METAAGE CORPORATION
邁達特數位股份有限公司
IT智能化最佳夥伴

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

Metaage Corporation

2023 Annual Report

Printed on April 2, 2024

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Spokesperson & Deputy Spokesperson

Name of the Spokesperson: TK Young

Title of the Spokesperson: President

Name of the Deputy Spokesperson: Mavis Lin

Title of the Deputy Spokesperson: Chief Financial Officer

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Location & Phone of Headquarters & Branches:

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Taichung Office	13F.-B1, No. 51, Sec. 2, Gongyi Rd., Nantun Dist., Taichung City	04-2327-1151
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Stock Transfer Agency:

Name: Stock Transfer Agency Department of Taishin Securities Co., Ltd

Address: B1, No. 96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City

Website: https://www.tssco.com.tw

Tel: (02)2504-8125

Contact Information of the Certified Public Accountants for the Latest Financial Report:

Name: HUNG-WEN FU、MEI-PING Wu

CPA Firm: KPMG Peat Marwick

Address: Taipei 101 Tower, 68F, No.7, Sec. 5, Xinyi Road, Taipei City

Website: https://home.kpmg/tw/zh/home.html

Tel: (02) 8101-6666

Overseas Trade Places and Related Information for Listed Negotiable Securities: None.

Corporate Website: http://www.metaage.com.tw

I. Letter to Shareholders

Greetings to all of our valued shareholders,

Thanks for the effort of our management team and all colleagues, we have realized trends and demands in the markets, working hard to improve each product line. In response to trends in the markets, we have established diversified services and different types of products for increasing added value and meeting the multiple requirements of enterprise digital transformation.

The result of operating performance for 2023 and business plan for 2024, are as follows:

A. Operating performance in 2023

(A) Results of business plans implementation

Except for business cooperation and technical integration with distributing manufacturers, and the application of enterprise information and communication, and information security continuing to grow, along with the improvement and expansion of enterprise cloud and AI applications, Metaage not only integrated existing distributing brands, and related products of Cloud and AI to launch relevant solutions, but also established a department of data analysis application in 2023, integrating distributing products, and reply services by professional consultants, and providing implementation of enterprise AI application. In addition, we have expanded the scope of hosting MSP cloud services. In 2023, in addition to AWS, we have also started to provide MSP hosting services for distributing cloud services, such as, Akamai, Microsoft, Google, etc.

Furthermore, as for the integrated applications of existing data centers and public cloud services for enterprise customers, cross-border backup and recovery, and protection of enterprise information security, we also provide customers with integration solutions of one-stop hybrid cloud across networks, information security, and application systems by integrating major distributing manufacturers, such as, Cisco, Dell, Check Point, etc.

(B) Budget implementation: Not applicable. The company does not announce 2023 financial forecast to the public.

(C) Financial staGlobal Intelligence and profitability analysis

1. Financial StaGlobal Intelligence：

According to the consolidated financial statements of 2023, the company's cash used in operating activities was NT$ 0.047 billion, and cash used in investing activities was NT$ 0.646 billion, cash provided by financing activities was NT$ 0.777 billion, as well as cash and cash equivalents increase NT$ 0.069 billion during the period. Cash and cash equivalent at the end period were NT$ 0.906 billion.

2. Profitability analysis：

According to the consolidated financial statements of 2023, the company’s gross margin, ratio of return on total assets, ratio of return on shareholders’ equity, ratio of profit before income tax to capital stock, and profit ratio were 14.03%, 5.42%, 10.59%, 37.59% and 2.92%, respectively. Due to the benefits by the demands of cloud services and stable management, gross margin in 2023 continued to increase.

(D) Research and the development staGlobal Intelligence：

Except for continuously improving our technical capabilities for distributing brands, our technical personnel also focusing on researching the latest applications of manufacturers and obtaining professional certifications from manufacturers at the shortest time, in order to provide customers with professional services. Therefore, in 2023, we recruited professional talents from both domestic and international markets, integrated with two teams of services of the research and project for AI application integration, and K8S microservice DevOps. We not only integrate existing distributing products with relevant technologies, but also provide customers with professional consultants and customized integration services for AI, big data analysis, and microservice implementation.

Furthermore, for our distributing brands gradually shifting towards sales models of subscription and cloud, we have introduced subscription functions of management and renewal tracking for distributing products to our Cloud Management Portal as independently developed by us in 2022, developing relevant management mechanisms for customers and distributors.

As IT iteration times become shorter, in order to improve technicians with new technologies, demonstrate and promote the latest applications to the market immediately, we established a Cloud Lab in 2023, and established the major applications of manufacturers in the form of templates in it, making it quickly deploy related applications in it.

B. Business plan for 2024

(A) Business objectives

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

As the sales models of existing distributing brands gradually shift towards subscription and cloud-based models, our cloud service-MSP hosting not only provides integrated hosting services for cross-brands, such as, Akamai, AWS, and Azure, etc., but also expands the service scope since 2024, introduces other applicable distributing brands for MSP and integrates the service capabilities of distribution channels to serve customers. At the same time, as more manufacturers shift their sales models towards subscriptions, we will continue to cooperate with various manufacturers to create sales and service systems that comply with the contractual models of manufacturers.

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

The company continues to focus on its target of increasing the width and depth of services to customers. In 2021, the company acquired Advanced TEK International Corp., which specializes in providing ERP implementation and maintenance services, and acquired data services provider DSI Group. In December, 2022, merged Metaguru Corporation, which specializes in business process management system, and providing solutions for digital transformation of the enterprise, with the suppliers of ERP implementation and maintenance services- "ADVANCEDTEK INTERNATIONAL", and of cloud services-"EPIC CLOUD". Also, we continue to improve the strategy of foreign investments and the diversified business direction, in order to become the best IT partner, through Brainstorm in the United States and Corex in South Africa.

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

1. The company distributes software and hardware products of information and communication, most are project-based sales and value-added services. As the product differentiation is vast and unit price varies, the sales forecast of each product is difficult to predict.

2. The operating strategy and business development focus on consolidation and enhancing "Brands channel; Cloud Connect.": To develop traditional distributing business and cloud business, and to promote products in 6 segments, network, system, information security, the application modernization , AI analysis, and cloud, maintain a good interaction with important customers, and maximize the effectiveness of distributing products. As products are diversified and complete, it will assist customers in implementing information application in line with business operation.

3. We Continue to develop the next stage of the management platform and MSP hosting center of cloud services, and integrated management of the cloud services of AWS, Akamai, Azure, Google Cloud, and Cisco Webex last year. We provide partners to manage all customers' cloud service fees and subscription authorization expiration dates, so that we continue to cooperate with distributers in 2024, and to implement the management system of the subscription of manufacturers.

4. Ahead of the competitions of the industries, introducing MetaMatch cloud market, which is a new economic cooperation ecosystem, recruiting ISVs (Independent Software Vendors) in Taiwan, and assisting ISVs to integrate technologies and sales with self-developed applications, and cloud services and products distributed by Metaage, for creating the growth with Metaage, ISVs, and manufacturers.

C. Development strategy of the company in the future

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

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

(B) For the new economic model of cloud, sales of distributing brands have shifted to subscription and Pay As You go model, and the application has been converted to cloud services. In order to provide partners with better services, the Cloud Management Portal will continue to be developed, and be integrated with the subscription and payment management of distribution products, so that partners can simplify the management procedure of the monthly account management and expiration of subscription, and implementing the management system of subscription with manufacturers.

(C) Integration with group resources, expanding product lines and developing new customers: Integrating resources from Qisda to help company expand present product lines, develop new product lines, carry out diversified business investment plans, and jointly develop opportunities of potential group customers to enhance the company increases its operating revenues, profits, and shareholders' equity.

(D) To improve demonstrations, display environment, and increase innovation of technical services: Except for continuing to increase innovation and services in the scope of business and technical services, and having sufficient support of technical logistics, we provide excellent exercises and demonstrations. Since our operating sites include 4 locations, in Taipei, Hsinchu, Taichung, and Kaohsiung, and Demo environments across the province, and provide services of Cloud Lab that shall be immediately used in allowing to display application function of the brands display and hold education and training of the customers this year. In addition, for new application technologies, we can establish a testing and display environment in the shortest time, in order to win business opportunities of new application.

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

In 2023, the rigid demands for AI, cloud, and information security in enterprises have continued to grow, and lead technical manufacturers to adopting application scenarios, in order to help enterprises improve their digital transformation. This trend is expected to increase, and Metaage will focus on the trend of digital transformation of IT/OT/Cloud/AI integration, with a long-term commitment to cloud-based connection, IT hosting services, and solutions of information security. We will satisfy the requirements of enterprise digital transformation by comprehensive integration channels and industry ecosystems.

While the industry of information and communication booms and brings various business opportunities, legal compliance is increasingly becoming an important part of the business operation. Besides continue to strengthen the legal compliance requirements for its distributed brands, the company also continue to increase various controls that will amplify legal compliances, and to become a trustworthy partners for the ICT brands its distributing. Therefore, we had acquired the certificates of ISO 27001(ISMS), ISO 45001(OHS) and ISO 14064 (organization greenhouse gas inventory certification) in 2023, which has met the ESG requirements of corporate operations.

We offer our sincerest thanks for shareholders' trust and all employees' effort. During a new year, the company and its subsidiaries shall continue to strive for the increase in operating performance, assume earning profits as our important mission, and enhance the output of enterprises through smart automation, making us the best partner for companies looking to implement digital transformation and smart IT. We hope to seek for the best interest of the shareholders. we offer our sincerest appreciations for shareholders' support and openly welcome for feedbacks.

Sincerely yours,

Chairman Wen-Hsing Tseng

President TK Young

II. Company Profile

A. Date of Establishment: April 16, 1998

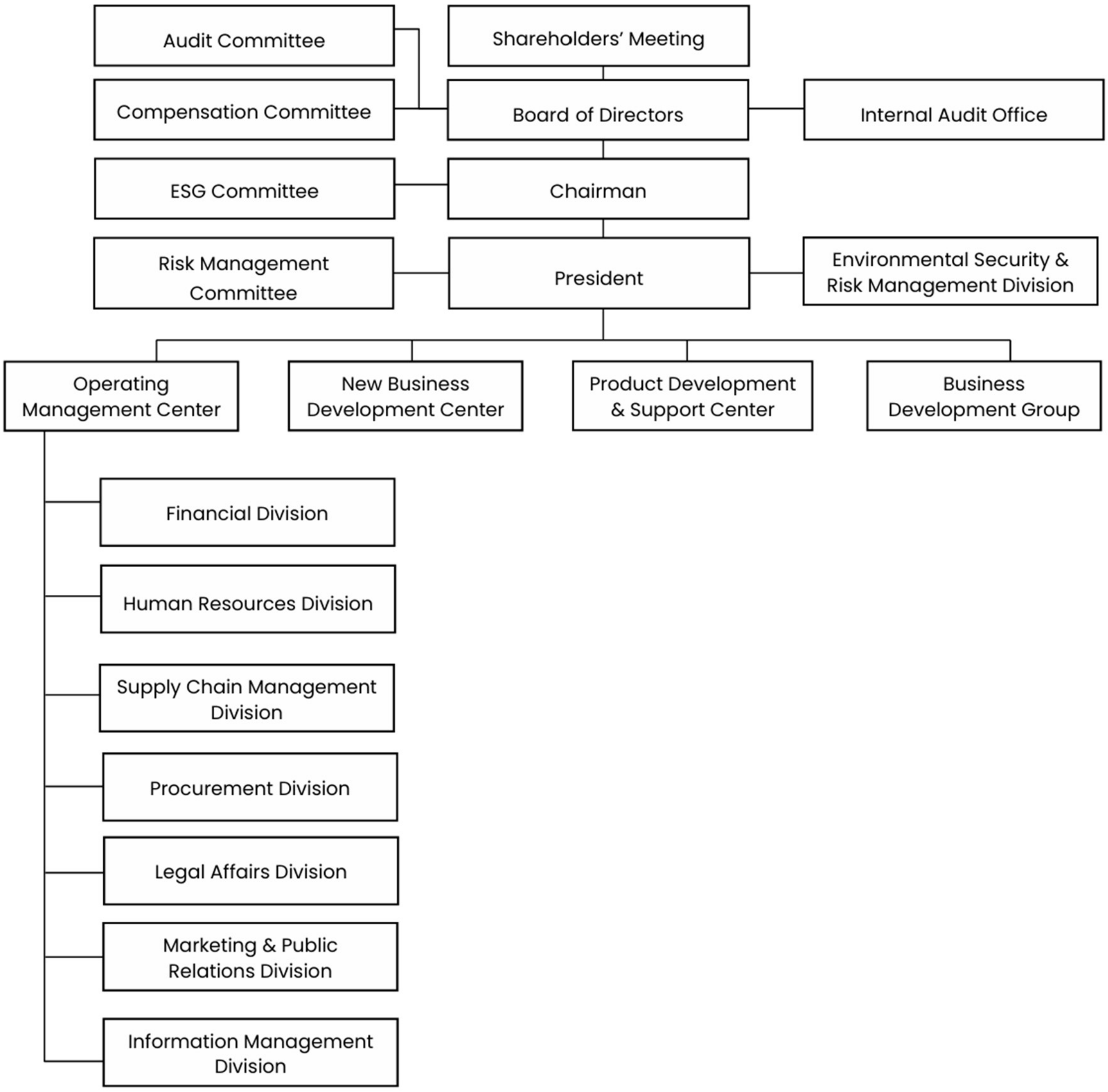
B. Company History

1998	April	The Ministry of Economic Affairs approved the establishment of the company in Hsinchu, and the paid-in capital is NT$10,000.
1998	May	Obtained the distribution agency right of Cisco network products.
1998	July	Taichung Office was established.
1999r	January	Kaohsiung office was established.
1999	January	Obtained the distribution agency of Dell workstation products.
1999	September	Obtained the distribution agency right of Oracle database products.
2000	December	Obtained the distribution agency right of IBM workstations and servers.
2001	August	Officially listed on the OTC [OTC Trading Centre] (stock code: 6112).
2002	June	Due to the integration needs of marketing, R&D, testing and warehousing, the 8~11th floor office building on the 8th ~ 11th floors of No. 512, 514 and 516, Section 1, Hu Road, Neihu District was purchased.
2003	July	Obtained the exclusive agency right of Citrix enterprise information application access platform.
2003	August	Transfer of listing from the over-the-counter trading center to the Taiwan Stock Exchange (OTC relisting).
2007	April	Officially became an Oracle Authorized Education and Training Center (OAEC).
2007	August	Obtained the agency right of EMC in Taiwan.
2008	August	Obtained the distribution rights of IBM Cognos.
2008	December	Acquired the distributorship of Hitachi Holdings.
2010	July	Obtained the agency rights of VMware in Taiwan.
2013	July	Obtained the agency rights of Red Hat in Taiwan.
2013	November	Obtained the agency rights of Quantum in Taiwan.
2017	April	Became a member of Dell Taiwan's "Digital Transformation Cloud Alliance".
2018	May	Acquired the right to represent Akamai in Taiwan.
2019	September	Joined Qisda Group.
2020	January	Obtained the agency right of APIGEE.
2020	February	Obtained the agent rights of SecurityScorecard.
2020	March	Acquired the right to represent DATTO.
2020	May	Obtained UiPath agent rights.
2020	June	Obtain Hubspot agency rights.
2020	October	Obtained the right to act as an agent of SYNERGIES.
2021	March	Qisda Corporationacquired 16.37% of the company's shares, with a cumulative shareholding of 51.41%.
2022	June	The name of the company was changed from "Jushuo Technology Co., Ltd." to "Maidat Digital Co., Ltd."
2022	August	Obtained the rights of Infoblox and Wrike as agents.
2023	April	Obtained the agency rights of Appaegis.
2023	May	Obtained the right to act as an agent of IVANTI.
2023	August	Acquired the right to represent QUIZIZZ.
2023	November	Obtained MinIO agency rights.
2024	April	Obtained Zscaler agency rights
2024	April	Obtained the agency of Opanishon wisdom

III. Corporate Governance

A. Organization

(A) Organizational Structure



(B) The business of each major department

Departments and Units	Functions and Responsibilities
Audit Office	Formulate annual audit plan and implementation, audit the implementation of internal control system and improve tracking.
Business Development Center	1. Understand customer needs and pain points, and provide professional customized services, deeply cultivate customers, and operate sustainably. 2. Continue to explore new markets and expand customer coverage. 3. We will try our best to increase the content and scope of sales of products and services. 4. Provide products, services, solutions and consulting, and provide pre-sales and after-sales one-stop service to customers.
Product Development & Support Center	1. Feasibility assessment of ICT information and communication product introduction agency. 2. Assist in business development, provide customized project pre-sales assistance services and dealer development and cultivation programs. 3. Provide overall solutions for enterprise customers, and put forward specific software and hardware integration planning and implementation blueprints according to the company's agent products. 4. Provide customers with complete planning, installation and after-sales support services including network information security, system storage, backup and backup, multi-cloud platform, cloud-ground integration, etc.
New Business Development Center	1. Cloud business development and market strategy. 2. Responsible for sales management, customer service, and market development of cloud products. 3. Provide AWS cloud solutions, cloud consulting services, and migration architecture advice. 4. Provide enterprises to gather market planning and market linkage. 5. Cloud Product Agent Evaluation and Workshop Confirmation.
Operations Management Center	It has the Finance Department, Human Resources Department, Supply Chain Management Department, Procurement Department, Legal Affairs Department, Marketing and Public Relations Department, and Information Department, which oversees various operation-related affairs.
Treasury Division	1. Analysis and planning of accounting system, accounting and tax treatment. 2. Acquisition, use and scheduling of financial funds and other related matters. 3. Use the data of various financial statements to provide business direction. 4. Stock affairs, tax planning and other related business.
Division of Human Resources	1. Human resource management and development, including recruitment and appointment, compensation and benefits, organization and talent development, learning and development, and health management. 2. Employee relations and services, including employee benefits, administrative services.

Departments and Units	Functions and Responsibilities
Supply Chain Management Branch	1. Order review. 2. Inspect the receipt of the warehouse (including physical and non-physical goods) and the collection operation. 3. Import/export related matters. 4. Inventory purchase and sale management and warehouse management related operations.
Procurement Service	Responsible for the company's sales and non-sales product procurement related operations.
Legal Affairs Office	1. Contract drafting, adjudication and negotiation. 2. Legal compliance for international operations. 3. Non-contentious/litigation case management and enforcement. 4. Legal strategic layout of international business cooperation. 5. Establishment of internal standard contracts and SOPs.
Marketing & Public Relations Office	Responsible for the marketing of all products of the company, and jointly plan and promote the business of each product line with the product managers of various departments, and at the same time be responsible for negotiating cooperation plans with major media, providing press releases and event information, compilation of lists and the holding and implementation of seminars related topics.
Information Office	1. Development and maintenance of the company's internal information system, etc. 2. Planning and erection of enterprise network, network security protection, etc. 3. Design and analysis of in-house business intelligence systems. 4. Evaluate and improve the application architecture design of current systems and future developments.
Environmental Safety and Risk Management Division	Co-ordinate occupational safety and health, risk management and ESG sustainability.

B. Directors, Supervisors and Management Team

(A)Directors and Supervisors (1)

April 2, 2024 in shares

Title	Nationality or Place of Registra-tion	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Metaage and Other Companies (Note)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Rela-tion	
Chairman	Chinese republic	Qisda Corporation	-	2024/03/22 (Note 2)	3 years	2019/09/26	96,841,239	51.41%	96,841,239	51.41%	-	-	-	-	Master of Mechanical Engineering, National Taiwan University, Senior Director of Innovation Strategic Planning Department of Qisda Corporation., Senior Director of Intelligent Solution Business Group of Qisda Corporation	Director DFI INC. AEWIN TECHNOLOGIES CO., LTD. ACE PILLAR CO., LTD. PARTNER TECH CORP. LA FRESH INFORMATION CO., LTD. APLEX TECHNOLOGY INC. Marketop Smart Solutions Co., Ltd. BenQ Guru Software Co., Ltd. BenQ Guru Holding Limited	-	-	-	
		Representatives: Wen-Hsing Tseng	man 51~60 years old				-	-	-	-	-	-	-	-						
director	Chinese republic	Qisda Corporation	-	2022/05/26	3 years	2019/09/26	96,841,239	51.41%	96,841,239	51.41%	-	-	-	-	EMBA of NTU, California State University, Fullerton MBA, CFO of Qisda Group, Vice financial president of Qisda Corporation, CFO of Daxon Technology Inc.	Chairman Darly Venture Inc. Darly2 Venture, Inc. Darly Consulting Corporation. Director DARFON ELECTRONICS CORP ALPHA NETWORKS INC. DATA IMAGE CORPORATION BENQ CORPORATION QISDA OPTRONICS CORP. BenQ Healthcare Consulting Corporation BenQ Hospital Management Consulting (Nanjing) Co., LTD NANJING BenQ Hospital Co., Ltd Suzhou BenQ Hospital Co., Ltd Suzhou BenQ Investment Co., Ltd. BenQ Biotech (Shanghai) Co., Ltd TECH FILTER (Shanghai) CO., LTD.	-	-	-	
		Representatives: Chiu-Chin Hung	woman 51~60 years old				-	-	-	-	-	-	-	-						

Title	Nationality or Place of Registra-tion	Name	Gende r Age	Date Elected	Ter m	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Metaage and Other Companies (Note)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Rela-tion	
																Qisda Co., Ltd BenQ BM Holding Corp. BenQ BM Holding Cayman Corp. Qisda Sdn. Bhd. Qisda (L) Corp. Darly Venture (L) Ltd. TOPVIEW OPTRONICS CORP				
director	Chinese republic	Qisda Corporation	-	2022/05/26	3 years	2019/09/26	96,841,239	51.41%	96,841,239	51.41%	-	-	-	-	Master of Economics, University of Nottingham, President of business development center of METAAGE CORPORATION, Chairman of GLOBAL INTELLIGENCE NETWORK CO., LTD., Director of EPIC CLOUD CO., LTD.	Chairman GLOBAL INTELLIGENCE NETWORK CO., LTD. Director EPIC CLOUD CO., LTD.	Gather on the clouds director	Chieh-Cheng Shih	spouse	
		Representatives: Shu-Erh Kuo	woman 51~60 years old				-	-	116,127	0.06%	91,425	0.05%	-	-						
director	Chinese republic	Qisda Corporation	-	2022/05/26	3 years	2019/09/26	96,841,239	51.41%	96,841,239	51.41%	-	-	-	-	Juris Doctor, Suffolk University Law School, CLO of Qisda Corporation, President of METAAGE CORPORATION	Chairman EPIC CLOUD CO., LTD. Metaguru Corporation Director GLOBAL INTELLIGENCE NETWORK CO., LTD. ADVANCEDTEK INTERNATIONAL CORP. Statinc Co., Ltd. COREX (PTY) LTD.	-	-	-	
		Representatives: TK Young	man 41~50 years old				-	-	20,000	0.01%	-	-	-	-						
independent director	Chinese republic	Wen-Tsung Wang	man 51~60 years old	2022/05/26	3 years	2016/06/13	-	-	-	-	11,903	0.01%	-	-	EMBA of National Tsing Hua University, Bachelor degree of Accounting, Feng Chia University,, CPA of Hui-Min Accounting Firm, CPA of Biing-Cherng CPAs	CPA of Biing-Cherng CPAs Independent director CHYI DING TECHNOLOGIES CO., LTD. Acer Synergy Manpower CORP. Supervisors EMAX TECH CO., LTD. Chung Hua University	-	-	-	

Title	Nationality or Place of Registra-tion	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Metaage and Other Companies (Note)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Rela-tion	
independent director	Chinese republic	Chin-Lai Wang	man 61~70 years old	**2022/05/26**	3 years	**2019/09/26**	-	-	-	-	-	-	-	-	PHD of Business Administration, NCCU, MD of Ernst & Young Global Limited, Chairman of EY Management Services Inc	Chairman NCKU Venture Capital Co., Ltd. Director GenomeFrontier Therapeutics TW Co.,Ltd. Independent director LANDMARK OPTOELECTRONICS CORPORATION PCL Technologies, Inc.	-	-	-	
independent director	Chinese republic	Shan-Kuei Lai	man 61~70 years old	**2022/05/26**	3 years	**2019/09/26**	-	-	-	-	-	-	-	-	PHD, Business Administration, NTPU, MBA of Indiana University of Pennsylvania, Chairman of TOPCO SCIENTIFIC CO., LTD., President of ICSB, Chairman of CSBC CORPORATION, TAIWAN, Director of SMEA, MOEA, Deputy of director, Department of Commerce, MOEA	Chairman(Legal representative) Unitech New Energy Engineering Co., Ltd ECO Technical Services Co., Ltd. Yun Yueh Technologies, Co., Ltd. YAO YUE energy Co.Ltd Director(Legal representative) ANYONG FRESHMART, INC. JIA YI ENERGY CO., LTD. Independent director YI JINN INDUSTRIAL CO., LTD. LEATEC FINE CERAMICS CO., LTD. PHYTOHEALTH CORPORATION	-	-	-	

Note 1: For the situation of directors concurrently serving as affiliates of the Company, please refer to the section "Information on Directors, Supervisors and General Managers of Affiliates" in this annual report.
Note 2: On 2024/3/22, the corporate director of Qisda Technology was reappointed as the representative of Mr. Wen-Hsing Tseng, and was promoted to chairman of the board of directors on April 2, 2024.

Substantial shareholders of the corporate shareholder

Name of corporate shareholders (Note 1)	Substantial shareholders of the corporate shareholders	
	Name	Shareholding Percentage (%)
QISDA CORPORATION (Note 2)	AUO Optronics Corporation	17.04%
	Acer Inc	4.55%
	Taishin International Commercial Bank is entrusted with the special account of the employee stock ownership trust property of Jiashida Technology	3.38%
	Conley Investments Inc	2.55%
	Darfon Electronics Co., Ltd	2.03%
	Citibank Commercial Bank is entrusted with the custody of the Norges Bank's dedicated investment account	1.23%
	Yushan Commercial Bank	1.02%
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the Van Gard Group Manager's Van Gad Emerging Markets Equity Index Fund Investment Account	0.98%
	New Labor Pension Fund	0.97%
	Citigroup Commercial Bank was entrusted with the custody of the special investment account of Polunin Development National Fund Co., Ltd	0.97%

Note 1: The director is a representative of a corporate shareholder.
Note 2: The base date for holding shares is March 31, 2023.

Substantial shareholders of corporate shareholders who are the substantial shareholders of the Company's corporate shareholders

Legal name	The principal shareholder of the legal person	
	name	Shareholding ratio
AU Optronics Corp (Note 1)	QISDA CORPORATION	6.90%
	CTBC Commercial Bank is entrusted with the custody of the special account of Yuanta Taiwan High Dividend Securities Investment Trust	4.71%
	Yongfeng Commercial Bank is entrusted with the special trust property account of the Employee Stock Ownership Trust Management Committee of AUO Optoelectronics Co., Ltd	4.62%
	Quanta Computer Co., Ltd	4.61%
	Citi custodians AUO Optoelectronics Co., Ltd.'s overseas depositary receipt account	2.52%
	Nanshan Life Insurance Co., Ltd	1.50%
	New Labor Pension Fund	1.27%
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the Van Gard Group Manager's Van Gad Emerging Markets Equity Index Fund Investment Account	0.91%
	CTBC Commercial Bank is entrusted with the custody of the special account of Yuanta Taiwan Excellence 50 Securities Investment Trust Fund	0.88%
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the special investment account of Advanced Starlite Fund Co., Ltd.'s series of funds, Advanced Aggregate International Equity Index Fund	0.86%
Acer Incorporated (Note 2)	Taishin International Commercial Bank Co., Ltd. is entrusted with the custody of the special account of Cathay Pacific Taiwan High Dividend Umbrella Securities Investment Trust (TSIT) for Taiwan ESG Perpetual High Dividend ETF Securities Investment Trust	7.64%
	Hongrong Investment Co., Ltd	2.42%
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the Van Gard Group Manager's Van Gad Emerging Markets Equity Index Fund Investment Account	1.31%

Legal name	The principal shareholder of the legal person	
	name	Shareholding ratio
	Standard Chartered International Commercial Bank is entrusted with the custody of the iShares ESG Awareness Morgan Stanley Capital International Inc. Emerging Markets Index Equity Fund Investment Account	1.26%
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the special investment account of Advanced Starlite Fund Co., Ltd.'s series of funds, Advanced Aggregate International Equity Index Fund	1.23%
	Shi Zhenrong	1.15%
	New Labor Pension Fund	0.97%
	Citibank (Taiwan) Bank holds ACER Overseas Depositary Receipts	0.93%
	JPMorgan Chase Bank, Taipei Branch, is entrusted with the custody of the special investment account of JPMorgan Securities Co., Ltd	0.88%
	Citibank Commercial Bank is entrusted with the custody of the Norges Bank's dedicated investment account	0.86%
Konly Venture Corp. (Note 3)	AUO Optronics Corporation	100%
DARFON ELECTRONICS CORP. (Note 4)	QISDA CORPORATION	20.72%
	BenQ Dentsu Limited	5.01%
	Taishin International Commercial Bank is entrusted with the special account of Darfon Electronics Employee Stock Ownership Trust Property	2.91%
	Mega International Commercial Bank Co., Ltd	1.62%
	New Labor Pension Fund	1.48%
	Su Kaijian	1.45%
	Changhua Commercial Bank Co., Ltd	1.21%
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the Van Gard Group Manager's Van Gad Emerging Markets Equity Index Fund Investment Account	1.20%
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the special investment account of Advanced Starlite Fund Co., Ltd.'s series of funds, Advanced Aggregate International Equity Index Fund	1.06%
	Citibank Commercial Bank is entrusted with the custody of the Norges Bank's dedicated investment account	0.69%
Yushan Commercial Bank (Note 5)	Yushan Financial Holdings Co., Ltd	100%

Note 1: The base date for holding shares is October 7, 2022.
Note 2: The base date for holding shares is April 8, 2023.
Note 3: The Ministry of Economic Affairs (MOEA) is on September 13, 2023.
Note 4: The base date for holding shares is April 11, 2023.
Note 5: Ministry of Economic Affairs' commercial and industrial registration publicity materials, the last approval date of the change is July 31, 2023.

(A) Directors’ Information (2)

1. Professional qualifications of directors, and disclosure of independence analysis of independent directors

Date: December 31, 2023；Units: Shares

Condition / Name（Note 1）	Nation-ality or Place of Registr-ation	Gender Age	Professional qualifications and experience	The situation of taking Diversity of the Board of Directors									Conditions of Independence(Note 2)												Personal Shareholding		Spouse & Minor Shareholding		Number of other public Companies where the Director concurrently serves as an Independent Director
						Industry experience				Professional skills																			
				Manage-ment admini-stration	Lead & Decision	Finance	Internati onal market	IT industry	Account - ing prac- tices	Informa - tion techno- logy	Account-ing	Law	1	2	3	4	5	6	7	8	9	10	11	12	Shares	%	Shares	%	
Representative of Qisda Corp.：Wen-Hsing Tseng (Note 3)	ROC	Male 51~60 years	Master of Mechanical Engineering, National Taiwan University, Senior Director of Innovation Strategic Planning Department of Qisda Group, Senior Director of Intelligent Solution Business Group of Qisda Group	✓	✓		✓	✓		✓											✓	✓	✓						
Representative of Qisda Corp.：Chiu-Chin Hung	ROC	Female 51~60 years	EMBA of NTU, California State University, Fullerton MBA, CFO of Qisda Group, Vice financial president of Qisda Corporation, CFO of Daxon Technology Inc.	✓	✓	✓	✓		✓		✓										✓	✓	✓						
Representative of Qisda Corp.：Shu-Erh Kuo	ROC	Female 51~60 years	Master of Economics, University of Nottingham, President of business development center of METAAGE CORPORATION, Chairman of GLOBAL INTELLIGENCE NETWORK CO., LTD., Director of EPIC CLOUD CO., LTD.	✓	✓		✓	✓		✓											✓	✓	✓						
Representative of Qisda Corp.：TK Young	ROC	Male 41~50 years	Juris Doctor, Suffolk University Law School, CLO of Qisda Corporation, COO & CLO of METAAGE CORPORATION	✓	✓		✓	✓		✓		✓									✓	✓	✓						

Name (Note 1) \ Condition	Nation-ality or Place of Registr-ation	Gender Age	Professional qualifications and experience	The situation of taking Diversity of the Board of Directors									Conditions of Independence(Note 2)												Personal Shareholding		Spouse & Minor Shareholding		Number of other public Companies where the Director concurrently serves as an Independent Director
						Industry experience				Professional skills																			
				Manage-ment admini-stration	Lead & Decision	Finance	Internati onal market	IT industry	Account - ing prac-tices	Informa - tion techno-logy	Account-ing	Law	1	2	3	4	5	6	7	8	9	10	11	12	Shares	%	Shares	%	
Wen-Tsung Wang	ROC	Male 51~60 years	EMBA of National Tsing Hua University, Bachelor degree of Accounting, Feng Chia University,, CPA of Hui-Min Accounting Firm, CPA of Biing-Cherng CPAs	✓	✓	✓			✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	11,903	0.01%	2
Chin-Lai Wang	ROC	Male 61~70 years	PHD of Business Administration, NCCU, MD of Ernst & Young Global Limited, Chairman of EY Management Services Inc	✓	✓	✓		✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	-	2
Shan-Kuei Lai	ROC	Male 61~70 years	PHD, Business Administration, NTPU, MBA of Indiana University of Pennsylvania, Chairman of TOPCO SCIENTIFIC CO., LTD., President of ICSB, Chairman of CSBC CORPORATION, TAIWAN, Director of SMEA, MOEA, Deputy of director, Department of Commerce, MOEA	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	-	3

Note 1：The directors have more than 5 years of work experience, and not been involved in any of situations defined in Article 30 of the Company Act, through searching on the website of Judicial Yuan and Taiwan Clearing House.

Note 2：Please add "V"in the field under each criteria number if the director meets the criteria two years prior to being elected and during his/her term of service.

(1)Not an employee of the company or any of its affiliates.

(2)Not a director or supervisor of the company's affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.

(3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons under (2) and (3).

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (Do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently

serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.).

(6) Not a director, supervisor, or employee of other company if a majority of the company's director seats or voting shares and those of that other company are controlled by the same person. (Do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.).

(7) Not a director, supervisor, or employee of other company or institution if the chairman, President, or person holding an equivalent position of the company and a person in any of those positions at that other company or institution are the same person or are spouses.

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (Do not apply in cases where the specified company or institution holds more than 20 percent but less than 50 percent of the Company's issued shares and are the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.)

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not a spouse or a relative within the second degree of kinship to any director.

(11) Not been involved in any of situations defined in Article 30 of the Company Act.

(12) Not elected on behalf of a government agency or corporate or as a representative of these organizations as defined in Article 27 of the Company Act.

Note 3：Qisda Coporation, a corporate director, changed its representative to Wen-Hsing Tseng on March 22, 2024, and promoted him as Chairman on April 22, 2024.

1. The diversified approaches and independence of BOD:

(I) The diversified approaches of BOD:

① The company has formulated a diversification policy for the composition of the Board of Directors of the " Corporate Governance Best Practice Principles ". Based on the professional background and working fields, the company selects the directors with capabilities of business management, leadership decision-making, and industry experience (finance, international markets, IT Industry, accounting practice), professional abilities (information technology, accounting, law), in order to implement the company's policy of diversity for the composition of the Board of Directors.

② The company's BOD has composed of 7 directors(including 3 independent directors and 4 representatives of the legal director). All directors have capabilities for diversification of business development. In addition to the overall competence of the Board of Directors, the company's situation of taking Diversity of the Board of Directors (Please see (B)Directors' Information(2)).

(2) Independence of BOD:

The company has set up three directors to ensure the independence of BOD; the current proportion is 42.9%. The company has obtained a paper statement from all directors and confirmed that directors' spouse or second degree relatives in accordance with independence of BOD.

(B) Documents of president, vice president, associate vice president and managers of each department and division

April 2, 2024；Unit：Shares

Title	Nationality or Place of Registr-ation	Name Age	Gender	Date Appointed	Number of shares held		Shares held by spouse or underage children		Shareholdingby Nominee Arrangement		Primary work or academic experiences	Position concurrently held in other companies (Note)	Managers who are Spouses or Within TwoDegrees of Kinship			Note
					Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)			Title	Name	Relation	
President	ROC	TK Young	Male	2023/04/01	20,000	0.01%	-	-	-	-	Juris Doctor, Suffolk University Law School, CLO of Qisda Corporation, President of METAAGE CORPORATION	Chairman EPIC CLOUD CO., LTD. Metaguru Corporation Director GLOBAL INTELLIGENCE NETWORK CO., LTD. GRANDSYS INC. ADVANCEDTEK INTERNATIONAL CORP. Statinc Co., Ltd. COREX (PTY) LTD.	NA	NA	NA	
President of Business Development Center	ROC	Shu-Erh Kuo	Female	2016/05/01	116,127	0.06%	91,425	0.05%	-	-	Master of Economics, University of Nottingham, President of business development center of METAAGE CORPORATION, Chairman of GLOBAL INTELLIGENCE NETWORK CO., LTD., Director of EPIC CLOUD CO., LTD.	Chairman GLOBAL INTELLIGENCE NETWORK CO., LTD. Director EPIC CLOUD CO., LTD.	EPIC CLOUD Director	Chieh-Cheng Shih	Spouse	
President of Product Development & Support Center	ROC	Chieh-Cheng Shih	Male	2019/10/01	91,425	0.05%	116,127	0.06%	-	-	PHD of Computer Science of University of Nottingham, Engineer of Kinmen Information Co., Ltd.	Director EPIC CLOUD CO., LTD.	GLOBAL INTELLIGENCE Chairman	Shu-Erh Kuo	Spouse	
Vice president of the first channel of Business Development Center	ROC	Hui-Fen Liao	Female	2019/10/01	30,634	0.02%	-	-	-	-	Department of Information Management, MCU, Vice president of the first channel of Business Development Center of Mataage Corporation	-	NA	NA	NA	
Vice Product President of Product Development & Support Center	ROC	Li-Tsung Lin	Male	2020/11/05	50,592	0.03%	28,789	0.02%	-	-	Bachelor of Business Administration of NCU, Vice Product President of Product Development & Support Center of Metaage Corporation	Director ADVANCEDTEK INTERNATIONAL CORP.	NA	NA	NA	

Title	Nationality or Place of Registr-ation	Name Age	Gender	Date Appointed	Number of shares held		Shares held by spouse or underage children		Shareholdingby Nominee Arrangement		Primary work or academic experiences	Position concurrently held in other companies (Note)	Managers who are Spouses or Within TwoDegrees of Kinship			Note
					Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)			Title	Name	Relation	
CFO	ROC	Mavis Lin	Female	2021/01/01	-	-	-	-	-	-	Department of Accounting, MCU, Senior Investment Manager of Qisda Corporation	Director COREX (PTY) LTD. Everlasting Digital ESG Co., Ltd. Supervisor GLOBAL INTELLIGENCE NETWORK CO., LTD. EPIC CLOUD CO., LTD. ADVANCEDTEK INTERNATIONAL CORP. Statinc Co., Ltd.	NA	NA	NA	

Note:Please refer to the section “Directors, supervisors and presidents of affiliates” in annual report.

