantee deposits	1,717	1,717	-	1,717	-
Derivative financial liabilities					
Outflow	20,616	1,135,596	1,135,596	-	-
Inflow	-	(1,114,980)	(1,114,980)	-	-
	<u>\$ 6,772,356</u>	<u>6,926,516</u>	<u>6,211,936</u>	<u>430,412</u>	<u>284,168</u>
December 31, 2023					
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>
September 30, 2023					
Non-derivative financial liabilities					
Financial liabilities at fair value through profit or loss - Contingent considerations arising from business combinations (Current and Non-current)	\$ 89,631	117,113	48,779	68,334	-
Long-term and short-term borrowings	2,775,221	2,818,642	2,537,389	85,857	195,396
Lease liabilities (including non-current)	176,658	181,522	70,774	110,748	-
Notes and accounts payable	2,573,564	2,573,564	2,573,564	-	-
Other payables	395,884	395,884	395,884	-	-
Refund liabilities	4,028	4,028	4,028	-	-
Guarantee deposits	1,742	1,742	-	1,742	-
Derivative financial liabilities					
Outflow	1,689	42,461	42,461	-	-
Inflow	-	(40,772)	(40,772)	-	-
	<u>\$ 6,018,417</u>	<u>6,094,184</u>	<u>5,632,107</u>	<u>266,681</u>	<u>195,396</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>September 30, 2024</u>			<u>December 31, 2023</u>			<u>September 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	\$ 4,929	31.65	156,010	3,676	30.75	113,044	2,371	32.27	76,524
ZAR/NTD	133,775	1.85	247,590	53,289	1.66	88,299	-	-	-
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD/NTD	\$ 34,148	31.65	1,080,797	26,666	30.75	819,974	30,329	32.27	978,727

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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 September 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 \$313 thousand and decrease or increase \$11 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 nine months ended September 30, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$23,367 thousand, \$4,098 thousand, \$11,886 thousand and \$(9,654) 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:

	September 30, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Foreign and domestic unlisted stocks	\$ 578,254	-	-	578,254	578,254
Foreign and domestic unlisted equities	<u>219,345</u>	-	-	219,345	219,345
	<u>\$ 797,599</u>				

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	<u>Carrying amount</u>	<u>September 30, 2024</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	\$ <u>173,061</u>	-	-	173,061	173,061
Financial assets at amortized cost:					
Cash and cash equivalents	\$ 1,069,380				
Notes and accounts receivable, net (including long-term and related parties)	2,900,603				
Other receivables	2,272				
Refundable deposits	109,887				
Other financial assets	<u>44,780</u>				
	<u>\$ 4,126,922</u>				
Financial liabilities at fair value through profit or loss:					
Pre-purchased/Pre-sold forward exchange contracts	\$ <u>20,616</u>	-	-	20,616	20,616
Financial liabilities measured at amortized cost:					
Long-term and short-term borrowing	\$ 3,308,412				
Short-term notes and bills payable	199,737				
Lease liabilities (including non-current)	461,766				
Notes and accounts payable	2,359,290				
Other payables	412,445				
Refund liabilities	8,373				
Guarantee deposits	<u>1,717</u>				
	<u>\$ 6,751,740</u>				

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	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
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>\$ 693,435</u>				
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	<u>\$ 118,189</u>	-	-	118,189	118,189
Financial assets at amortized cost					
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>\$ 4,111,807</u>				
Financial liabilities at fair value through profit or loss:					
Pre-purchased/Pre-sold forward exchange contracts	<u>\$ 21,994</u>	-	-	21,994	21,994
Financial liabilities measured at amortized cost:					
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>\$ 6,092,439</u>				

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	<u>Carrying amount</u>	<u>September 30, 2023</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through profit or loss					
Pre-purchased forward exchange contracts	\$ 17,958	-	-	17,958	17,958
Foreign and domestic unlisted stocks	419,041	-	-	419,041	419,041
Foreign and domestic unlisted equities	<u>227,707</u>	-	-	227,707	227,707
	<u>\$ 664,706</u>				
Financial assets at fair value through other comprehensive income					
Foreign and domestic unlisted stocks	<u>\$ 98,904</u>	-	-	98,904	98,904
Financial assets at amortized cost					
Cash and cash equivalents	\$ 894,417				
Notes and accounts receivable (including long-term and related parties)	3,742,135				
Other receivables	1,550				
Refundable deposits	92,580				
Other financial assets	<u>5,885</u>				
	<u>\$ 4,736,567</u>				
Financial liabilities at fair value through profit or loss:					
Pre-purchased forward exchange contracts	\$ 1,689	-	-	1,689	1,689
Contingent considerations arising from business combinations	<u>89,631</u>	-	-	89,631	89,631
	<u>\$ 91,320</u>				