C. Documents of directors, president, vice presidents, associate vice presidents, and managers of each departments and divisions

(A)Director Information

December 31, 2023 in NT$1,000

Title		Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
			Base Compensation (A)		retirement pension (B)		Directors Compensation (C)		Allowances (D)				Salary, bonuses, special expenses, etc. (E)		Retirement Pension (F)		Base Compensation (A)						
																	The Company		Companies in the consolidated financial statements				
			The Company	companies in the consolidated financial statements	The Company	companies in the consolidated financial statements	The Company	companies in the consolidated financial statements	The Company	companies in the consolidated financial statements	The Company	companies in the consolidated financial statements	The Company	companies in the consolidated financial statements	The Company	companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	companies in the consolidated financial statements	
Director	Chairman	Qisda Corporation Corporate Representative: Michael Lee(Note)	6,000	6,000	0	0	3,974	3,974	160	210	10,134 (1.71%)	10,184 (1.72%)	15,154	15,154	216	216	3,000	0	3,000	0	28,504 (4.81%)	28,554 (4.82%)	33,660
	Director	Qisda Corporation Corporate Representative: Chiu-Chin Hung																					
	Director	Qisda Corporation Corporate Representative: Shu-Erh Kuo																					
	Director	Qisda Corporation Corporate Representative: TK Young																					
Independent Director	Independent Director	Wen-Hsing Tseng	4,200	4,200	0	0	1,987	1,987	120	120	6,307 (1.06%)	6,307 (1.06%)	0	0	0	0	0	0	0	0	6,307 (1.06%)	6,307 (1.06%)	0
	Independent Director	Wen-Tsung Wang																					
	Independent Director	Chin-Lai Wang																					

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compen-sation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		retirement pension (B)		Directors Compensation (C)		Allowances (D)				Salary, bonuses, special expenses, etc. (E)		Retirement Pension (F)		Base Compensation (A)						
		The Com-pany	compa-nies in the conso-lidated financial state-ments	The Com-pany	compa-nies in the conso-lidated financial state-ments	The Com-pany	compa-nies in the conso-lidated financial state-ments	The Com-pany	compa-nies in the conso-lidated financial state-ments	The Com-pany	compa-nies in the conso-lidated financial state-ments	The Com-pany	compa-nies in the conso-lidated financial state-ments	The Com-pany	compa-nies in the conso-lidated financial state-ments	The Com-pany		Companies in the consolidated financial statements		The Com-pany	compa-nies in the conso-lidated financial state-ments	
																Cash	Stock	Cash	Stock			

(A) Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Directors' remuneration includes monthly fixed remuneration and directors' remuneration in accordance with the company's Articles of Incorporation, based on the company's current operating conditions and scale of operations, and with reference to industry standards. It will be implemented in accordance with the company's directors and functional committee members' remuneration procedures.

(B) In addition to the information disclosed in the table above, has any Director of the Company provided services to any of the companies included in parent comp the Financial Statements and investees, and received compensation for such services(e.g. provided consultation services in a non-employee capacity): None.

Note: On 2024/3/22, the corporate director of Qisda Technology was reappointed as the representative of Mr. Wen-Hsing Tseng, and was promoted to chairman of the board of directors on April 2, 2024.

Compensation range for each Director	Names of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report (H).	The Company	All companies in the financial report (I).
Less than NT 1,000,000				
NT$1,000,000 (included)~2,000,000 (excluded)	Legal representative of Qisda Corporation (Chiu-Chin Hung, Shu-Erh Kuo, TK Young)	Legal representative of Qisda Corporation (Chiu-Chin Hung, Shu-Erh Kuo, TK Young)	Legal representative of Qisda Corporation (Chiu-Chin Hung)	Legal representative of Qisda Corporation (Chiu-Chin Hung)
NT$2,000,000 (included)~3,500,000 (excluded)	Independent Director (Wen-Tsung Wang, Chin-Lai Wang, Shan-Kuei Lai)	Independent Director (Wen-Tsung Wang, Chin-Lai Wang, Shan-Kuei Lai)	Independent Director (Wen-Tsung Wang, Chin-Lai Wang, Shan-Kuei Lai)	Independent Director (Wen-Tsung Wang, Chin-Lai Wang, Shan-Kuei Lai)
NT$3,500,000 (included)~5,000,000 (excluded)	Legal representative of Qisda Corporation (Michael Lee)	Legal representative of Qisda Corporation (Michael Lee)	Legal representative of Qisda Corporation (Michael Lee)	Legal representative of Qisda Corporation (Michael Lee)
NT$5,000,000 (included)~1,000,000 (excluded)				
NT$10,000,000(included)~15,000,000 (excluded)			Legal representative of Qisda CorporationCo., Ltd. (Shu-Erh Kuo, TK Young)	Legal representative of Qisda CorporationCo., Ltd. (Shu-Erh Kuo, TK Young)
NT$15,000,000(included)~30,000,000 (excluded)				
NT$30,000,000(included)~50,000,000 (excluded)				
NT$50,000,000(included)~100,000,000 (excluded)				
More than NT$100,000,000				
Total	7 in total (including 4 corporations)	7 in total (including 4 corporations)	7 in total (including 4 corporations)	7 in total (including 4 corporations)

(B) Compensation for President and Vice Presidents

December 31, 2023 in NT$1,000

Title	Name	Salary(A)		Retirement Pension (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice President from an Invested Company Other than the Company's Subsidiary
		The Company	Companies in the consolidated financial statements	he Company	Companies inthe consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President (Note)	Michael Lee	13,886	13,886	528	528	18,537	18,450	5,678	0	5,678	0	38,542 (6.51%)	38,629 (6.52%)	0
President of Business Development Center	Shu-Erh Kuo													
President of Product Development & Support Center	Chieh-Cheng Shih													
President (Note).	TK Young													
Deputy President of the First Channel of the Business Development Center	Hui-Fen Liao													
Deputy President of Product Development & Support Center	Li-Tsung Lin													

Note: Mr. TK Young, Chief Operating Officer and Chief Legal Officer, was promoted to President on 1 April 2023.

Compensation range for each President and Vice President	Name of President and Vice President	
	The Company	Companies in the consolidated financial statements
Less than NT 1,000,000	Michael Lee	Michael Lee
NT$1,000,000(included)~2,000,000 (excluded)		
NT$2,000,000(included)~3,500,000 (excluded)		
NT$3,500,000(included)~5,000,000 (excluded)		
NT$5,000,000(included)~10,000,000 (excluded)	Shu-Erh Kuo, Shi Jiancheng, TK Young, Liao Huitong, Lin Lizhang	Shu-Erh Kuo, Shi Jiancheng, TK Young, Liao Huitong, Lin Lizhang
NT$10,000,000(included)~15,000,000 (excluded)		
NT$15,000,000(included)~30,000,000 (excluded)		
NT$30,000,000(included)~50,000,000 (excluded)		
NT$50,000,000(included)~100,000,000 (excluded)		
More than NT$100,000,000		
Total	6 in total	6 in total

(C) Names of managers provided with employee's remunerations and state of payments

December 31, 2023 in NT$1,000

	Title	Name	Stock	Cash	Total	Ratio of total amount to the net income after taxes (%)
Managers	President (Note)	Michael Lee	0	5,678	5,678	0.96%
	President of Business Development Center	Shu-Erh Kuo				
	President of Product Development & Support Center	Chieh-Cheng Shih				
	President (Note)	TK Young				
	Deputy President of the First Channel of the Business Development Center	Hui-Fen Liao				
	Deputy President of Product Development & Support Center	Li-Tsung Lin				

Note: Mr. Kenneth Yeung, Chief Operating Officer and Chief Legal Officer, has been promoted to President on 1 April 2023.

(D) Compare and analyze the total compensation as a percentage of net income after taxes stated in the parent company only or individual financial statements paid by the Company and by all companies listed in the consolidated financial statement in the most recent two years to the Company's Directors, supervisors, president and vice president. Describe the policies, standards, and packages for payment of compensation, the procedures for determining compensation, and its linkage to business performance and future risk exposure:

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice president of the Company, to the net income.

Unit: NT$1,000

Title	Proportion of the total remuneration to net profit after tax %			
	2023		2022	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
director	4.81%	4.82%	6.72%	6.72%
Independent Directo	1.06%	1.06%	1.39%	1.39%
President and Deput President	6.51%	6.52%	9.23%	9.23%

2. The policy, standard and combination of remuneration payment, the procedure for setting remuneration, and the relevance to business performance and future risks

(1) The procedures for determining the remuneration of directors shall be based on the "Performance Evaluation Measures of the Board of Directors and the Remuneration Measures for Directors and Functional Committee Members" of the Company, and if the Company makes a profit in the current year, no more than 1% of the remuneration of directors shall be allocated in accordance with Article 22 of the Articles of Association of the Company. The Company regularly evaluates the remuneration of directors in accordance with the "Performance Evaluation Measures of the Board of Directors", and the important evaluation items and proportions of directors' remuneration are as follows, and the relevant performance appraisal and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors:

A. Operating performance: Refer to the current year's operating income growth rate and gross profit margin increased compared with the same period last year.

B. External Evaluation: Comprehensively consider changes such as the results of the Company's corporate governance evaluation.

C. Peer level: Refer to the average director's remuneration of listed companies in information service-related industries.

In addition, due to the better operating performance, the total amount of relevant bonuses paid to employees in order to share the results of the operation with employees also increased by 10% compared with last year, and the average annual salary of full-time employees who are not in charge positions increased by 3% and the median annual salary increased by 5.1% due to the better operating performance.

(A) The remuneration of the managers of the Company shall be based on the remuneration policy for senior managers and the remuneration policies for senior managers, so as to sympathize with and reward the efforts of employees in their work, and the relevant bonuses shall also be approved according to the company's annual operating performance, financial staGlobal Intelligence, operating conditions and personal work performance, and if the company makes a profit in the current year, 5%-20% shall be allocated for employee remuneration in accordance with Article 22 of the Articles of Association of the Company. The performance appraisal results implemented by the Company in accordance with the relevant provisions of salary management - performance appraisal measures shall be used as a reference basis for the issuance of bonuses to managers, and the performance evaluation items of managers shall be divided into:

1. Financial indicators: According to the company's management profit and loss statement, the contribution of each business group to the company's profit is allocated, and the target compliance rate of the manager is taken into account;

2. Non-financial indicators: The practice of the company's core values, the ability to operate and manage, and the participation in sustainable operation, calculate the remuneration for its business performance, and review the remuneration system in a timely manner according to the actual business situation and relevant laws and regulations.

(B) The combination of remuneration paid by the Company is in accordance with the regulations of the Remuneration Committee, including cash remuneration, employee stock ownership trust, retirement benefits or severance benefits, various allowances and other measures with substantial incentives, and its scope is consistent with the remuneration of directors and managers in the standards for matters to be recorded in the annual reports of public companies.

IV. Implementation of Corporate Governance

(A) Operations of the Board of Directors

A total of 6 meetings of the Board of Directors were held in 2022. The attendance of director and supervisor were as follows:

Title	Name	Number of actual attendance (B)	Number of proxy attendance	Actual attendance rate (%) (B/A)	Remark
Chairman	Legal representative of Qisda Corporation(Shares) Company: Michael Lee (Note).	6	0	100%	
director	Legal representative of Qisda Corporation(Shares) Company: Chiu-Chin Hung	6	0	100%	
director	Legal representative of Qisda	6	0	100%	

	Corporation(Shares) Company: Shu-Erh Kuo				
director	Legal representative of Qisda Corporation(Shares) Company: TK Young	6	0	100%	
Independen Director	Wen-Tsung Wang	6	0	100%	
Independen Director	Chin-Lai Wang	6	0	100%	
Independen Director	Shan-Kuei Lai	6	0	100%	

Note: On 2024/3/22, the corporate director of Qisda Technology was reappointed as the representative of Mr. Wen-Hsing Tseng, and was promoted to chairman of the board of directors on April 2, 2024.

Other matters to be recorded:

A. In the operation of the board of directors under any of the following circumstances, the date, period, content of the proposal, opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated:

(A) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and the provisions of Article 14-3 shall not apply. For an explanation of the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the Operation of the Audit Committee.

(B) In addition to the matters mentioned above, other matters resolved by the board of directors that have been objected to or qualified by independent directors and have been recorded or notified in writing: none.

B. The execution of the director's recusal of the interested proposal shall state the director's name, the content of the proposal, the reason for the recusal of interest, and the circumstances of participation in voting:

Date	The name of the directors	The content of the proposal	Reasons for abstentions	The results of voting counts
2023/2/23	Wen-Tsung Wang, Chin-Lai Wang	The proposal to lift the non-compete restriction of the incumbent directors	The directors' own interests are involved.	After excluding the directors who should recuse themselves, the remaining directors present passed the case without objection.
	TK Young	Proposed endorsement guarantee for 100% subsidiary COREX (PTY) LTD	The director, Mr. TK Young, is also a director of Corex and has his own interest in the case.	
	Michael Lee	Proposed donation to BenQ Cultural and Educational Foundation	The donation object is the substantive relationship of the corporate director Qisda Corporation.	
	Michael Lee, TK Young	The change of the President and chief operating officer of the Company	The directors' own interests are involved.	
	TK Young	Lifting the non-compete restriction		

Date	The name of the directors	The content of the proposal	Reasons for abstentions	The results of voting counts
		of the new President of the Company		
	Michael Lee, Shu-Erh Kuo, TK Young	The 2022 annual remuneration distribution case of senior managers		
	Michael Lee, Shu-Erh Kuo, TK Young	It is proposed to propose the annual remuneration index of senior managers in 2023		
	Michael Lee, Shu-Erh Kuo, TK Young	Case of bonus and salary adjustment policy for senior managers in 2023		
2023/8/1	Michael Lee, Chiu-Chin Hung, Shu-Erh Kuo, TK Young	The Company invested in Brainstorm Corporation	The object of the share transfer is the substantive related person of the corporate director Qisda Corporation.	
2023/11/6	TK Young	Proposed endorsement guarantee for a 100% shareholding subsidiary of COREX (PTY) LTD	The director, Mr. TK Young, is also a director of Corex and has his own interest in the case.	
		Proposed capital loan and 100% shareholding of COREX (PTY) LTD subsidiary		

C. Evaluation and implementation of the board of directors:

The Board of Directors of the Company approved the "Board Performance Evaluation Measures" on September 18, 2019 and amended on November 5, 2020, which stipulates that the Board shall conduct performance evaluation for the Board of Directors and its members at least once a year. The Company completed the Board evaluation at the end of 2023 and reported the Board of Directors on 29 February 2024, in which the evaluation results of the Board, the Board members and the two functional committees were all "excellent", which is sufficient to demonstrate the good functional and operational efficiency of the Board of Directors and the functional committees of the Company.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items	Evaluate Indexes	Outcome
Performed	January 2023	board of	board of	1. Mastery of the company's goals	50 items	Excellent

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items	Evaluate Indexes	Outcome
annually	to December 2023	directors and directors	directors and directors Internal self-assessment	and tasks 2. The degree of involvement in the company's operations 3. Internal relationship management and communication 4. Improve the quality of decision-making of the board of directors 5. Composition and structure of the Board of Directors 6. Awareness of directors' responsibilities 7. Election, professional and continuing education of Directors 8. Internal Controls		
		Audit Committee	Audit Committee Internal self-assessment	1. The degree of involvement in the company's operations 2. Awareness of the responsibilities of the review committee 3. Improve the quality of decision-making of the review committee 4. Composition and selection of members of the Review Committee 5. Internal Control	20 items	Excellent
		Remuneration Committee	Remuneration Committee Internal self-assessment	1. The degree of involvement in the company's operations 2. Recognition of the responsibilities of the Salary Committee 3. Improve the quality of the Salary Committee's decision-making 4. Composition and selection of members of the Salary Committee	16 items	Excellent

D. Evaluation of the performance of the Board of Directors by the external organization

(A) In June 2021, the Company appointed the Chinese Corporate Governance Association (the "Association") to evaluate the effectiveness of the Board of Directors, in addition to reviewing the statements and relevant documents of the Company's evaluation indicators in writing, and conducting an interview on August 23, 2023, including the chairman of the board, three independent directors, the President, the head of corporate governance and the head of audit.

(B) On September 1, 2023, the Association issued a performance evaluation report of the board of directors, which evaluated the eight aspects of the board of directors: composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management, and others (such as board meetings, support systems, etc.).

(C) The Company has reported the results of the assessment to the Board on 6 November 2023.

(D) The evaluation report concluded that the leadership style of the Chairman has laid a good foundation for the effectiveness of the Board, and the Board members can fully communicate and contribute to various Board meetings and related issues, forming a good board discussion culture, and the Board of Directors has planned to hold institutionalized initial training for new directors in accordance with the recommendations of the China Corporate Governance Association, and is expected to make other suggestions for improvement as a reference for the Company to improve the operational performance of the Board.

E. Evaluation of the objectives and implementation of the strengthening of the functions of the Board of Directors in the current and recent years:

(A) In 2019, the Company established an independent director and an audit committee to exercise the functions and powers stipulated in the Securities and Exchange Act, the Company Law and other laws and regulations, and in 2011, a remuneration committee was established to strengthen corporate governance and improve the remuneration system for directors and managers.

(B) In accordance with Article 26-3, Paragraph 8 of the Securities and Exchange Act, the Company has established the "Rules of Procedure of the Board of Directors", the contents of the Board of Directors' meetings, operating procedures, matters to be specified in the minutes of meetings, announcements, and other matters to be complied with shall be handled in accordance with the provisions of the Rules. The Board of Directors of the Company meets at least once a quarter, and the members of the Board of Directors exercise their duties and powers with a high degree of self-discipline and prudence in accordance with the principle of maximizing shareholders' interests, fulfilling their duties of good stewardship and loyalty.

(C) The performance of the Executive Board has been externally evaluated in 2023.

(B) The operation of the Audit Committee

1. Operation of the Audit Committee:

In the recent (2023) annual audit committee meeting 4 times (A), independent directors are present as follows:

Title	Name	Atten-dance in Person(B)	Number of times attended by proxy	Attendance rate (B/A)	Remark
Independent Director	Wen-Tsung Wang	4	0	100%	
Independent Director	Chin-Lai Wang	4	0	100%	
Independent Director	Shan-Kuei Lai	4	0	100%	

Other matters to be recorded:

A. . If any of the following matters occurs during the operation of the Audit Committee, the dates, terms, contents of the proposal of the Board meetings, the opinions of all Independent Directors and the responses by the Company shall be cleanly described:

(A) Items specified in Article 14-5 of Securities and Exchange Act:

<table>
<tr><th>BOD
Date/Terms</th><th>Discussions</th><th>Opinions by Independent Directors and Treatment by the Company</th></tr>
<tr><td>2023 1st
2023/02/23</td><td>1. The 2022 annual internal control system statement and the report on the implementation results of self-assessment.
2. It is proposed to revise the internal control system and the detailed rules for the implementation of internal audit
3. 2022 annual business report, financial statements and 2023 annual business plan.
4. Proposed endorsement guarantee for 100% subsidiary COREX (PTY) LTD
5. It is planned to review the case of public expenses for accountant services in 2023.</td><td rowspan="4">1. Content of objections, reservations or major suggestions of independent directors: none.
2. All members of the Audit Committee present have no opinion and approve the approval.
2. 3. The company's handling of the opinions of the members of the audit committee: none.</td></tr>
<tr><td>2023 2nd
2023/05/04</td><td>1. The case of the change of visa accountant and the proposed appointment of the visa accountant of the company's 2023 annual financial statements.
2. The Company invested in the equity of Renda Information Co., Ltd.</td></tr>
<tr><td>2023, 3rd
2023/08/01</td><td>1. Consolidated financial report for the second quarter of 2023.
2. The Company invested in Brainstorm Corporation</td></tr>
<tr><td>2023 4th
2023/11/06</td><td>1. Formulate the internal audit plan in 2024.
2. Proposed endorsement guarantee for 100% subsidiary Corex (PTY) LTD.
3. Proposed capital loan and 100% shareholding of COREX (PTY) LTD subsidiary
4. Proposed appointment of the company's 2024 annual financial statements visa accountant case.</td></tr>
</table>

(B) In addition to the matters mentioned above, other matters that have not been approved by the Audit Committee and are approved by more than two-thirds of all directors: none.

B. For the implementation of Directors' avoidance due to conflicts of interest of Directors, please clearly specify the names of Directors, the content of the proposals, the reasons of avoidance due to conflicts of interest and the participation in the voting and resolution: None.

C. Communication between Independent Directors, the Internal Audit Director and CPAs (the major issues, methods and results of the Company's financial and business conditions shall be descripted in details):

(A) The audit supervisor shall submit the audit report to the independent directors in the month following the completion of the audit project, and the independent directors have no objection.

(B) The audit supervisor attends the company's regular audit committee and makes audit business reports (including the report on the audit matters of the current period, the report on the follow-up matters after the implementation of the current period, etc.), and the independent directors have no objections. Independent directors may contact their accountants when they deem it necessary to understand the findings and deficiencies and improvements.

(C) The accountants report to the independent directors on the financial staGlobal Intelligence and overall operation of the Company and the audit of internal control on a semi-annual basis, including the scope and method of audit or review of financial statements, the results of audit or review of financial reports, important accounting treatments, regulatory updates and other related issues.

D. Annual key functions and operations:

(A) Annual key functions

1. Communicate results of audit report with the head of internal audit regularly according to the annual audit plan.
2. Communicate with CPA regularly over financial statement review or audit results in each quarter.
3. Review financial reports.
4. Assessment of the effectiveness of internal control system.
5. Review the hiring, dismissal, compensation, and service matters concerning CPAs
6. Review the Company's operational procedures and material transactions of assets, derivatives, capital lending and endorsement/guarantees.
7. Legal compliance.

(B) Operation in 2023: The proposals of the Audit Committee have been reviewed or approved by the Audit Committee, and the independent directors have no objections.

(C) The operation of corporate governance and the differences and reasons between the corporate governance operation and the code of practice for listed companies listed on the OTC market:

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
A. 1Has the company formulated and disclosed the code of corporate governance in accordance with the Code of Corporate Governance Practices for Listed and OTC Companies?	V		On May 12, 2017, the Board of Directors approved the formulation and disclosure of the Company on the Company's website - Corporate Governance Zone. All of them will be updated in a timely manner in response to amendments to relevant laws and regulations.	There were no major differences
B. The company's shareholding structure and shareholders' equity (A) Does the company have internal operating procedures in place to deal with shareholder suggestions, doubts, disputes and litigation matters, and implement them in accordance with the procedures?	V		The Company has set up a stakeholder area in accordance with regulations, and established a spokesperson and an agent spokesperson system to handle shareholder suggestions, doubts, disputes and litigation matters.	There were no major differences
(B) Does the company have a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders?	V		In addition to regularly updating the register of shareholders and the register of major shareholders in accordance with the regulations, and regularly reporting the changes in the equity of directors, managers and major shareholders holding more than 10% of the shares at the public information observatory on a monthly basis, the Company can grasp the list of major shareholders and ultimate controllers of major shareholders who actually control the company.	
(C) Does the company establish and implement a risk control and firewall mechanism with its affiliates?	V		The handling of various financial and business matters between the Company and its affiliates shall be handled in accordance with the Company's internal control system, internal audit system and relevant laws and regulations.	
(D) Does the company have internal regulations to prohibit company insiders from using undisclosed information in the market to buy and sell securities?	V		The Company has established the Code of Ethical Management and the Code of Ethical Conduct for Employees and the Operating Procedures for Handling Material Information and Preventing Insider Trading to regulate the use of undisclosed information in the market by insiders to buy and sell securities.	

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
C. Composition and responsibilities of the Board of Directors (A) Does the Board of Directors formulate a diversity policy, specific management objectives and implement them?	V		The Company has formulated a policy on diversity in the composition of the Board of Directors in Article 20 of the "Code of Corporate Governance Practices", and selects directors with business management, leadership and decision-making, industry experience (finance, international market, IT industry, accounting practice) and professional competence (information technology, accounting, law) according to their professional background and field of work, etc., to implement the Company's policy of diversity in the composition of the Board of Directors. The Board of Directors of the Company shall guide the Company's strategy, supervise and manage the management, and be responsible to the Company and its shareholders, and shall ensure that the Board of Directors exercises its powers in accordance with laws and regulations, the Articles of Association or resolutions of the shareholders' meeting. The directors of the Company are equipped with the knowledge, skills, literacy, and industrial decision-making and management capabilities necessary for the execution of business. The Company also continues to arrange diversified continuing education courses for directors to enhance their decision-making quality and supervisory ability, thereby strengthening the functions of the Board. The current Board of Directors of the Company consists of 7 directors, including 3 independent directors and 4 representative directors. Each director has the ability necessary for the diversified development of the company's business, and in addition to the ability of the board of directors as a whole, the implementation of diversity (Note 1).	There were no major differences

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
(B) In addition to setting up a salary and remuneration committee and an audit committee in accordance with the law, does the company voluntarily set up other types of functional committees?	V		The Company has established a risk management committee, the operation of which is detailed in the company's website - corporate sustainability area, and although the Company currently does not have a nomination committee, in practice, the election of directors (including independent directors) of the Company adopts the candidate nomination system, and the list of candidates for incumbent directors (including independent directors) is proposed by shareholders or the board of directors who hold more than 1% of the total number of shares of the Company, and the list of candidates is submitted to the regular shareholders' meeting for election after being reviewed by the board of directors in accordance with the law.	
(C) Does the Company formulate the performance evaluation method and evaluation method of the Board of Directors, conduct performance evaluation annually and regularly, and submit the results of the performance evaluation to the Board of Directors and use them as a reference for the remuneration and nomination of individual directors?	V		The Board of Directors of the Company approved the "Measures for the Performance Evaluation of the Board of Directors" on September 18, 2019 and amended it on November 5, 2020, under which the Board conducts an internal performance evaluation at least once a year and an external independent organization or an external team of experts and scholars at least once every three years. The Company completed the internal performance evaluation of the Board of Directors at the end of 2023 and reported the results of the Board of Directors meeting on 29 February 2024. The results of the Board's external performance evaluation were presented to the Board on November 6, 2023. The performance evaluation items of the Board of Directors and Directors of the Company include the following eight aspects: (1) Grasp the company's goals and tasks. (2) the degree of involvement in the company's operations.	

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
			(3) Internal relationship management and communication. (4) Improve the quality of decision-making of the board of directors. (5) Composition and structure of the Board of Directors. (6) Awareness of directors' responsibilities. (7) Election, professional and continuing education of directors. (8) Internal Control. The evaluation was conducted by means of an internal questionnaire, based on the operation of the Board of Directors and the participation of the Directors, and the evaluation results were "excellent", and the overall operation efficiency of the Board of Directors was good based on the results of the 2023 Board of Directors performance evaluation According to Article 22 of the Articles of Association, the remuneration of directors of the Company shall not be higher than 10% of the annual profit. The remuneration committee and the board of directors shall determine the remuneration of directors in accordance with the company's operating results and the "Remuneration Measures for Directors and Functional Committee Members", as well as with reference to the results of performance evaluation.	
(D) Does the company regularly assess the independence of the visa accountants?	V		The Company conducts an annual self-assessment of the independence of the certified public accountants (Note 2 of the assessment form). It has been confirmed that Hung-Wen Fu and Chun-Wei Chuang, CPA of KPMG, have met the Company's independence assessment standards and are qualified to serve as the Company's visa accountants, and the visa accountants are also required to issue a declaration of independence in accordance with the "Bulletin No. 10 of the Code of Professional	

<table>
<tr><th rowspan="2">Evaluate Item</th><th colspan="3">Operation</th><th rowspan="2">Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>Ethics for Accountants ".
The Board of Directors held a meeting on November 6, 2023 to evaluate the independence and competency of certified accountants based on five aspects (professionalism, quality control, independence, supervision, and innovation ability) with reference to Audit Quality Indicators (AQIs).</td><td></td></tr>
<tr><td>D. Does the listed company have an appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing information required for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law, and preparing minutes of the board of directors and shareholders' meetings, etc.)?</td><td>V</td><td></td><td>The Company approved the appointment of Ms. Mavis Lin as the head of corporate governance of the Company by resolution of the Board of Directors on February 25, 2021, responsible for the supervision and planning of corporate governance, and her qualifications meet the requirements of Article 3-1, Item 1 of the Code of Practice on Corporate Governance for Listed and OTC Companies. The duties and powers of the Head of Corporate Governance include: providing information required for the directors and the Audit Committee to perform their business and the latest laws and regulations related to the Company's operations, assisting the Directors and the Audit Committee in complying with laws and regulations, regularly reporting to the Corporate Governance Committee and the Board of Directors on the operation of corporate governance every year, handling matters related to the meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law, preparing the minutes of the Board of Directors and the Shareholders' Meeting, and assisting the Directors and Audit Committee in their appointment and continuing education.
The business execution in 2023 is as follows:
1. Assist independent directors and general directors in the performance of their duties, provide required information and arrange continuing education for directors.
2. The Board of Directors is regularly informed of</td><td>There were no major differences</td></tr>
</table>

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
			the latest revisions and developments in laws and regulations related to the Company's business areas and corporate governance. 3. Review the confidentiality level of relevant information and provide the company information required by the directors to maintain smooth communication and exchanges between the directors and the business executives. 4. After the meeting, it is responsible for reviewing the release of material information on important resolutions of the board of directors to ensure the legality and correctness of the content of the important information, so as to ensure the reciprocity of investors' transaction information. 5. In 2023, the Audit Committee and the Board of Directors will be held four times each. 6. In 2023, the general meeting of shareholders will be held once. 7. The Company will take out liability insurance for directors and key employees and report to the Board of Directors after the renewal of the insurance. 8. The internal performance evaluation of the board of directors was conducted, and the evaluation result was excellent, which was submitted to the board of directors on February 29, 2024. 9. The results of the external performance review were reported to the Board on 6 November 2023.	
E. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder section on the company's website, and	V		The Company has established a stakeholder mailbox on the Company's website as a communication channel to respond appropriately to important CSR issues that they are concerned about, and regularly publishes financial and business information on the Public Information Observatory and the Company's website. In response to events that may have an	There were no major differences

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
appropriately respond to important corporate social responsibility issues that stakeholders are concerned about?			impact on stakeholders, we also make timely announcements of major information.	
F. Does the company appoint a professional stock affairs agency to handle the affairs of the shareholders' meeting?	V		The Company has appointed the Stock Affairs Agency Department of Taishin Consolidated Securities Co., Ltd. as the Company's stock affairs agency and handles the affairs of the shareholders' meeting.	There were no major differences
G. Information disclosure (A) Does the company set up a website to disclose financial business and corporate governance information?	V		The Company's website in both English and Chinese (www.metaage.com TW) has an investor section that discloses financial, business and corporate governance information.	There were no major differences
(B) Does the company adopt other methods of information disclosure (such as setting up an English website, designating a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, placing the company's website during the legal person information conference, etc.)?	V		The company has an English website, a dedicated person is responsible for the collection and disclosure of company information, the implementation of a spokesperson system, regular or irregular operation briefings and upload briefing materials to the company's website, and set up an investor mailbox to respond to investors' questions in real time.	
(C) Does the company announce and file its annual financial report within two months after the end of the accounting year, and announce and report the financial report for the first, second and third quarters and the operation of each month before the prescribed deadline?	V		The Company's 2023 consolidated and individual financial reports will be announced and filed on February 29, 2024, and the financial reports for the first, second and third quarters of 2023 and the revenue of each month will be announced and reported at the Public Information Observatory before the prescribed deadline and uploaded to the Company's website.	

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
H. Does the Company have any other important information that is useful for understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors, etc.).	V		A. Employee Rights and Employee Care: Continuously plan various welfare measures for employees and set up an employee welfare committee to protect employees' rights and interests, improve employee welfare, and give employees a better working environment and development space. In addition, establish good employee relations and benefits, so that employees have a sense of job satisfaction and provide equal employment opportunities, provide employees with a comfortable and safe working environment, etc., and protect the basic rights and interests of employees, such as work rules, pension, medical care, accident insurance, etc., or education and training (please refer to 5. Labor relations for related rights and interests). B. Investor Relations: The company's special personnel will announce information on financial, business, and insider shareholding changes at the public information observatory in real time in accordance with relevant regulations, so as to achieve information openness and transparency, and set up investor contact information on the company's official website. C. Supplier relationship: The company is mainly engaged in the information service industry, as an agent of information and communication products, and its overall operation strategy is to take the 'best partner of IT intelligence' as the main axis of operation, and the agents are all network and system software and hardware products of world-renowned brands, so as to provide customers with integrated information and communication solutions in different fields. These upstream suppliers are mainly internationally renowned brands and foreign	There were no major differences

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
			listed companies, and all of them have established social responsibility codes in accordance with the regulations of each country. Since 2014, the company has formulated an implementation policy in accordance with the Electronic Industry Citizenship Coalition (EICC) and worked with major original suppliers to ensure the requirements of corporate social responsibility behavior. In 2017, the Electronic Industry Citizenship Coalition (EICC) announced that it would renovate its organization and change its name to RBA, and then the company also followed the five major aspects of the new version of the Responsible Business Alliance Code of Conduct (Labor Human Rights/Health and Safety/Environmental Protection/Code of Ethics/Management Practices) to expand advocacy to suppliers to ensure that there are no incidents that impede labor freedom of association, child labor, and forced labor, in addition to responding to international trends, and to improve the social responsibility and environmental safety and health performance of the supply chain. We are committed to complying with the spirit of RBA standards and social responsibility, and hope to practice the new trend of "corporate social responsibility" and "sustainable development" with upstream and downstream partners. D. Rights of stakeholders: Set up a stakeholder section on the company's website to respond to important sustainability issues that stakeholders are concerned about. E. Continuing education for directors: The Company handles the training of directors in accordance with the provisions of the "Key Points for the Implementation of Advanced Training for Directors of Listed and OTC Listed	

Evaluate Item	Operation			Comparison Against the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies And Their Reasons
	Y	N	Summary Description	
			Companies" and the "2023 Training for Directors of the Company" (Note 3). F. Implementation of risk management policies and risk measurement standards: The Company has established various internal regulations in accordance with the law, conducts various risk management and evaluation, reviews various internal management regulations from time to time, and purchases liability insurance for the directors of the Company to diversify the risks of implementation and management. In 2021, a risk management committee was established to formulate a risk management policy to regularly assess the company's risks to reduce corporate risks. G. Implementation of customer policy: The company maintains a good and stable relationship with customers to create the company's profits. H. The Company has purchased appropriate liability insurance for the Directors and reported to the Board of Directors.	

I. Please explain the improvement staGlobal Intelligence of the corporate governance evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the latest year, and propose priority enhancement items and measures for those that have not yet improved:
(A) The company won the top 6%~20% of all listed companies in the 9th Corporate Governance Evaluation.
(B) The Company has set up a stakeholder section on the Company's website to understand and respond to important sustainability issues that stakeholders are concerned about, and continues to strengthen and improve projects such as safeguarding shareholders' rights and interests, treating shareholders equally, strengthening the structure and operation of the Board of Directors, enhancing information transparency, and implementing sustainable development.

Note 1: The situation of taking Diversity of the Board of Directors goes as follows:
1. At least one female director (currently two female directors) will be appointed.
2. The age of the directors ranged from age group (41-50 years old - 14.3%, 51-60 years old - 57.1%, 61-70 years old - 28.6%).
3. Appointment of Directors with Different Professional Knowledge and Skills: Details (1) Director's Information (2).

Note 2: The assessment standard of independence of CPAs goes as follows

No.	The assessment items	Evaluation results Y/N	Correspondent to independence Y/N
1	Whether the accountant has a direct or material indirect financial interest in the Company.	N	Y
2	Whether the accountant has financing or guarantee acts with the Company or the directors of the Company.	N	Y
3	Whether the accountant has a close business relationship and potential employment relationship with the Company.	N	Y
4	Whether the accountant and his members of the audit team held any position as a director, manager or had a significant influence on the audit work of the Company during the audit period.	N	Y
5	Whether the accountant provides non-audit services to the company that may directly affect the audit work.	N	Y
6	Whether the accountant intermediates stocks or other securities issued by the company.	N	Y
7	Whether the accountant acts as an advocate for the Company or mediates conflicts with other third parties on behalf of the Company.	N	Y
8	Whether the accountant has a family relationship with the directors, managers or personnel who have a significant influence on the audit work of the Company.	N	Y
Conclusion: After evaluation, none of the appointed visa accountants have the above independent assessment items, which can confirm that the appointed visa accountants are independent.			

Note 3: The situation of Directors 'training of the company in 2023 goes as follows:

Title	Name	Training Date	Organizer	Course Name	Length of the curriculum
Representative of the director of the legal person	Michael Lee	2023/06/01	Taiwan Investor Relations Association	The establishment and key to the establishment of enterprise intellectual property management system	3
		2023/12/01	China Association of Independent Directors	Tax governance in the new tax environment	3
Representative of the director of the legal person	Chiu-Chin Hung	2023/06/01	Taiwan Investor Relations Association	The establishment and key to the establishment of enterprise intellectual property management system	3
		2023/12/01	China Association of Independent Directors	Tax governance in the new tax environment	3
Representative of the director of the legal person	Shu-Erh Kuo	2023/03/27	Chamber of Commerce and Industry of the Republic of China	Corporate Resilience and Taiwan's Competitiveness	3
		2023/12/01	China Association of Independent Directors	Tax governance in the new tax environment	3

Title	Name	Training Date	Organizer	Course Name	Length of the curriculum
Representative of the director of the legal person	TK Young	2023/06/01	Taiwan Investor Relations Association	The establishment and key to the establishment of enterprise intellectual property management system	3
		2023/12/01	China Association of Independent Directors	Tax governance in the new tax environment	3
independent director	Wen-Tsung Wang	2023/06/01	Taiwan Investor Relations Association	The establishment and key to the establishment of enterprise intellectual property management system	3
		2023/09/21	China Association of Independent Directors	Analyze the responsibilities of directors (INEDs) from practical cases	3
independent director	Chin-Lai Wang	2023/06/01	Taiwan Investor Relations Association	The establishment and key to the establishment of enterprise intellectual property management system	3
		2023/06/02	Chamber of Commerce and Industry of the Republic of China	2023 New Net Zero Power Summit Forum	3
independent director	Shan-Kuei Lai	2023/06/02	Chamber of Commerce and Industry of the Republic of China	2023 New Net Zero Power Summit Forum	3
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Finance & Climate Change Summit	6

(D) Composition, duties, and operations of the Company's Remuneration Committee:

1. Information on the members of the Remuneration Committee

Date: April 2, 2024

Title	Name / Condition	Professional qualifications and experience	Conditions of Independence (Note 2)										Personal Shareholding		Spouse & Minor Shareholding		Number of other public Companies where the Director concurrently serves as an member of the Renumeration Committee
			1	2	3	4	5	6	7	8	9	10	Shares	%	Shares	%	
Independent Director	Wen-Tsung Wang	EMBA of National Tsing Hua University, Bachelor degree of Accounting, Feng Chia University,, CPA of Hui-Min Accounting Firm, CPA of Biing-Cherng CPAs	V	V	V	V	V	V	V	V	V	V	–	–	11,903	0.01%	2
Independent Director	Chin-Lai Wang	PHD of Business Administration, NCCU, MD of Ernst & Young Global Limited, Chairman of EY Management Services Inc	V	V	V	V	V	V	V	V	V	V	–	–	–	–	2
Independent Director	Shan-Kuei Lai	PHD, Business Administration, NTPU, MBA of Indiana University of Pennsylvania, Chairman of TOPCO SCIENTIFIC CO., LTD., President of ICSB, Chairman of CSBC CORPORATION, TAIWAN, Director of SMEA, MOEA, Deputy of director, Department of Commerce, MOEA	V	V	V	V	V	V	V	V	V	V	–	–	–	–	3

Note 1: For the relevant information of independent directors, please refer to (1) Information of directors (2).

Note 2: Members who meet the following conditions in the two years prior to their election and during their term of office should put a "V" in the box below the code of each condition.

(A) Not be an employee of the Company or its affiliates.

(B) Not a director or supervisor of the Company or its affiliates (except for those who are concurrently appointed by the Company with its parent company, subsidiaries or subsidiaries of the same parent company in accordance with this Law or the laws and regulations of the local country).

(C) A natural person shareholder who holds more than 1% of the company's total issued shares or the top 10 shareholdings in the name of himself, his or her spouse, minor children or in the name of another person.

(D) Not the spouse, second degree of kinship or third degree of kinship of the listed person or (2) or (3) of the listed person.

(E) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total issued shares of the Company, holds the top five shares, or appoints a representative to serve as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act (except in the case of an independent director appointed by the Company with its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or the laws of the local country).

(F) A director, supervisor or employee of another company whose directorships or voting shares are not controlled by the same person (except in the case of an independent director of the company or its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or the laws of the local country).

(G) Director (director), supervisor (supervisor) or employee of another company or organization who is not the same person or spouse as the chairman, general manager or equivalent of the company (except for the case of an independent director appointed by the company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Law or the laws and regulations of the local country).

(H) Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that does not have financial or business dealings with the Company (except that if a specific company or institution holds more than 20% of the total issued shares of the Company but does not exceed 50%, and is an independent director of the Company and its parent company, subsidiaries or subsidiaries of the same parent company in accordance with this Law or the laws and regulations of the local country, this restriction shall not apply).

(I) Professionals, sole proprietorships, partnerships, business owners, partners, directors (directors), supervisors, managers and their spouses who do not provide auditing or business, legal, financial, accounting and other related services with an aggregate remuneration of less than NT$500,000 in the last two years. However, this does not apply to members of the Remuneration Committee, the Tender Takeovers Review Committee, or the Special Committee on Mergers and Acquisitions who perform their duties and powers under the Securities and Exchange Act or the Mergers and Acquisitions Act.

(J) There is no one of the circumstances of any of the provisions of Article 30 of the Companies Act.

2. Responsibilities of the Remuneration Committee:

(1) There are 3 members in the Remuneration Committee.

A total of 2 Remuneration Committee meetings were held in 2023.

Duties of the Remuneration Committee:

① To review regulations of the remuneration committee and propose amendment of it at all times.

② To establish and regularly review the policies, systems, standards and structures for performance assessment and remuneration of directors and managers.

③ To regularly assess renumeration of directors, and managers, and set their renumeration.

(2)The 6th Term: From May 26, 2022 to May 25, 2025; The current term is the same as that of the board of directors. A total of 2 Remuneration Committee meetings were held in 2023. The attendance record of the Remuneration Committee members was as follows:

Position	Name	Attendance in Person (B)	Attended by Proxy	Attendance Rate (%) (B/A)	Remark
convener	Wen-Tsung Wang	2	0	100%	
commissioner	Chin-Lai Wang	2	0	100%	
commissioner	Shan-Kuei Lai	2	0	100%	
Other matters to be recorded: 1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee: None. 2. If the members have objections or reservations to the matters decided by the Remuneration Committee and there is a record or written notice: none.					

(3)The Remuneration Committee meetings' date, period, the content of motions, Resolutions and The Company handled opinions from committee members in 2023.

Remuneration Committee meeting	Item	Resolutions	The Company handled opinions from committee members	Note
In 2023 The first time 2023/02/23	1. 2022 employee and director remuneration distribution case. 2. The 2022 annual remuneration distribution case of senior managers. 3. Salary and remuneration of the general manager of the company. 4. Salary indicators for senior managers in 2023. 5. Discussion on the bonus and salary adjustment policy of senior managers in 2023.	All members of the Committee agreed to adopt it.	The proposal to the Board of Directors shall be approved by all the directors present.	
In 2023 The second time: 2023/11/06	Performance appraisal by the head of internal audit.	No resolution is required for reporting matters.		

(E)Status of sustainable development promotion and status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies (Sustainable Development Best Practice)

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	
A. 1. Has the company established a governance structure to promote sustainable development, and has set up a dedicated (part-time) unit to promote sustainable development, which is handled by senior management authorized by the board of directors, and the supervision of the board of directors?	V		1. In accordance with the laws and regulations of the competent authorities, international ESG development trends, and the social and environmental responsibility requirements of customers and suppliers, the Company formulated the "Corporate Social Responsibility Practice Principles", which was revised by the Board of Directors on August 2, 2022 and renamed as the "Sustainable Development Practice Principles" as the basis for the promotion and implementation of the Company's sustainable development policies. 2. The Company established the "CSR Committee" in May 2017 and renamed the "ESG Committee" in 2021. Its operation follows the Code of Practice for Sustainable Development adopted by the Board of Directors. The working group collects relevant issues from time to time according to their respective areas of responsibility, and then incorporates important issues into the implementation plan and daily operation after evaluating and analyzing the issues, and the committee reports to the board of directors on a regular basis every year, and the directors review the annual ESG management policy, strategy and goal setting, and the implementation of the goals, and urge the management team to make adjustments when necessary.	There were no major differences
B. Does the company conduct risk assessment of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		1. The Company established the Risk Management Committee (RMC) in August 2021 to establish a proactive risk management mechanism to facilitate relevant units to respond to risk events in a timely manner through risk management procedures, reduce or avoid the impact of risk events, and increase the risk awareness of personnel to ensure the sustainable operation of the Company. The boundaries of the risk assessment include the Company and its subsidiaries Global Intelligence, Epic Cloud, and Metaguru. 2. The Company's Risk Management Committee conducts risk management, and through internal meeting discussions, the risk categories are summarized into eight aspects: sales risk, product and technical service risk, financial risk, information security risk, compliance risk, human resources risk, climate risk and supply chain risk, and a total of 32 potential risks are covered under each category of risk, and annual risk assessment and information disclosure will be	There were no major differences

<table>
<tr><th rowspan="2">Objective</th><th colspan="3">Status of Implementation</th><th rowspan="2">Status and causes of inconsistency with Sustainable Development Best Practice</th></tr>
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<tr><td></td><td></td><td></td><td>carried out in accordance with this framework in the future. and regularly report to the Board of Directors on the operation of the Risk Management Committee of the Company and its business connotations every year.
3. The Company has also established the "Code of Ethical Conduct for Directors and Managers", the "Code of Ethical Management" and the "Code of Ethical Conduct for Employees", etc., and through the continuous operation of various management systems, codes and procedures, the Company can timely grasp and respond to the risks related to the environment, employees, customers, suppliers and stakeholders related to its operations.
4. The Company conducts relevant risk assessments on material ESG issues based on materiality principles, and formulates relevant risk management policies or strategies based on the assessed risks, please refer to the Corporate Sustainability section of the Company's website.</td><td></td></tr>
<tr><td>C. Environmental issues
(A) Does the company have an appropriate environmental management system based on its industrial characteristics?</td><td>V</td><td></td><td>The company is an information service industry, and its environmental impact mainly comes from the energy use of office business premises, and the use of electricity. In order to understand the actual situation of energy use and carbon emissions, and to facilitate the long-term management and tracking of environmental issues, the company has been checking its internal greenhouse gas emissions, water consumption and total waste weight since 2016. In 2022, ISO 14064-1 organizational greenhouse gas inventory was introduced, and in 2023, it passed the third-party inspection and certification, which was disclosed in the annual sustainability report and the company's official website.</td><td rowspan="3">There were no major differences</td></tr>
<tr><td>(B) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?</td><td>V</td><td></td><td>The company's impact on the environment is mainly due to the use of electricity in the office, in addition to continuously promoting the company's internal energy conservation and carbon reduction measures: digital solutions, energy saving measures, source management and concept advocacy. In order to increase the proportion of renewable energy, we have planned to set up our own solar photovoltaic in the operation headquarters, which is expected to be put into use in the second half of 2024.</td></tr>
<tr><td>(C) Does the company assess the potential risks and opportunities of</td><td>V</td><td></td><td>1. Through the ESG Committee, the Company regularly researches and collects information related to the company's internal environment, identifies the risks and opportunities brought about by climate change, and</td></tr>
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<tr><td>climate change to the enterprise now and in the future, and take relevant countermeasures?</td><td></td><td></td><td>formulates corresponding strategies and management measures for their possible hazards and development opportunities.
2. Climate Change Risk and Opportunity Analysis: In order to understand the financial impact of climate change on the company, the Company refers to the TCFD framework of climate-related financial disclosure, uses the process of climate risk and opportunity identification, assesses the risks and opportunities faced by climate change and the potential financial impact, and develops corresponding management measures. For the latest disclosure information, please refer to the "Download Report" of the Corporate Sustainability Zone on the Company's website.</td><td></td></tr>
<tr><td>(D) Does the company count greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulate policies for greenhouse gas reduction, water or other waste management?</td><td>V</td><td></td><td>1. In order to cooperate with the overall national environmental protection and greenhouse gas reduction policy, the Company has checked the internal greenhouse gas emissions, water consumption and total weight of waste to understand the actual situation of energy use and emissions. The relevant data is described below:
2. The company's greenhouse gas emission data for 2022 and 2023 were confirmed by third-party inspection companies Taiwan Inspection Technology Co., Ltd. (SGS) and Taiwan German Nord Technical Monitoring Consulting Co., Ltd. (TÜV NORD Taiwan) respectively. In 2023, the greenhouse gas emission intensity measured by revenue (million dollar) decreased by 0.0664 metric tons of CO2e/million dollar compared to 2022. The GHG emissions and information coverage for the most recent bienniums are shown in the table below:
<table>
<tr><th>year / project</th><th>2023</th><th>2022</th></tr>
<tr><td>Scope 1 (metric tons CO2e)</td><td>160.6547</td><td>45.2803</td></tr>
<tr><td>Scope 2 (metric tons CO2e)</td><td>1,480.6951</td><td>1,420.5779</td></tr>
<tr><td>Scope 3 (metric tons CO2e)</td><td>661.6896</td><td>746.3118</td></tr>
<tr><td>Total annual direct + indirect greenhouse gas emissions (metric tons CO2e)</td><td>2,303.0394</td><td>2,212.170</td></tr>
</table></td><td></td></tr>
</table>

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	

Carbon intensity (metric tons CO2e/person)	2.4631	2.7210
Convinced of the situation	It was confirmed by the third-party inspection company TüV NORD at the end of April 2024.	This correction to the 2022 annual report information is based on the data confirmed by SGS in June 2023.
Data boundaries	Metaage and its consolidated financial subsidiaries Global Intelligence-International, Epic Cloud, Metaguru＊, Statinc, DKABio, Advancedtek International, APEO, Brainstorm ＊ and Corex	Including Metaage, Global Intelligence International, Epic Cloud, Statinc, DKABio, Advancedtek International, APEO and Corex
＊Note:On December 1, 2022, our company acquired Metaguru and on October 2, 2023, we acquired Brainstorm Corporation in cash. These acquisitions changed our operational boundaries, and therefore, starting from 2023, the scope of our data inventory has been expanded to include Metaguru and Brainstorm Corporation.		

3. The statistics of electricity consumption, tap water consumption and general construction waste for the latest biennium, within Headquarters Neihu & Branches of Metaage, are shown in the table below:

year / project	2023	2022
Electricity Consumption (kWh)	2,384,413	2,638,684
Tap Water Consumption (kW)	10,697	7,461
Total weight of general utility waste (metric tons)	0.97	2.41

<table>
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<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Per capita electricity consumption (kWh)</td><td>3,553.52</td><td>4,208.43</td></tr>
<tr><td>Per capita tap water consumption (kW)</td><td>15.94</td><td>11.90</td></tr>
<tr><td>Weight of general engineering waste per capita (metric tons)</td><td>0.0015</td><td>0.004</td></tr>
<tr><td>Total number of people</td><td>671</td><td>627</td></tr>
</table>
*Note: Zhulu joined the Metaage Group in December 2022 and began to use the Neihu headquarters building. Therefore, the 2023 data range has been added to the number of deer.

In 2023, the per capita electricity consumption will decrease by 654.91 kWh/person, or about 15.6% per year, and the per capita water consumption will increase by 4.04 kWh/person, and the per capita waste will decrease by 0.0025 metric tons/person.</td><td></td></tr>
<tr><td>D. social issues
(A) Does the company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</td><td>V</td><td></td><td>1. The Company recognizes and voluntarily abides by internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the United Nations International Labour Organization.
2. In accordance with relevant labor laws and regulations, human rights conventions, and occupational safety and health regulations, the Company has established recruitment, selection and appointment measures, workplace sexual harassment prevention measures, complaint and disciplinary measures, corrective and preventive measures management procedures, and maternal health management and protection procedures, etc., in order to protect the rights and interests of employees and achieve the protection of employees' health and safety.</td><td rowspan="2">There were no major differences</td></tr>
<tr><td>(B) Does the company formulate and implement reasonable employee welfare measures (including salary, leave and other benefits, etc.), and</td><td>V</td><td></td><td>1. Employee welfare measures and remuneration policies are implemented in accordance with the company's work rules, and business performance is shared with colleagues through regular evaluation. In addition, in accordance with the Company's "Work Rules" and "Articles of Association", if the Company makes a profit in the year, it shall allocate 5% to 20% for employee remuneration, and the employee remuneration for 2022 has been paid in 2023 and will be paid in cash.</td></tr>
</table>

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	
appropriately reflect the business continuity or results in employee remuneration?			2. The company has set up an employee welfare committee to plan and provide high-quality benefits for employees, such as: three festival gifts, employee travel subsidies, birthday gifts, marriage allowances, maternity allowances, good pregnancy gift packages, funeral allowances, hospitalization condolences payments, New Year celebrations, etc. The company provides group insurance, free health examination and other benefits. In terms of the leave system, two days a week are taken, special leave is granted in accordance with the Labor Standards Law, and newcomers are given leave that is better than the Labor Standards Law. 3. The company is committed to achieving gender equality, having equal pay for equal work, providing equal remuneration conditions and promotion opportunities, and promoting sustainable and inclusive economic growth. FY2023 Ratio of male to female non-supervisors 50%:50%, Male to female supervisor ratio 54%:46% 4. Maidat provides appropriate employment opportunities for employees who are indigenous, physically and mentally disabled, or have foreign staGlobal Intelligence. At present, the company has 5 aboriginal employees, 7 employees with disabilities and 2 foreigners. In 2023, the number of employees employed by disadvantaged groups will reach 2.2%, and the number of people with disabilities will be overemployed, which is higher than the 1% employment standard stipulated by the law. 5. The company attaches great importance to the rights and welfare of employees, and in terms of hardware facilities, it has set up free snack supply stations, circular economy rooms, books, newspapers and magazines, nursing rooms, coffee bars, sparkling water drinking machines, etc., to provide employees with a variety of daily needs. In terms of taking care of the physical and mental health of employees, we arrange for resident masseur services, annual health check-ups, physician consultation services, health talks, EAP (Employee Assistance Program), etc., to provide employees with stress relief and health care.	

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	
(C) Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?	V		1. In order to create a safe and accident-free workplace environment, the Company formulates, plans, supervises, and promotes safety and health management matters through the Occupational Safety and Health Management Unit, and implements the Occupational Safety and Health Management Committee, which makes recommendations, deliberates, and coordinates occupational safety and health policies. In order to let employees understand the potential hazards in the working environment and reduce the risk of occupational accidents and accidents, the company arranges occupational safety and health education and training for new and current employees. In order to enhance employees' awareness of workplace safety and health and preventive management, we also arrange fire training, first aid personnel training, nursing staff education and training, and occupational safety and health management training to maintain the company's environment and employee safety. 2. The company has passed the third-party certification of the ISO 45001 occupational safety and health management system in 2023, and continues to implement PDCA with the goal of zero occupational accidents. For employees' workplaces and working environments, the Ministry of Labor entrusts qualified working environment monitoring institutions to be recognized every six months, and regularly maintains air conditioning and lighting to ensure that employees' workplaces meet safety, health and indoor air quality standards, and the company formulates risk assessment scales for environmental operations and equipment and tools used, and takes relevant control measures to reduce risks to reduce injuries and losses caused by occupational disasters. Persons injured in occupational accidents are counted on a monthly basis, and in the event of an occupational accident, we will conduct surveys, analyses, and make records with labor representatives, and make administrative improvements. In 2023, there were no occupational accidents or fire disasters.	

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	
(D) Does the company establish an effective career development training program for employees?	V		1. Provide a complete training system for new recruits, design training courses according to different functional developments, set up management practice workshops for specific personnel, and create skills training for engineers to work. In addition, employees can learn and acquire new knowledge through external channels, including: external professional certification, inviting professionals to share industry information, and organizing public welfare and other theme lectures. In 2023, new employees received more than 4,000 hours of professional and general training, including 7,547.8 hours for general employees and 2,297.1 hours for managers. 2. In addition to cultivating internal employees, Maidat also cultivates outstanding talents from universities at home and abroad. As of 2023, 14 interns have been trained in ESG, MIS, Marcom, HR, technology, business and other fields.	
(E) Does the Company comply with relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures for the protection of consumer or customer rights and interests?	V		1. The Company understands the importance of privacy and is committed to ensuring that the privacy and confidentiality of our customers are respected and protected. Except as expressly authorized or required by law, the Company will not disclose or use the Client's privacy and confidentiality for any purpose. The Company has formulated the "Information and Communications Security Inspection Management Measures" to establish a safe and reliable computerized operating environment, and is equipped with various information and communication security equipment such as firewalls and anti-virus systems to ensure the security of the company's computer data, systems, equipment and networks, and protect customers' privacy information. In addition, the Company has established the "Code of Ethical Conduct for Employees", which stipulates that employees shall carefully manage matters or confidential information that they know in the course of their duties, and shall not disclose them to others or use them for purposes other than their work unless they are disclosed by the Company or provided for the purpose of performing their duties, and the same applies after resignation. In order to prevent the leakage of confidentiality due to the personal behavior of employees, all employees are required to sign a consent form for the use of personal information, in order to protect the rights and interests of customers and prevent the leakage of customer information from being used by interested parties.	

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	
			2. The company strictly protects and controls relevant customer information, strengthens the importance of protecting customer documents and technical secrets, and continues to let employees understand the importance of information security through internal email promotion and new employee education and training. In addition, the protection of confidential documents is subject to restrictions on permissions, and in addition to the relevant operators, colleagues who are not in close positions must obtain some permissions with the permission of their immediate supervisors. Regularly check whether there are customer complaints reflecting data loss every year, and conduct a comprehensive review if so. 3. The company has set up a customer service hotline, including customer complaints and after-sales service mechanisms. In addition, we conduct dealer customer satisfaction surveys every year, and disclose the results of the surveys in the company's sustainability report.	
(F) Does the company have a supplier management policy that requires suppliers to comply with relevant norms on issues such as environmental protection, occupational safety and health, or labor human rights, and how well does it implement it?	V		1. The company is mainly engaged in the information service industry, conducts product procurement in a responsible manner, and actively communicates with suppliers to understand the rights and interests of their employees and the working environment, so as to exert the company's positive influence in the supply chain. 2. For new suppliers, the Purchasing, Product and Finance Department will conduct an assessment based on the company's basic information, financial staGlobal Intelligence, product quality, service and supply capabilities, procurement-related contracts or other supplier documents. New suppliers are also required to submit a Supplier Commitment to comply with the CSR aspects required by the Responsible Business Alliance Code of Conduct. 3. For existing qualified suppliers, we also prudently conduct supplier risk assessments, and pay attention to high-risk groups by regularly and irregularly investigating the operation and financial staGlobal Intelligence of suppliers, so as to avoid any situation such as unforeseen closure affecting shipments or causing disputes. In addition, we also conduct major risk investigations on suppliers, such as during special periods such as the peak period of new influenza and the .... of labor shortages, we will also conduct relevant understanding of suppliers in relevant regions, or communicate appropriate response methods to suppliers to avoid causing operational hazards.	

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	
			4. The Company refers to the five aspects of the Responsible Business Alliance Code of Conduct: Labor Human Rights, Health and Safety, Environmental Protection, Code of Ethics and Management System, and advocates to suppliers in the procurement process to ensure that there are no incidents that impede the free association of workers, the use of child labor, and forced labor, in addition to responding to international trends, and to improve the social responsibility and environmental safety and health performance of the supply chain. In 2023, a total of 25 suppliers with a transaction amount of more than 1 million dollar were encouraged to fill out ESG self-assessment questionnaires, accounting for about 40% of the important suppliers.	
E. Does the company refer to the internationally accepted standards or guidelines for the preparation of reports to prepare sustainability reports and other reports that disclose the company's non-financial information, and whether the pre-disclosure report has obtained the confirmation or guarantee opinion of a third-party verification unit?	V		1. The Company issued its first Corporate Social Responsibility Report in 2016, and since 2022, it has been preparing sustainability reports with reference to GRI Standards and SASB Standards, and has introduced the TCFD framework into the Sustainability Report, and the latest 2023 Sustainability Report and TCFD are expected to be completed in 2024 and disclosed on the Public Information Observatory of the Stock Exchange and the Company's official website - Sustainability Zone. 2. The Company's 2023 Annual Report is expected to entrust a third-party verification company, TÜV NORD Taiwan Co., Ltd. (TÜV NORD Taiwan), to confirm the contents of the report, with reference to the GRI General Criteria 2021 Disclosure Requirements and the Second Type Moderate Assurance Standard (AA 1000/ Type II/ Moderate).	There were no major differences
F. If the company has its own sustainable development code in accordance with the "Code of Practice for Sustainable Development of Listed and OTC Listed Companies", please describe the differences between its operation and the code Adhering to the principles of honest management and business integrity, the Company approved the revision of the Code of Practice for Sustainable Development by the Board of Directors in 2022 to incorporate it into the Company's operations and management, and to abide by laws and business ethics to strengthen the trust of customers and stakeholders in order to achieve the purpose of sustainable operation. The Company regularly reviews the operation of the Code and makes improvements, and there is no difference between the operation and the Code.				

Objective	Status of Implementation			Status and causes of inconsistency with Sustainable Development Best Practice
	Y	N	Summary Description	
G. Other important information that will help to understand the implementation of sustainable development: (A) Sustainability Evaluation: The Company won the top 6%~20% of all listed companies in the 9th Corporate Governance Evaluation, the Silver Award of the 16th TCSA Sustainability Report in 2023 and the TCSA Talent Development Leader Award, Chunghwa Telecom's Gold Sustainable Supply Partner, and Taipei Internal Medicine Green Transportation ESG Outstanding Enterprise. (B) Employee Stock Ownership Trust: In order to thank all colleagues for their hard work and business innovation, Maidat launched the employee stock ownership trust in 2022 and will continue to promote it in 2023. The employee stock ownership trust plan adopts a free participation system, which is joined by employees independently, and it is agreed that the employee deposit will be withdrawn from the employee's salary every month, and the company also provides a company incentive that is better than the industry, which is equivalent to an additional salary addition. (C) Public welfare activities and sponsorship: In 2023, employees participated in beach cleaning activities for a total of 120 hours and donated blood for a total of 122 times. A total of 2.14 million dollar was sponsored by BenQ Cultural and Educational Foundation, STP Seed Talent Training Program, Women in AI Taiwan, and International Human Resources Institute of Normal University.				

H. Implementation of climate-related information

Project	Execution
(A) Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	(A) The Board of Directors of the Company is the highest supervisory unit for sustainable development and climate change, and is responsible for supervising, reviewing and approving sustainability policies, and has set up a Risk Management Committee, under which the head of the Environmental Safety and Risk Management Division is the officer of the division to oversee the management of climate risks, and the committee members include the heads of product, business, finance, supply chain, information, legal affairs and human resources, etc., and the Environmental Safety and Risk Management Division has established a TCFD Working Group and a Greenhouse Gas Inventory Team. The TCFD team is responsible for identifying various climate risk factors, analyzing potential climate-related risks and opportunities, and is responsible for the implementation and reporting of climate change risks as a whole. The GHG Inventory Team is responsible for the proposed GHG inventory process and report, which provides an inventory of GHG emissions to understand GHG emission hotspots and energy use in Metaage. It also regularly reports to the Board of Directors on the operation of the Risk Management Committee and its business connotations, including risk categories, potential risks, impact of corporate profit and loss and response strategies, risk control measures adopted and implementation.
(B) Describe how the identified climate risks and opportunities affect the business, strategy and finances (short, medium and long term).	(B) Our company has identified climate-related risks and opportunities. Transformation risks include carbon emission policies, domestic and foreign sustainability regulations, renewable energy policies, customer sustainability requirements, and corporate reputation impact. In response to existing policies, we need to invest resources in conducting group greenhouse gas inventories, regularly preparing sustainability reports, and conducting third-party audits. Customers and stakeholders such as OEMs are increasingly demanding on our greenhouse gas management and sustainability management, requiring us to invest more resources to continuously improve our sustainability performance. Opportunities include participating in renewable energy programs, representing low-carbon products and promoting sustainability image. Our company plans to install a solar power system on the rooftop of our headquarters, which will increase the use of renewable energy and save electricity costs. In response to competition in the green market, we will continue to represent low-carbon products and launch innovative green solutions to address the challenges posed by climate change.
(C) Describe the financial impact of extreme weather events and transition actions.	(C) The two physical risks identified by the Company are rising mean temperatures and extreme rainfall: 1. An increase in the number of extreme heat days can lead to disruption of supplier production and loss of business operations. 2. Extreme rainfall can lead to severe flooding, disruption of upstream product production and transportation delays, and delays in deliveries, which in turn will affect the revenue performance of goods or services. At the same time, it will also threaten the commuting safety of employees and increase the cost of safety management of the company's personnel.

Project	Execution
(D) Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.	(D) The Risk Management Committee is responsible for risk management matters of the Company, and the TCFD team of the Environmental Safety and Risk Management Division plans and implements all potential risks through the risk management process, and develops corresponding strategies and management measures to reduce or avoid the possible impact caused by risk events. For the identification process of climate-related risk and opportunity factors, first refer to the IPCC and WMO reports of the United Nations Intergovernmental Panel on Climate Change (IPCC) and WMO, as well as benchmark enterprise reports, collect risk factors and opportunity factors under climate change, classify and identify the impact time of each risk and opportunity factor, evaluate each factor through the impact degree and occurrence likelihood, draw a risk and opportunity matrix, analyze the financial impact of each risk and opportunity factor on the company, and formulate mitigation and adaptation measures when the risk and opportunity factors occur。
(E) If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and key financial impacts used should be described.	(E) The Company uses the shared socio-economic pathways SSP1-2.6 and SSP5-8.5 in the Sixth Assessment Report AR6 of the Intergovernmental Panel on Climate Change of the United Nations (IPCC) as the scenario assumptions for climate risk analysis, and simulates the physical risks that the Company will face under the ideal scenario (SSP1-2.6) and the worst-case scenario (SSP5-8.5) to determine the possible impact scenarios and potential financial impacts of future operations, and develop corresponding management measures.
(F) If there is a transition plan to address and manage climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical and transition risks.	(F) In order to achieve net-zero emissions, the Company has formulated a low-carbon transition plan to address physical and transition risks, including: 1. Continue to promote internal energy conservation, carbon reduction and green operation measures, such as paperless operation processes, digital sign-off, office energy-saving measures, replacement of energy-saving office equipment, energy-saving concept advocacy, rent-to-purchase of official cars and gradual replacement of petrol-powered trams. 2. Increasing the Renewable Energy Utilization Ratio: The Company plans to install its own solar power generation system at its operational headquarters, which is expected to be put into operation in the second half of 2024 to further increase the renewable energy utilization ratio. 3. Acting as an agent for low-carbon products: Acting as an agent for low-carbon products and cloud products will help enhance the company's competitiveness in green products, and respond to customers' demand for low-carbon goods and services as early as possible, and assist enterprises in low-carbon transformation, with an annual growth rate of 72% in revenue from low-carbon products in 2023 compared to 2022, and the company will continue to track the revenue performance of low-carbon products every year.
(G) The use of internal carbon pricing as a planning tool should indicate the basis for price setting.	(G) The Company is not currently using internal carbon pricing as a planning tool and will continue to evaluate the feasibility of adoption.

Project	Execution
(H) If climate-related targets are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress made in achieving them each year should be stated, and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or renewable energy certificates (RECs) to be redeemed should be stated.	(H) 1. In 2022, the Company set the first phase of carbon reduction targets, taking 2022 as the base year, setting the targets of annual reduction of per capita electricity consumption by 1%, per capita water consumption by 1%, and per capita general construction waste by 1% per year, covering the three companies of Metaage, Global Intelligence-International and Epic Cloud, to reduce per capita electricity consumption by 15.6%, increase per capita water consumption by 4.04 kWh per person, and reduce per capita waste by 0.0025 metric tons per person in 2023. 2. The Company regularly reviews its greenhouse gas reduction targets and implementation, and plans to update its Phase 2 carbon reduction targets and expand the scope of targets in the near future, with a view to moving towards a shared net-zero future. The company has planned to build a solar power generation system at the headquarters of Maidat Neihu, which is expected to be put into operation in the second half of 2024, and will apply for relevant renewable energy certificates in the future.
(I) Greenhouse Gas Inventory and Assurance Scenarios and Reduction Targets, Strategies and Specific Action Plans (Fill in 1-1 and 1-2 separately).	(I) Please refer to 1-1 and 1-2 for the greenhouse gas inventory and assurance situation, reduction targets, strategies and specific action plans.

1-1 The company's greenhouse gas inventory and confidence in the last two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (tonnes CO2e), intensity (tonnes CO2e/$ million) and the scope of information coverage for the most recent biennium.

1. Our company is a subsidiary of "Qisda Corporation" (capital of NT$10 billion or more), a listed company, and is required to complete an inventory by 2025 according to the Sustainable Development Pathway for Listed Companies. The schedule for the consolidated financial report subsidiary is the same.
2. Our company and its consolidated financial report subsidiaries have established a greenhouse gas inventory mechanism for the entire group in accordance with the ISO14064-1 organization-based greenhouse gas inventory standard published by the International Organization for Standardization (ISO). Since 2022, we have conducted regular inventories of greenhouse gas emissions for our company and consolidated financial report subsidiaries (Note: The inventory scope is adjusted based on the actual situation of the financial boundary for that year). This enables us to fully understand the use and emissions of greenhouse gases and verify the effectiveness of our reduction actions. The greenhouse gas inventory data for the past two years have been summarized according to financial control regulations, including greenhouse gas emissions from our company and consolidated financial report subsidiaries. The results of our execution are explained below:

	2023	2022
Scope 1 (metric tons CO2e)	160.6547	45.2803
Scope 2 (metric tons CO2e)	1,480.6951	1,420.5779
Scope 3 (metric tons CO2e)	661.6896	746.3118
Total annual emissions (metric tons CO2e)	2,303.0394	2,212.170
Density (metric tons CO2e/$ million)	0.116234579	0.182627378
Inventory boundaries	Metaage and its consolidated financial subsidiaries Global Intelligence-International, Epic Cloud, Metaguru＊, Statinc, DKABio, Advancedtek International, APEO, Brainstorm＊ and Corex	Including Metaage, Global Intelligence International, Epic Cloud, Statinc, DKABio, Advancedtek International, APEO and Corex

＊Note:On December 1, 2022, our company acquired Metaguru and on October 2, 2023, we acquired Brainstorm Corporation in cash. These acquisitions changed our operational boundaries, and therefore, starting from 2023, the scope of our data inventory has been expanded to include Metaguru and Brainstorm Corporation.

Note 1: Direct emissions (Scope 1, i.e. emissions directly from sources owned or controlled by the Company), indirect energy emissions (Scope 2, indirect greenhouse gas emissions from the input of electricity, heat or vapour) and other indirect emissions (Scope 3, i.e. emissions from the Company's activities, not indirect emissions from energy, but from sources owned or controlled by other companies).

Note 2: The scope of direct emissions and indirect energy emissions data shall be handled in accordance with the schedule specified in Paragraph 2 of Article 10 of this Code, and other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse Gas Inventory Standard: ISO 14064-1 issued by the Greenhouse Gas Protocol (GHG Protocol) or the International Organization for Standard-ization (ISO).

Note 4: The intensity of GHG emissions can be calculated per unit of product/service or turnover, provided that at least the figures calculated in turnover (NT$ million) should be stated.

1-1-2 Greenhouse gas assurance information

A description of the conviction for the most recent two years as of the date of publication of the annual report, including the scope of the conviction, the conviction organization, the criterion of conviction, and the convictive opinion.
The Company is a consolidated subsidiary of the listed company "Qisda Corporation" (with a capital of more than 10 billion dollar), so it should be completed in 2027 in accordance with the provisions of the sustainable development roadmap of listed companies. The same is true for the consolidated financial reporting subsidiaries of Metaage Digital Co., Ltd. The results of the greenhouse gas inventory of the Company and its consolidated financial reporting subsidiaries in the most recent two years are as follows:

	2023	2022
Scope 1 (metric tons CO2e)	160.6547	45.2803
Scope 2 (metric tons CO2e)	1,480.6951	1,420.5779
Scope 3 (metric tons CO2e)	661.6896	746.3118
Total annual emissions (metric tons CO2e)	2,303.0394	2,212.170
Confident in the agency	TÜV NORD Taiwan	Taiwan Inspection Technology Co., Ltd. (SGS)
Confident Statement of Situation	ISO14064-3: 2006 Category 1 and 2 are the reasonable assurance levels Categories 3 to 6 are limited warranty tiers	ISO14064-3: 2019 Category 1 and 2 are the reasonable assurance levels Categories 3 to 6 are limited warranty tiers
Convinced opinions	Unqualified	Unqualified
Confidence in the scope	Metaage and its consolidated financial subsidiaries Global Intelligence-International, Epic Cloud, Metaguru＊, Statinc, DKABio, Advancedtek International, APEO, Brainstorm＊ and Corex	Including Metaage, Global Intelligence International, Epic Cloud, Statinc, DKABio, Advancedtek International, APEO and Corex

＊Note:On December 1, 2022, our company acquired Metaguru and on October 2, 2023, we acquired Brainstorm Corporation in cash. These acquisitions changed our operational boundaries, and therefore, starting from 2023, the scope of our data inventory has been expanded to include Metaguru and Brainstorm Corporation.

Note 1: It shall be handled in accordance with the schedule specified in Paragraph 2 of Article 10 of this Code, and if the company does not obtain a complete greenhouse gas assurance opinion on the date of publication of the annual report, it shall indicate that "complete and confident information will be disclosed in the sustainability report", and if the company does not prepare a sustainability report, it should indicate that "complete and confident information will be disclosed at the public information observatory", and disclose the complete and reliable information in the next annual report.

Note 2: The Assurance Institution shall comply with the relevant regulations of the Assurance Institution for the Sustainability Report set forth by the Taiwan Stock Exchange Corporation and OTC.

Note 3: For the disclosure, please refer to the Best Practice Reference on the website of the Center for Corporate Governance of the Taiwan Stock Exchange.

1-2 Greenhouse gas reduction targets, strategies and specific action plans

Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies, specific action plans and the achievement of reduction targets.
The Company is a consolidated subsidiary of the listed company "Qisda Corporation" (with a capital of more than 10 billion dollar), and will be disclosed in accordance with the schedule stipulated in the "Action Plan for the Sustainable Development of Listed Companies".

Note 1: The application shall be in accordance with the schedule specified in Article 10, Paragraph 2 of these Guidelines.

Note 2: The base year should be the year in which the inventory is completed at the boundary of the consolidated financial report, for example, according to the order stipulated in Paragraph 2 of Article 10 of this standard, a company with a capital of more than 10 billion dollar should complete the climate inspection based on the 2024 consolidated financial report in 2025, so the base year is 2024.

Note 3: For the disclosure, please refer to the Best Practice Reference on the website of the Center for Corporate Governance of the Taiwan Stock Exchange.

(F) Implementation of Ethical Management and Implemented Measures

Evaluation Item	Operation			Comparison Against the Corporate Governnce Best-Practice Principles for TWSE/GTSM-Listed Companies and Their Reasons
	Y	N	Summary Description	
A. Formulate policies and plans for honest management (A) Does the company formulate an ethical management policy approved by the board of directors, and clearly state the policies and practices of ethical management in the rules and external documents, as well as the commitment of the board of directors and senior management to actively implement the management policy?	V		The Company has established a Code of Ethics for Business Integrity, which expects and requires members of the Board of Directors and employees to actively implement the policy of Ethical Management.	There were no major differences
(B) Has the Company established a risk assessment mechanism for dishonest conduct, regularly analyzed and assessed business activities with a high risk of dishonest conduct within its business scope, and formulated a plan to prevent dishonest conduct accordingly, and at least covered the preventive measures for each of the acts in Paragraph 2 of Article 7 of the Code of Integrity Management for Listed and OTC Listed Companies?	V		In accordance with the "Code of Integrity Management of Listed and OTC Companies", the Company has formulated the "Code of Ethical Management", "Code of Ethical Conduct for Employees", "Measures for the Management of Whistleblowing and Appeals" and other measures and published them on the Company's website, and regularly advocates the importance of ethical behavior to the Company's employees.	
(C) Does the company clearly define the operating procedures, code of conduct, punishment and appeal system for violations in the plan for preventing dishonest behavior, and implement them, and regularly review and revise the disclosure plan?	V		The Company has formulated the "Code of Ethical Conduct for Employees" and the "Measures for the Management of Whistleblowing and Grievances" published on the company's website, which clearly regulate and implement dishonest behaviors, and regularly advocate the Code of Ethical Management and review and revise the relevant measures formulated by it.	
B. The implementation of integrity management (A) Does the company assess the fiduciary record of its counterparties and specify the terms of fiduciary conduct in the contracts it has signed with its counterparties?	V		Before entering into a business relationship with another person, the Company will assess the legality of the person and whether it has a record of dishonest conduct.	There were no major differences

Evaluation Item	Operation			Comparison Against the Corporate Governnce Best-Practice Principles for TWSE/GTSM-Listed Companies and Their Reasons
	Y	N	Summary Description	
(B) Does the company set up a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors on its integrity management policy, plan for preventing dishonest behavior, and supervision and implementation?	V		The Company promotes the Corporate Integrity Management Unit as the Human Resources Department, and regularly reports to the Board of Directors on the implementation of the situation every year. In order to establish a corporate culture of ethical management and sound development, the Code of Ethical Management has been formulated.	
(C) Does the company formulate a policy to prevent conflicts of interest, provide appropriate channels for presentation, and implement them?	V		The Company's Code of Integrity and Code of Ethical Conduct for Employees clearly stipulate the policy of avoiding interests, and employees of the Company may report to the head of their immediate department or directly contact the relevant members of the Human Resources Department when there is a conflict of interest in the execution of their business.	
(D) Whether the company has established an effective accounting system and internal control system for the implementation of honest management, and the internal audit unit formulates relevant audit plans based on the assessment results of the risk of dishonest behavior, and checks the compliance of the plan to prevent dishonest behavior, or entrusts an accountant to perform the audit?	V		In accordance with the requirements of laws and regulations, the Company continuously revises the internal control system, and checks and evaluates the effectiveness of the implementation of the internal control system. Based on the results of the risk assessment of dishonest conduct, the audit office formulates relevant audit plans and conducts regular audits. All items required by laws and regulations are included in the annual audit items, and the relevant audit results and improvements are reported to the Audit Committee and the Board of Directors on a quarterly basis. The company's accounting system is formulated in accordance with the requirements of laws and regulations. The certified public accountants also conduct quarterly audits or reviews of the Company's financial statements and issue reports to the Audit Committee on a regular basis to report the results of the audit or review to the Audit Committee.	