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	Carrying amount	September 30, 2023			Total
		Fair value			
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost:					
Long-term and short-term borrowings	\$ 2,775,221				
Lease liabilities (including non-current)	176,658				
Notes and accounts payable	2,573,564				
Other payables	395,884				
Refund liabilities	4,028				
Guarantee deposits	<u>1,742</u>				
	<u>\$ 5,927,097</u>				

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 nine months ended September 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
Acquisition	-	-	2,000
Recognized in profit or loss	963	104,542	-
Recognized in other comprehensive income	-	-	52,872
Effects of exchange rate changes	37	-	-
September 30, 2024	<u>\$ (20,616)</u>	<u>797,599</u>	<u>173,061</u>
January 1, 2023	\$ (13,307)	447,700	-
Acquisition	-	-	74,830
Recognized in profit or loss	30,341	109,417	-
Recognized in other comprehensive income	-	-	24,074
Effects of exchange rate changes	(765)	-	-
September 30, 2023	<u>\$ 16,269</u>	<u>557,117</u>	<u>98,904</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 September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Total gains and losses				
Recognized in profit or loss (recognized as other gains and losses) \$	(41,680)	(24,983)	83,926	125,686
Recognized in other comprehensive income (recognized as unrealized gains and losses on financial asset at fair value through other comprehensive income)	(49,944)	24,074	52,872	24,074
	\$ (91,624)	(909)	136,798	149,760

- 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%~27.39% as of September 30, 2024, 25.00%~30.00% as of December 31, 2023, 23.63%~27.08% as of September 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 (12.49% as of September 30, 2024, 17.39% as of December 31, 2023, 41.50% as of September 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 (8.56%~13.51% as of December 31, 2023, 8.81%~18.35% as of September 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:

	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
September 30, 2024					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(79,638)</u>	<u>79,638</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>(19,541)</u>	<u>19,541</u>
December 31, 2023					
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
September 30, 2023					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(54,854)</u>	<u>54,854</u>	<u>-</u>	<u>-</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>2,076</u>	<u>(2,174)</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>(16,912)</u>	<u>16,912</u>

(ac) 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.

(ad) 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.

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

For the nine months ended September 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:

	January 1, 2024	Cash flows	Non-cash changes	September 30, 2024
Long-term borrowings	\$ 260,408	(5,289)	-	255,119
Short-term borrowings	2,839,536	212,757	1,000	3,053,293
Short-term notes and bills payable	-	199,737	-	199,737
Guarantee deposits	1,731	(14)	-	1,717
Lease liabilities (including non-current)	208,258	(76,799)	330,307	461,766
Total liabilities from financing activities	<u>\$ 3,309,933</u>	<u>330,392</u>	<u>331,307</u>	<u>3,971,632</u>
	January 1, 2023	Cash flows	Non-cash changes	September 30, 2023
Long-term borrowings	\$ 276,881	(12,155)	-	264,726
Short-term borrowings	1,387,301	1,123,194	-	2,510,495
Short-term notes and bills payable	199,619	(199,619)	-	-
Guarantee deposits	1,640	102	-	1,742
Lease liabilities (including non-current)	214,049	(50,536)	13,145	176,658
Total liabilities from financing activities	<u>\$ 2,079,490</u>	<u>860,986</u>	<u>13,145</u>	<u>2,953,621</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Qisda Corporation (Qisda)	Parent of the Group
GRANDSYS INC. (GRANDSYS)	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.
Everlasting Digital ESG Co., Ltd. (Everlasting Digital ESG)	Associate of the Group
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

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<u>Name of related party</u>	<u>Relationship with the Group</u>
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
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

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<u>Name of related party</u>	<u>Relationship with the Group</u>
New Best Hearing International Trade Co., Ltd. (NBHIT)	It and the Company have the same ultimate parent company
Partner Tech Asia Pacific Corp. (PTP)	It and the Company have the same ultimate parent company
Topview Optronics Corporation (Topview Optronics)	It and the Company have the same ultimate parent company
BenQ 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 (Note 1)
AMS HEALTHCARE (PTY) LTD (AMS HEALTHCARE)	Substantive related party (Note 1)
ASML LOGISTICS (PTY) LTD (ASML LOGISTICS)	Substantive related party (Note 1)
4A GROUP (PTY) LTD (4A GROUP)	Substantive related party (Note 1)
METAWORK (PTY) LTD (METAWORK)	Substantive related party (Note 1)
Dolica Corporation (Dolica)	Substantive related party

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<u>Name of related party</u>	<u>Relationship with the Group</u>
UTICA 10990 LLC (UTICA)	Substantive related party
Key management personnel	Key management personnel of the Group

Note 1: On August 19, 2024, the Company was no longer deemed as a substantial related party of the Group due to the resignation of its key management personnel of COREX, the subsidiary of the Group.