Evaluation Item	Operation			Comparison Against the Corporate Governnce Best-Practice Principles for TWSE/GTSM-Listed Companies and Their Reasons
	Y	N	Summary Description	
(E) Does the company regularly hold internal and external education and training on integrity management?	V		In FY2023, the Company held education, training, and publicity sessions for all employees on issues related to ethical management (including ethical management, RBA advocacy, and internal regulations), totaling 1,286 hours.	
C. The operation of the company's whistleblowing system (A) Does the company have a specific reporting and reward system, establish channels to facilitate reporting, and appoint appropriate personnel to accept and accept the target of the report?	V		The Company has formulated the Code of Integrity Management and the Measures for the Management of Whistleblowing and Grievances, and has established multiple communication channels, including an internal complaint e-mail, a physical mailbox and a dedicated area for stakeholders on the Company's website to provide internal and external grievance mechanisms and channels.	There were no major differences
(B) Does the company have established the standard operating procedures for the investigation of the reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	V		The Company has established the Code of Ethical Management, the Measures for the Management of Reports and Grievances, and the procedures and confidentiality mechanisms for accepting reports.	
(C) Does the company take measures to protect the whistleblower from being mishandled as a result of the report?	V		The Company has established the Code of Integrity Management and the Measures for the Management of Whistleblowers and Grievances to protect whistleblowers from improper handling due to whistleblowing.	
D. Strengthen information disclosure Does the company disclose the content of its ethical management code and the effectiveness of its promotion on its website and public information observatory?	V		There is a corporate governance section on the Company's website to disclose information related to ethical management. In addition, we also disclose relevant and reliable information related to ethical management in the annual report and ESG report.	There were no major differences
E. If the company has its own code of integrity management in accordance with the "Code of Integrity Management of Listed and OTC Companies", please describe the differences between its operation and the code: The Company complies with the requirements of the Code of Ethical Business for Listing and OTC Listing, and has formulated the Code of Ethical Business Conduct for Employees related to the Company's ethical management.				
F. Other important information that is helpful to understand the company's integrity management operation: (such as the company's review and amendment of its integrity management rules, etc.)				

Evaluation Item	Operation			Comparison Against the Corporate Governnce Best-Practice Principles for TWSE/GTSM-Listed Companies and Their Reasons
	Y	N	Summary Description	
(A) The Company regularly organizes advocacy and education training to convey the importance of ethical behavior and strengthen the implementation of ethical management. (B) The Company shall review and amend the Code of Ethical Management from time to time.				

(G) Please disclose the access to Company's "Corporate Governance Best Practice" and relevant regulations:

On May 12, 2017, the Board of Directors of the Company has passed a resolution to formulate the Corporate Governance Practice Rules, for the Company's corporate governance operations, please refer to the Corporate Governance Operations in this annual report and corporate governance report, and have formulated the Rules of Procedure for the Shareholders' Meeting, the Organizational Rules of the Audit Committee, the Articles of Association of the Remuneration Committee, the Corporate Governance Practice Rules, the Sustainable Development Practice Principles, the Code of Ethical Management for Directors and Managers, the Election of Directors, the Operating Procedures for Lending Funds to Others and Endorsement Guarantees, Please refer to the company's official website for the relevant rules and regulations such as the procedures for acquiring or disposing of assets, the procedures for handling material information and the prevention of insider trading.

(H) Other important information for enhancing understanding of the implementation of corporate governance:

1. On November 10, 2015, the Board of Directors approved the establishment of the operating procedures for material information processing and prevention of insider trading, which was amended by the resolution of the Board of Directors on May 5, 2022, and the amendment has been announced in the important articles of association section of the Company's website.
2. The Company was approved by the resolution of the Board of Directors on February 25, 2021 to appoint a Head of Corporate Governance to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors.
3. As a responsible global citizen, sustainable development is a key focus of our company. Our main supplier is also a member of the Responsible Business Alliance Code of Conduct (RBA), and requires our company to comply with the provisions of the RBA Code of Conduct. For more information, please refer to http://www.responsiblebusiness.org/. 。

(I) Status of Implementation of Internal Control System

1. Statement of internal control system:

Metaage Corporation
Statement of Internal Control System

Date: February 29, 2024

Based on the findings of a self-assessment, Metaage Corporation (Metaage) states the following with regard to its internal control system during the year 2023:

1. Metaage's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Metaage takes immediate remedial actions in response to any identified deficiencies.
3. Metaage evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities.
4. Metaage has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Base on the findings of such evaluation, Metaage believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of Metaage's annual report for the year 2022 and prospecGlobal Intelligence, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was passed by the board of directors in their meeting held on February 29, 2024, with eight attending directors all affirming the content of this Statement.

Metaage Corporation

Chairman & President
Michael Lee

2. Companies which CPAs to professionally review the internal control system shall disclose the review report provided by the accountants: NA.

(J) The Company and its personnel have been punished by law, the Company has undertaken disincentive measures for its personnel for breaching the internal control system, and any material deficiencies and revisions in the most recent year up to the publication date of the Annual Report: None.

(K) Material Resolutions Approved by Board Meetings & Shareholders' meeting

Date	Meeting	Content
2023.02.23	1st BOD	1. The 2022 annual business report, financial statements and 2023 annual business plan. 2. The 2022 annual surplus distribution case. 3. Case of cash dividend distribution of earnings in 2022. 4. The proposal to lift the non-compete restriction of the incumbent directors. 5. Formulate the date and agenda of the 2023 annual general meeting of shareholders. 6. Proposed donation to BenQ Cultural and Educational Foundation. 7. The change of the general manager and chief operating officer of the Company. 8. Lifting the non-compete restriction of the new general manager of the Company.
2023.05.04	2nd BOD	Consolidated financial report for the first quarter of 2023.
2023.05.24	Regular Shareholders' Meeting	1. Recognition of the Company's 2022 annual earnings distribution case. StaGlobal Intelligence of implementation: Resolution passed. The cash dividend amount of the earnings distribution is NT$2.5 per share, and the total cash dividend is NT$376,714,672. On 25 July, 2023 was set as the base date for ex-dividend and was paid on 15 August, 2023. 2. Case of recognition of the 2022 annual business report and financial statements. StaGlobal Intelligence of implementation: Resolution passed. 3. Passed the amendment to the Rules of Procedure of the Shareholders' Meeting. StaGlobal Intelligence of implementation: Resolution passed. It has been announced at the Public Information Observatory and handled in accordance with the revised procedures. 4. Passed the motion to lift the non-compete restriction of the current directors. StaGlobal Intelligence of implementation: Resolution passed.
2023.08.01	3rd BOD	1. Consolidated financial report for the second quarter of 2023. 2. The Company invested in Brainstorm Corporation
2023.11.06	4th BOD	1. Consolidated financial report for the third quarter of 2023. 2. Proposed endorsement guarantee for a 100% shareholding subsidiary of COREX (PTY) LTD 3. Proposed capital loan and 100% shareholding of COREX (PTY) LTD subsidiary
2024.02.29	2nd BOD	1. The 2023 annual business report, financial statements and 2024 annual business plan. 2. The 2023 annual surplus distribution case. 3. The case of cash dividend distribution of surplus in 2023 4. Proposed lifting of the non-compete restriction of the incumbent directors and their representatives. 5. Draw up the date and agenda of the 2024 annual shareholders' meeting.
2024.04.02	3rd BOD	1. Election of the chairman of the board of directors of the company 2. Proposed lifting of the non-compete restriction of the incumbent directors and their representatives.

(L) Major contents of any dissenting opinions on record or stated in a written statement made by Directors regarding material resolutions passed by the Board of Directors' Meeting in the most recent year up to the publication date of this report: None.

(M) In the most recent year up to the publication date of the Annual Report, a summary of the resignation and dismissal of the Company personnel such as Chairman, President, accounting manager, financial manager, internal audit manager and R&D manager:

April 2, 2024

Position	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Termination
Chairman	Michael Lee	2022/05/26	2024/03/22	The director of the corporation is reassigned as a representative

E. Information on CPA fees

(A) Table of fee range of CPA fees

Amount unit: NT$1,000

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG	Hung-Wen Fu	2023/01-2023/12	1,980	1,260	3,240	Non-audit public expenses are mainly related to financial report translation costs and tax returns.
	Chun-Wei Chuang					

(B) When the Company changes its accounting firm and the audit fees paid for the fiscal yearin which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(C) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

F. Information on replacement of CPAs

(A) Regarding former CPA:

<table>
<tr><td>Replacement date</td><td colspan="4">2023/3/13</td></tr>
<tr><td>Reason and description of replacement</td><td colspan="4">Cooperate with the internal job rotation of KPMG</td></tr>
<tr><td rowspan="3">Stating that the appointor or accountant has terminated or not accepted the appointment</td><td colspan="2">party
circumstance</td><td>accountant</td><td>Appointee</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td colspan="2" rowspan="2">Job Rotation within the firm</td></tr>
<tr><td colspan="2">No longer accept (continue) appointment</td></tr>
<tr><td>Opinion and reason for the issuance of the audit report other than the unqualified opinion within the last two years</td><td colspan="4">NA</td></tr>
<tr><td rowspan="7">Whether there is any disagreement with the issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of Financial Reports</td></tr>
<tr><td></td><td colspan="2">Check the scope or procedure</td></tr>
<tr><td></td><td>Other</td><td></td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>not</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Illustrate</td></tr>
<tr><td>Other disclosures</td><td colspan="4">NA</td></tr>
</table>

(B) Regarding the Succeeding CPA:

The name of the firm	KPMG
Accountant's name	Hung-Wen Fu Chun-Wei Chuang
Date of appointment	From the first quarter of 2023
Advice and results on the accounting treatment or accounting principles for specific transactions and possible issuance of financial reports prior to appointment	NA
The successor accountant's written opinion on the matter on which the predecessor disagreed	NA

(C) The former CPA's response for items specified in Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Accounting Standards: NA.

G. Has any of the Company's Chairman, President, or managers responsible for finance or accounting duties served in the Company's CPA firm or its affiliated Company within the most recent year: None.

H. The Situation of equity transfer or changes to equity pledge of Directors, managers or shareholders holding more than 10% of Company shares in the most recent year (or initial date of a manager's term of service) up to the publication date of this report

(A) Changes in shares held by Directors, managers, and shareholders holding 10% or more of shares:

Title	Name	April 2, 2024		2023	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman	Qisda Corporation	—	—	not applicable	not applicable
	The legal representative of Qisda Corporation: Wen-Hsing Tseng(Note 1).	1/1~3/22: Not applicable 3/22~4/2：—	1/1~3/22: Not applicable 3/22~4/2：—	not applicable	not applicable
Chairman	Qisda Corporation	—	—	—	—
	The legal representative of Qisda Corporation: Michael Lee (Note 1).	1/1~3/22:— 3/22~4/2：Not applicable	1/1~3/22:— 3/22~4/2：Not applicable	—	—
director	Qisda Corporation	—	—	—	—
	Qisda Corporation Legal representative: Chiu-Chin Hung	—	—	—	—
director	Qisda Corporation	—	—	—	—
	Qisda Corporation Legal representative: Shu-Erh Kuo	—	—	—	—
director	Qisda Corporation	—	—	—	—
	Qisda Corporation Legal representative: TK Young	—	—	—	—
Independent Director	Wen-Tsung Wang	—	—	—	—
Independent Director	Chin-Lai Wang	—	—	—	—
Independent Director	Shan-Kuei Lai	—	—	—	—
managing director	Michael Lee (Note 2)	not applicable	not applicable	—	—
managing director	TK Young (Note 2)	—	—	—	—
General Manager of Business Development Business Group Center	Shu-Erh Kuo	—	—	—	—
General Manager of	Chieh-Cheng Shih	—	—	(80,000)	—

Title	Name	April 2, 2024		2023	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Product Development & Support Center					
Deputy General Manager of the First Channel of the Business Development Center	Hui-Fen Liao	—	—	(35,000)	—
Deputy General Manager of Product Development & Support Center	Li-Tsung Lin	—	—	—	—
CFO	Mavis Lin	—	—	—	—
Majority shareholder	Qisda Corporation	—	—	—	—

Note 1: On March 22, 2024, the director of Qisda Technology was reappointed as the representative of Mr. Wen-Hsing Tseng, and was promoted to chairman of the board of directors on April 2, 2024.

Note 2: Mr. Kenneth Yeung, Chief Operating Officer and Chief Legal Officer, was promoted to General Manager on 1 April 2023.

(B) Counterparty of equity pledge is a related party: None

(C) Counterparty of equity pledge is a related party: None

I. Information of relationships between Top 10 shareholders are related parties, spouses or relatives within the second degree of kinship Relationship

April 2, 2024 in shares

Name	Shares held		Shares held by spouse or underage children		Total shares held in the name of other persons		Familial relationships between top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships		Remark
	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Title (or Name)	Relationships	
Qisda Corporation	96,841,239	51.41%	-	-	-	-	not	not	
Qisda Corporation Representative: Chen Qihong	The data is not available								
Taishin International Commercial Bank is entrusted with the special account of Maidat Digital Employee Stock Ownership Trust	2,029,775	1.08%	-	-	-	-	not	not	
Taishin International Commercial Bank is entrusted with a special account for Guo Shu'er's trust property	2,000,000	1.06%	-	-	-	-	not	not	
Liao Zhixun	1,680,172	0.89%	-	-	-	-	Zhang Qiongyue	husband and wife	
Point will invest in a company limited by shares	1,036,660	0.55%	-	-	-	-	not	not	
Point will invest in a company limited by shares Representative: Gui Mingzhao	The data is not available								
Dai Zhihong	950,953	0.50%	-	-	-	-	Dai Zhili	brothers	
Dai Zhili	913,441	0.48%	-	-	-	-	Dai Zhihong	brothers	
Zhang Qiongyue	754,000	0.40%	-	-	-	-	Liao Zhixun	husband and wife	
Zhou Fangquan	706,000	0.37%	-	-	-	-	not	not	
Sunrise Investment Co., Ltd	575,746	0.31%	-	-	-	-	not	not	
Sunrise Investment Co., Ltd Representative: Lin Yuxuan	The data is not available								

J. Shareholdings and Combined Joint Shareholdings of Businesses Invested in by the Company, Company Directors, Supervisors or Executive Officers or Directly or Indirectly Controlled by the Company

December 31, 2023 Unit: shares;

Investment business	Investment by the Company		Investment by Directors, supervisors, managers and directly or indirectly-controlled business		Combined investment	
	Number Of Shares	Share-holding Ratio	Number Of Shares	Share-holding Ratio	Number Of Shares	Share-holding Ratio
GRANDSYS INC.	5,643,373	20.96%	—	—	5,643,373	20.96%
Everlasting Digital ESG Co., Ltd.	500,000	29.41%	—	—	500,000	29.41%

Note: It is a long-term investment of the Company using the equity method.

IV. Capital and Shares

A. Capital and shares

(A) Source of Share Capital

1. Source of Share Capital

April 2, 2024; Unit: Shares & NT$ Dollar

Year and month	Issued price	Authorized capital		Paid-in capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of capital	Capital increase approval date	Certificate No.
1998/04	10	5,000,000	50,000,000	3,430,000	34,300,000	Establishment	–	–
1998/08	10	5,500,000	55,000,000	5,500,000	55,000,000	Capital Increases in Cash20,700,000	–	–
1999/05	10	19,000,000	190,000,000	12,000,000	120,000,000	Capital Increases in Cash59,005,000 Surplus & Employee Benefits transferred to common stock 5,995,000	–	–
1999/11	16	19,000,000	190,000,000	19,000,000	190,000,000	Capital Increases in Cash70,000,000	–	–
2000/04	25	59,000,000	590,000,000	29,000,000	290,000,000	Capital Increases in Cash35,530,000 Capital surplus, Surplus & Employee Benefits transferred to common stock 64,470,000	–	Approved by Financial Supervisory Commission Certificate No. 32514
2000/10	120	59,000,000	590,000,000	33,000,000	330,000,000	Capital Increases in Cash40,000,000	–	Approved by Financial Supervisory Commission Certificate No. 84607
2001/05	10	80,000,000	800,000,000	47,565,000	475,650,000	Capital surplus, Surplus & Employee Benefits transferred to common stock 145,650,000	–	Approved by Financial Supervisory Commission Certificate No. 123447
2002/04	54	80,000,000	800,000,000	54,565,000	545,650,000	Capital Increases in Cash70,000,000	–	Approved by Financial Supervisory Commission Certificate No. 110157 &Approved by Financial Supervisory Commission Certificate No. 114430
2002/07	10	140,000,000	1,400,000,000	64,160,750	641,607,500	Surplus & Employee Benefits transferred to common stock 95,957,500	–	Approved by Financial Supervisory Commission Certificate No. 0910131622

Fundraising

Year and month	Issued price	Authorized capital		Paid-in capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of capital	Capital increase approval date	Certificate No.
2003/10	10	140,000,000	1,400,000,000	68,000,000	680,000,000	Surplus & Employee Benefits transferred to common stock 38,392,500	–	Approved by Financial Supervisory Commission Certificate No. 0920131234
2006/01	10	140,000,000	1,400,000,000	64,600,000	646,000,000	Decrease in treasury stock34,000,000	–	Approved by Financial Supervisory Commission Certificate No. 0950002178
2006/05	10	140,000,000	1,400,000,000	63,200,000	632,000,000	Decrease in treasury stock 14,000,000	–	Approved by Financial Supervisory Commission Certificate No. 0950010780
2008/07	10	140,000,000	1,400,000,000	69,520,000	695,200,000	Capital surplus & Surplus transferred to common stock 63,200,000	–	Approved by Financial Supervisory Commission Certificate No. 0970033085
2009/07	10	140,000,000	1,400,000,000	62,568,000	625,680,000	Capital Reductions in Cash 69,520,000	–	Approved by Financial Supervisory Commission Certificate No. 0980032562
2010/07	10	140,000,000	1,400,000,000	67,429,440	674,294,400	Capital surplus transferred to common stock 48,614,400	–	Approved by Financial Supervisory Commission Certificate No. 0990034735
2011/07	10	140,000,000	1,400,000,000	73,992,384	739,923,840	Capital surplus transferred to common stock 65,629,440	–	Approved by Financial Supervisory Commission Certificate No. 1000031224
2011/11	10	140,000,000	1,400,000,000	72,192,384	721,923,840	Decrease in treasury stock18,000,000	–	Ministry of economic affairs certificate No. 0970062484
2012/08	10	140,000,000	1,400,000,000	79,411,622	794,116,220	Capital surplus transferred to common stock 72,192,380	–	Approved by Financial Supervisory Commission Certificate No. 1010028835
2013/07	10	140,000,000	1,400,000,000	83,382,203	833,822,030	Capital surplus transferred to common stock 39,705,810	–	Approved by Financial Supervisory Commission Certificate No. 1020025498

Year and month	Issued price	Authorized capital		Paid-in capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of capital	Capital increase approval date	Certificate No.
2014/07	10	140,000,000	1,400,000,000	91,720,423	917,204,230	Capital surplus & Surplus transferred to common stock 83,382,200	–	Approved by Financial Supervisory Commission Certificate No. 1030025092
2016/08	10	140,000,000	1,400,000,000	96,306,444	963,064,440	Surplus transferred to common stock 45,860,210	–	Approved by Financial Supervisory Commission In 2016/6/24
2017/08	10	140,000,000	1,400,000,000	101,121,766	1,011,217,660	Surplus transferred to common stock 48,153,220	–	Approved by Financial Supervisory Commission In 2017/7/14
2018/08	10	140,000,000	1,400,000,000	111,233,942	1,112,339,420	Capital surplus & Surplus transferred to common stock 101,121,760	–	Approved by Financial Supervisory Commission In 2018/7/3
2019/07	10	180,000,000	1,800,000,000	122,357,336	1,223,573,360	Capital surplus & Surplus transferred to common stock 111,233,940	–	Approved by Financial Supervisory Commission In 2019/6/10
2019/08	10	250,000,000	2,500,000,000	188,357,336	1,883,573,360	Private stock transferred to common stock 660,000,000	–	Ministry of Economic Affairs Certificate No. 10801118730

2. Shares Type and Shares Outstanding

April 2, 2024 Unit: shares

Shares Type	Authorized Shares			Notes
	Outstanding shares	Un-issued shares	Total shares	
ordinary shares	188,357,336	61,642,664	250,000,000	

3. Related information of the general declaration system：Not applicable.

(B) Shareholder structure

April 2, 2024

Shareholder Structure / Quantity	Government institutions	Financial institutions	Other corporations	Individual	Foreign institutions and foreigners	Subtotal
Number	1	16	193	33,593	71	33,874
Number of shares held	55	4,684,628	99,205,358	82,915,990	1,551,305	188,357,336
Shareholding ratio	0.00%	2.49%	52.67%	44.02%	0.82%	100.00%

(C) Distribution of Equity Ownership

April 2, 2024

Class of Shareholding	Number of shareholders	Number of shares held	Shareholding Percentage (%)
1 to 999	19,292	1,142,629	0.61%
1,000 to 5,000	11,649	22,719,307	12.06%
5,001 to 10,000	1,558	11,933,841	6.34%
10,001 to 15,000	472	5,916,832	3.14%
15,001 to 20,000	293	5,354,244	2.84%
20,001 to 30,000	220	5,518,164	2.93%
30,001 to 40,000	115	4,070,061	2.16%
40,001 to 50,000	73	3,303,751	1.75%
50,001 to 100,000	130	8,852,539	4.70%
100,001 to 200,000	41	5,715,268	3.03%
200,001 to 400,000	19	5,277,714	2.80%
400,001 to 600,000	3	1,640,746	0.87%
600,001 to 800,000	2	1,460,000	0.78%
800,001 to 1,000,000	2	1,864,394	0.99%
1,000,001 or more	5	103,587,846	55.00%
total	33,874	188,357,336	100.00%

(D) List of major shareholders

April 2, 2024

Share / Name Of Major Shareholder	Number of shares held	Shareholding Percentage (%)
Qisda Corporation	96,841,239	51.41%
Taishin International Commercial Bank is entrusted with the special account of Maidat Digital Employee Stock Ownership Trust	2,029,775	1.08%
Taishin International Commercial Bank is entrusted with a special account for Guo Shu'er's trust property	2,000,000	1.06%
Liao Zhixun	1,680,172	0.89%
Point will invest in (share) companies	1,036,660	0.55%
Dai Zhihong	950,953	0.50%
Dai Zhili	913,441	0.48%
Zhang Qiongyue	754,000	0.40%
Zhou Fangquan	706,000	0.37%
Sunrise Investment Co., Ltd	575,746	0.31%

(E) Information on Market Price, Book Value, Earnings Per Share and Dividend:

<table>
<tr><th colspan="3">Fiscal Year
Item</th><th>As Of March 31, 2024 (Note 5)</th><th>2023</th><th>2022</th></tr>
<tr><td rowspan="3">per share market price</td><td colspan="2">highest</td><td>76.80</td><td>82.60</td><td>40.00</td></tr>
<tr><td colspan="2">minimum</td><td>65.50</td><td>32.75</td><td>30.90</td></tr>
<tr><td colspan="2">Average</td><td>69.18</td><td>58.54</td><td>35.35</td></tr>
<tr><td rowspan="2">per share net worth (Note1)</td><td colspan="2">Before allocation</td><td>-</td><td>23.63</td><td>22.52</td></tr>
<tr><td colspan="2">After allocation</td><td>-</td><td>(Note 6)</td><td>20.52</td></tr>
<tr><td rowspan="2">per share surplus</td><td colspan="2">Weighted average number of shares</td><td>-</td><td>188,357,336</td><td>188,357,336</td></tr>
<tr><td colspan="2">per share</td><td>-</td><td>3.14</td><td>2.19</td></tr>
<tr><td rowspan="4">per share dividend</td><td colspan="2">Cash dividends</td><td>-</td><td>2.75</td><td>2.00</td></tr>
<tr><td rowspan="2">Free Rights</td><td>Surplus allotment</td><td>-</td><td>(Note 6)</td><td>-</td></tr>
<tr><td>Allotment of capital reserves</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Accumulation of unpaid dividends</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Return on investment analysis</td><td colspan="2">P/E ratio (Note 2)</td><td>-</td><td>18.64</td><td>16.14</td></tr>
<tr><td colspan="2">Benris (Note 3)</td><td>-</td><td>21.29</td><td>17.68</td></tr>
<tr><td colspan="2">Cash Dividend Yield (%) (Note 4)</td><td>-</td><td>4.70</td><td>5.66</td></tr>
</table>

Note 1: Based on the number of issued shares at the end of the year and allocated according to the resolution of the board of directors of the following year.

Note 2: P/E ratio = average closing price per share for the year/earnings per share.

Note 3: Principal & Earnings ratio = Average closing price per share / cash dividend per share for the year.

Note 4: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 5: As at the date of printing of the annual bulletin, there is no information on earnings per share and net value per share verified by accountants for the latest quarter, and the market price per share is cut-off Information for the current year up to the date of printing of the annual newspaper.

Note 6: The 2023 earnings distribution proposal was distributed by the resolution of the board of directors on 2024/02/29, and is subject to approval at the 2024 general meeting of shareholders.

(F) Dividend Policy and Execution Status

1. the Articles of Incorporation of the Company regulates the dividend policy as follows:

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

If there is net profit after the account is closed, the Company shall first pay the taxes and

compensate the previous deficits before appropriating 10% as the legal reserve (except when the accumulated amount of the legal reserve equals the amount of the paid-in capital). The special reserve may be appropriated or reversed based on the operational needs and by law. The remaining balance, if any, shall be combined with the accumulated beginning unappropriated earnings for the Board to formulate a proposal for allocation as dividends and submitted to the AGM for resolution. If the retained earnings in the preceding paragraph are distributed in cash dividends, the Board is authorized to make a decision and report it to the meeting of shareholders.

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

2. The dividend distribution proposal by the Shareholders' Meeting:

On February 29, 2024, the Board of Directors of the Company resolved to distribute a cash dividend of NT$517,982,674 to shareholders, which was announced on the Public Information Observatory and submitted to the 2024 Annual Meeting of Shareholders.

(G) Effects upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting：Not applicable.

(H) Compensation of Employees, Directors

1. Information Relating to Compensation of Employees, Directors in the Articles of Incorporation.

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

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

2. Estimation basis of this annual period for the remuneration and compensation for employees and Directors, and the accounting approach for handling the differences between the calculation basis for the shares of employees' remuneration distributed by stock and the actual distributed amount and the estimated number of shares:

(1) Estimation basis of this annual period for the remuneration and compensation for employees and Directors: The company, If there is profit in the year, the Company shall appropriate 5-20% as the reward for employees and no more than 1% as the reward for directors. When there is a deficit, however, the amount for compensation shall first be reserved.

(2) The calculation basis of the number of shares for employee renumeration distributed by stocks: Calculation is based on the closing price on the day before resolution date of the Board of Directors.

(3) If there is any discrepancy between that amount and the estimated figure for the fiscal year, it shall be recognized as the profit and loss next year.

3. The resolution of remuneration distribution by the Board of Directors:

(1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed

The distribution amount of employee compensation & Directors' Renumeration:

A. Employee compensation in cash: NT$63,591,410.

B. Director's remuneration: NT$5,961,685.

C. There is no discrepancy between that amount and the estimated figure for the fiscal year.

(2) The proportion of employee remuneration paid by stocks to the total amount of the amount of individual profit (after tax) plus the amount of employee remuneration in the current period: Not applicable..

4. The actual distribution of the remuneration of employees and directors in the previous year (including the number of shares distributed, the amount and the stock price), and if there is a difference between the remuneration of the recognized employees and directors, the number of differences, the reasons and the handling of the difference shall be stated:

(1) Actual distribution of employee and director remuneration in the previous year: Employee remuneration of NT$44,651,140 and directors' remuneration of NT$4,186,046 in cash.

(2) The difference between the proposed distribution and the actual number approved by the original board of directors: The actual distribution situation is the same as the proposed distribution situation of the original board of directors.

(I) The company's repurchase of the company's shares: none.

B. Status of Corporate Bonds: None.

C. Status of preferred shares: None.

D. Status of global depository receipt: None.

E. Status of Employee Stock Options: None.

F. Status of Restricted Employee Shares: None.

G. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

H. Financing Plans and Implementation: None

V. Overview of Operations

A. Our Businesses

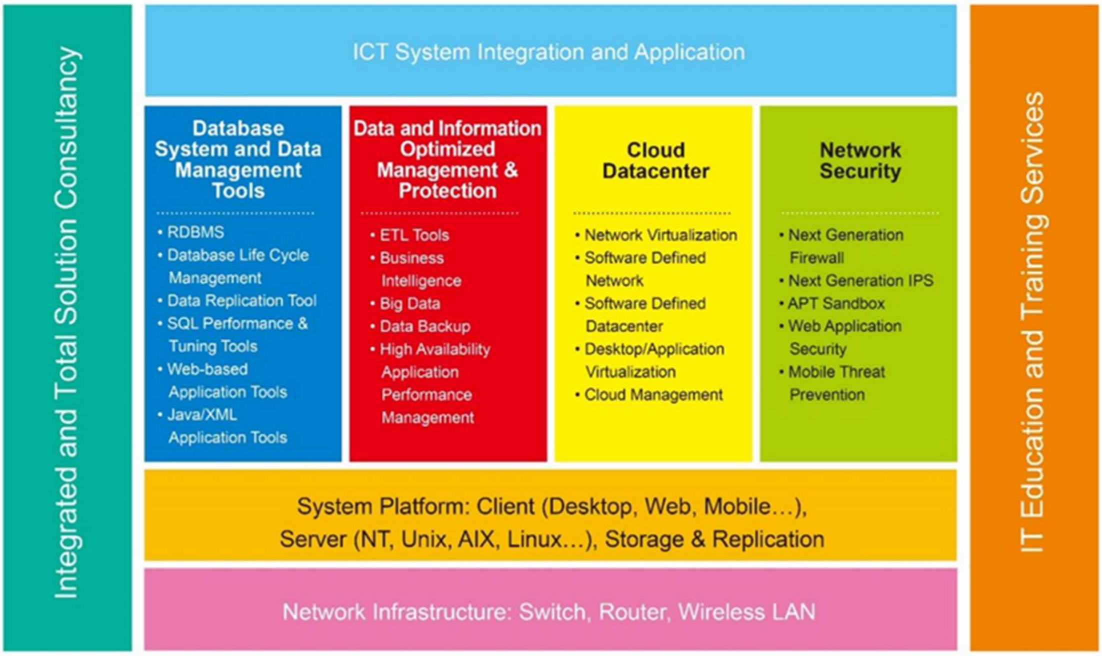
(A)Business Scope:

1. Major contents of business:

The Group is mainly engaged in the agency, distribution and trading of information and communication products, adheres to the brand-name channel, cloud-ground connection, and provides services and construction of related applications, and provides customers with the ICT Solution Provider of information and communication infrastructure software and hardware, cloud, AI, information security and other related overall solutions with the business purpose of the best partner of IT intelligence, so as to establish a more effective ICT application environment for enterprises and customers.

The Company's operating business structure is as follows:

The company and its subsidiaries distribute and represent more than 50 world-renowned IT brands



AWS, Akamai, Cisco, Check Point, Citrix, Dell, Google, IBM, Juniper, Microsoft, Oracle, Pure Storage, Red Hat, Zscaler and other network and system software, hardware, With 26 years of experience in information communication products and application agents, we are familiar with the operation mode of the original ecological and information service industry, provide the most professional consulting and project collaboration, and can provide one-stop service and cross-brand product integration for dealers.

2. Operating ratio of products and services of the company at present.

Unit :%

Year / Product	2023
Data processing and application	60.03
Information and communications infrastructure	22.11
Cloud-based applications, software, and services	11.84
Digital integration	4.43
Other products	1.59
total	100.00

3. Products and services of the company at present

The company's overall operation strategy is mainly based on "famous brand channel, cloud-ground connection" as the main axis of operation, and the product lines of the distribution agents include the world's largest manufacturers AWS, Akamai, Cisco, Check Point, Citrix, Dell, Google, IBM, Juniper, Microsoft, Oracle, Pure Storage, Red Hat, Zscaler and other network and information communication software, hardware, Cloud and information security products, for the construction of information systems required for enterprise networks, network and server storage and computing systems, information security software and hardware, database software, big data analysis systems, AI and redundancy systems, cloud service applications, etc., actively plan the overall information application architecture, host server system, network security mechanism, database efficiency, etc. Redundancy system and related enterprise application software and hardware solutions, etc., tailor-made information and communication applications to meet the needs of enterprises, and provide relevant technical consultation and education and training courses, so as to enhance their added value with overall planning and system integration services, so as to establish a more effective ICT cloud application environment for enterprises and users.

4. The development plan of new products and service

In order to meet the needs of enterprise digital transformation, future R&D will focus on the research and development of cloud application integration and big data analysis, mainly including the following:

(1) The development and optimization of the Cloud Management Portal allows customers to manage usage and cost, performance and management across clouds.

(2) With the external image of MetaMatch Cloud Marketplace, ISVs expose and promote ISVs' SaaS software application solutions and strive for ISV cloud application business opportunities.

(3) The 7x24 cloud service hosting center provides customers with cloud application hosting services all year round.

(4) Research and development of the application of big data and AI for enterprise digital transformation.

In 2024, the total amount of R&D expenses invested in the above new products is expected to be approximately NT$20 million.

(B) Industry overview

1. . Current Status and Development of the Industry

According to IDC's 2024 Taiwan ICT Market Trend Forecast, the influence of AI is becoming more and more obvious, especially the emergence of generative AI applications, which has driven the trend of AI Anywhere, and enterprises will pay more attention to AI technology investment and AI-driven products and services in the future. Embracing the 'ubiquitous AI' mindset will no longer be an option, but a necessity.

In addition, the continuous introduction of new information application technologies has also created more complex and sophisticated attack methods for hackers, so that enterprises must more actively invest in more oriented information security technology applications to improve the protection and digital resilience of enterprises in the face of information security threats, which will also be the focus of the development of enterprise information applications this year.

The trends that are relevant to the Company are set out as follows:

(1) Fully industrialized generative AI applications

The application of Generative AI (Generative AI) technology is moving from the consumer market to the enterprise market, and Asian companies are focusing on product design, software development, customer interaction, marketing and public relations and supply chain management. It is worth noting that with the increase of enterprise demand, the AI cloud platform will enter a new wave of competition, and the ability of platform tools to support fine-tuning and index enhancement generation (RAG) will directly affect the willingness of enterprises to adopt. Driven by technologies such as generative AI, IDC estimates that Taiwan's AI Platform market will grow from $66.9 million in 2023 to $83.9 million in 2024, with an annual growth rate of 25.4%.

(2) Generative AI is applied to information security operations to achieve cyber security autonomy

The acceleration of digital transformation and the emergence of emerging technologies are forcing enterprises to continue to seek smarter and automated information security solutions to cope with emerging risks and bridge the technology gap caused by the shortage of professional information security manpower. In recent years, AI-based information security and advanced analytics technologies have been widely used in information security products and services, and in 2023, the rise of generative AI will further promote information security automation towards the stage of cyber security autonomy across control domains and technology domains. IDC estimates that by 2026, 30% of the world's large enterprises will improve the efficiency of information security incident remediation, management, and response through investments related to autonomous security operations, and Taiwanese enterprises will also invest in information security products and services with generative AI capabilities to meet the challenges caused by the shortage of information security manpower.

(3) Information security is integrated into the enterprise network, and continuous exposure management is introduced to respond to attacks at any time

With the development of emerging technologies, attackers have begun to use AI and other artificial intelligence technologies to launch more sophisticated and sophisticated attacks on enterprises, such as forging more realistic scam messages and phishing emails, and even using automated tools to speed up the attack process and increase the attack frequency.

With the increase of network-based business models, information security protection from the development end to the application side is particularly important to ensure the security of the enterprise supply chain. IDC estimates that by 2027, 75% of enterprise chief information officers (CIOs) expect information security measures to be integrated directly into enterprise systems and workflows, using proactive detection to reduce vulnerabilities to strengthen network security and prevent related threats and data breaches.

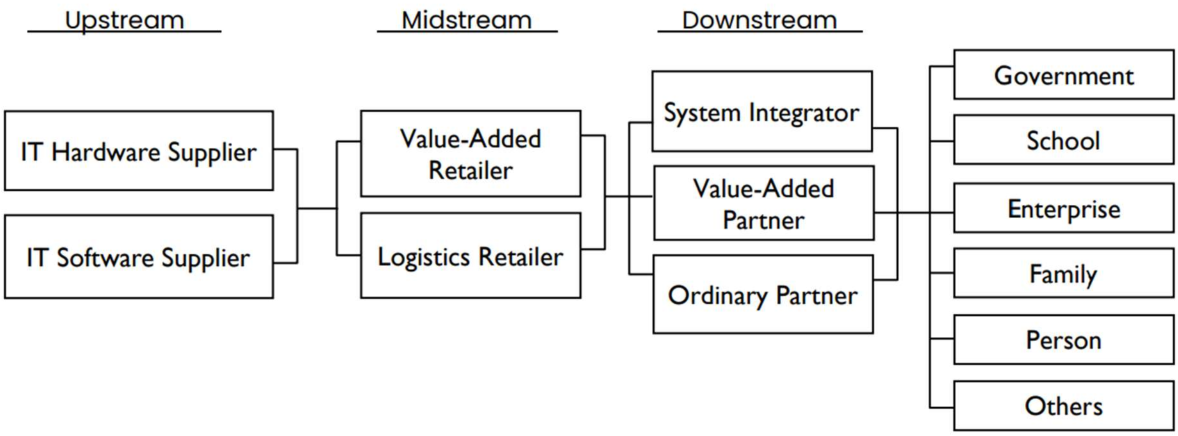
In the future, when developing network systems, information security will become a basic design element rather than an additional function, showing that the attitude of enterprises towards information security measures has changed from reactive to proactive, and IT teams need to keep abreast of the latest threats and vulnerabilities, and proactively adjust information security processes.

2. Connection of Upstream, Midstream and Downstream Industrie

The Company and its subsidiaries are mainly engaged in the information service industry, and are value-added agents in the midstream, mainly acting as agents for various communication and Internet software and hardware equipment, workstations and servers, tool integration application software, cloud services and other products, and providing total solutions such as professional consulting and technical services to downstream distributors through the integration capabilities of the products they represent, and then selling to end users through distributors. The upstream is mainly the supplier of various network software and hardware, host systems and application software, and the downstream is the system integrator, distributor and end user engaged in the sales of information-related products.

At present, the upstream manufacturers of the information industry mainly focus on R&D and manufacturing of information-related products, the midstream distributors take the promotion of the market and the establishment of marketing channels as their primary business purpose, and the downstream operators provide services such as transportation, installation, maintenance and technical support for end users.

Simple connection of upstream, midstream and downstream industries, and end-users is as follows:



3. Trends in development of products

The wave of global digital transformation driven by the epidemic has not stopped after the epidemic, and in addition to the continuous introduction of innovative technology applications, the business model of information products has also continued to ferment under the promotion of international manufacturers.

A list of trends relevant to the company goes as follows:

(1) The sales of information products will be changed to a subscription system

The subscription system has changed the business model of product or service buyouts in the past, and the company must pay a recurring fee (usually monthly or annual) to obtain the right to use the product or service, and the manufacturer can receive recurring revenue.

(2) Diversified generative AI tools have been launched

Last year, generative AI exploded, and the three major public cloud operators also offered LLMOps tools, such as support for prompt engineering, RAG, and automatic model evaluation, and announced that more new tools will be unveiled this year.

The past year has been the first year of generative AI, and the powerful performance and generalization capabilities of large language models (LLMs) have brought unlimited application space to enterprises. However, the larger the model scale, the more complex the development, deployment, and maintenance, so LLMOps was born to provide management tools for each lifecycle of large language models to meet the needs of enterprises operating LLM applications

(3)FinOps management is driven by increased cloud costs

In order to cope with the challenges of the explosive use of enterprise cloud and the increasingly complex cloud environment, in the past two years, a new thinking of cloud financial management - FinOps (Cloud Financial Operations) has become popular abroad. Now, this trend is also beginning to blow into Taiwan. IDC expects FinOps to become an indispensable and important management tool for enterprises in the future, helping to optimize their cloud spending.

(4) Generative AI optimizes hacking techniques

Generative AI boosts the productivity of individuals and businesses, but it also helps hackers. Hackers use generative AI to improve social engineering scams (e.g., face change scams, spear phishing, web whaling, etc.) to generate more attractive bait and improve their chances. It is expected that in 2024, hackers will create multifaceted threats such as virtual kidnapping by combining different AI tools, such as chatbots and fake voices. According to Note 1 of the FBI report, cybercrime using social engineering techniques is one of the most costly crimes with the largest number of victims. In the future, such criminal methods will not be won by quantity, but by more realistic methods of extortion.

4. Competition Status of industries

The company mainly specializes in value-added agents of enterprise information applications, in addition to actively acting as an agent for world-class leading brand products, and providing relevant technical consulting and education and training courses, to enhance its added value with overall planning and system integration services, and is one of the few professional service providers in China that can provide complete solutions for enterprise networks and systems.

Agents of general information products can be divided into value-added channel providers and logistics channel providers according to the type of services they provide and their competitive niche. As far as value-added distributors are concerned, they focus on providing value-added services for product sales, and establish their competitive niche through their value-added services, and the company and its subsidiaries are typical value-added distributors, while logistics distributors are proficient in logistics management, the products they sell have a high degree of standardization, and their sales policies focus on improving the inventory turnover rate; domestic logistics-oriented distributors are represented by Synnex International Group and Jingji Computer.

(C) Technology and R&D Overview

1. R&D expenses invested in the most recent year and as of the date of printing of the annual newspaper

Unit: NT$1,000

Item/Year	2023
Research and development costs	$51,445

Note: As of the date of printing of the annual report, the financial statements for the first quarter of 2024 have not been reviewed by accountants, so there are no quarterly figures for reference.

2. The technologies or products that have been successfully developed in the most recent year and as of the date of publication are as follows

The Company has completed the cloud service usage and billing management system and the cloud service hosting system, which can automatically aggregate the cloud service usage of customers on a monthly basis. In addition, the charging system can not only provide usage information for some of the original systems, but also activate/deactivate/manage cloud service products for customers, greatly reducing the workload of manpower reconciliation and service provisioning.

At present, it has completed the integration of cloud service brands and subscription products of Akamai, Google, AWS, Microsoft, Cisco Webex, and other agents.

In 2024, the cloud service management platform will continue to integrate the sales process and more products into the MSP hosting center, and more product lines will be incorporated into the platform, and it is expected that the subscription products of the company's agents will be integrated into this platform, so that customers can manage the expiration and usage of all subscriptions through a single interface.

(D) Long-Term and Short-Term Business Development Plan

1. Short-term business development plan

(1) We will continue to introduce new products with value-added synergies, increase the breadth and depth of our agency product lines, strengthen the integration of sales and services across product lines, and sign the Taiwan agency rights for cloud service products.

(2) Continue to deepen the original channels, actively grasp the pulse of the original factory, strengthen project services and technical guidance, strengthen the cultivation of project integration sales and consultant sales capabilities, and become a network/project exchange platform.

(3) In addition to strengthening internal management, strengthening the training of employees' professional skills, strengthening service capabilities and manpower, we also continue to encourage employees to obtain professional and technical certifications and implement the target management mechanism.

(4) Using the advantages of existing product agents, we provide solutions for enterprise digital applications and integration applications of various resources of ISV software development vendors.

(5) Continue to develop the next phase of cloud service information software platform: lay the foundation for future cloud service business opportunities and incorporate more product lines into the platform, which is expected to expand Microsoft, Cisco Webex, Zscaler, RedHat and other product lines.

2. Long-term business development plan

(1) As an ICT Solution Provider, we will continue to improve the quality of service to customers and improve customer satisfaction, so as to consolidate the cooperative relationship with downstream distributors and system integrators, and become their irreplaceable high-quality business partners.

(2) Through the exchange of market information, technical knowledge, and enterprise user dynamics, we will establish a professional division of labor and group sales cooperation model, and jointly operate and share business opportunities of network services.

(3) Continue to train the professional and technical personnel certified by the original factory of the agent product line, improve the overall technical ability, provide customers with overall technical support and improve after-sales service, and maintain the company's future competitiveness through the irreplaceability of the value-added service.

(4) Continue to expand cooperation with ISVs, increase software solutions for applications in various industries, assist in application promotion with cloud gathering platforms, and strive for agency product integration and co-sales opportunities.

B. Markets and Sales Overview

(A) Market analysis

1. Areas of selling or providing products

Unit: NT$1,000;%

Year / Sales area		2023		2022	
		Amount	%	Amount	%
Domestic	North Region	10,512,200	53.05	9,538,843	55.11
	Hsinchu	1,098,626	5.54	1,028,744	5.94
	Central Region	274,760	1.39	265,711	1.53
	Southern Region	839,447	4.24	685,440	3.96
Export		7,088,687	35.78	5,791,929	33.46
total		19,813,720	100.00	17,310,667	100.00

2. Market share

At present, the company and its subsidiaries mainly sell products, whether it is AWS, Cisco, IBM, Microsoft, Oracle, Citrix, Dell, etc. are internationally renowned brands, all of which occupy a pivotal position in China's network, computing and data storage equipment products; the consolidated operating income in 2023 is 19,813,720 thousand dollar, occupying an important position in the professional channel management field of domestic information commodities.

3. Situations and growth of the supply and demand of markets in the future

According to the latest market research, the supply, demand and growth trends of the enterprise ICT product market in 2024 include the following points:

(1) Development of Generative AI Technology: The application of generative AI technology will move from the consumer market to the enterprise market, especially in the fields of product design, software development, customer interaction, marketing and public relations, and supply chain management.

(2) Growth of the AI Platform Market: Taiwan's AI platform market is expected to grow from $66.9 million in 2023 to $83.9 million in 2024, at an annual growth rate of 25.4%.

(3) AI of personal devices: AI technology will gradually open up the personal device market, especially in the application of commercial markets such as smart office and metaverse, and will promote the personalized application of wearable devices from the home to the office.

(4) Automation of information security operations: The application of generative AI will drive information security automation towards cyber security autonomy across control domains and technologies, and it is estimated that by 2026, 30% of the world's large enterprises will improve the efficiency of information security incident remediation, management, and response through investments related to autonomous security operations.

(5) Cloud Maintenance Cost Control (FinOps): FinOps will become an important management tool for enterprise operations, helping enterprise users optimize their cloud spending and change their cloud behavior and culture.

(6) Supply chain carbon management trust mechanism: Carbon emission management will progress from single product and technological innovation to cross-platform/process integration innovation, and by 2027, 40% of G2000 enterprises will use comprehensive ecosystem sustainability data to make operational decisions, reducing their carbon footprint by 30%.

4. Operating purposes & niche of competition

The Company and its subsidiaries aim to become "The ICT Solution Provider", aiming to provide a full range of solutions for the integration and construction of enterprise information and communication products, focusing on the three stages of the project introduction process, including pre-system planning, mid-term integration and construction, and post-consulting services, so as to meet the needs of enterprise customers for timeliness and convenience of one-time purchase, and then assist enterprises to move towards business globalization, quality optimization, The goal of service efficiency is to enhance its industrial competitiveness.

"Success comes from the strongest combination!", the company and its subsidiaries have built the four cornerstones of business development with the best combination of "brand, technology, channel and service", including: software and hardware products of internationally renowned first-class brands, strong technology that has passed the professional certification of the original factory, dense and extensive marketing channels, and enthusiastic and sincere and experienced sales and service. It enables enterprise customers to effectively improve the operational efficiency of information equipment with a reasonable budget, and greatly improve the IT physique, lay a more solid foundation for the future development of enterprises, and meet the increasingly fierce industrial competition.

- Brand: The software and hardware products represented by the company and its subsidiaries are world-renowned brands. In order to increase the depth and breadth of the product line, the Company and its subsidiaries continue to expand the agency rights of new products in addition to continuously cultivating the existing brand market, so as to provide enterprises with a wider and better network and system integration and construction equipment, and thereby strengthen their own revenue and profit growth.
- Technology: The company and its subsidiaries have a strong network and system technical support team, and constantly study the integration efficiency of various brand products, and enhance the added value of products with the most professional technology.

  The support team works closely with the original factory technicians and has a number of original professional certifications, which can provide accurate IT problem diagnosis and consultation for enterprise customers.
- Channels: The all-round solutions provided by the company and its subsidiaries have been widely recognized by customers, with more than 1,000 system integrators and distributors in the province, with extremely high market coverage, close and stable contacts with major customer groups, and good channel expansion and market development capabilities.
- Service: The company and its subsidiaries have low employee turnover, high stability, high enthusiasm and dedication, and many years of rich professional experience. From pre-sales product consultation, planning and quotation, to post-sales installation and warranty, we provide customers with the most timely and reassuring information and services anytime, anywhere.
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5. Factors of advantages and disadvantages, and countermeasures of the development for prospect

(1) Factors of advantages

A. Complete product agent types: The product lines represented include AWS, Cisco, Citrix, Dell, Google, IBM, Microsoft, Oracle, and Red Hat, etc., providing a complete product line to meet customer needs.

B. At present, the customers cover educational institutions, government agencies, manufacturing, telecommunications, Internet services, circulation, medical care, financial and securities industries, etc., with a wide range of customers and stable business, so it can effectively avoid the risk of excessive business concentration.

C. The information security-related market and in response to the continuous growth of Big Data's software and hardware needs and cloud products, it shows that information security, cloud computing and Big Data and other related issues are one of the most concerned topics for enterprises in the enterprise information environment.

D. The three major international public cloud manufacturers will set up databases in Taiwan by the end of this year, which also drives the business opportunities for enterprises to adopt a variety of hybrid cloud applications integrated with public clouds. The company has been assisting enterprise customers to build and sell IT applications for a long time, and in recent years, it has obtained the agency and technical certification of three public cloud manufacturers, and will assist customers with professional services such as hybrid cloud problems and technical consulting services, maintenance services and technical personnel outsourcing with rich product domain knowledge.

(2) Factors of disadvantages

A. Fierce competition in the same industry and shrinking profits

Countermeasures:

In addition to striving to become a professional ICT Solution Provider with brand-name channels and cloud-to-ground connection, the Company and its subsidiaries have added and expanded integrated and synergistic products on the original basis to maintain a complete product line to meet the needs of downstream customers for one-time purchases, and also actively studied the integration efficiency of the products of various brands represented by them, so as to provide customers with complete solutions and improve the added value of products. Improve after-sales maintenance services, improve value-added services, and avoid price competition.

B. Being in the Industry of distributor

Countermeasures:

In addition to having many professional and technical certification personnel, the company and its subsidiaries also carry out intensive internal and external education and training to provide customers with overall technical support and improve after-sales service, through the irreplaceability of the value-added services, to maintain a good relationship with customers and improve the opportunity to extend the agency contract, and at the same time strive to expand marketing channels, increase the market share of the products agent, so as to ensure the continuation of the agency contract.

On the other hand, the Company and its subsidiaries are also actively seeking the agency rights of other brand products, through the expansion of the product line, in addition to increasing the product breadth to provide customers with one-time purchase services, and can reduce the dependence on single-brand products, so as to reduce operational risks.

C.Information products with short life cycles and high inventory risks Countermeasures:

In addition to strengthening the grasp of the project progress, the company and its subsidiaries strictly implement inventory monitoring, review the safety level of inventory at any time in response to market demand, establish a good relationship with the original factory, grasp the first-hand information of products, monitor inventory changes at any time, and deal with them in real time if they are sluggish, so as to avoid the expansion of losses.

(B) Important applications and manufacturing processes of main products

1. The important applications of main products

Product line	Major product	Main purpose
Internet and communication equipment software and hardware	router Remote access to devices switchboard firewall Safety control equipment Network security encryption Network management software Internet playback system VoIP system Integrated Communication System (UC) Bandwidth accelerates the device Wired and cordless telephones	1. to connect to a Local Area Network (LN) LAN) and Wide Area Network (WAN (WAN WAN) or remote workstations, and provide hardware devices that improve network transmission speeds and network security management. 2. Internet security, encryption, control, detection software and hardware, providing privacy and security of Internet transmission. 3. Establish a management platform and provide remote network management functions. 4. Provide network playback system, which can be played for regional network and wide area network. 5. Replace the traditional switch with the Internet telephone system (IP-PBX), and use the network IP technology to achieve the integration of software and communication functions.
Tools to integrate applications and services	Database software Database management software Database analysis software Software Development Environment (Tools) Develop application software according to customer and market needs	1. Provide internal files and management of large storage data, and make information systematically used through functions such as screening and analysis. 2. The company has developed a set of application software, which mainly provides customers with a platform for collecting, analyzing, and using data to improve the efficiency of user information management.
Workstation & Server Hosting	Desktop workstations Server hosting Storage devices Blade servers	1. Equipment required to provide enhanced computing, file storage, server hosting for Internet applications, and office automation. 2. The blade-type server with green energy technology is used as the computing platform to save energy and space.

2. Manufacturing processes of main products:

The company and its subsidiaries are mainly agents of Internet-related software and hardware products, and provide consulting services for commodities, etc., and the products they represent have no production process.

(C) Supply status of main materials

The company and its subsidiaries are the information service industry of computer-related products, the main purchase items include Internet and communication equipment software and hardware, tool integration application software and services, workstations and server hosts, etc., the main purchase manufacturers are AWS, Cisco, Check Point, Dell, IBM, Microsoft, Oracle, Red Hat and Zscaler and other companies, with stable and good cooperative relations.

(D) The name of the customer who has accounted for more than 10% of the total purchase (sales) in any of the last two years, and the amount and proportion of the goods purchased (sold).

1. Major Clients in the Last Two Calendar Years:

Unit: NT$1,000

	2023				2022			
Item	Company	Amount	As % of Net Revenue	Relationship with Issuer	Item	Company	Amount	As % of Net Revenue
1	not	-	-	-	not	-	-	-
	other	19,813,720	100.00	-	other	17,310,667	100.00	-
	Net sales	19,813,720	100.00	-	Net sales	17,310,667	100.00	-

Note: As at the date of pressing, the financial statements for the first quarter of 2024 have not yet been reviewed by accountants.

2. Major Suppliers in the Last Two Calendar Years:

Unit: NT$1,000

	2023				2022			
Item	Company	Amount	As % of Net Procurement	Relationship with Issuer	Item	Company	Amount	As % of Net Procurement
1	Maker A	3,520,406	22.74	not	Maker A	3,676,856	24.74	not
2	Maker B	2,612,959	16.88	not	Maker B	2,215,055	14.90	not
	other	9,346,381	60.38	-	other	8,971,366	60.36	-
	Net purchases	15,479,746	100.00	-	Net purchases	14,863,277	100.00	-

Note 1: As at the date of press, the financial statements for the first quarter of 2024 have not been reviewed by accountants.

Note 2: Reasons for the increase or decrease of procurement: As the company maintains a good and long-term cooperative relationship with major manufacturers. the company's main manufacturers have no major changes, except for the increase or decrease in the purchase amount.

(E) Supply Status of Main Materials in the Last Two Calendar Years:

The company belongs to the information service industry, so there is no production value table.

(F) Shipments and Sales in the Last Two Years

The company belongs to the information service industry, and the products distributed by the agents are varied, and the quantity units are different, so only the sales value of the main product categories is counted as follows:

Unit: NT$1,000; units, sets, etc

Year / Output / Major products	2023				2022			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Data processing and application	345,657	5,343,177	722,103	6,551,234	491,569	5,266,990	644,977	5,456,955
Information and communications infrastructure	383,320	4,191,613	203	188,780	497,083	3,791,201	291,413	293,807
Digital integration	22,511	866,857	43,442	10,000	28,263	897,306	364	10,499
Cloud-based applications, software, and services	255,138	2,323,386	211,015	22,249	108,674	1,563,241	62,356	14,750
Other products	-	-	38,034	316,424	-	-	-14,053 (Note)	15,918
total	1,006,626	12,725,033	1,014,797	7,088,687	1,125,589	11,518,738	985,057	5,791,929

Note: Due to the sales withdrawal factor, the export volume of other products in 2022 will be negative.

C. Employee Information:

Year		As of March 31, 2024	2023	2022
employee Number	Business people	273	271	264
	Technical personnel	529	452	372
	Administrative staff	159	137	110
	R&D personnel	32	33	30
	Manufacturing personnel	37	42	0
	total	1,030	935	776
Average age		35.86	36.25	36.26
Average length of service		5.52	5.57	5.33
Degree distribution ratio (%)	doctor	0.43	0.49	0.73
	Master	24.83	27.81	16.12
	college	56.92	51.82	77.78
	high school	11.15	17.57	4.64
	Below high school	6.67	2.31	0.73

D. Environmental Protection Expenditures:

The company is mainly engaged in information and communication infrastructure software, hardware equipment, data computing and application, digital integration software and other products, and sells and provides related consulting and education and training services, information application software research and development, service and sales business in the form of integrated planning, etc., which will not cause pollution and damage to the ecological environment. In the latest year and as of the date of printing of the annual newspaper, there has been no loss or disposal due to environmental pollution.

E. Labor Relations:

(A) The company's various employee welfare measures, further education, training, retirement system and their implementation, as well as the labor-management agreement and various measures to protect the rights and interests of employees are as follows

1. Labor-Management Relations:

The company cares about the hard work of employees, and provides a number of welfare systems, employee facilities and employee activities that are better than laws and regulations, so that employees can relax and relieve stress after working hard. The welfare fund comes from the regular allocation of revenue and employee salaries, which is used for employee activities, birthday gifts, club subsidies, travel tickets, movie tickets, wedding and funeral gifts, departmental dinners, year-end activities, group family days, etc.

2. Further education and training

The company attaches great importance to the training and development of employees, invests sufficient resources to provide employees with diversified course learning, and looks forward to the richer and smoother learning and development of employees by providing them with all-round training resources.

In addition to providing a complete training system for new employees and designing training courses according to different functional developments, it also provides management practice workshops for specific personnel and skills training for engineers to build their jobs. In addition, employees can also learn and acquire new knowledge through external channels, including: external training and professional certification, inviting professionals to share industry information, and lectures on topics such as life news and public welfare.

3. Retirement policy and implementation

In order to take care of employees' retirement life and promote good labor-management relations, the Company has adopted a fixed allocation system in accordance with the Labor Pension Regulations, and the monthly pension is deposited into the special labor pension account set up by the Labor Insurance Bureau.

(1) Employees of the Company may retire under any of the following circumstances:

A. Those who have worked for more than 15 years and are at least 55 years old.

B. Those who have worked for more than 25 years.

C. Those who have worked for more than 10 years and are at least 60 years old.

(2) The Company may compel an employee to retire under any of the following circumstances:

A. Persons aged 65 or above.

B. Physically and mentally handicapped and incompetent workers.

The age specified in the first paragraph of the preceding paragraph shall be adjusted by the Company in the case of workers with special characteristics such as danger and strong physical strength, but shall not be less than 55 years of age.

(3) Pension payment standard:

A. The pension standard for the seniority of employees who worked before the application of the Labor Standards Act was approved by the Ministry of Labor (Approval Hanfu Labor No. 09935829400) in May 2010, so the pension is not required to be calculated.

B. For employees who are subject to the pension provisions of the Labor Pension Ordinance, the company shall pay 6% of their wages to the special retirement account of the individual employee on a monthly basis.

4. Employer-employee agreements

The company attaches great importance to various welfare systems and employee rights and interests, emphasizes two-way communication with employees, and provides multiple communication and grievance channels, and strives to create a good working environment and further unite the centripetal force of employees.

5. Employee Code of Conduct of Ethics

The company has formulated work rules and a code of ethical conduct for employees to standardize the service rules for employees.

6. Protective measures for the working environment and personal safety of employees

(1) Each entrance and exit is equipped with access control card swiping devices.

(2) Sign a contract with a security company to maintain the safety of the office area and warehouse.

(3) The company participates in the fire drill of the building management committee twice a year.

(4) In response to the revision of laws and regulations, the safety and health work rules will be revised from time to time.

(5) The business premises shall be completely non-smoking, health lectures shall be held, and the office environment shall be cleaned and disinfected regularly in accordance with regulations.

(6) Regular health check-ups for in-service employees every 2 years.

(7) Apply for labor health insurance and group insurance.

(8) Hold courses on stress (emotional) management, communication skills, creative thinking, etc., and provide special lectures on psychological adjustment and strengthening of knowledge for employees.

(9) Set up a dedicated website for employees, provide a discussion area, a download area for work forms and various manuals, regularly pay attention to the newly revised Labor Standards Act, and provide employees with channels for expressing opinions, venting emotions and interactive learning.

(B) List of losses due to labor disputes in the most recent year up to the date this report is published, disclosure of the estimated amount, and countermeasures against current and possible future occurrences. If the amount cannot be reasonably estimated, the reason shall be provided:NA.

F. Cyber security management:

(A) Describe the information security risk management framework, information security policy, specific management plan and resources invested in information security management as follows:

1. Risk management framework

(1) The Company shall form an information security management team, which shall be led and planned by the Information Department, and shall be implemented with the cooperation of all business-related units to confirm the effectiveness of information security management operations.

(2) The Information Department is responsible for formulating information security management policies, improving the information security awareness of employees, and regularly reviewing and revising.

2. Information Security Policy

(1) Purpose

The company formulates an enterprise information security policy to ensure the confidentiality, integrity, availability and legality of information assets (hardware, software, data, documents and personnel related to information processing, etc.), and to avoid deliberate or accidental threats from internal and external sources, so as to protect the privacy and information security of employees, suppliers and customers when they conduct business dealings.

(2) Objectives

A.To ensure the continuity of the Company's operations and the stable use of the information services provided.

B. To ensure the confidentiality, integrity and availability of the information assets in custody, and to protect the privacy of personnel information.

C. Establish an information business continuity operation plan and implement information business activities that meet the requirements of relevant laws and regulations.

3. Specific management plan

(1) All employees, subcontractors and third parties are required to sign a confidentiality statement to ensure that the personnel involved in the use of the company's information system have the responsibility and obligation to protect the company's information assets from unauthorized access, alteration, destruction or improper disclosure.

(2) Appropriate backup or monitoring mechanisms should be established for important information systems or equipment and regular drills should be conducted to maintain availability.

(3) Anti-virus software should be installed on personal computers, and the virus pattern should be updated regularly, and the use of unauthorized software should be prohibited.

(4) Employees' account numbers, passwords and permissions should be kept and used properly and replaced regularly.

(5) Strengthen the internal emergency response process SOP and drills in the process of establishing the information security management system, and continue to simulate various information security attack incident drills and arrange relevant personnel to participate in the drills to ensure that the emergency process can be activated when an incident occurs, effectively reduce the incident response time, and reduce the company's losses.

4. Invest resources in information and communication security management

In order to implement the company's information security, the Information Department has built a firewall to further block viruses and hackers from attacking the company's internal network, and installed anti-virus software to strengthen client protection.

The Information Department also intends to formulate complete information security-related specifications and regular information security assessments according to actual needs, and continue to strengthen the information security protection mechanism in the future, and at the same time promote important concepts related to information security to employees through education and training programs.

(B) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

G. Material Contracts:

Contract Type	Party	Contract Term	Content	Restrictions
Agency Contracts	Cisco	2024/03/19-2026/03/18	Acting as an agent for the distribution of goods	NA
	Oracle	2023/06/30-2024/06/29		
	HDS	2024/04/20-2025/04/19		
	DELL EMC	2024/04/01-2025/03/31		
	IBM Taiwan	2022/08/03-2024/08/02		
	IBM Singapore	2022/06/08-2024/06/07		
	Juniper	2023/10/01-2024/09/30		
	RedHat	2024/03/29-2025/03/28		

VI. Financial Highlights

A. Condensed balance sheet and comprehensive income statement for the last five years

(A) Condensed Consolidated Balance Sheet

Unit: NT$1,000

Item \ Year		Financial data for the most recent five years (Note 1)				
		2023	2022	2021	2020	2019
Current Assets		8,948,416	8,414,201	6,485,818	6,804,709	6,436,838
Property, plant and equipment		931,403	942,607	943,464	958,530	995,883
Intangible assets		764,174	844,433	192,243	117,304	-
Other Assets		1,331,755	1,068,755	905,984	683,448	440,558
Total Assets		11,975,748	11,269,996	8,527,509	8,563,991	7,873,279
Current Liabilities	Before distribution	6,202,513	5,052,439	3,458,949	3,389,630	2,784,583
	After distribution	(Note 2)	5,429,153	3,929,843	3,860,524	3,349,655
Non-Current Liabilities		478,430	603,958	531,322	545,646	481,639
Total Liabilities	Before distribution	6,680,943	5,656,397	3,990,271	3,935,276	3,266,222
	After distribution	(Note 2)	6,033,111	4,461,165	4,406,170	3,831,294
Equity Attributable To Owners Of The Parent Company		4,450,985	4,242,237	4,290,563	4,271,301	4,286,896
Share Capital		1,883,573	1,883,573	1,883,573	1,883,573	1,883,573
Capital Reserve		1,219,380	1,272,747	1,275,919	1,333,011	1,520,908
Retain Surplus	Before distribution	1,318,653	1,103,025	1,161,414	1,054,717	882,415
	After distribution	(Note 2)	726,311	690,520	583,823	317,343
Other equity		29,379	(17,108)	(30,343)	-	-
Treasury stock		-	-	-	-	-
Equity attributable to former owner of business combination under common control		-	505,004	78,580	82,369	-
Non-controlling interests		843,820	866,358	168,095	275,045	320,161
Total Equity	Before distribution	5,294,805	5,613,599	4,537,238	4,628,715	4,607,057
	After distribution	(Note 2)	5,236,885	4,066,344	4,157,821	4,041,985

Note 1: The financial information of the previous year has been verified by accountantsAs at the date of printing of the Annual Bulletin, the financial statements for the first quarter of 2024 have not yet been audited by accountants.

Note 2: The distribution of earnings in 2023 is distributed by the resolution of the board of directors on 2024/02/29, and is subject to approval by the 2024 general meeting of shareholders.

(B) Condensed Consolidated Statement of Comprehensive Income

Unit: NT$1,000

Item \ Year	Financial data for the most recent five years (Note 1)				
	2023	2022	2021	2020	2019
Operating Revenue	19,813,720	17,310,667	12,000,721	14,279,184	12,306,999
Gross profit	2,779,992	2,224,319	1,569,234	1,724,350	1,250,889
Profit from operations	485,378	322,820	495,883	670,925	467,289
Non-operating income and expenses	222,799	105,655	218,041	46,834	50,175
Profit before income tax	708,177	428,475	713,924	717,759	517,464
Profit from continuing operations for the year	577,725	352,189	605,124	564,132	414,831
Losses from discontinued operations	-	-	-	-	-
Profit(loss) for the year	577,725	352,189	605,124	564,132	414,831
Other comprehensive income (loss), net of taxes	22,390	87,714	(31,179)	(21,718)	-
Total comprehensive income (loss) for the year	600,115	439,903	573,945	542,414	414,831
Profit attributable to shareholders of Metaage	592,342	412,505	577,591	549,017	379,456
Profit attributable to former owner of business combination under common control	(5,788)	(21,845)	6,989	(11,967)	-
Profit attributable to non-controlling interests	(8,829)	(38,471)	20,544	27,082	35,375
Total comprehensive income (loss) attributable to shareholders of Metaage	602,192	425,740	547,248	549,017	379,456
Total comprehensive income (loss) attributable to former owner of business combination under common control	6,873	4,067	6,989	(33,685)	-
Total comprehensive income (loss) attributable to non-controlling interests	(8,950)	10,096	19,708	27,082	35,375
Earnings Per Share (EPS)	3.14	2.19	3.07	2.91	2.58

Note: The financial information of the previous year has been verified by accountantsAs at the date of printing of the Annual Bulletin, the financial statements for the first quarter of 2024 have not yet been audited by accountants.

(C)Condensed Parent Company Only Balance Sheet

Unit: NT$1,000

Item \ Year		Financial data for the most recent five years (Note 1)				
		2023	2022	2021	2020	2019
Current Assets		6,126,382	5,855,018	5,311,226	5,448,467	5,408,293
Property, plant and equipment		763,268	803,734	842,046	815,380	834,631
Intangible assets		-	-	-	-	-
Other Assets		2,388,586	2,119,468	1,541,487	1,068,643	772,177
Total Assets		9,278,236	8,778,220	7,694,759	7,332,490	7,015,101
Current liabilities	Before distribution	4,481,249	3,594,243	2,866,097	2,502,117	2,290,415
	After distribution	(Note 2)	3,970,957	3,336,991	2,973,011	2,855,487
Non-current liabilities		346,002	436,736	459,519	476,703	437,790
Total liabilities	Before distribution	4,827,251	4,030,979	3,325,616	2,978,820	2,728,205
	After distribution	(Note 2)	4,407,693	3,796,510	3,449,714	3,293,277
Share capital		1,883,573	1,883,573	1,883,573	1,883,573	1,883,573
Capital reserve		1,219,380	1,272,747	1,275,919	1,333,011	1,520,908
Retained Earnings	Before distribution	1,318,653	1,103,025	1,161,414	1,054,717	882,415
	After distribution	(Note 2)	726,311	690,520	583,823	317,343
Other Benefits		29,379	(17,108)	(30,343)	-	-
Treasury stock		-	-	-	-	-
Equity attributable to former owner of business combination under common control		-	505,004	78,580	82,369	-
Total Equity	Before distribution	4,450,985	4,747,241	4,369,143	4,353,670	4,286,896
	After distribution	(Note 2)	4,370,527	3,898,249	3,882,776	3,721,824

Note 1: The financial information of the previous year has been verified by accountants.

Note 2: The distribution of earnings in 2023 was distributed by the resolution of the board of directors on 2024/02/29, pending the approval of the 2024 general meeting of shareholders.

(D) Condensed Parent Company Only Comprehensive Income

Unit: NT$1,000

Item \ Year	Financial data for the most recent five years (Note)				
	2023	2022	2021	2020	2019
Operating Revenue	11,147,810	9,852,906	9,437,728	11,071,939	10,286,217
Gross profit	1,653,389	1,324,068	1,178,691	1,318,446	998,461
Profit from operations	485,179	410,699	414,642	579,381	375,560
Non-operating income and expenses	234,373	76,758	271,172	94,669	88,790
Profit before income tax	719,552	487,457	685,814	674,050	464,350
Profit from continuing operations for the year	586,554	390,660	584,580	537,050	379,456
Losses from discontinued operations	-	-	-	-	-
Profit(loss) for the year	586,554	390,660	584,580	537,050	379,456
Other comprehensive income (loss), net of taxes	22,511	39,147	(30,343)	(21,718)	-
Total comprehensive income (loss) for the year	609,065	429,807	554,237	515,332	379,456
Total comprehensive income (loss) for the year	592,342	412,505	577,591	549,017	379,456
Profit attributable to shareholders of Metaage.	(5,788)	(21,845)	6,989	(11,967)	-
Profit attributable to Former owner of business combination under common control	602,192	425,740	547,248	549,017	379,456
Total comprehensive income (loss) attributable to shareholders of Metaage	6,873	4,067	6,989	(33,685)	-
Total comprehensive income (loss) attributable to Former owner of business combination under common control	3.14	2.19	3.07	2.91	2.58

Note: The financial information of the previous year has been verified by accountants.

(E) The names of CPA and their opinions for the most recent five years

Year	The accounting firm	CPA	Opinion and content
2023	KPMG	Hung-Wen Fu/Chun-Wei Chuang	Unqualified opinion with emphasis of and other matters
2022	KPMG	Hung-Wen Fu/Mei-Ping Wu	Unqualified opinion with emphasis of and other matters
2021	KPMG	Hung-Wen Fu/Mei-Ping Wu	Unqualified opinion with emphasis of and other matters
2020	KPMG	Hung-Wen Fu/Mei-Ping Wu	Unqualified opinion with other matters
2019	KPMG	Mei-Ping Wu/Wan-Wan Lin	Unqualified

B. Financial analysis for the most recent five years

(A) International Financial Reporting Standards - Consolidated Financial Analysis

Item analyzed \ Year		Financial analysis for the most recent five years(Note 2)				
		2023	2022	2021	2020	2019
Financial structure (%)	Ratio of debts to assets (%)	56	50	47	46	41
	Ratio of long-term capital to property, plant and equipment (%)	620	660	537	540	511
Solvency %	Current ratio (%)	144	167	188	201	231
	Quick ratio (%)	65	80	103	110	123
	Interest coverage ratio	12	14	41	33	37
Operating ability	Receivables turnover rate (times)	6.23	5.17	4.85	6.85	5.94
	Average collection days for receivables	59	71	75	53	61
	Inventory turnover rate (times)	3.90	3.72	3.55	4.18	3.86
	Payable turnover rate (times)	6.96	6.41	6.89	8.29	7.34
	Average days for sales	94	98	103	87	95
	Property, plant and equipment turnover rate (times)	21.14	18.26	12.61	14.61	13.22
	Total asset turnover rate (times)	1.70	1.57	1.40	1.73	1.70
Profitability	Return on assets (%)	5	3	7	7	6
	Return on equity (%)	11	6	13	12	12
	Ratio of profit before income tax to paid-in capital (%)	38	23	38	38	27
	Profit margin (%)	3	2	5	4	3
	Earnings per share (NT$)	3.14	2.19	3.07	2.91	2.58
Cash flow	Cash flow ratio (%)	(Note 1)	10	(Note 1)	20	(Note 1)
	Cash flow adequacy ratio (%)	36	40	56	52	47
	Cash flow reinvestment ratio (%)	(Note 1)	1	(Note 1)	2	(Note 1)
Leveraging	Operating leverage	2.28	5.09	2.76	2.13	2.33
	Financial leverage	1.15	1.11	1.03	1.03	1.03

Reasons for the change in financial ratio of more than 20% in the last two years:

(1) Increase in receivables turnover and decrease in average cash collection days: Reduced collection days due to good collection conditions.

(2) Return on assets, return on equity, pre-tax net profit to paid-in capital, net profit ratio and earnings per share increased: due to the increase in net profit due to the increase in revenue for the period.

(3) Decrease in operating leverage: due to the increase in operating expenses and non-operating income and expenses for the period.

Note 1: Negative or 0.

Note 2: The financial information of the previous year has been verified by accountantsAs at the date of printing of the Annual Bulletin, the financial statements for the first quarter of 2024 have not yet been audited by accountants.

(B) International Financial Reporting Standards– Parent Company Only Financial Analysis

Item analyzed		Financial analysis for the most recent five years(Note 2)				
	Year	In 2023	In 2022	In 2021	In 2020	In 2019
Financial structure (%)	Ratio of debts to assets (%)	52	46	43	41	39
	Ratio of long-term capital to property, plant and equipment (%)	628	645	564	592	566
Solvency %	Current ratio (%)	137	163	185	218	236
	Quick ratio (%)	63	82	99	108	117
	Interest coverage ratio	20	32	67	86	36
Operating ability	Receivables turnover rate (times)	4.64	3.89	4.32	6.04	5.87
	Average collection days for receivables	79	94	84	60	62
	Inventory turnover rate (times)	3.26	3.17	3.17	3.59	3.60
	Payable turnover rate (times)	6.45	5.9	6.25	7.22	7.16
	Average days for sales	112	115	115	102	101
	Property, plant and equipment turnover rate (times)	14.22	11.97	11.38	13.42	12.56
	Total asset turnover rate (times)	1.23	1.15	1.25	1.54	1.59
Profitability	Return on assets (%)	7	5	8	8	6
	Return on equity (%)	13	8	13	12	12
	Ratio of profit before income tax to paid-in capital (%)	38	26	36	36	25
	Profit margin (%)	5	4	6	5	4
	Earnings per share (NT$)	3.14	2.19	3.07	2.91	2.58
Cash flow	Cash flow ratio (%)	2	12	(Note 1)	26	(Note 1)
	Cash flow adequacy ratio (%)	40	42	63	60	55
	Cash flow reinvestment ratio (%)	(Note 1)	(Note 1)	(Note 1)	2	(Note 1)
Leveraging	Operating leverage	2.69	2.75	2.50	2.00	2.34
	Financial leverage	1.08	1.03	1.02	1.01	1.03

Reasons for the change in financial ratio of more than 20% in the last two years:

(1) Decrease in quick ratio: This was due to an increase in current liabilities due to an increase in short-term borrowings.

(2) Decrease in interest protection ratio: due to the increase in short-term borrowing due to the demand for capital turnover, the financial cost increased.

(3) Return on assets, return on equity, pre-tax net income to paid-in capital ratio, net profit ratio and earnings per share increased: due to the increase in net profit due to the increase in revenue and gross profit margin in the current period.

(4) Decrease in cash flow ratio: This was due to an increase in current liabilities due to a decrease in cash flow from operating activities due to an increase in payments for goods and an increase in short-term borrowings.

Note 1: Negative or 0.

Note 2: The financial information of the previous year has been verified by accountants.