(b) Significant related-party transactions

(i) Sales

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

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Parent Company	\$ 1,480	458	3,848	9,744
Associates	-	861	-	2,130
Other associates	37,756	31,994	110,301	102,241
Other related parties	<u>63,393</u>	<u>20,068</u>	<u>152,581</u>	<u>78,132</u>
	<u>\$ 102,629</u>	<u>53,381</u>	<u>266,730</u>	<u>192,247</u>

The selling price offered to related parties approximated the market price, and the credit terms. For the nine months ended September 30, 2024 and 2023 were based on terms ranging from advance receipt 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:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Parent Company	\$ 337	-	842	999
Other associates	<u>16,160</u>	<u>2,726</u>	<u>21,210</u>	<u>7,771</u>
	<u>\$ 16,497</u>	<u>2,726</u>	<u>22,052</u>	<u>8,770</u>

Purchase prices and payment terms from related parties were not significant difference from third-party suppliers. The payment terms for the nine months ended September 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts receivable	Parent Company	\$ 1,488	212	32,926
Accounts receivable	Associates	-	520	904
Accounts receivable	Other associates	30,548	20,987	30,420
Accounts receivable	Other related parties	<u>57,470</u>	<u>39,855</u>	<u>42,319</u>
		<u>\$ 89,506</u>	<u>61,574</u>	<u>106,569</u>

(iv) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts payable	Parent Company	\$ 353	-	-
Accounts payable	Other associates	<u>7,577</u>	<u>883</u>	<u>867</u>
		<u>\$ 7,930</u>	<u>883</u>	<u>867</u>

(v) Property Transactions

The Group purchased solar power generation system from other associate for the nine months ended September 30, 2024, with a total price of \$7,250 thousand, recorded as property, plant, and equipment under office equipment and others. As of September 30, 2024, the balance of other payables was \$3,426 thousand.

(vi) 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 nine months ended September 30, 2024 and 2023, the Group recognized the interest expenses amounted to \$315 thousand, \$124 thousand, \$755 thousand and \$268 thousand. As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance of lease liabilities amounted to \$0 thousand, \$2,009 thousand and \$3,523 thousand, respectively.

(vii) 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 September 30, 2024, December 31, 2023 and September 30, 2023, the related other payable amounted to \$0 thousand, \$0 thousand and \$2,000 thousand respectively.

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

(ix) 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 September 30		For the nine months ended September 30		September 30, 2024	December 31, 2023	September 30, 2023
	2024	2023	2024	2023			
Parent Company	\$ 205	56	322	468	156	310	-
Associates	-	5	-	5	-	-	-
Other associates	-	982	530	2,846	-	167	36
Other related parties	29,832	22,163	74,225	52,708	-	639	649
	<u>\$ 30,037</u>	<u>23,206</u>	<u>75,077</u>	<u>56,027</u>	<u>156</u>	<u>1,116</u>	<u>685</u>

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
	Short-term employee benefits	\$ 21,764	20,776	76,427
Post-employment benefits	374	268	1,171	801
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Share-based payment	-	-	-	-
	<u>\$ 22,138</u>	<u>21,044</u>	<u>77,598</u>	<u>67,570</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	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	Long-term borrowings	<u>\$ 492,147</u>	<u>488,192</u>	<u>489,262</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:

	<u>Currency</u>	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Promissory notes issued	NTD	<u>\$ 6,479,665</u>	<u>6,132,000</u>	<u>5,932,000</u>
	USD	<u>\$ 10,000</u>	<u>9,500</u>	<u>9,500</u>