Below are calculations:

1. Financial structure
   (1) Ratio of debts to asset = Total liabilities / Total assets
   (2) Ratio of long-term capital to property, plant, and equipment = (Total equity + Non-current liabilities) / Net property, plant and equipment
2. Solvency
   (1) Current ratio = Current assets / Current liabilities.
   (2) Quick ratio = (Current assets - Inventories - Prepaid expenses) / Current liabilities
   (3) Interest coverage ratio = Net income before income tax and interest expense / Interest expenses over this period.
3. Operating ability
   (1) Receivable (including accounts receivable and notes receivable due to business operations) turnover rate = Net sales / Balance of average accounts receivable for various periods (including accounts receivable and notes receivable due to business operations).
   (2) Average collection days for receivables = 365/Receivables turnover rate.
   (3) Inventory turnover rate = Cost of goods sold/ Average inventory.
   (4) Payable (including accounts payable and notes payable due to business operations) turnover rate = Cost of goods sold / Balance of average accounts payables of various periods (including accounts payable and notes payable due to business operations).
   (5) Average days for sales = 365 / Inventory turnover rate.
   (6) Property, plant and equipment turnover rate = Net sale/Average net property, plant and equipment.
   (7) Total asset turnover rate = Net sales / Average total assets
4. Profitability
   (1) Return on assets = [Net income after taxes + interest expense x (1 - tax rate)] / Average total assets
   (2) Return on equity = Net income after taxes / Average total equity
   (3) Profit margin = Net income after taxes / Net sales
   (4) Earnings per share = (Net income attributable to shareholders of the parent company - preferred stock dividend) / Weighted average number of shares outstanding
5. Cash flow
   (1) Cash flow ratio = Net cash flow of operating activities / Current liabilities.
   (2) Cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (Capital expenditures + inventory increase + cash dividend) for the most recent five years.
   (3) Cash flow reinvestment ratio = (Net cash flow from operating activities - cash dividends) / (Gross value of property, plant, and equipment + Long-term investments + Other non-current assets + working capital).
6. Leveraging
   (1) Operating leverage = (Net operating revenue - variable operating cost and expenses) / Operating profit.
   (2) Financial leverage = Operating profit / (Operating profit - interest expenses).

C. The Audit Committee's Review Report

Audit Committee's Review Report

The undersigned has duly audited the Operating Report, Financial Statements and Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2023. Hung-Wen Fu and Chun-Wei Chuang Certified Public Accountants of KPMG have audited the Financial Statements. The 2023 Financial Statements, Business Report, Independent and Auditors Report have been reviewed and determined to be correct and accurate by the Audit Committee of Metaage Corporation. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act, and Article 219 and 228 of the Company Act.

Sincerely,

Metaage Corporation

2024 Annual General Shareholders' Meeting

Chair of the Audit Committee: Wen-Tsung Wang

February 29, 2024

D. Latest annual financial report: Please refer to Appendix 1 for details.

E. The company's individual financial report of the latest year that has been verified by accountants: please refer to Appendix 2 for details.

F. In the most recent year and as of the date of printing of the annual newspaper, if there is any financial turnover difficulty, the impact on the financial position of the Company shall be stated: none.

VII. Review and Analysis of Financial Position and Financial Performance, and Risk Management

A. Financial position Analysis

Unit: NT$1,000

Item \ Year	2023	2022	Increase (decrease) amount	Change in proportion
Current assets	8,948,416	8,414,201	534,215	6
Property, plant and equipment	931,403	942,607	(11,204)	(1)
Intangible assets	764,174	844,433	(80,259)	(10)
Other assets	1,331,755	1,068,755	263,000	25
Total assets	11,975,748	11,269,996	705,752	6
Current liabilities	6,202,513	5,052,439	1,150,074	23
Non-current liabilities	478,430	603,958	(125,528)	(21)
Total liabilities	6,680,943	5,656,397	1,024,546	18
Equity attributable to shareholders of Metaage.	4,450,985	4,242,237	(208,748)	(5)
Common stock	1,883,573	1,883,573	-	-
Capital surplus	1,219,380	1,272,747	(53,367)	(4)
Retained earnings	1,318,653	1,103,025	215,628	20
Other equity	29,379	(17,108)	46,487	272
Treasury stock	-	-	-	-
Former owner of business combination under common control	-	505,004	(505,004)	(100)
Non-controlling interests	843,820	866,358	(22,538)	(3)
Total equities	5,294,805	5,613,599	(318,794)	(6)

Analysis of changes in the proportion of increase or decrease of more than 20%:

1. Increase in other assets: Due to an increase in financial assets-non-current measured at fair value through profit or loss and financial assets-non-current measured at fair value through other comprehensive income..
2. Increase in current liabilities: short-term borrowings also increased due to the increase in the company's working capital needs.
3. Decrease in non-current liabilities: due to repayment of long-term borrowings and financial liabilities at fair value through profit or loss - decrease in non-current.
4. Increase in other equity: Mainly due to the increase in unrealized gains from investments in equity instruments at fair value through other comprehensive gains or losses.
5. Increase in retained earnings: mainly due to good earnings in 2023.
6. Decrease in prior equity under joint control: Mainly due to the acquisition of 5.09% control of Brainstorm Corporation by way of cash acquisition from DFI Inc. during the year, which was a reorganization of the organization under joint control, and should be regarded as a merger from the beginning.

B. Financial performance analysis

Unit: NT$1,000

Item \ Year	2023	2022	Increase (decrease) amount	Change in proportion
Operating income	19,813,720	17,310,667	2,503,053	14
Operating gross profit	2,779,992	2,224,319	555,673	25
Operating profit or loss	485,378	322,820	162,558	50
Non-operating income and expenses	222,799	105,655	117,144	111
Net profit before tax	708,177	428,475	279,702	65
Net profit for the period of the continuing business segment	577,725	352,189	225,536	64
Loss of the discontinued unit	-	-	-	-
Net income (loss) for the period	577,725	352,189	225,536	64
Other comprehensive profit or loss for the period (net after tax)	22,390	87,714	(65,324)	(74)
Total comprehensive profit or loss for the period	600,115	439,903	160,212	36

Analysis of changes in the proportion of increase or decrease of more than 20%:

1. Gross operating profit, operating profit and loss, non-operating income and expenses, net profit before tax, net profit for the period and comprehensive profit and loss for the period of continuing business segments. The increase in total amount: mainly due to the increase in market demand due to the hot industrial development in the current year, resulting in the growth of revenue and the increase in non-operating income.
2. The decrease in other comprehensive profit and loss (net after tax) for the period was mainly due to the decrease in the exchange difference in the financial statements of foreign operating investment institutions.

C. Cash flow analysis

(A) Changes in consolidated cash flows in 2023

Unit: NT$1,000

Cash balance at the beginning of 2023	2023 Net cash inflow(outflow)	Cash balance at the end of 2023
837,770	68,691	906,461

(B) Analysis of changes in consolidated cash flow for recent 2 years

Unit: NT$1,000

	2023	2022	Increase (decrease) amount	Change in proportion
Net cash flows provided by operating activities	(47,019)	506,442	(553,461)	109
Net cash flows used in investing activities	(645,776)	(158,938)	(486,838)	(306)
Net cash flows used in financing activities	777,220	(326,817)	1,104,037	338

1. Net cash outflow from operating activities of $47,019 thousand was mainly attributable to the increase in net cash outflow from operating activities due to the increase in payments made and prepaid to manufacturers during the year.
2. The net cash outflow from investing activities was $645,776 thousand, mainly due to the increase in net cash outflow from investing activities due to the acquisition of subsidiaries during the year.
3. The net cash inflow from financing activities was $777,220 thousand, mainly due to the increase in short-term borrowings due to the working capital turnover demand during the year, resulting in an increase in net cash inflow from financing activities.

(C) Liquidity Improvement Plan: Not applicable.

(D) Analysis of cash liquidity in the coming year: not applicable.

D. Material expenditures of the most recent year and impact on the Company's finances and operations

(A) Material expenditures of the most recent year: None.

(B) Impact on the Company's finances and operations: None.

E. Investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the improvement plan, and investment plans for the coming year

(A) The investment plan is expected to exceed 5% of the paid-in capital in 2023: On October 2, 2023, the Company purchased a total of 35.09% of the common and special shares of Brainstorm from DFI for $ 530,075,000 in cash, and owned 55.29% in accordance with the Articles of Association of Brainstorm The Company gained control of the Company and included Brainstorm in the Consolidated Entity from the date of the Acquisition. The Company's reinvestment policy is in line with the Company's business development strategy and operational needs, and the investment loss recognized by the equity method in the 2023 consolidated financial report is $ 10,285,000.

(B) The investment plan is expected to exceed 5% of the paid-in capital in 2024: On January 12, 2024, the Company approved the approval of the board of directors to acquire the ordinary shares of Dehong Technology, and acquired 5,170,000 shares, equivalent to 19.19% of the equity, with a transaction price of $ 192,066,000, and the registration procedures for the relevant transaction have been completed, and the transaction price has been fully paid.

F. Matters for Analysis and Assessment for Risks

(A) The impact of interest rates, exchange rates changes and inflation on the Company's profits and losses and future countermeasures

1. The impact of the latest annual interest rate changes on the profit and loss of the Company and its subsidiaries and the future response measures

   The Company and its subsidiaries are still in sound financial condition, so the interest expense recognized for the year was $66,427,000, mainly due to interest expenses arising from short-term financing, accounting for only 0.34% of the operating income, so interest rate fluctuations had little impact on the Company.

2. The impact of recent annual exchange rate changes on the profit and loss of the Company and its subsidiaries and future countermeasures

The exchange profit recognized by the Company and its subsidiaries for the year was $36,335 thousand, accounting for 0.18% of the net operating income for the period.

(B) The main reasons for the high-risk, high-leveraged investment, capital loan, guarantee/endorsement and derivative commodity trading, and the profits or losses and future countermeasures

1. In the most recent year, the Company has not engaged in transactions related to high-risk and high-leverage investments, except for forward foreign exchange contracts, and the trading of derivative products is mainly to avoid the risk of foreign currency-denominated liabilities due to exchange rate fluctuations. In addition, the Company and its subsidiaries engage in forward foreign exchange contract transactions for the purpose of hedging risks, and continuously and regularly assess the fair value risk arising from exchange rate fluctuations, and take appropriate response measures in a timely manner.
2. In the recent year, the Company's capital loans to others are mainly due to the fact that the factor company COREX (PTY) LTD. has operating capital turnover needs, and the Company provides funds to assist it in short-term financing of funds, which is a normal relationship and there is no abnormality.
3. In the recent year, the Company's external endorsement guarantee is mainly due to the capital scheduling needs of the factor company COREX (PTY) LTD., and the Company intends to provide a guarantee to assist it in obtaining a short-term bank credit line, which is a normal relationship and there is no abnormality.
4. In order to control the above-mentioned transaction risks, the Company has established internal management measures and operating procedures in accordance with relevant laws and regulations, including "Procedures for Obtaining or Disposing of Assets", "Operating Procedures for Capital Lending and Endorsement Guarantee by Others", and regularly audits and announcements.

(C) R&D expenses for future R&D projects and investment amount

Details, Operational Overview - New products and services planned to be developed.

(D) The impact of important policies and legal regulations changes at domestic and abroad on the Company's financial status and the countermeasures

There were no policy or legal changes that had a material impact on the financial business of the Company and its subsidiaries in 2023.

(E) The impact of technological and industrial changes on the Company's financial business and the countermeasures

The Company and its subsidiaries are agents of value-added professional network systems, and the change of technology can create business opportunities for progress, innovation and security in the network information industry, and provide opportunities for the Company to sell new products, and the change of display technology has no negative impact on the Company's financial business.

(F) The impact of corporate image changes on corporate crisis management and the countermeasures

The Company and its subsidiaries have always abided by laws and regulations, fulfilled their social responsibilities, and have not reported any adverse corporate image.

(G)Expected benefits and possible risks of M&A and the countermeasures: Not applicable

(H)Expected benefits and possible risks of the expansion of factory and the countermeasures

(I) Risk of procurement and sales concentration, and countermeasure

1. Restocking

The company actively strives for the product agency rights of other well-known brands to reduce the operational risk of excessive concentration of purchases.

2. Sales

The proportion of the top 10 customers of the Company and its subsidiaries in the latest annual sales is 36.42%, and there is no risk of sales concentration.

(J) The impact and risk of a substantial transfer or replacement of equities by Directors, Supervisors or Shareholders holding more than 10% of the total shares: Not applicable.

(K) Impact of changes in management on the Company and risks: Not applicable.

(L) Litigation or non-litigation matters

1. The Company and its subsidiaries: None.
2. The company and its Directors, Supervisors, General Managers, Substantive Persons–in Charge, major shareholders holding more than 10% of total shares and affiliates/subsidiaries: NA.

(M) Other major risks and the countermeasures

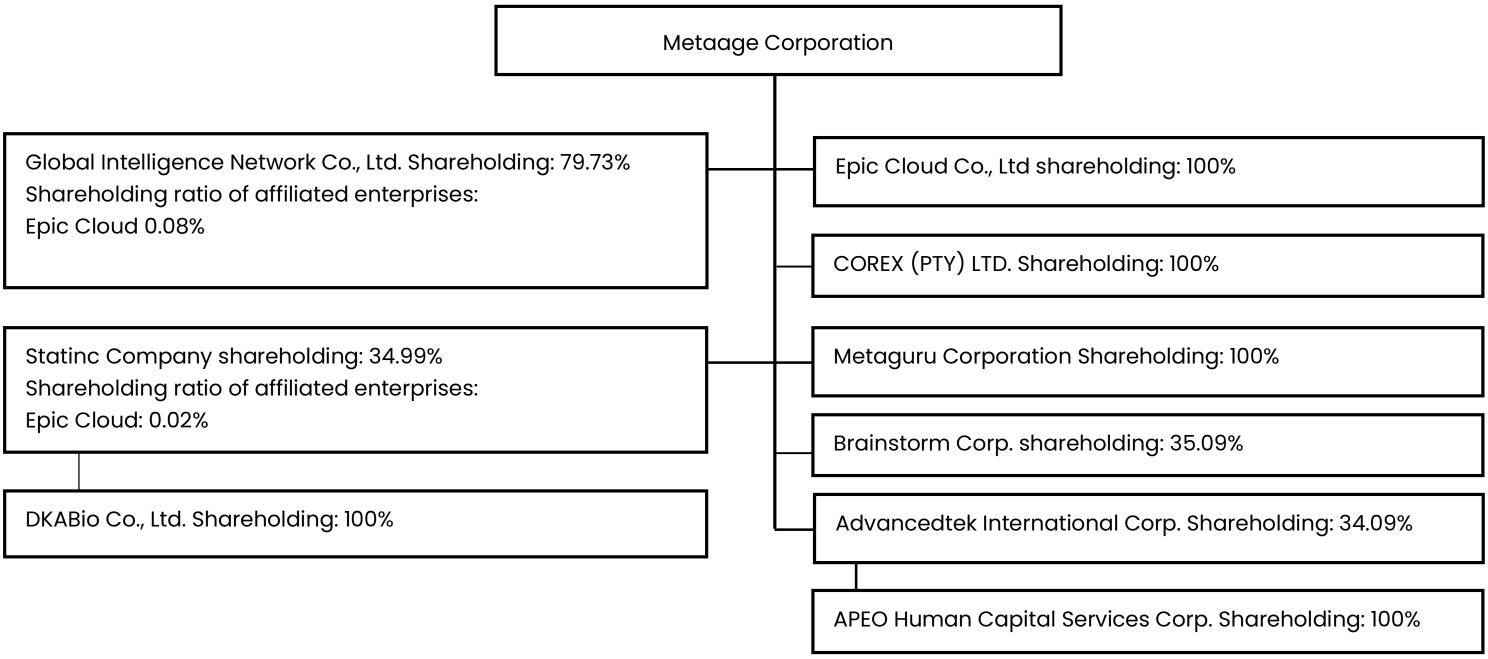
G. Other important matters: none.

VIII. Special Notes

A. Summary of affiliated companies in recent year：

(A)Consolidated business report of affiliated companies：

1. Affiliated companies charts(as of 12/31/2022)



2. Basic information of affiliates

December 31, 2023 in NT$1,000

Company	Date of Incorporation	Place of Registration	Capital Stock (NT$)	Main business or production activities
Global Intelligence Network Co., Ltd.	2000/03/21	11th Floor, No. 516, Section 1, Lake Road, Neihu District, Taipei City	132,000	Buying and selling of software and hardware such as networks and communication systems
Epic Cloud Co., Ltd	2018/07/03	10th Floor, No. 516, Section 1, Lake Road, Neihu District, Taipei City	55,000	Data software and data processing services
Statinc Company	2011/12/02	7th Floor, No. 9, Aiguo West Road, Zhongzheng District, Taipei City	50,130	Market research, management consultancy and data processing services
Advancedtek International Corp.	1998/01/26	8th Floor, No. 303, Section 1, Fuxing South Road, Da'an District, Taipei City	33,812	Application software import service
COREX (PTY) LTD.	2003/05/29	500, 16th Road, Randjespark, Midrand, 1685, Gauteng	134,262	Import, export and trading of electronic products
Metaguru Corporation	2003/11/25	10th Floor, No. 516, Section 1, Lake Road, Neihu District, Taipei City	20,000	R&D and sales of computer information systems
Brainstorm Corporation	2005/08/19	1620 Proforma Ave Ontario, CA, 91761	422,826	Wholesale and retail services for computers and their peripherals
APEO Human Capital Services Corp.	2005/07/07	15th Floor, No. 57, Section 2, Dunhua South Road, Daan District, Taipei City	2,000	Application software import service
DKABio Co., Ltd.	2021/05/10	7th Floor, No. 9, Aiguo West Road, Zhongzheng District, Taipei City	20,000	Market research, management consultancy and data processing services

3. Presumed to be the same shareholder for those with relations of control and affiliation: None.

4. Directors, supervisors, and presidents of affiliate

December 31, 2023

Name of business	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Investment Holding %)
Global Intelligence Network Co., Ltd.	Chairman	Metaage Corporation Representative:Shu-Erh Kuo	10,525,000	79.73
	director	Metaage Corporation Representatives: TK Young, Huang Shufen	10,525,000	79.73
	Supervisors	Epic Cloud Co., Ltd Representative: Mavis Lin	10,000	0.08
Epic Cloud Co., Ltd	Chairman	Metaage Corporation Representative: TK Young	5,500,000	100.00
	director	Metaage Corporation Representatives: Shu-Erh Kuo, Shi Jiancheng	5,500,000	100.00
	Supervisors	Metaage Corporation Representative: Mavis Lin	5,500,000	100.00
Statinc Company	Chairman	Yang Yahui	10,000	0.20
	director	Metaage Corporation Representatives: TK Young, Su Zhixiong	1,753,958	34.99
	Supervisors	Mavis Lin, Zhuang Shijin	-	-
Advancedtek International Corp.	Chairman managing director	Metaage Corporation Representative: Jian Rongqian	1,152,800	34.09
	director	Yongfu Investment Co., Ltd Representatives: Wang Guanqin, Wu Zhenzhong	43,601	1.29
	director	Metaage Corporation Representatives: TK Young, Lin Lizhang	1,152,800	34.09
	Supervisors	Yang Shijie	10,920	0.32
	Supervisors	Mavis Lin	-	-
COREX (PTY) LTD.	director	TK Young, Lu Hongzhi, Mavis Lin	773	100.00
Metaguru Corporation	Chairman	Metaage Corporation Representative: TK Young	2,000,000	100.00
	director	Metaage Corporation Representatives: Xiao Shiqin, Yang Shuoyou	2,000,000	100.00
	Supervisors	Metaage Corporation Representative: Mavis Lin	2,000,000	100.00
Brainstorm Corporation	director	Michael Lee, Mavis Lin, Wu Daokai	233,000	35.09
	director	Xu Shirong	200,000	30.12
	director	Xu Li Wanjing	32,000	4.82
APEO Human Capital Services Corp.	director	Advancedtek International Corp. Representative: Jian Rongqian	200,000	100.00
DKABio Co., Ltd.	Chairman	Statinc Company Representative: Yang Yahui	2,000,000	100.00

5. Overview of affiliates' operations:

December 31, 2023 in NT$1,000

Name of business	Capital	Total assets	Total liabilities	Net assets	Revenue	Profit from operations	Profit or loss for the year (After income tax)	Earnings per share (dollar; after income tax)
Global Intelligence Network Co., Ltd. Ltd	132,000	458,037	231,390	226,647	1,200,987	8,226	9,677	0.73
Ju Shangyun shares Ltd	55,000	126,345	64,497	61,848	238,030	5,065	7,346	1.34
Dian Tong shares Ltd	50,130	120,561	24,997	95,564	120,037	5,281	(1,227)	(0.24)
Advancedtek International shares Ltd	33,812	155,401	78,063	77,338	252,751	12,742	13,508	3.99
COREX (PTY) LTD.	134,262	646,039	562,339	83,700	711,643	(33,194)	(65,054)	(84,158.23)
Metaguru Co ., Ltd	20,000	59,805	31,781	28,024	86,996	2,420	2,442	1.22
Brainstorm Corporation	422,826	1,653,189	932,083	721,106	6,254,960	28,812	16,230	24.4421
Professional services Ltd	2,000	5,144	2,452	2,692	15,278	151	169	0.85
DKABio Co., Ltd. Ltd	20,000	8,399	1,438	6,961	2,642	(5,538)	(5,488)	(2.74)

(B) Consolidated financial statements of affiliated companies：Please refer to Appendix 1.

(C) Report of affiliated companies：Not applicable.

A. Private Placement Securities in the Most Recent Years：None.

B. Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

C. Other supplementary information：None.

IX. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Representation Letter

The entities that are required to be included in the combined financial statements of METAAGE CORPORATION as of and for the year ended December 31, 2023 under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, METAAGE CORPORATION and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Company name: METAAGE CORPORATION
Chairman: Michael CH Lee
Date: February 29, 2024

安侯建業聯合會計師事務所
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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022 (restated), the consolidated statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022 (restated), and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 (restated), and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022, (restated), in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Emphasis of Matter

As stated in Note 1, Note 4(c) and Note 6(h), 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 year ended December 31, 2022. Our conclusion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of certain subsidiaries of the Group and investments accounted for using the equity method. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to the amounts included for those subsidiaries and investees, is based solely on the reports of other auditors. The total assets of those subsidiaries constituted 1.31% and 1.65% of the total consolidated assets as of December 31, 2023 and 2022 (restated), respectively, and the total operating revenue constituted 1.28% and 1.69% of the consolidated operating revenue for the years ended December 31, 2023 and 2022 (restated), respectively. In addition, the recognized investments accounted for using the equity method constituted 0.95% and 1.00% of the total consolidated assets as of December 31, 2023 and 2022 (restated), respectively, and the recognized shares of profit or loss of associates accounted for using equity method constituted 0.94% and 1.68% of the consolidated profit before tax for the years ended December 31, 2023 and 2022 (restated), respectively.

METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion with emphasis of matter and other matter paragraph.

Key Audit Matters

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

1. Valuation of inventories

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

   Description of key audit matter:

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

   How the matter was addressed in our audit:

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

2. Impairment of goodwill

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

   Description of key audit matter:

   Goodwill arising from acquisition of subsidiaries is annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill was considered to be a matter of high concern in our audit of the consolidated financial statements.

   How the matter was addressed in our audit:

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
February 29, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' 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' 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

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (Restated)	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 906,461	8	837,770	7
1110	Current financial assets at fair value through profit or loss (Note 6(b))	378	-	623	-
1141	Current contract assets (Note 6(x))	29,939	-	8,037	-
1170	Notes and accounts receivable, net (Notes 6(d) and (x))	3,008,194	25	3,121,576	28
1180	Accounts receivable due from related parties, net (Notes 6(d), (x) and 7)	61,574	1	81,334	1
1300	Inventories (Note 6(f))	4,432,864	37	4,282,392	38
1410	Prepayments	474,872	4	70,431	1
1470	Other current assets (Note 6(e))	34,134	-	12,038	-
		8,948,416	75	8,414,201	75
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	693,057	6	510,844	5
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	118,189	1	-	-
1550	Investments accounted for using equity method (Note 6(g))	116,633	1	115,854	1
1600	Property, plant and equipment (Notes 6(k) and 8)	931,403	8	942,607	8
1755	Right-of-use assets (Note 6(l))	199,159	1	207,767	2
1780	Intangible assets (Note 6(m))	764,174	6	844,433	7
1840	Deferred income tax assets (Note 6(u))	64,238	1	65,250	1
1931	Long-term notes receivable (Notes 6(d) and (x))	18,025	-	27,936	-
1942	Long-term accounts receivables due from related parties (Notes 6(d), (x) and 7)	-	-	32,886	-
1990	Other non-current assets (Notes 6(e) and (t))	122,454	1	108,218	1
		3,027,332	25	2,855,795	25
	Total assets	**$ 11,975,748**	**100**	**11,269,996**	**100**

		December 31, 2023		December 31, 2022 (Restated)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(n))	$ 2,839,536	24	1,387,301	12
2110	Short-term notes and bills payable (Note 6(o))	-	-	199,619	2
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	21,994	-	13,930	-
2130	Contract liability (Note 6(x))	315,022	3	302,373	3
2170	Notes and accounts payable (Note 7)	2,316,996	19	2,576,618	23
2200	Other payables (Note 7)	588,032	5	484,845	4
2280	Current lease liabilities (Notes 6(r) and 7)	82,199	1	63,677	1
2320	Long-term borrowings, current portion (Note 6(q))	16,686	-	16,627	-
2399	Other current liabilities (Note 6(p))	22,048	-	7,449	-
		6,202,513	52	5,052,439	45
	Non-current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	63,144	1
2540	Long-term borrowings (Note 6(q))	243,722	2	260,254	2
2580	Non-current lease liabilities (Notes 6(r) and 7)	126,059	1	150,372	1
2600	Other non-current liabilities (Note 6(u))	108,649	1	130,188	1
		478,430	4	603,958	5
	Total liabilities	6,680,943	56	5,656,397	50
	Equity attributable to owners of parent:				
3100	Share capital (Note 6(v))	1,883,573	16	1,883,573	17
3200	Capital surplus (Notes 6(g), (h), (i) and (v))	1,219,380	10	1,272,747	11
3310	Legal reserve (Note 6(v))	482,299	4	441,048	4
3320	Special reserve (Note 6(v))	17,108	-	30,343	-
3350	Unappropriated retained earnings (Note 6(v))	819,246	7	631,634	6
3400	Other equity interest	29,379	-	(17,108)	-
	Total equity attributable to owners of parent	4,450,985	37	4,242,237	38
35XX	**Equity attributable to former owner of business combination under common control**	-	-	505,004	4
36XX	**Non-controlling interests** (Note 6(j))	843,820	7	866,358	8
	Total equity	5,294,805	44	5,613,599	50
	Total liabilities and equity	**$ 11,975,748**	**100**	**11,269,996**	**100**

See accompanying notes to the consolidated financial statements.

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

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		For the years ended December 31			
		2023		2022 (Restated)	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(x) and 7)**	$ 19,813,720	100	17,310,667	100
5000	**Operating costs (Notes 6(f), (t), 7 and 12)**	17,033,728	86	15,086,348	87
	Gross profit	2,779,992	14	2,224,319	13
	Operating expenses (Notes 6(d), (t), (y), 7 and 12):				
6100	Selling expenses	2,019,880	10	1,660,365	10
6200	General and administrative expenses	226,031	1	200,254	1
6300	Research and development expenses	51,445	-	40,032	-
6450	Expected credit loss (Reversal of expected credit loss)	(2,742)	-	848	-
		2,294,614	11	1,901,499	11
	Net operating income	485,378	3	322,820	2
	Non-operating income and expenses:				
7010	Other income (Notes 6(r), (z) and 7)	14,018	-	22,245	-
7100	Interest income	7,148	-	2,991	-
7020	Other gains and losses (Notes 6(r), (z) and 7)	262,199	1	107,173	1
7050	Finance costs (Notes 6(r), (z) and 7)	(66,427)	-	(32,939)	-
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(g))	5,861	-	6,185	-
		222,799	1	105,655	1
	Profit before income tax	708,177	4	428,475	3
7950	**Less: Income tax expenses (Note 6(u))**	130,452	1	76,286	1
	Profit	577,725	3	352,189	2
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans (Note 6(t))	(532)	-	962	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	43,359	-	-	-
8320	Share of other comprehensive income of associates for using equity method (Note 6(g))	561	-	(136)	-
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	43,388	-	826	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(20,998)	-	86,888	-
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	(20,998)	-	86,888	-
8300	**Other comprehensive income, net of tax**	22,390	-	87,714	-
	Total comprehensive income	**$ 600,115**	**3**	**439,903**	**2**
	Profit (loss) attributable to:				
8610	Owners of parent	$ 592,342	3	412,505	2
8615	Former owner of business combination under common control	(5,788)	-	(21,845)	-
8620	Non-controlling interests	(8,829)	-	(38,471)	-
		$ 577,725	**3**	**352,189**	**2**
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ 602,192	3	425,740	2
8715	Former owner of business combination under common control	6,873	-	4,067	-
8720	Non-controlling interests	(8,950)	-	10,096	-
		$ 600,115	**3**	**439,903**	**2**
	Earnings per share (Note 6(w))				
9750	**Basic earnings per share (NT dollars)**	**$**	**3.14**		**2.19**
9850	**Diluted earnings per share (NT dollars)**	**$**	**3.13**		**2.17**

See accompanying notes to the consolidated financial statements.

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

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

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	Equity Attributable to owners of parent											
			Retained earnings									
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit	Total equity attributable to owners of parent	Equity attributable to former owner of business combination under common control	Non-controlling interests	Total equity
Balance on January 1, 2022 (restated)	$ 1,883,573	1,275,919	383,289	-	778,125	(29,705)	(2)	(636)	4,290,563	585,238	871,388	5,747,189
Profit (loss)	-	-	-	-	412,505	-	-	-	412,505	(21,845)	(38,471)	352,189
Other comprehensive income	-	-	-	-	-	12,874	(171)	532	13,235	25,912	48,567	87,714
Comprehensive income	-	-	-	-	412,505	12,874	(171)	532	425,740	4,067	10,096	439,903
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	57,759	-	(57,759)	-	-	-	-	-	-	-
Special reserve	-	-	-	30,343	(30,343)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(470,894)	-	-	-	(470,894)	-	-	(470,894)
Capital reduction	-	-	-	-	-	-	-	-	-	(56,600)	-	(56,600)
Reorganization	-	(3,299)	-	-	-	-	-	-	(3,299)	(27,701)	-	(31,000)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(18,541)	(18,541)
Changes in equity of associates accounted for using equity method	-	73	-	-	-	-	-	-	73	-	-	73
Proceeds from the disposal of forfeited tunds from employee stock ownership trust	-	54	-	-	-	-	-	-	54	-	-	54
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,415	3,415
Balance on December 31, 2022 (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)	-	-	-	-	592,342	-	-	-	592,342	(5,788)	(8,829)	577,725
Other comprehensive income	-	-	-	-	-	(33,497)	43,284	63	9,850	12,661	(121)	22,390
Comprehensive income	-	-	-	-	592,342	(33,497)	43,284	63	602,192	6,873	(8,950)	600,115
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	41,251	-	(41,251)	-	-	-	-	-	-	-
Special reserve	-	-	-	(13,235)	13,235	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(376,714)	-	-	-	(376,714)	-	-	(376,714)
Reorganization	-	(54,835)	-	-	-	36,637	-	-	(18,198)	(511,877)	-	(530,075)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(12,713)	(12,713)
Difference between consideration and carrying amount of subsidiaries' share acquired	-	28	-	-	-	-	-	-	28	-	(887)	(859)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	1,440	-	-	-	-	-	-	1,440	-	12	1,452
Balance on December 31, 2023	**$ 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**

See accompanying notes to the consolidated financial statements.

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

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022 (Restated)
Cash flows from operating activities:		
Profit before income tax	$ 708,177	428,475
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	109,206	106,422
Amortization expense	76,464	71,835
Losses (gains) on disposal of property, plant and equipment	528	(52)
Loss on disposal of investments accounted for using equity method	-	15
Expected credit loss (Reversal of expected credit loss)	(2,742)	848
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(220,357)	(63,261)
Share of profit (loss) of associates accounted for using equity method	(5,861)	(6,185)
Interest expense	66,427	32,939
Interest income	(7,148)	(2,991)
Dividend income	(11,718)	(13,671)
Gain on lease modification	(3)	(65)
Total adjustments to reconcile profit (loss)	4,796	125,834
Changes in operating assets and liabilities:		
Total net changes in operating assets:		
Notes and accounts receivable (including long-term and related parties)	179,051	157,204
Inventories	(161,269)	(480,450)
Contract assets	(21,902)	12,355
Prepayments and other current assets	(419,669)	4,722
Other non-current assets	(1,843)	1,071
Total changes in operating assets	(425,632)	(305,098)
Total net changes in operating liabilities:		
Contract liability	12,649	41,021
Notes and accounts payable	(259,622)	445,000
Other payables	51,143	(74,956)
Other current liabilities	14,599	(17,399)
Total changes in operating liabilities	(181,231)	393,666
Total changes in operating assets and liabilities	(606,863)	88,568
Total adjustments	(602,067)	214,402
Cash inflows generated from operations	106,110	642,877
Interest received	7,090	3,002
Dividends received	17,361	13,671
Interest paid	(63,649)	(32,151)
Income taxes paid	(113,931)	(120,957)
Net cash inflows (outflows) from operating activities	(47,019)	506,442
Cash flows from investing activities:		
Decrease in financial liabilities at fair value through profit or loss	-	(7,408)
Acquisition of non-current financial assets at fair value through profit or loss	(17,431)	(130,856)
Acquisition of non-current financial assets at fair value through other comprehensive income	(74,830)	-
Share capital from acquisition of subsidiaries	(530,075)	(31,000)
Return of capital from investments accounted for using equity method	-	565
Acquisition of property, plant and equipment	(11,345)	(16,593)
Proceeds from disposal of property, plant and equipment	277	52
Increase in refundable deposits	(13,581)	(3,321)
Acquisition of intangible assets	(118)	(28,278)
Decrease in other current assets	1,327	54,864
Decrease in other non-current assets	-	3,037
Net cash outflows from investing activities	(645,776)	(158,938)
Cash flows from financing activities:		
Increase in short-term borrowings	1,452,235	103,243
Increase (decrease) in short-term notes and bills payable	(199,619)	199,619
Repayments of long-term borrowings	(16,473)	(16,742)
Increase in guarantee deposits	91	63
Payments of lease liabilities	(70,180)	(67,019)
Capital reduction	-	(56,600)
Change in non-controlling interests	(859)	-
Cash dividends paid	(376,714)	(470,894)
Dividends to non-controlling interests from subsidiaries	(12,713)	(18,541)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	1,452	54
Net cash inflows (outflows) from financing activities	777,220	(326,817)
Effect of exchange rate changes on cash and cash equivalents	(15,734)	81,567
Increase in cash and cash equivalents	68,691	102,254
Cash and cash equivalents, beginning of period	837,770	735,516
Cash and cash equivalents, end of period	**$ 906,461**	**837,770**

See accompanying notes to the consolidated financial statements.

(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 Affair, 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 December 31, 2023 consist of the Company and its subsidiaries (collectively as "the Group"), and the interests of associates. The Group's major business activities include distributing and reselling products of software and hardware equipment of ICT Infrastructures from Cisco and other companies, Computing & Data Utilization from IBM, Dell, EMC, other companies, and own products from Skytech Gaming, Digitalization from Red hat, Oracle, and other companies, clouds software and services from Google and other companies. The Group provides integrated planning for the products it sells, including related services of consulting, education and training as well as research, development of software of information applications, services and sales business, and market research.

The Company had fully acquired Metaguru Corporation ("Metaguru") from BenQ Guru Holding Limited ("GSH") by cash on December 1, 2022, and had acquired 35.09% shares in Brainstorm Corporation ("Brainstorm") from DFI Inc. ("DFI") by cash on October 2, 2023. GSH, 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 February 29, 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(Continued)

(b) The impact of IFRSs issued by the FSC but not yet effective

The Group's adoption of the new amendments, effective for annual period beginning on January 1, 2024, are expected to have the following impacts:

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.

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.

The Group participates in a supply chain financing arrangement for which the new disclosures will be applied. According to the amendments, the Group may need to disclose additional information about the supplier finance arrangements and how it manages the liquidity risk for these arrangements. In addition, the Group is continually evaluating the impact of its initial adoption of the amendments on its consolidated financial statements, particularly with respect to the collection of additional information needed to meet the new disclosure requirements.

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"

(c) The impact of IFRSs issued by International Accounting Standard Board ("IASB") but not yet endorsed by the FSC

The Group does not expect the following 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"
- Amendments to IAS21 "Lack of Exchangeability"

(Continued)

(4) Summary of significant accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out as below. Except for those specifically indicated, the following accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. ("the IFRSs endorsed by the FSC").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit assets are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each individual consolidated entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars, the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(iii) Business combinations under common control

The business combinations under common control often occur as the ownership of the company change to another but they are both controlled by the same ultimate parent company. These combinations are treated as the later of either the earliest comparative period in financial statements or the date under common control to restate comparative information of prior period. Under common control, assets and liabilities are recognized at their original carrying amount. The consolidated financial statements do not recognize the goodwill or the fair value of acquirer's share of the acquiree's interest in the acquiree's identifiable assets, liabilities, and contingent liabilities in excess of the common controlled carrying amount.

(Continued)

In preparing the consolidated balance sheet, the equity from acquisition record as " Equity attributable to former owner of business combination under common control"; In preparing the consolidated statements of comprehensive income, the profit or loss belong to former controlling shareholders record as " profit (loss), attributable to former owner of business combination under common control".

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its control over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Subsidiaries' financial statements are adjusted to align the accounting policies with those of the Group.

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the Company.

When the Group loses control of its subsidiaries, the assets (including goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost will be derecognized and any investment retained in the former subsidiary at its fair value at the date when control is lost will be remeasured in the consolidated financial statement. The difference of disposal gain or loss is between the aggregate of (i) the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(ii) List of subsidiaries in the consolidated financial statements

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

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Note**
The Company	EPIC CLOUD CO., LTD. (EPIC CLOUD)	Data software and data processing services	100.00 %	100.00 %	

(Continued)

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2023	Shareholding December 31, 2022	Note
The Company	COREX (PTY) LTD (COREX)	Sale, import and export of electronic products	100.00 %	100.00 %	
The Company	Brainstorm Corporation (Brainstorm)	Wholesale and retail of computers and peripheral devices	35.09 %	- %	(Note 1)
The Company	ADVANCEDTEK INTERNATIONAL CORP. (ADVANCEDTEK INTERNATIONAL)	Implementing services of application software	34.09 %	34.09 %	
The Company	Metaguru Corporation (Metaguru)	R&D and sales of computer information systems	100.00 %	100.00 %	(Notes 2)
The Company and EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK CO., LTD. (GLOBAL INTELLIGENCE NETWORK)	Trading in hardware and software for network and communications systems	79.81 %	79.43 %	(Notes 3)
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 %	
DSIGroup	DKABio Co., Ltd. (DKABio)	Market research service, marketing consulting, and big data and cloud database, etc.	100.00 %	100.00 %	
ADVANCEDTEK INTERNATIONAL	APEO Human Capital Services Corp. (APEO Human Capital)	Applications implementing services	100.00 %	100.00 %	

Note 1: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, please refer to note 5. 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 year ended December 31, 2022 have been restated for comparison with the financial statements for the year ended December 31,2023.

Note 2:On December 1, 2022, the Group had fully acquired Metaguru from GSH by cash and obtained control over Metaguru. This transaction is an organizational reorganization under common control, adopted the book value method and regarded as a combination from beginning.

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

(d) Foreign currency transactions and operations

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period ("the reporting date") monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies measured based on historical cost are translated using the exchange rate at the date of transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

An asset is classified 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 is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting date; or

(iv) The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in its normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(Continued)

(iii) It is due to be settled within twelve months after the reporting date; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and deposits. Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amount of cash and are subject to an insignificant risk of changes in their fair value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivables issued are initially recognized when they are originated. All other financialassets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not at fair value through profit or loss (“ FVTPL”), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized derecognized on a trade date and settle date basis.

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (“ FVOCI”), or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

A financial asset measured at amortized cost is initially recognized at fair value, plus/minus the cumulative amortization using the effective interest method, and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

The equity investments are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established. The above date is usually the ex-dividend date.

3) FVTPL

All financial assets not classified as amortized cost or fair value through comprehensive income described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value.

Net gains and losses, including any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12-month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly once it is past due.

The Group considers a financial asset to be in default when the financial asset is more than 120 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECL are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(Continued)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreement and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received less the direct issuing cost.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged, cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

Derivatives held for hedging risk exposure to currency and interest rate are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost or net realizable value. The costs of inventories weighted-average principle include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

The consolidated financial reports include the Group' s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group from the date on which significant influence commences until the date on which significant influence ceases. When an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes of the Group' s shareholding percentage in the associate, the Group recognizes equity changes attributable to the Group by its shareholding percentage as capital surplus.

(Continued)

Unrealized gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated party's interests in the associate.

When the Group's share of losses of an associate equal or exceed its interest in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant, and equipment are measured at cost, which includes capitalized borrowing cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant, and equipment are as follows:

1) Buildings and improvements: 50 years

(Continued)

2) Office and other equipment: 2 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments or penalties for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

(Continued)

— there is a change in the assessment of whether it will have the option to exercise a purchase; or

— there is a change in its assessment of whether it will exercise an extension or termination option; or

— there is any lease modification in lease subject, scope of the lease, or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Group has elected not to recognize right of use assets and lease liabilities for short term leases of office equipment of low value assets, The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

For operating lease, the Group recognizes rental income on a straight-line basis over the lease term.

(Continued)

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Trademarks and patents: 10years

2) Customer relationships and other: 3 to 10 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Impairment of non-derivative financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

(Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue from contracts with customers

Revenue is measured basing on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The following is a description of the Group's major revenues:

(i) Sale of goods

Revenue is recognized when the control over a product has been transferred to the customer. When the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional. Advance sales receipts are recognized as contract liabilities and are transferred to revenue upon the delivery of goods.

The Group offers sales discounts to its customers, with the revenue from these sales being recognized based on the price specified in the contract, net of the estimated sales discounts. The sales discounts are estimated based on the discount rate stated in the contract, wherein the revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The contract liability is accounted for as expected sales discounts payable to customers in relation to sales.

(Continued)

The Group grants its customers the right to return the product, in which the Group deducts its revenue by the amount of expected returns and recognizes a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method), and it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Group reassesses the estimated amounts of expected returns.

(ii) Services

The Group provides installation and maintenance services on hardware and software. The recognition of the revenue generated was based on the progress towards completing the transaction recognized by the two parties as of the reporting date.

The Group provides services, such as information system management, design, introduction, application customization, consulting and so forth to customers. The customer simultaneously receives and consumes the benefits provided by the Group' s performance as the Group performs. Revenue from providing services is recognized when services are rendered.

(iii) Market research and survey services

The Group provides services, such as market research and opinion survey. Revenue was recognized when the progress towards complete satisfaction of performance obligations.

Estimates of revenues, costs, or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(iv) License

The licensing revenue of the Group is recognized over time within a fixed license period. If the customers' payments exceed the recognized revenue, a contract liability is recognized.

(v) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(Continued)

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

The Group's net obligation in respect of the defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service cost or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes include both current taxes and deferred taxes. Except for expenses related to business combinations, or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for the following exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences.

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reduction are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted on the reporting date.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(q) Earnings per share

The Group discloses the Company’s basic and diluted earnings per share attributable to ordinary equity holders. The calculation of basic earnings per share is basic on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is basic on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise accrued employee remuneration.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). The operating results of all operating segments are regularly reviewed by The Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment has its financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made 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 estimates.

Management continues to monitor the accounting estimates and assumptions. Any changes in accounting estimates are recognized during the period and the impact of those changes in accounting estimates are recognized in the following period.

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

(a) The Group holds a total of 35.09% of common shares and preferred shares in Brainstorm, making it to be the sole largest shareholder of the entity. It resulted in the Group to hold 55.29% of the voting rights at the shareholders’ meeting and obtain substantive control based on Brainstorm’s Article of Incorporation. Hence, Brainstorm has been included in the Group’s consolidated financial statements.

(b) The Group holds 34.09% of the voting shares and is the sole largest shareholder of ADVANCEDTEK INTERNATIONAL. Although the Group did not own more than half of the voting rights of the company, the Group owns more than half of their total number of directors of the Board; therefore, it is determined that the Group has substantive control over the entity. Hence, the company has been included in the Group’s consolidated financial statements.

(Continued)

(c) The Group holds 35.01% of the voting shares and is the sole largest shareholder of STATINC. Although the Group did not own more than half of the voting rights of the company, the Group owns more than half of their total number of directors of the Board; therefore, it is determined that the Group has substantive control over the entity. Hence, the company has been included in the Group's consolidated financial statements.

(d) As the single largest shareholder, the Group holds 20.96% of the voting shares of GRANDSYS INC. ("GRANDSYS"). Although the remaining 79.04% shares of GRANDSYS are not concentrated in specific shareholders, the Group still cannot obtain neither more than half the Board of directors of GRANDSYS, nor more than half of the voting rights in the shareholders' meeting. Therefore, it is determined that the Group would have a significant impact on GRANDSYS.

(e) As the single largest shareholder, the Group holds 19.15% of the voting shares of DYNASAFE TECHNOLOGIES, INC. (" DYNASAFE"). Although the remaining 80.85% shares of DYNASAFE are concentrated within specific shareholders, the Group still cannot obtain more than half of the Board of directors of DYNASAFE. Therefore, it is determined that the Group would not have a significant impact on DYNASAFE.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities at the reporting date within the next financial year is as follows:

(a) Valuation of inventories

As inventories are measured at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for normal loss, obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(f) for the valuation of inventories.

(b) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGU, allocate the goodwill to relevant CGU, and estimate the recoverable amount of relevant CGU. Any changes in these estimates base on changed economic conditions or business strategies could result in significant adjustments.

Valuation process

The Group's accounting policies and disclosure include measuring financial and non financial assets and liabilities at fair value through profit or loss. The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

· Level 1:quoted prices (unadjusted) in active markets for identified assets or liabilities.

· Level 2:inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

· Level 3:input for the asset or liability is not based on the observable market information.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand and petty cash	$	346	566
Check and demand deposits		811,322	781,410
Time deposits		94,793	55,794
	$	**906,461**	**837,770**

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

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

		December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:			
Current:			
Pre-purchased forward exchange contracts	$	378	623
Non-current:			
Foreign and domestic unlisted stocks		453,931	280,153
Foreign and domestic unlisted equities		239,126	230,691
Total	**$**	**693,435**	**511,467**

(Continued)

	December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss:		
Current:		
Pre-purchased/Pre-sold forward exchange contracts	$ (21,994)	(13,930)
Non-current:		
Contingent considerations arising from business combinations	-	(63,144)
Total	**$ (21,994)**	**(77,074)**

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

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

	December 31, 2023		
Financial instruments	**Nominal amounts**	**Maturity period**	**Pre-agreed exchange rate**
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

(Continued)

	December 31, 2022		
Financial instruments	**Nominal amounts**	**Maturity period**	**Pre-agreed exchange rate**
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 33,350 thousand	2023.01.01~ 2023.04.19	30.224~32.045
Buy USD/Sell ZAR	USD 845 thousand	2023.01.04~ 2023.01.27	17.100~17.268

(iii) As of December 31, 2023 and 2022, 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

	December 31, 2023	December 31, 2022
Non-current financial assets at fair value through other comprehensive income		
Domestic unlisted stocks	$ 118,189	-

(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) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the year ended December 31, 2023.

(iii) As December 31, 2023 and 2022, 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)

		December 31, 2023	December 31, 2022
Notes receivable (including long-term)	$	95,607	134,624
Accounts receivable (including long-term)		2,958,111	3,045,990
Accounts receivable due from related parties (including long-term)		61,574	114,220
Less: loss allowance		(27,499)	(31,102)
Total	$	**3,087,793**	**3,263,732**
Current	$	3,069,768	3,202,910
Non-current		18,025	60,822
Total	$	**3,087,793**	**3,263,732**

(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.

(iii) The Group applies the simplified approach to provide for its 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:

	December 31, 2023			
		Gross carry amount of notes and accounts 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**

(Continued)

	December 31, 2022		
	Gross carry amount of notes and accounts receivable	**Weighted-average loss rate**	**Loss allowance for lifetime expected credit losses**
Current	$ 3,139,063	0.06%	1,884
1 to 30 days past due	87,626	3.76%	3,298
31 to 60 days past due	27,982	12.95%	3,623
61 to 90 days past due	4,397	42.05%	1,849
91 to 120 days past due	2,201	37.03%	815
More than 121 days past due	33,565	58.49%	19,633
	$ 3,294,834		**31,102**

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

	For the years ended December 31	
	2023	**2022**
Beginning balance	$ 31,102	31,359
Impairment losses (reversal of impairment loss)	(2,742)	848
Write-offs of uncollectible amount for the period	(124)	(18)
Transferred to other receivables	(367)	(194)
Effects of exchange rate changes	(370)	(893)
Ending balance	**$ 27,499**	**31,102**

(e) Other receivables

	December 31, 2023	**December 31, 2022**
Other receivables (including long-term)	$ 15,877	2,656
Less: loss allowance	(1,930)	(1,563)
	$ 13,947	**1,093**

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

(Continued)

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

	For the years ended December 31	
	2023	2022
Beginning balance	$ 1,563	19,641
Write-offs of uncollectible amount for the period	-	(18,272)
Transferred from accounts receivable	367	194
Ending balance	**$ 1,930**	**1,563**

(f) Inventories

	December 31, 2023	December 31, 2022
Merchandise inventory	**$ 4,432,864**	**4,282,392**

For the years ended 2023 and 2022, due to the write-down of inventories to net realizable value, a loss of $31,093 thousand and a reversal gain of $24,920 thousand on the decline in value of inventories, respectively, were recognized and reported as operating costs.

For the years ended 2023 and 2022, loss on scrap of inventories amounted to $0 thousand and $43,161 thousand, respectively.

(g) Investments accounted for using equity method

Investments accounted for using the equity method were as follows:

	December 31, 2023	December 31, 2022
Associates	**$ 116,633**	**115,854**

(i) In February and April 2022, GRANDSYS issued 925 thousand and 162 thousand new shares, respectively, to be exercised as employee stock options. Resulting the Group’s shareholding in GRANDSYS to decrease from 21.84% to 20.96%, and the Group’ s capital surplus to increase by $73 thousand due to the change in equity.

(ii) Aggregate financial information of associates for using equity method that were not individually material was summarized as follows. The financial information was included in the Group’s consolidated financial statements.

(Continued)

	For the years ended December 31	
	2023	2022
Attributable to the Group:		
Profit	$ 5,861	6,185
Other comprehensive income	561	(136)
Total comprehensive income	**$ 6,422**	**6,049**

(iii) As of December 31, 2023 and 2022, 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-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 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.

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	

(Continued)

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		$ **54,835**

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.

(ii) Acquisition of the subsidiary－Metaguru

1) Acquisition of consideration transferred of the subsidiary

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

2) Identifiable net assets acquired

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

Consideration transferred:		
Cash		$ 31,000
Carrying amounts of identifiable assets and liabilities acquired:		
Cash and cash equivalents	$ 25,325	
Notes and accounts receivable (including related parties)	8,438	
Prepayments	7	
Other current assets	388	
Other non-current assets	5,875	

(Continued)

Contract liabilities	(7,011)	
Notes and accounts payable	(2,839)	
Other payables	(2,057)	
Other current liabilities	(425)	27,701
Capital surplus		$ **3,299**

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

(i) Changes in ownership interest in a subsidiary

On March 31, 2023 and October 31, 2023, the Group paid $515 thousand and $344 thousand, respectively, for 30 thousand and 20 thousand shares from GLOBAL INTELLIGENCE NETWORK's original shareholders. Therefore, the Group's shareholding ratio increased to 79.81%, and capital surplus increased by $28 thousand due to changes in equity.

(j) Material non-controlling interests of subsidiaries

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

		Proportion of non-controlling interests in ownership interests		Proportion of non-controlling interests in voting rights	
Name of subsidiaries	**Primary business premises/country of registration**	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Brainstorm	USA	64.91 %	64.91 %	44.71 %	44.71 %

The following information on the aforementioned subsidiaries has been prepared in accordance with the IFRSs 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.

Brainstorm's collective financial information

	December 31, 2023	December 31, 2022
Current assets	$ 1,580,843	1,412,116
Non-current assets	642,788	727,077
Current liabilities	(926,270)	(788,169)
Non-current liabilities	(89,305)	(114,009)
Net assets	$ **1,208,056**	**1,237,015**
Ending balance of non-controlling interests	$ **684,850**	**703,648**

(Continued)

		2023	2022
Operating revenue	$	**6,254,960**	**5,197,642**
Net loss	$	(29,312)	(78,559)
Other comprehensive income		353	73,845
Total comprehensive income	$	**(28,959)**	**(4,714)**
Net loss attributable to non-controlling interests	$	**(19,027)**	**(50,993)**
Total comprehensive income attributable to non-controlling interests	$	**(18,798)**	**(3,060)**

		2023	2022
Cash flows from operating activities	$	143,947	90,349
Cash flows from investing activities		(1,877)	(29,410)
Cash flows from financing activities		(83,111)	(75,084)
Effect of exchange rate changes		352	6,237
Increase (decrease) in cash and cash equivalents	$	**59,311**	**(7,908)**
Dividends paid to non-controlling interests	$	**-**	**-**

(k) Property, plant and equipment

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

		Land	Building	Office and other equipment	Total
Cost:					
Balance on January 1, 2023	$	587,346	374,891	214,688	1,176,925
Additions		-	-	11,345	11,345
Disposal		-	-	(52,070)	(52,070)
Transferred from inventories		-	-	14,357	14,357
Effects of exchange rate changes		-	-	(2,423)	(2,423)
Balance on December 31, 2023	$	**587,346**	**374,891**	**185,897**	**1,148,134**
Balance on January 1, 2022	$	587,346	374,891	211,015	1,173,252
Additions		-	-	16,593	16,593
Disposal		-	-	(28,076)	(28,076)
Transferred from inventories		-	-	11,667	11,667
Effects of exchange rate changes		-	-	3,489	3,489
Balance on December 31, 2022	$	**587,346**	**374,891**	**214,688**	**1,176,925**

(Continued)

	Land	Building	Office and other equipment	Total
Accumulated depreciation:				
Balance on January 1, 2023	$ -	85,052	149,266	234,318
Depreciation	-	7,435	28,487	35,922
Disposal	-	-	(51,265)	(51,265)
Effects of exchange rate changes	-	-	(2,244)	(2,244)
Balance on December 31, 2023	**$ -**	**92,487**	**124,244**	**216,731**
Balance on January 1, 2022	$ -	77,617	143,002	220,619
Depreciation	-	7,435	32,214	39,649
Disposal	-	-	(28,076)	(28,076)
Effects of exchange rate changes	-	-	2,126	2,126
Balance on December 31, 2022	**$ -**	**85,052**	**149,266**	**234,318**
Carrying amount:				
December 31, 2023	**$ 587,346**	**282,404**	**61,653**	**931,403**
December 31, 2022	**$ 587,346**	**289,839**	**65,422**	**942,607**
January 1, 2022	**$ 587,346**	**297,274**	**68,013**	**952,633**

As of December 31, 2023 and 2022, 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:

	Buildings	Others	Total
Cost:			
Balance on January 1, 2023	$ 382,684	13,450	396,134
Additions	61,931	2,733	64,664
Decrease	-	(3,097)	(3,097)
Effects of exchange rate changes	(2,297)	(327)	(2,624)
Balance on December 31, 2023	**$ 442,318**	**12,759**	**455,077**
Balance on January 1, 2022	$ 351,364	12,158	363,522
Additions	24,844	3,433	28,277
Decrease	(1,399)	(3,245)	(4,644)
Effects of exchange rate changes	7,875	1,104	8,979
Balance on December 31, 2022	**$ 382,684**	**13,450**	**396,134**

(Continued)

		Buildings	Others	Total
Accumulated depreciation:				
Balance on January 1, 2023	$	182,439	5,928	188,367
Depreciation		68,967	4,317	73,284
Decrease		-	(2,896)	(2,896)
Effects of exchange rate changes		(2,705)	(132)	(2,837)
Balance on December 31, 2023	$	**248,701**	**7,217**	**255,918**
Balance on January 1, 2022	$	117,581	4,921	122,502
Depreciation		62,982	3,791	66,773
Decrease		(746)	(3,245)	(3,991)
Effects of exchange rate changes		2,622	461	3,083
Balance on December 31, 2022	$	**182,439**	**5,928**	**188,367**
Carrying amount:				
December 31, 2023	$	**193,617**	**5,542**	**199,159**
December 31, 2022	$	**200,245**	**7,522**	**207,767**
January 1, 2022	$	**233,783**	**7,237**	**241,020**

(m) Intangible assets

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

		Goodwill	Patents and trademarks	Customer relationships	Others	Total
Cost:						
Balance on January 1, 2023	$	317,484	574,759	8,234	58,187	958,664
Additions		-	-	-	118	118
Disposal		-	-	(5,944)	-	(5,944)
Effects of exchange rate changes		(8,797)	-	(463)	18	(9,242)
Balance on December 31, 2023	$	**308,687**	**574,759**	**1,827**	**58,323**	**943,596**
Balance on January 1, 2022	$	314,867	568,182	7,959	32,125	923,133
Additions		-	-	-	28,278	28,278
Business combinations adjusted during the measurement period		(1,847)	6,577	-	-	4,730
Disposal		-	-	-	(3,203)	(3,203)
Effects of exchange rate changes		4,464	-	275	987	5,726
Balance on December 31, 2022	$	**317,484**	**574,759**	**8,234**	**58,187**	**958,664**

(Continued)

		Goodwill	Patents and trademarks	Customer relationships	Others	Total
Accumulated impairment loss and amortization:						
Balance on January 1, 2023	$	1,966	95,908	5,868	10,489	114,231
Amortization		-	57,479	1,758	12,774	72,011
Disposal		-	-	(5,944)	-	(5,944)
Effects of exchange rate changes		-	-	(779)	(97)	(876)
Balance on December 31, 2023	$	**1,966**	**153,387**	**903**	**23,166**	**179,422**
Balance on January 1, 2022	$	1,966	37,992	4,195	6,645	50,798
Amortization		-	57,916	1,821	7,002	66,739
Disposal		-	-	-	(3,203)	(3,203)
Effects of exchange rate changes		-	-	(148)	45	(103)
Balance on December 31, 2022	$	**1,966**	**95,908**	**5,868**	**10,489**	**114,231**
Carrying amount:						
December 31, 2023	$	**306,721**	**421,372**	**924**	**35,157**	**764,174**
December 31, 2022	$	**315,518**	**478,851**	**2,366**	**47,698**	**844,433**
January 1, 2022	$	**312,901**	**530,190**	**3,764**	**25,480**	**872,335**

(i) Impairment test on goodwill

The Group evaluated the recoverable amounts of its goodwill, which is based on its value-in-use, for impairment testing at the reporting date. The calculation of value in use is based on the cash flows of the financial forecast for the next three to five years as estimated by the management based on the future operation plan, and is calculated using the annual discount rates of 8.56% to 13.51% and 8.81% to 18.35% on December 31, 2023 and 2022, respectively, to reflect the specific risks of the related CGU.

(ii) Business combinations adjusted during the measurement period led the Group to continue monitoring its intangible assets-goodwill and trademarks arising from the acquisition of Brainstorm, resulting in a decrease of $1,847 thousand and an increase of $6,577 thousand, respectively, after an adjustment had been made in the first quarter of 2023.

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

(Continued)

(n) Short-term borrowings

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

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 2,839,536	1,387,301
Range of interest rates at the end of period	1.68%~13.25%	1.50%~9.70%

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

(o) Short-term notes and bills payable

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

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

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

(p) Other current liabilities

	December 31, 2023	December 31, 2022
Refund liabilities	$ 18,679	3,424
Others	3,369	4,025
	$ 22,048	7,449

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.

(Continued)

(q) Long-term borrowings

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

	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				$ **243,722**
Unused credit lines				$ -

	December 31, 2022			
	Currency	**Range of interest rates**	**Maturity period**	**Amount**
Secured bank loans	NTD	1.60%~1.83%	2023.01~2039.03	$ 276,881
Less: current portion				(16,627)
Total				$ **260,254**
Unused credit lines				$ -

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

(r) Lease liabilities

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

	December 31, 2023	**December 31, 2022**
Current	$ 82,199	63,677
Non-current	126,059	150,372
	$ **208,258**	**214,049**

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

	For the years ended December 31	
	2023	**2022**
Interest on lease liabilities	$ **3,402**	**3,717**
Income from sub-leasing right-of-use assets	$ **1,139**	**1,139**
Gains on lease modifications	$ **3**	**65**

(Continued)

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

	For the years ended December 31	
	2023	**2022**
Interest payments for lease liabilities in operating activities	$ (3,402)	(3,717)
Payments of lease liabilities in financing activities	(70,180)	(67,019)
Total cash outflow for leases	**$ (73,582)**	**(70,736)**

(iv) Real estate leases

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

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

(s) Operating leases

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

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

	December 31, 2023	**December 31, 2022**
Less than one year	$ 1,159	1,139
1 to 2 years	1,174	1,159
2 to 3 years	1,174	1,174
3 to 4 years	1,174	1,174
4 to 5 years	391	1,174
More than 5 years	-	391
	$ 5,072	**6,211**

(Continued)

(t) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	(11,040)	(10,316)
Fair value of plan assets		14,580	14,336
Net defined benefit liabilities	**$**	**3,540**	**4,020**

The Group makes defined benefit plan contributions to the pension fund account at Bank of Taiwan. Under the Labor Standards Act, each employee's retirement payment is calculated based on years of service and the average salary for the six months prior to retirement.

For the years ended 2023 and 2022, the Group recognized the pension expense of $0 thousand for the defined benefit plans, and the return on plan assets (liability) recognize as other comprehensive income amounted to $(532) thousand and $962 thousand, respectively.

(ii) Defined contribution plans

The Company and its domestic subsidiaries allocate 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 regulations. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Group's pension costs under the defined contribution method amounted to $32,986 thousand and $29,773 thousand for the years ended 2023 and 2022, respectively. Payment to the Bureau of Labor Insurance has been made.

(u) Income taxes

(i) Income tax expenses:

Income tax expenses are summarized as follows:

		For the years ended December 31 2023	2022
Current income tax expenses	$	151,019	90,931
Deferred income tax benefit		(20,567)	(14,645)
Income tax expenses	**$**	**130,452**	**76,286**

(ii) The Group had no income taxes recognized directly in equity and other comprehensive income.

(Continued)

(iii) Reconciliation of income tax expenses and profit before income tax was as follows:

	For the years ended December 31	
	2023	2022
Profit before income tax	$ 708,177	428,475
Income tax using each company's local tax rate	139,293	73,626
Undistributed earnings additional tax	628	1,605
Non-deductible expenses	41,520	19,521
Tax-exempt income	(2,346)	(2,734)
Gains on valuation of financial assets	(45,585)	(14,872)
Others	(3,058)	(860)
Income tax expense	**$ 130,452**	**76,286**

(iv) Deferred income tax assets and liabilities

1) The Group had no unrecognized deferred income tax liabilities, and the unrecognized deferred income tax assets were as follows:

	December 31, 2023	December 31, 2022
Deductible temporary difference	$ 1,073	1,125
The carryforward of unused tax losses	21,703	24,103
	$ 22,776	**25,228**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unrecognized tax losses	Year of expiry
2014 (examined)	$ 22,877	2024
2016 (examined)	36,530	2026
2021 (examined)	14,320	2031
2022 (filed)	29,207	2032
2023 (estimated)	5,580	2033
	$ 108,514	

(Continued)

2) Changes in the amount of deferred income tax assets and liabilities for 2023 and 2022 were as follows:

	Fair value gains and others	Other	Total
Deferred income tax liabilities:			
Balance on January 1, 2023	$ 121,946	6,089	128,035
Debit (credit) profit or loss	(26,063)	4,489	(21,574)
Effects of exchange rate changes	-	(56)	(56)
Balance on December 31, 2023	**$ 95,883**	**10,522**	**106,405**
Balance on January 1, 2022	$ 135,479	196	135,675
Debit (credit) profit or loss	(14,848)	5,893	(8,955)
Business combinations adjusted during the measurement period	1,315	-	1,315
Balance on December 31, 2022	**$ 121,946**	**6,089**	**128,035**

	Inventory allowances	Allowance limit on bad debts	The carryforward of unused tax losses	Others	Total
Deferred income tax assets:					
Balance on January 1, 2023	$ (43,635)	(1,394)	(17,455)	(2,766)	(65,250)
Debit (credit) profit or loss	842	(602)	13,476	(12,709)	1,007
Effects of exchange rate changes	50	5	(135)	85	5
Balance on December 31, 2023	**$ (42,743)**	**(1,991)**	**(4,114)**	**(15,390)**	**(64,238)**
Balance on January 1, 2022	$ (47,100)	(3,099)	(3,345)	(5,289)	(58,833)
Debit (credit) profit or loss	3,658	1,757	(13,572)	2,467	(5,690)
Effects of exchange rate changes	(193)	(52)	(538)	56	(727)
Balance on December 31, 2022	**$ (43,635)**	**(1,394)**	**(17,455)**	**(2,766)**	**(65,250)**

(v) The Company’ s income tax returns have been assessed and approved by the R.O.C. tax authorities through the years to 2021.

(v) Capital and other equity

As of both December 31, 2023 and 2022, the Group’ s authorized shares amounted to $2,500,000 thousand, divided into 250,000 thousand shares, with par value of $10 per share. The issued 188,357 thousand shares comprised only ordinary shares, and all issued shares were paid up upon issuance.

(Continued)

(i) Capital surplus

The components of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Share capital premium	$ 1,134,185	1,189,020
Treasury share transactions	54,637	54,637
Difference arising from subsidiary's share price and its carrying value from acquisition or disposal of	28,012	27,984
Changes in equity of associates accounted for using equity method and others	2,546	1,106
	$ 1,219,380	**1,272,747**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends in proportion to shareholders held. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total paid-in capital. The capital increases by transferring capital surplus in excess of par value shall be capitalized in the subsequent year after such capital reserve has been authorized for registration by the regulatory agency.

(ii) Retain earning

In accordance with the Article of Association, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) and special reserve shall be appropriated or reversed, according to operating requirements or regulations of the Company, after the payment of income tax and offsetting the accumulated losses from prior years. The remaining portion will be combined with the earnings from prior years, and the Board of Directors can propose the distribution plan to be approved during the shareholders' meeting. The abovementioned distribution plan, by way of cash dividends, should be approved by the Company' s Board of Directors and should be reported during the Company' s shareholder' s meeting.

As the Company is in its growth phase, it has adopted a residual dividend policy to pay the dividends after the end of the year from the earnings of the current year and the accumulated earnings from prior years. If there are earnings at year end and the current unappropriated retained earnings exceeded the lower of 2% of the capital stock, the distribution ratio for dividends shall not be less than 10% of the current unappropriated retained earnings after taking into consideration the Company's profit, capital structure, and future operating needs. Dividends are distributed as either cash or stock, where cash dividends represent no less than 10% of the total dividends and the actual amount distributed is based on the amount approved by the Board of Directors.

(Continued)

(iii) Earning distribution

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and provided that the balance of the reserve exceeds 25% of the Company's paid in capital.

2) Special reserve

In accordance with FSC, when distributing distributable earnings, the Company records the net decrease in other shareholders' equity from profit after income tax for the current period plus the current-period unappropriated retained earnings not included in the current profit after income tax and prior undistributed earnings to be added to special earnings reserve. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

If the subsidiary continues to hold the stocks of its parent company in the end of the period, with a market value lower than the book value, the Company shall allocate its special reserve, pro-rata to the shareholding percentage thereof, in an amount equals to the difference between the market value and the book value; also, the special reserve may not be distributed. If the market value subsequently increases, the Company may reverse the amount of special reserve, pro-rata to the shareholding percentage, corresponding to the amount by which the value has increased.

3) Earnings distribution

On February 23, 2023, cash dividends in the distribution plan for 2022 had been approved at the Board of Directors meeting, and other items of earnings distribution had been approved in shareholder' s meeting on May 24, 2023. The cash dividends of earnings distribution for 2021 had been approved at the Board of Directors meeting on February 24, 2022, and other items of earnings distribution had been approved in shareholder's meeting on May 26, 2022.

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

On February 29, 2024, cash dividends in the distribution plan for 2023 had been approved at the Board of Directors meeting, and the relevant dividend distributions to shareholders were as follows:

	For the year ended December 31, 2023
Dividends to shareholders - cash, \$2.75 per share	\$ 517,983

(Continued)

(w) Earnings per share

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

	For the years ended December 31 2023	2022
Basic earnings per share:		
Profit attributable to the Company	$ 592,342	412,505
Weighted-average number of ordinary shares outstanding (basic / thousand shares)	188,357	188,357
Earnings per share (dollars)	$ 3.14	2.19

	For the years ended December 31 2023	2022
Diluted earnings per share:		
Profit attributable to the Company	$ 592,342	412,505
Weighted-average number of ordinary shares outstanding (diluted / thousand shares)	189,460	189,979
Earnings per share (dollars)	$ 3.13	2.17

	For the years ended December 31 2023	2022
Weighted-average number of ordinary shares (basic/ thousand shares)	188,357	188,357
Effect of employee remuneration	1,103	1,622
Weighted-average number of ordinary shares outstanding (diluted/thousand shares)	189,460	189,979

(x) Revenue from contracts with customers

(i) Details of revenue

	For the years ended December 31, 2023 ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	$ 4,380,393	11,894,411	876,857	1,308,462	316,424	18,776,547
Services rendered	-	-	-	1,037,173	-	1,037,173
Total	$ 4,380,393	11,894,411	876,857	2,345,635	316,424	19,813,720
Timing of revenue recognition						
Products transferred to the customer at a point in time	$ 4,380,393	11,894,411	876,857	1,308,462	316,424	18,776,547
Services transferred over time or by the stage of completion	-	-	-	1,037,173	-	1,037,173
Total	$ 4,380,393	11,894,411	876,857	2,345,635	316,424	19,813,720

(Continued)

		For the years ended December 31, 2022					
		ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:							
Sale of goods	$	4,085,008	10,723,945	907,805	655,361	15,918	16,388,037
Services rendered		-	-	-	922,630	-	922,630
Total	$	**4,085,008**	**10,723,945**	**907,805**	**1,577,991**	**15,918**	**17,310,667**
Timing of revenue recognition							
Products transferred to the customer at a point in time	$	4,085,008	10,723,945	907,805	655,361	15,918	16,388,037
Services transferred over time or by the stage of completion		-	-	-	922,630	-	922,630
Total	$	**4,085,008**	**10,723,945**	**907,805**	**1,577,991**	**15,918**	**17,310,667**

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable (including long-term)	$	95,607	134,624	299,082
Accounts receivable (including long-term and related parties)		3,019,685	3,160,210	3,153,168
Less: loss allowance		(27,499)	(31,102)	(31,359)
	$	**3,087,793**	**3,263,732**	**3,420,891**
Contract assets	**$**	**29,939**	**8,037**	**20,392**
Contract liability	**$**	**315,022**	**302,373**	**261,352**

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, 2023 and 2022 at the beginning of the period, were as follows:

		For the years ended December 31	
		2023	2022
Revenue Recognition	**$**	**268,622**	**222,568**

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.

(Continued)

(y) Remuneration to employees and directors

In accordance with the Article of Association, once the Company has annual earnings, it should contribute 5% to 20% of the earnings as employee remuneration, and less than 1% as directors' remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees entitled to receive the aforementioned employee remuneration, in shares or cash, include the employees of the controlling or subsidiaries of the company who meet certain specific requirement. The aforementioned requirement and distribution methods should first be approved by the Company's Board of Directors or its authorized person. The Company estimated its remuneration to employees at $63,591 thousand and $44,651 thousand for the years ended 2023 and 2022, respectively, and estimated its remuneration to directors at $5,962 thousand and $4,186 thousand, respectively.

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 the estimated amounts and the actual amounts approved by the Board of directors for 2023, if any, shall be accounted for as changes in accounting estimates and recognized in 2024. The actual amounts distributed for 2022 and the estimated amounts for 2022 in the financial statements were the same.

(z) Non-operating income and expenses

(i) Other income

The Group's other income was as follows:

	For the years ended December 31	
	2023	**2022**
Rental income	$ 2,300	8,574
Dividend income	11,718	13,671
	$ 14,018	**22,245**

(ii) Other gains and losses

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

	For the years ended December 31	
	2023	**2022**
Net foreign exchange gains (losses)	$ 36,335	19,211
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	220,357	63,261
Gains (losses) on disposal of property, plant and equipment	(528)	52
Others	6,035	24,649
	$ 262,199	**107,173**

(Continued)

(iii) Finance costs

The Group's financial costs were as follows:

	For the years ended December 31	
	2023	**2022**
Interest on bank loans	$ 63,025	29,222
Interest on lease liabilities	3,402	3,717
	$ 66,427	**32,939**

(aa) Financial instruments

(i) Credit risk

A credit risk is the risk of having financial losses arising from counterparties failing to meet their required contract obligation. The major potential credit risks are from defaults from counterparties who fail to meet their required contract obligation.

1) Accounts receivable and other receivables

The Group' s credit policy is transacting with creditworthy customers, and obtains collateral to mitigate risks arising from financial loss due to default if necessary. The Group assesses the ratings based on publicly available financial information and transactions records with its major customers. The Group continues to monitor the exposure to credit risk and the credit rating of counterparties, transaction amount to all qualified customers, and review annually the credit limit of counterparties, so as to manage risk exposure.

2) Other financial assets

The credit risk exposure in cash and cash equivalents, fixed income investments and other financial instruments are measured and monitored by the Group' s finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions which are graded above investment level, the management believes that the Group does not have any compliance issues, and therefore, there is no significant credit risk.

The carrying amount of financial assets, represents the maximum amount exposed to credit risk. As of December 31, 2023 and 2022, the maximum exposure to credit risk amounted to $4,923,431 thousand, and $4,705,414 thousand, respectively.

(Continued)

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1~5 years	Over 5 years
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)	-	-
	$ 6,114,433	6,168,639	5,762,384	216,196	190,059
December 31, 2022					
Non-derivative financial liabilities					
Financial liabilities at fair value through profit or loss - Contingent considerations arising from business combinations (Current and Non-current)	$ 63,144	91,660	-	91,660	-
Long-term and short-term borrowings	1,664,182	1,709,514	1,416,261	84,705	208,548
Short-term notes and bills payable	199,619	200,000	200,000	-	-
Lease liabilities (including non-current)	214,049	219,784	66,220	145,338	8,226
Notes and accounts payable	2,576,618	2,576,618	2,576,618	-	-
Other payables	392,910	392,910	392,910	-	-
Refund liabilities	3,424	3,424	3,424	-	-
Guarantee deposits	1,640	1,640	-	1,640	-
Derivative financial liabilities					
Outflow	13,930	867,076	867,076	-	-
Inflow	-	(853,146)	(853,146)	-	-
	$ 5,129,516	5,209,480	4,669,363	323,343	216,774

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

(Continued)

(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:

	December 31, 2023			December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD/NTD	$ 3,676	30.75	113,044	4,666	30.73	143,401
ZAR/NTD	53,289	1.66	88,299	-	-	-
Financial liabilities						
Monetary items						
USD/NTD	$ 26,666	30.75	819,974	33,490	30.73	1,029,145

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 December 31, 2023 and 2022, with all other variables including derivative financial instruments remaining constant, would have decreased or increased the profit before income tax by $1,802 thousand and $1,651 thousand, respectively. The analysis for both periods was performed on the same basis.

(Continued)

3) Foreign exchange gains and losses on monetary items

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

	For the years ended December 31,			
	2023		2022	
	Foreign exchange (loss) gain	Average exchange rate	Foreign exchange (loss) gain	Average exchange rate
NTD	$ 46,831	1	19,003	1
ZAR	(8,043)	1.70	220	1.83
USD	(2,453)	31.06	(12)	29.58
	$ 36,335		19,211	

(iv) Interest rate analysis

The details of interest-bearing financial instruments at the reporting date were as follows:

	Carrying amount	
	December 31, 2023	December 31, 2022
Variable-rate instrument:		
Financial assets	$ 811,322	781,410
Financial liabilities	(3,099,944)	(1,863,801)
	$ (2,288,622)	(1,082,391)

According to the Group's sensitivity analysis of risk exposure to non-derivative instruments on the reporting date, if the interest rate had increased or decreased by 0.25%, with all other variable factors remaining constant, the Group's profit before income tax would have decreased or increased by $5,722 thousand and $2,706 thousand for the years ended 2023 and 2022, respectively. This is mainly due to interest rate risk exposures on variable-rate bank deposits, long-term and short-term borrowings and short-term notes and bills payable.

(Continued)

(v) 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:

	December 31, 2023				
	Carrying	Fair value			
	amount	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	239,126	-	-	239,126	239,126
	$ 693,435				
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	**$ 118,189**	-	-	118,189	118,189
Financial assets at amortized cost:					
Cash and cash equivalents	$ 906,461				
Notes and accounts receivable, net (including long-term and related parties)	3,087,793				
Other receivables	13,947				
Refundable deposits	98,993				
Other financial assets	4,613				
	$ 4,111,807				
Financial liabilities at fair value through profit or loss:					
Pre-purchased/Pre-sold forward exchange contracts	**$ 21,994**	-	-	21,994	21,994

(Continued)

	December 31, 2023				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
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	1,731				
	$ 6,092,439				

	December 31, 2022				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Pre-purchased forward exchange contracts	$ 623	-	-	623	623
Foreign and domestic unlisted stocks	280,153	-	-	280,153	280,153
Domestic unlisted equities	230,691	-	-	230,691	230,691
	$ 511,467				
Financial assets at amortized cost					
Cash and cash equivalents	$ 837,770				
Notes and accounts receivable (including long-term and related parties)	3,263,732				
Other receivables	1,093				
Refundable deposits	85,412				
Other financial assets	5,940				
	$ 4,193,947				

(Continued)

	December 31, 2022				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss:					
Pre-purchased forward exchange contracts	$ 13,930	-	-	13,930	13,930
Contingent considerations arising from business combinations	63,144	-	-	63,144	63,144
	$ 77,074				
Financial liabilities measured at amortized cost:					
Long-term and short-term borrowings	$ 1,664,182				
Short-term notes and bills payable	199,619				
Lease liabilities (including non-current)	214,049				
Notes and accounts payable	2,576,618				
Other payables	392,910				
Refund liabilities	3,424				
Guarantee deposits	1,640				
	$ 5,052,442				

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.

(Continued)

3) Transfers between Level 1 and Level 2

There were no transfers between level 1 and level 2 of the financial instruments for the years ended 2023 and 2022.