(10) Losses due to major disasters: None

(11) Subsequent events: None

(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 September 30, 2024			For the three months ended September 30, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		37,934	253,834	291,768	26,947	218,114	245,061
Labor and health insurance		3,130	23,077	26,207	1,889	19,568	21,457
Pension		1,320	8,388	9,708	997	7,321	8,318
Other employee benefits expense		999	13,107	14,106	1,086	13,005	14,091
Depreciation		1,017	38,255	39,272	1,005	25,903	26,908
Amortization		29	23,171	23,200	7	19,214	19,221
By item	By function	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		90,973	777,746	868,719	77,273	684,061	761,334
Labor and health insurance		8,792	72,062	80,854	5,487	59,643	65,130
Pension		3,829	25,148	28,977	2,852	21,745	24,597
Other employee benefits expense		2,974	41,293	44,267	2,648	38,148	40,796
Depreciation		3,018	116,100	119,118	2,971	76,619	79,590
Amortization		69	68,640	68,709	20	57,478	57,498

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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 nine months ended September 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	262,680	253,200	238,753	6.22%~6.30%	Short-term loan	-	Working capital	-	None	-	847,136	1,694,272	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	847,136	631,600	451,500	201,224	-	10.66 %	2,117,840	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 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.

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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	578,254	19.15	578,254	(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	171,061	8.04	171,061	(Note 1)	
DSIGroup	Taiwan Innovation Centrt Aging Inc.	-	"	200	2,000	8.70	2,000	"	
GRANDSYS	REMOTEK CORPORATION	-	"	114	-	0.17	-	"	
the Company	Equity:								
	Taiwan Capital Buffalo Fund V, LP.	-	Non-current financial assets at fair value through profit and loss	(Note 2)	180,789	12.78	180,789	"	
"	New Economy Ventures L.P.	-	"	(Note 2)	38,556	7.36	38,556	"	
					<u>970,660</u>		<u>970,660</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:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Brainstorm	Dolica	Other related parties	(Sales)	(151,858)	(4)%	90 days from the end of the month	Trade at the agreed price between both parties	No significant different with general selling	57,470	14%	

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(viii) Receivable from related parties with amount exceeding the lower of \$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: Please refer to Note 6(b).

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany Transactions			
				Account	Amount	Trading terms	Percentage of the consolidated net sales or total assets
0	the Company	GLOBAL INTELLIGENCE NETWORK	1	Sales	58,795	60 days from the end of the month	0.44%
"	"	"	1	Accounts receivable	12,040	"	0.09%
"	"	"	1	Other revenue	7,936	"	0.06%
"	"	"	1	Rental income	5,706	Payment on 10th of each month	0.04%
"	"	EPIC CLOUD	1	Sales	53,582	60 days from the end of the month	0.40%
"	"	"	1	Accounts receivable	20,648	"	0.16%
"	"	COREX	1	Other receivable	247,590	(Note 3)	1.94%
"	"	"	1	Interest income	7,765	"	0.06%
1	GLOBAL INTELLIGENCE NETWORK	the Company	2	Sales	5,343	60 days from the end of the month	0.04%
2	EPIC CLOUD	"	2	Sales	24,833	"	0.18%
"	"	"	2	Accounts receivable	21,916	"	0.17%
"	"	GLOBAL INTELLIGENCE NETWORK	3	Sales	5,040	"	0.04%
3	APEO Human Capital	ADVANCEDTEK INTERNATIONAL	3	Sales	13,912	(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 parent company.
- 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.

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(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 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 %	175,742	6,740	5,374	(Notes 1 and 3)
"	EPIC CLOUD	Taiwan	Data software and data processing services	55,000	55,000	5,500	100.00 %	57,033	924	924	(Notes 1 and 3)
"	COREX	South Africa	Import and export of electronic products for sale and purchase	251,872	251,872	1	100.00 %	(20,169)	(207,207)	(207,207)	(Notes 1 and 3)
"	DSIGroup	Taiwan	Market research, management consulting and data processing services	69,983	69,983	1,754	34.99 %	77,690	(8,335)	(3,413)	(Notes 1 and 3)
"	GRANDSYS	Taiwan	Data software and data processing services	286,613	94,547	10,813	40.15 %	342,155	12,491	1,535	(Notes 1 and 3)
"	ADVANCEDTEK INTERNATIONAL	Taiwan	Applications of software implementing services	30,091	30,091	1,153	34.09 %	38,740	10,176	3,469	(Notes 1 and 3)
"	Everlasting Digital ESG	Taiwan	Development and sale of software	5,000	5,000	500	29.41 %	2,019	(1,573)	(288)	(Note 2)
the Company	Metaguru	Taiwan	R&D and sales of computer information systems	31,000	31,000	2,000	100.00 %	30,372	4,546	4,546	(Notes 1 and 3)
"	Brainstorm	U.S.A	Wholesale and retail of computers and Peripheral Equipment	530,075	530,075	233	35.09 %	457,430	(174,916)	(73,364)	(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	6,740	-	(Notes 1 and 3)
"	DSIGroup	Taiwan	Market research, management consulting and data processing services	40	40	1	0.02 %	40	(8,335)	-	(Notes 1 and 3)
ADVANCEDTEK INTERNATIONAL	APEO Human Capital	Taiwan	Applications of software implementing services	2,060	2,060	200	100.00 %	3,232	693	693	(Notes 1 and 3)
DSIGroup	DKABio	Taiwan	Market research, management consulting and data processing services	20,000	20,000	2,000	100.00 %	1,858	(5,104)	(5,104)	(Notes 1 and 3)
"	Owl	Taiwan	"	3,960	-	100	100.00 %	3,986	1,008	26	(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.

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(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 September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) recognized	Carrying value as of September 30, 2024	Accumulated inward remittance of earnings as of September 30, 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	34,815 (USD1,100 thousand)	Note 2	34,815 (USD1,100 thousand)	-	-	34,815 (USD1,100 thousand)	(4,336)	100.00%	(4,336)	55,482	-	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	31,650 (USD1,000 thousand)	Note 2	31,650 (USD1,000 thousand)	-	-	31,650 (USD1,000 thousand)	6	100.00%	6	6,207	-	Note 3

Note1: The above investment amounts were translated based on the USD exchange rate at the reporting date, which was 31.65.

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.

- (ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
66,465 (USD 2,100 thousand)	66,465 (USD 2,100 thousand)	2,541,409

Note1: The above investment amounts were translated based on the USD exchange rate at the reporting date, which was 31.65.

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

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(iii) Significant transactions:

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

(d) Major Shareholders:

Unit: Shares			
Major shareholder's name	Shareholding	Shares	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 September 30, 2024						Total
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	
Revenue							
Revenue from external customers	\$ 827,388	2,438,468	242,463	766,559	20,309	-	4,295,187
Intersegment revenues	5,650	3,312	307	49,732	-	(59,001)	-
Total revenue	<u>\$ 833,038</u>	<u>2,441,780</u>	<u>242,770</u>	<u>816,291</u>	<u>20,309</u>	<u>(59,001)</u>	<u>4,295,187</u>
Gross profit (loss)	<u>\$ 116,298</u>	<u>292,330</u>	<u>37,535</u>	<u>250,943</u>	<u>(7,676)</u>	<u>(30,472)</u>	<u>658,958</u>
	For the three months ended September 30, 2023						Total
ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations		
Revenue							
Revenue from external customers	\$ 1,140,494	3,257,091	222,831	756,088	71,240	-	5,447,744
Intersegment revenues	9,682	10,975	458	20,126	-	(41,241)	-
Total revenue	<u>\$ 1,150,176</u>	<u>3,268,066</u>	<u>223,289</u>	<u>776,214</u>	<u>71,240</u>	<u>(41,241)</u>	<u>5,447,744</u>
Gross profit (loss)	<u>\$ 151,653</u>	<u>406,057</u>	<u>22,676</u>	<u>182,484</u>	<u>22,417</u>	<u>10,558</u>	<u>795,845</u>

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For the nine months ended September 30, 2024							
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	Total
Revenue							
Revenue from external							
customers	\$ 2,835,026	7,567,022	771,544	2,258,578	33,969	-	13,466,139
Intersegment revenues	17,090	41,861	2,973	96,044	-	(157,968)	-
Total revenue	<u>\$ 2,852,116</u>	<u>7,608,883</u>	<u>774,517</u>	<u>2,354,622</u>	<u>33,969</u>	<u>(157,968)</u>	<u>13,466,139</u>
Gross profit (loss)	<u>\$ 402,453</u>	<u>756,068</u>	<u>106,160</u>	<u>683,717</u>	<u>(32,210)</u>	<u>(124,628)</u>	<u>1,791,560</u>
For the nine months ended September 30, 2023							
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	Total
Revenue							
Revenue from external							
customers	\$ 3,337,275	8,815,819	692,189	1,740,993	504,697	-	15,090,973
Intersegment revenues	26,314	84,802	3,845	46,159	-	(161,120)	-
Total revenue	<u>\$ 3,363,589</u>	<u>8,900,621</u>	<u>696,034</u>	<u>1,787,152</u>	<u>504,697</u>	<u>(161,120)</u>	<u>15,090,973</u>
Gross profit (loss)	<u>\$ 440,966</u>	<u>1,070,739</u>	<u>96,480</u>	<u>450,643</u>	<u>135,535</u>	<u>(63,403)</u>	<u>2,130,960</u>