4) Reconciliation of Level 3 fair values

	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income
	Derivative financial assets (liabilities)	**Non-derivative financial assets (liabilities) measured at fair value through profit or loss**	**Equity instruments without an active market**
January 1, 2023	$ (13,307)	447,700	-
Acquisition	-	17,431	74,830
Recognized in profit or loss	(7,569)	227,926	-
Recognized in other comprehensive income	-	-	43,359
Effects of exchange rate changes	(740)	-	-
December 31, 2023	**$ (21,616)**	**693,057**	**118,189**
January 1, 2022	$ (2,043)	235,074	-
Acquisition	-	130,856	-
Recognized in profit or loss	(11,101)	74,362	-
Contingent considerations payments	-	7,408	-
Effects of exchange rate changes	(163)	-	-
December 31, 2022	**$ (13,307)**	**447,700**	**-**

(Continued)

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 December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Total gains and losses		
Recognized in profit or loss (recognized as other gains and losses)	$ 206,310	61,055
Recognized in other comprehensive income (recognized as unrealized gains and losses on financial asset at fair value through other comprehensive income)	$ 43,359	-
	$ 249,669	**61,055**

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

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

(Continued)

Quantified information on other significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
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%~30.00% as of December 31, 2023, 23.63%~27.08% as of December 31, 2022)	· 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 (17.39% as of December 31, 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 December 31, 2022)	· The higher the discount rate, the lower the fair value

(Continued)

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:

		Current profit (loss) arising from changes in fair value		Other comprehensive income arising from changes in fair value	
	Inputs	10% increase	10% decrease	10% increase	10% decrease
December 31, 2023					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	$ (62,357)	62,357	-	-
Contingent considerations arising from business combinations	Discount for discount rate	$ -	-	-	-
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Discount for marketability	$ -	-	(14,303)	14,303
December 31, 2022					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	$ (36,719)	36,719	-	-
Contingent considerations arising from business combinations	Discount for discount rate	$ 2,063	(2,176)	-	-

(Continued)

(ab) Financial risk management

(i) Overview

The Group is exposed to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note expressed the information on risk exposure and objectives, policies and process of risk measurement and management of the Group. For more details about the quantitative effects of these risk exposures, please refer to respective notes in the report.

(ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities, so as to minimize risk exposure.

The Board of directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of directors is assisted in its oversight role by an internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

(ac) Capital management

The Board's policy is to maintain a strong capital base, in order to maintain investor, creditor, and market confidence. Capital consists of ordinary shares, capital surplus, retained earnings, and noncontrolling interests. As of December 31, 2023, the Group had sufficient capital to meet the needs for working capital and other expenditure in the next 12 months. The Group's approach to capital management has not changed on each reporting date.

As of December 31, 2023 and 2022, the debt ratios were 56% and 50%, respectively.

(Continued)

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

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

(i) For the acquisition of right-of-use assets by lease, please refer to Note 6(l).

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

	January 1, 2023	Cash flows	Non-cash changes	December 31, 2023
Long-term borrowings	$ 276,881	(16,473)	-	260,408
Short-term borrowings	1,387,301	1,452,235	-	2,839,536
Short-term notes and bills payable	199,619	(199,619)	-	-
Guarantee deposits	1,640	91	-	1,731
Lease liabilities (including non-current)	214,049	(70,180)	64,389	208,258
Total liabilities from financing activities	**$ 2,079,490**	**1,166,054**	**64,389**	**3,309,933**

	January 1, 2022	Cash flows	Non-cash changes	December 31, 2022
Long-term borrowings	$ 293,623	(16,742)	-	276,881
Short-term borrowings	1,284,058	103,243	-	1,387,301
Short-term notes and bills payable	-	199,619	-	199,619
Guarantee deposits	1,577	63	-	1,640
Lease liabilities (including non-current)	247,400	(67,019)	33,668	214,049
Total liabilities from financing activities	**$ 1,826,658**	**219,164**	**33,668**	**2,079,490**

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

Qisda Corporation ("Qisda") is both the parent company and the ultimate controlling party of the Group. As of December 31, 2023 and 2022, Qisda both holds 51.41% of the number of ordinary shares outstanding of the Group, and it has prepared the consolidated financial statements for public use.

(Continued)

(b) 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:

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Parent of the Group
GRANDSYS INC. (GRANDSYS)	Associate of the Group
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
Data Image Corporation (Data Image)	It and the Company have the same ultimate parent company
BenQ Corporation (New BenQ)	It and the Company have the same ultimate parent company
SIMULA TECHNOLOGY INC. (SIMULA TECHNOLOGY)	It and the Company have the same ultimate parent company
BenQ Asia Pacific Corporation (BenQ Asia Pacific)	It and the Company have the same ultimate parent company
ACE Energy Co., Ltd. (ACE Energy)	It and the Company have the same ultimate parent company
ACE PILLAR CO., LTD. (ACE PILLAR)	It and the Company have the same ultimate parent company
AEWIN Technologies Co., Ltd (AEWIN Technologies)	It and the Company have the same ultimate parent company
BenQ Medical Technology Corporation (BenQ Medical Technology)	It and the Company have the same ultimate parent company
Alpha Networks Inc. (Alpha)	It and the Company have the same ultimate parent company
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

(Continued)

Name of related party	Relationship with the Group
Interactive Digital Technologies Inc. (Interactive Digital)	It and the Company have the same ultimate parent company
LA FRESH INFORMATION CO., LTD. (LA FRESH)	It and the Company have the same ultimate parent company
Webest Solution Corporation (Webest Solution)	It and the Company have the same ultimate parent company
Concord Medical Co., Ltd (Concord)	It and the Company have the same ultimate parent company
DIVA LABORATORIES, LTD. (DIVA)	It and the Company have the same ultimate parent company
E-STRONG MEDICAL TECHNOLOGY CO., LTD. (ESM)	It and the Company have the same ultimate parent company
EASTECH CO., LTD. (EASTECH)	It and the Company have the same ultimate parent company
Mace Digital Corporation (PTMG)	It and the Company have the same ultimate parent company
WEB-PRO Corporation (WPC)	It and the Company have the same ultimate parent company
New Best Hearing International Trade Co., Ltd. (NBHIT)	It and the Company have the same ultimate parent company
Partner Tech Asia Pacific Corp. (PTP)	It and the Company have the same ultimate parent company
BenQ Guru Software Co., Ltd. (GSS)	It and the Company have the same ultimate parent company
Partner Tech Middle East FZCO (PTME)	It and the Company have the same ultimate parent company)
BenQ Guru Holding Limited (GSH)	It and the Company have the same ultimate parent company
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
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

(Continued)

Name of related party	Relationship with the Group
AUO Digitech Taiwan Inc. (AUO Digitech)	Subsidiary of AUO
AUO Display Plus Corporation (AUO Display Plus)	Subsidiary of AUO
DARWIN PRECISIONS CORPORATION (DARWIN)	Subsidiary of AUO
AUO Education Service Corp. (AUO Education Service)	Subsidiary of AUO
BenQ Foundation	Substantive related party
CHI KAI INTERNATIONAL CO., LTD. (CHI KAI INTERNATIONAL)	Substantive related party (Note 1)
GIANTECH CORP. (GIANTECH)	Substantive related party
RECEIVE-MORE INVESTMENTS NO 9 (PTY) LTD (RECEIVE-MORE INVESTMENTS NO 9)	Substantive related party
AMS HEALTHCARE (PTY) LTD (AMS HEALTHCARE)	Substantive related party
ASML LOGISTICS (PTY) LTD (ASML LOGISTICS)	Substantive related party
4A GROUP (PTY) LTD (4A GROUP)	Substantive related party
CLOUD 9 HOLDINGS (PTY) LTD (CLOUD 9 HOLDINGS)	Substantive related party
METAWORK (PTY) LTD (METAWORK)	Substantive related party
Dolica Corporation (Dolica)	Substantive related party
UTICA 10990 LLC (UTICA)	Substantive related party
Key management personnel	Key management personnel of the Group

Note 1: CHI KAI-INTERNATIONAL is no longer a substantive related party of the Group due to the transfer of the capital on August 15, 2022.

(c) Significant related-party transactions

(i) Sales

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

	For the years ended December 31	
	2023	**2022**
Parent company	$ 10,229	13,503
Associates	2,625	9,173
Other associates	129,256	89,124
Other related parties	159,588	89,171
	$ 301,698	**200,971**

(Continued)

The selling price offered to related parties approximated the market price, and the credit terms. For the year ended December 31, 2023 were based on terms ranging from advance receipt to 120 days after the end of the month; while the credit terms for the year ended December 31, 2022 ranged from advance receipt to 90 days after the end of the month or the terms stated in the contract. Receivables from related parties were not pledged as collateral, and no allowance was needed to provide for impairment loss after assessment.

(ii) Purchases

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

	For the three months ended December 31	
	2023	**2022**
Parent company	$ 999	-
Other associates	10,863	8,110
Other related parties	-	28,132
	$ 11,862	**36,242**

Purchase prices and payment terms from related parties were not significant difference from third-party suppliers. The payment terms for the years ended 2023 and 2022 ranged from 30 to 90 days from the end of the month and prepaid to 90 days from the end of the month, respectively. The Group requested a return of purchased goods from its other related parties for the year ended December 31, 2022. The refund receivables amounted to $17,211 thousand had been fully received as of December 31, 2022.

(iii) Receivables from related parties

The receivables due from related parties were as follows:

Account	**Category of related party**	**December 31, 2023**	**December 31, 2022**
Accounts receivable (including long-term)	Parent company	$ 212	76,083
Accounts receivable	Associates	520	423
Accounts receivable	Other associates	20,987	13,437
Accounts receivable	Other related parties	39,855	24,277
		$ 61,574	**114,220**

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable	Other associates	$ 883	62

(v) Lease

1) Lessor

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

Lessee	For the years ended December 31 2023	2022
Other associates - DFI	$ -	6,035

The deposit and monthly rental are determined based on nearby office rental rates, and the rent is received monthly. As of December 31, 2022, receivables from the aforementioned transaction had been fully received.

2) Lessee

The Group rented buildings from its ultimate controlling company and entered into 10-years lease contract by reference of the rental price of the nearby offices. For the years ended 2022, the Group recognized the interest expenses amounted to $13 thousand. As of December 31, 2022, the balance of lease liabilities amounted to $0 thousand.

The Group rented buildings from its other related party and entered into 6-years lease contract by reference of the rental price of the nearby offices. For the years ended 2023 and 2022, the Group recognized the interest expenses amounted to $349 thousand and $573 thousand, respectively. As of December 31, 2023 and 2022, the balance of lease liabilities amounted to $2,009 thousand and $2,233 thousand, respectively.

(vi) Donation

For the years ended December 31, 2023 and 2022, the Group made donations of $2,000 thousand and $3,000 thousand, respectively, to its substantive related party, BenQ Foundation.

(vii) Acquisition of the subsidiary

1) The Group had acquired 35.09% shareholdings in Brainstorm from other associates, DFI, at the total price of $530,075 thousand in October 2023. The price had been paid in full.

2) The Group had fully acquired Metaguru from other associates, GSH, at the total price of $31,000 thousand in December 2022. The price had been paid in full.

(Continued)

(viii) The Group's subsidiary, Brainstorm, obtained financing from financial institution as of 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 years ended December 31			
	2023	2022	December 31, 2023	December 31, 2022
Parent Company	$ 819	956	310	128
Associates	5	-	-	-
Other associates	3,381	2,092	167	157
Other related parties	82,482	20,600	639	-
	$ 86,687	23,648	1,116	285

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31	
	2023	2022
Short-term employee benefits	$ 81,857	84,903
Post-employment benefits	1,069	1,276
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payment	-	-
	$ 82,926	86,179

(8) Pledged assets

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

Asset Name	Liabilities secured by pledged	December 31, 2023	December 31, 2022
Property, plant and equipment	Long-term borrowings	$ 488,192	492,474

(Continued)

(9) Significant commitments and contingencies

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

	Currency	December 31, 2023	December 31, 2022
Promissory notes issued	NTD	$ 6,132,000	5,846,000
	USD	$ 9,500	4,500

(10) Losses due to major disasters: None

(11) Subsequent events:

Based on the result of the Board of Directors meeting held on January 12, 2024, the Company would pay $192,066 thousand to acquired 5,170 thousand shares of GRANDSYS with the share holding percentage of 19.19%. All statutory registration procedures had been completed before the issuance date of the consolidated financial report and the price had been fully paid.

(12) Others:

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

By function / By item	For the years ended December 31, 2023			For the years ended December 31, 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	119,945	951,809	1,071,754	102,301	879,298	981,599
Labor and health insurance	7,367	79,377	86,744	6,571	72,306	78,877
Pension	3,874	29,112	32,986	3,414	26,359	29,773
Other employee benefits expense	774	42,007	42,781	1,652	34,256	35,908
Depreciation	3,966	105,240	109,206	3,935	102,487	106,422
Amortization	27	76,437	76,464	26	71,809	71,835

(Continued)

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the Regulation for the Group for the year ended December 31, 2023:

(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 Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing	Note
0	the Company	COREX	Other current assets-other receivables	Yes	156,275	153,750	87,821	6.30%	Short-term loan	-	Working capital	-	None	-	890,197	1,780,394	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:

(In Thousands of New Taiwan Dollars)

No.	Name of Guarantor/ Endorse	Counter-party of guarantee and endorsement Name	Counter-party of guarantee and endorsement Relationship	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
0	the Company	COREX	Subsidiary of the Company	Note 1	618,825	611,250	297,595	-	13.73 %	(Note 1)	Y	-	-

Note 1: The amount of the guarantees and endorsements for a single entity company shall not exceed 20% of the Company's net worth of $890,197 thousand when the guarantees and endorsements was provided; the total amount of guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth of $2,225,493 thousand.

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

Unit: thousand shares/thousand units

Holder Company	Category and name of security	Relationship with company	Account	Ending Balance Shares/Units	Ending Balance Carrying amount	Ending Balance Percentage of Ownership (%)	Ending Balance Fair value	Highest balance during the year Shares/Units (thousands)	Highest balance during the year Percentage of ownership (%)	Note
	Stock:									
the Company	DYNASAFE TECHNOLOGIES, INC.	-	Non-current financial assets at fair value through profit or loss	4,404	453,931	19.15	453,931	4,404	19.15	(Note 1)
〃	CDS Holdings Limited	-	〃	600	-	1.11	-	600	1.11	〃
〃	YOBON TECHNOLOGIES, INC.	-	〃	3	-	0.42	-	3	0.42	〃
〃	Touch Cloud Inc.	-	〃	200	-	1.50	-	200	1.50	〃
〃	Gemini Data, Inc.	-	〃	2,706	-	1.12	-	2,706	1.23	〃
〃	KINGTEL CORPORATION	-	〃	443	-	18.09	-	443	18.09	〃

(Continued)

Holder Company	Category and name of security	Relationship with company	Account	Ending Balance				Highest balance during the year		Note
				Shares/Units	Carrying amount	Percentage of Ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
the Company	High Performance Information Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,138	118,189	8.36	118,189	2,138	8.88	〃
	Equity:									
〃	Taiwania Capital Buffalo Fund V, LP.	-	Non-current financial assets at fair value through profit and loss	(Note 2)	197,658	12.78	197,658	(Note 2)	12.78	〃
〃	New Economy Ventures L.P.	-	〃	(Note 2)	41,468	7.36	41,468	(Note 2)	7.36	〃
					811,246		811,246			

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

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Category and name of security	Account	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost (Note1)	Gain (loss) on disposal	Shares	Amount
the Company	Stock-Brainstorm	Investments accounted for using equity method	DFI	Other associates	-	-	233	530,075	-	-	(6,869)	-	233	523,206

Note 1: Share of profit (loss) lof subsidiaries accounted for using equity method and other related adjustments.

(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)	
The Company	GLOBAL INTELLIGENCE ENTWORK	Subsidiary of the Company	(Sales)	(111,424)	(1)%	60 days	Price agreed by both sides	No siginificant different with general selling	17,394	1 %	(Note 1)
GLOBAL INTELLIGENCE ENTWORK	The Company	The parent company	Purchases	111,424	13 %	〃	-	No siginificant different with general selling	(17,394)	(19)%	(Note 1)
Brainstorm	Dolica	Other related parties	(Sales)	(158,851)	(3) %	90 days from the end of the month	-	No siginificant different with general selling	39,653	7%	

Note 1:Related transactions have been eliminated during preparing the consolidated financial statements.

(Continued)

(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:

				Intercompany Transactions			
No.	**Name of company**	**Name of counter-party**	**Nature of relationship**	**Account**	**Amount**	**Trading terms**	**Percentage of the consolidated net sales or total assets**
0	the Company	GLOBAL INTELLIGENCE NETWORK	1	Sales	111,424	60 days from the end of the month	0.56%
〃	〃	〃	1	Accounts receivable	17,394	〃	0.15%
〃	〃	〃	1	Rental income	7,463	Payment on 10th of each month	0.04%
〃	〃	〃	1	Other revenue	11,229	60 days from the end of the month	0.06%
〃	〃	EPIC CLOUD	1	Sales	55,541	〃	0.28%
〃	〃	〃	1	Accounts receivable	14,202	〃	0.12%
〃	〃	〃	1	Other revenue	8,097	〃	0.04%
〃	〃	COREX	1	Other receivable	88,299		0.74%
1	GLOBAL INTELLIGENCE NETWORK	the Company	2	Sales	15,737	(Note 3)	0.08%
2	METAGURU	GLOBAL INTELLIGENCE NETWORK	3	Sales	5,286	60 days from the end of the month	0.03%
3	APEO Human Capital	ADVANCEDTEK INTERNATIONAL	3	Sales	15,278	(Note 4)	0.08%

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.
3.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.

(Continued)

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023:

				Original investment amount		Balance as of December 31, 2023			Highest balance during the year		Net income (losses)	Share of	
Name of investor	Name of investee	Location	Main businesses and products	September 30, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying amount	Shares/	Percentage of Ownership	of investee	profits/losses of investee	Note
the Company	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	120,001	119,142	10,525	79.73 %	180,736	10,525	79.73 %	9,677	7,691	(Notes 1 and 3)
〃	EPIC CLOUD	Taiwan	Data software and data processing services	55,000	27,500	5,500	100.00 %	61,848	5,500	100.00 %	7,346	7,346	(Notes 1, 3 and 4)
〃	COREX	South Africa	Import and export of electronic products for sale and purchase	251,872	251,872	1	100.00 %	181,325	1	100.00 %	(65,054)	(66,096)	(Notes 1 and 3)
〃	DSIGroup	Taiwan	Market research, management consulting and data processing services	69,983	69,983	1,754	34.99 %	81,103	1,754	34.99 %	(1,227)	(1,092)	(Notes 1 and 3)
〃	GRANDSYS	Taiwan	Data software and data processing services	94,547	94,547	5,643	20.96 %	114,326	5,643	20.96 %	42,837	6,667	(Note 2)
〃	ADVANCEDTEK INTERNATIONAL	Taiwan	Applications of software implementing services	30,091	30,091	1,153	34.09 %	38,499	1,153	34.09 %	13,508	4,605	(Notes 1 and 3)
〃	Everlasting Digital ESG	Taiwan	Development and sale of software	5,000	5,000	500	29.41 %	2,307	500	29.41 %	(3,459)	(806)	(Note 2)
〃	Metaguru	Taiwan	R&D and sales of computer information systems	31,000	31,000	2,000	100.00 %	28,023	2,000	100.00 %	2,442	2,442	(Notes 1, 3 and 5)
〃	Brainstorm	U.S.A	Wholesale and retail of computers and peripheral devices	530,075	-	233	35.09 %	523,206	233	35.09 %	16,230	(10,285)	(Notes 1 and 3)
EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	172	172	10	0.08 %	172	10	0.08 %	9,677	-	(Notes 1 and 3)
〃	DSIGroup	Taiwan	Market research, management consulting and data processing services	40	40	1	0.02 %	40	1	0.02 %	(1,227)	-	(Notes 1 and 3)
ADVANCEDTEKI NTERNATIONAL	APEO Human Capital	Taiwan	Applications of software implementing services	2,060	2,060	200	100.00 %	2,692	200	100.00 %	169	169	(Notes 1 and 3)
DSIGroup	DKABio	Taiwan	Market research, management consulting and data processing services	20,000	20,000	2,000	100.00 %	6,962	2,000	100.00 %	(5,488)	(5,488)	(Notes 1 and 3)

Note 1: Subsidiary of the Company.
Note 2: Associates of the Company.
Note 3: The equity transactions on the left have already been eliminated during preparing the consolidated financial statements.
Note 4: On October 4, 2023, pursuant to the resolutions approved during the board of directors, the investee company performs a capital reduction to offset the accumulated deficit. The amounts of capital reduction and reduced shares amounted to $22,500 thousand and 2,250 thousand shares, respectively. And the investee company increased its capital by $50,000 thousand and issued 5,000 thousand new shares, from cash. The date of capital increase was October 12, 2023. The relevant statutory registration procedures have since been completed.
Note 5: On February 20, 2023, pursuant to the resolutions approved during the board of directors, the investee company increased its capital by $2,881 thousand and issued 288 thousand new shares, from retained earnings. The date of capital increase was March 17, 2023. The relevant statutory registration procedures have since been completed.

(Continued)

(c) Information on investment in Mainland China: None

(d) Major Shareholders:

Unit: Shares

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

(14) Segment information:

(a) General information

The Group has four reportable product line segments: ICT Infrastructures, Computing & Data Utilization, Digitalization, and Clouds, Software and Services. The ICT Infrastructures segment distributes and resells products from Cisco and other brands; the Computing & Data Utilization segment distributes and resells products from IBM, Dell, EMC, other brands, and own products from Skytech Gaming; the Digitalization segment distributes and resells products from Red hat, Oracle, and other brands; and the Clouds, Software and Services segment distributes and resells cloud products from Google and other brands, provides technical support, after-sales services and market research, as well as survey services. It also generates revenue incurred from the installation and support of software and hardware, foreign domain integration, as well as market survey, information system integration, design, import and consulting.

The Group's reported segments consist of strategic business units which provide different products and services. Since each strategic business unit requires different technology and marketing strategies, it must be administered separately.

(b) Information for reportable segment profit or loss, segment assets and their measurement and Reconciliations

The Group did not allocate operating expenses, income tax expense, and non-operating income and expenses to reportable segments. The reported amount is the same as the amount of the financial statements used by operating decision makers.

The measurement of the profit or loss of the Group's operating segments was based on gross profit from operation, which has also been taken as the basis of performance evaluation. The accounting policies for the operating segments are the same as those in the summary of significant accounting policies described in note 4. Besides, sales and transfers between the segments are regarded as second party transactions and are measured based on current market prices.

Other segments of the Group mainly sell communications equipment, new energy product and provide education training services. For the years ended December 31, 2023 and 2022, the aforementioned segments did not reach the quantitative thresholds of a reportable segment.

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

	For the year ended December 31, 2023							
		ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	Total
Revenue								
Revenue from external customers	$	4,380,393	11,894,411	876,857	2,345,635	316,424	-	19,813,720
Intersegment revenues		28,373	97,572	5,574	70,618	-	(202,137)	-
Total revenue	$	**4,408,766**	**11,991,983**	**882,431**	**2,416,253**	**316,424**	**(202,137)**	**19,813,720**
Gross profit (loss)	$	**565,066**	**1,440,347**	**148,308**	**600,994**	**64,373**	**(39,096)**	**2,779,992**

	For the year ended December 31, 2022							
		ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	Total
Revenue								
Revenue from external customers	$	4,085,008	10,723,945	907,805	1,577,991	15,918	-	17,310,667
Intersegment revenues		11,130	91,451	4,616	49,905	-	(157,102)	-
Total revenue	$	**4,096,138**	**10,815,396**	**912,421**	**1,627,896**	**15,918**	**(157,102)**	**17,310,667**
Gross profit (loss)	$	**438,117**	**1,209,664**	**90,214**	**505,188**	**2,970**	**(21,834)**	**2,224,319**

(c) Geographic information

In presenting information on the basis of geography, revenue is based on the geographical location of customers, and non-current assets are based on the geographical location of the assets.

Revenue from the external customers:

	For the years ended December 31		
Geographic information		**2023**	**2022**
Taiwan	$	12,725,033	11,518,738
USA		6,257,314	5,197,642
Africa		711,643	562,081
Others		119,730	32,206
Total	**$**	**19,813,720**	**17,310,667**

(Continued)

Non-current assets:

Geographic information	December 31, 2023	December 31, 2022
Taiwan	$ 1,271,308	1,261,568
USA	621,671	707,700
Africa	117,830	127,418
Total	**$ 2,010,809**	**2,096,686**

Non-current assets include property, plant and equipment, intangible assets, right-of-use assets, and other assets, but excluding financial instruments and deferred income tax assets.

(d) Major customers

The Group’ s revenues from a single customer did not exceed 10% of operating revenues in the statements of comprehensive income for the years ended December 31, 2023 and 2022, so the Group does not disclose any information on major customers.

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Independent Auditors' Report

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

Opinion

We have audited the parent company only financial statements of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)("the Company"), which comprise the parent company only balance sheet as of December 31, 2023 and 2022 (restated), the parent company only statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022 (restated), and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022 (restated), and its financial performance and its cash flows for the years ended December 31, 2023 and 2022 (restated), in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Emphasis of Matter

As stated in Note 1 and Note 6(h), 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 Company restated the parent company only financial statements for the year ended December 31, 2022. Our conclusion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of certain investments accounted for using equity method. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to amounts included for those investees, is based solely on the reports of the other auditors. The recognized investments accounted for using the equity method constituted 1.65% and 1.73% of the total assets as of December 31, 2023 and 2022 (restated), respectively, and the recognized share of profit or loss of subsidiaries and associates accounted for using equity method constituted 1.57% and 2.97% of the profit before tax for the years ended December 31, 2023 and 2022 (restated) , respectively.

Key Audit Matters

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

1. Valuation of inventories

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

   Description of key audit matter:

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

   How the matter was addressed in our audit:

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

2. Valuation of inventories and impairment of goodwill included in investment in subsidiaries

   Please refer to Notes 4(g) and (m) for the accounting policy for inventories and impairment of non-financial assets, Note 5(b) for significant accounting assumptions and judgments, and major sources of estimation uncertainty for the valuation of inventories and impairment of goodwill. Please refer to Note 6(g) for the information of investments in subsidiaries. Please refer to Note 6(h) for impairment of goodwill.

Description of key audit matter:

The acquisition of inventories and goodwill from investments in subsidiaries has been included in the carrying amounts of the investments accounted for using equity method in the parent company only financial statements. Inventories are measured at the lower of cost or net realizable value. Since information products, such as network and servers, are constantly evolving, and prices impact end-consumers' decisions on expenditure, sales of related products may fluctuate, resulting in a risk that the cost of inventories may exceed their net realizable values. Consequently, the estimate of the net realized value of inventories, dependent on management' s subjective judgment. The goodwill is annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the valuation of inventories and assessment of impairment of goodwill included in subsidiaries were considered to be a matter of high concern in our audit of the parent company only financial statements.

How the matter was addressed in our audit:

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

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

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
February 29, 2024

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

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

Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (Restated)	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 471,163	5	424,848	5
1110	Current financial assets at fair value through profit or loss (Note 6(b))	-	-	623	-
1170	Notes and accounts receivable, net (Notes 6(d) and (v))	2,211,073	24	2,413,481	28
1180	Accounts receivable due from related parties, net (Notes 6(d), (v) and 7)	45,602	1	84,927	1
1300	Inventories (Note 6(f))	2,906,276	31	2,914,551	33
1410	Prepayments	395,445	4	10,508	-
1470	Other current assets (Notes 6(e) and 7)	96,823	1	6,080	-
		6,126,382	66	5,855,018	67
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	693,057	7	510,844	6
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	118,189	1	-	-
1550	Investments accounted for using equity method (Notes 6(g), (h), (i) and 7)	1,211,373	13	1,255,547	14
1600	Property, plant and equipment (Notes 6(j) and 8)	763,268	8	803,734	9
1755	Right-of-use assets (Note 6(k))	161,343	2	144,314	2
1760	Investment property, net (Note 6(l))	82,924	1	57,093	1
1840	Deferred income tax assets (Note 6(s))	39,199	1	39,751	-
1931	Long-term notes receivable (Notes 6(d) and (v))	4,430	-	9,277	-
1942	Long-term accounts receivables due from related parties (Notes 6(d), (v) and 7)	-	-	32,886	-
1990	Other non-current assets (Note 6(e))	78,071	1	69,756	1
		3,151,854	34	2,923,202	33
	Total assets	$ 9,278,236	100	8,778,220	100

		December 31, 2023		December 31, 2022 (Restated)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(m))	$ 2,450,000	26	1,100,000	13
2110	Short-term notes and bills payable (Note 6(n))	-	-	199,619	2
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	21,852	-	13,651	-
2130	Contract liability (Note 6(v))	240,991	3	155,234	2
2170	Accounts payable (Note 7)	1,232,243	13	1,711,387	20
2200	Other payables (Note 7)	471,231	5	368,711	4
2280	Current lease liabilities (Notes 6(p) and 7)	49,579	1	30,431	-
2320	Long-term borrowings, current portion (Note 6(o))	13,974	-	13,915	-
2399	Other current liabilities	1,379	-	1,295	-
		4,481,249	48	3,594,243	41
	Non-Current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	63,144	1
2540	Long-term borrowings (Note 6(o))	209,606	3	223,425	3
2580	Non-current lease liabilities (Notes 6(p) and 7)	118,844	1	117,387	1
2640	Other non-current liabilities (Note 6(s))	17,552	-	32,780	-
		346,002	4	436,736	5
	Total liabilities	4,827,251	52	4,030,979	46
3100	Share capital (Note 6(t))	1,883,573	20	1,883,573	21
3200	Capital surplus (Notes 6(g), (h), (i) and (t))	1,219,380	13	1,272,747	15
3310	Legal reserve (Note 6(t))	482,299	6	441,048	5
3320	Special reserve (Note 6(t))	17,108	-	30,343	-
3350	Unappropriated retained earnings (Note 6(t))	819,246	9	631,634	7
3400	Other equity interest	29,379	-	(17,108)	-
	Subtotal equity	4,450,985	48	4,242,237	48
35XX	**Equity attributable to former owner of business combination under common control**	-	-	505,004	6
	Total equity	4,450,985	48	4,747,241	54
	Total liabilities and equity	$ 9,278,236	100	8,778,220	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

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

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		For the years ended December 31, 2023		2022 (Restated)	
		Amount	%	Amount	%
4000	**Operating revenue** (Notes 6(v) and 7)	$ 11,147,810	100	9,852,906	100
5000	**Operating costs** (Notes 6(f) and 7)	9,494,421	85	8,528,838	87
	Gross profit	1,653,389	15	1,324,068	13
	Operating expenses (Notes 6(d), (r), (w), 7 and 12):				
6100	Selling expenses	964,248	9	726,650	7
6200	General and administrative expenses	180,201	2	157,246	2
6300	Research and development expense	33,761	-	29,473	-
6450	Reversal of expected credit loss	(10,000)	-	-	-
		1,168,210	11	913,369	9
	Net operating income	485,179	4	410,699	4
	Non-operating income and expenses:				
7010	Other income (Notes 6(p), (q), (x), 7 and 12)	24,275	-	30,290	-
7100	Interest income (Note 7)	4,251	-	1,042	-
7020	Other gains and losses (Notes (x) and 7)	292,779	3	110,032	1
7050	Finance costs (Notes 6(p), (x) and 7)	(37,404)	-	(15,774)	-
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method (Note 6(g))	(49,528)	(1)	(48,832)	-
		234,373	2	76,758	1
	Profit before income tax	719,552	6	487,457	5
7950	**Less: Income tax expenses** (Note 6(s))	132,998	1	96,797	1
	Profit	586,554	5	390,660	4
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	43,359	-	-	-
8330	Share of other comprehensive income of subsidiaries and associates for using equity method (Note 6(g))	379	-	192	-
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	43,738	-	192	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(21,227)	-	38,955	-
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	(21,227)	-	38,955	-
8300	**Other comprehensive income, net of tax**	22,511	-	39,147	-
	Total comprehensive income	**$ 609,065**	**5**	**429,807**	**4**
	Profit (loss) attributable to:				
	Owners of parent	$ 592,342	5	412,505	4
	Former owner of business combination under common control	(5,788)	-	(21,845)	
		$ 586,554	**5**	**390,660**	**4**
	Comprehensive income (loss) attributable to:				
	Owners of parent	$ 602,192	5	425,740	4
	Former owner of business combination under common control	6,873	-	4,067	-
		$ 609,065	5	429,807	4
	Earnings per share (Note 6(u)):				
9750	**Basic earnings per share (NT dollars)**	**$**	**3.14**		**2.19**
9850	**Diluted earnings per share (NT dollars)**	**$**	**3.13**		**2.17**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

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

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	Share capital	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Total other equity interest: Exchange differences on translation of foreign financial statements	Total other equity interest: Unrealized gains (losses) from investment in equity instruments measured at fair value through other comprehensive income	Total other equity interest: Remeasurements of defined benefit	Subtotal equity	Equity attributable to former owner of business combination under common control	Total equity
Balance on January 1, 2022 (Restated)	$ 1,883,573	1,275,919	383,289	-	778,125	(29,705)	(2)	(636)	4,290,563	585,238	4,875,801
Profit (loss)	-	-	-	-	412,505	-	-	-	412,505	(21,845)	390,660
Other comprehensive income	-	-	-	-	-	12,874	(171)	532	13,235	25,912	39,147
Comprehensive income	-	-	-	-	412,505	12,874	(171)	532	425,740	4,067	429,807
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	57,759	-	(57,759)	-	-	-	-	-	-
Special reserve	-	-	-	30,343	(30,343)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(470,894)	-	-	-	(470,894)	-	(470,894)
Capital reduction	-	-	-	-	-	-	-	-	-	(56,600)	(56,600)
Reorganization	-	(3,299)	-	-	-	-	-	-	(3,299)	(27,701)	(31,000)
Changes in equity of subsidiaries and associates accounted for using equity method	-	80	-	-	-	-	-	-	80	-	80
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	47	-	-	-	-	-	-	47	-	47
Balance on December 31, 2022 (Restated)	1,883,573	1,272,747	441,048	30,343	631,634	(16,831)	(173)	(104)	4,242,237	505,004	4,747,241
Profit (loss)	-	-	-	-	592,342	-	-	-	592,342	(5,788)	586,554
Other comprehensive income	-	-	-	-	-	(33,497)	43,284	63	9,850	12,661	22,511
Comprehensive income	-	-	-	-	592,342	(33,497)	43,284	63	602,192	6,873	609,065
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	41,251	-	(41,251)	-	-	-	-	-	-
Special reserve	-	-	-	(13,235)	13,235	-	-	-	-	-	-
Cash dividends	-	-	-	-	(376,714)	-	-	-	(376,714)	-	(376,714)
Reorganization	-	(54,835)	-	-	-	36,637	-	-	(18,198)	(511,877)	(530,075)
Difference between consideration and carrying amount of subsidiaries' share acquired	-	28	-	-	-	-	-	-	28	-	28
Changes in equity of subsidiaries accounted for using equity method	-	137	-	-	-	-	-	-	137	-	137
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	1,303	-	-	-	-	-	-	1,303	-	1,303
Balance on December 31, 2023	**$ 1,883,573**	**1,219,380**	**482,299**	**17,108**	**819,246**	**(13,691)**	**43,111**	**(41)**	**4,450,985**	**-**	**4,450,985**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

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

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2023	2022 (Restated)
Cash flows from operating activities:		
Profit before income tax	$ 719,552	487,457
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	65,744	66,383
Amortization expense	572	745
Losses on disposal of property, plant and equipment	530	-
Reversal of expected credit loss	(10,000)	-
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(219,102)	(63,620)
Share of profit (loss) of subsidiaries and associates accounted for using equity method	49,528	48,832
Loss on disposal of associates	-	15
Interest expense	37,404	15,774
Interest income	(4,251)	(1,042)
Dividend income	(11,718)	(13,671)
Total adjustments to reconcile profit (loss)	(91,293)	53,416
Changes in operating assets and liabilities:		
Total net changes in operating assets:		
Notes and accounts receivable (including long-term and related parties)	289,466	(28,141)
Inventories	(6,032)	(465,618)
Payments and other current assets	(387,382)	11,266
Other non-current assets	(1,410)	(590)
Total net changes in operating assets	(105,358)	(483,083)
Total net changes in operating liabilities:		
Contract liability	85,757	(29,476)
Accounts payable	(479,144)	534,161
Other payables	48,375	(48,870)
Advance receipts	-	(22,614)
Other current liabilities	84	171
Total net changes in operating liabilities	(344,928)	433,372
Total net changes in operating assets and liabilities	(450,286)	(49,711)
Total adjustments	(541,579)	3,705
Cash inflows generated from operations	177,973	491,162
Interest received	3,774	1,040
Dividends received	36,540	49,237
Interest paid	(36,157)	(15,798)
Income taxes paid	(94,755)	(97,708)
Net cash inflows from operating activities	87,375	427,933
Cash flows from investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(17,431)	(130,856)
Acquisition of non-current financial assets at fair value through other comprehensive income	(74,830)	-
Acquisition of investments accounted for using equity method	(580,934)	(31,000)
Return of capital from investments accounted for using equity method	-	565
Acquisition of property, plant and equipment	(1,799)	(6,579)
Proceeds from disposal of property, plant, and equipment	274	-
Increase in refundable deposits	(7,477)	(5,026)
Increase in other receivables	(87,821)	-
Net cash outflows from investing activities	(770,018)	(172,896)
Cash flows from financing activities:		
Increase in short-term borrowings	1,350,000	100,000
Increase (decrease) in short-term notes and bills payable	(199,619)	199,619
Repayments of long-term borrowings	(13,760)	(14,029)
Increase(decrease) in guarantee deposits	(21)	62
Payments of lease liabilities	(32,231)	(30,909)
Cash dividends paid	(376,714)	(470,894)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	1,303	47
Net cash inflows (outflows) from financing activities	728,958	(216,104)
Increase in cash and cash equivalents	46,315	38,933
Cash and cash equivalents, beginning of period	424,848	385,915
Cash and cash equivalents, end of period	**$ 471,163**	**424,848**

See accompanying notes to parent company only financial statements.

(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 Affair, 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 Company’ s major business activities include distributing and reselling products of software and hardware equipment of ICT Infrastructures from Cisco and other companies, Computing & Data Utilization from IBM, Dell, EMC, and other companies, Digitalization from Redhat, Oracle and other companies, cloud software and services from Google and other companies. The Company 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.

The Company had fully acquired Metaguru Corporation (“Metaguru”) from BenQ Guru Holding Limited (“GSH”) by cash on December 1, 2022, and had acquired 35.09% shares in Brainstorm Corporation (Brainstorm) from DFI Inc. (“DFI”) by cash on October 2, 2023. GSH, 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 parent company only financial statements:

The parent company only financial statements have been authorized for issue by the Board of Directors on February 29, 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 Company has initially adopted the following new amendments, which do not have a significant impact on its parent company only financial statements, from January 1, 2023:

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

The Company has initially adopted the new amendment, which do not have a significant impact on its parent company only financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(Continued)

(b) The impact of IFRSs issued by the FSC but not yet effective

The Company's adoption of the new amendments, effective for annual period beginning on January 1, 2024, are expected to have the following impacts:

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.

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.

The Company participates in a supply chain financing arrangement for which the new disclosures will be applied. According to the amendments, the Company may need to disclose additional information about the supplier finance arrangements and how it manages the liquidity risk for these arrangements, In addition, the Company is continually evaluating the impact of its initial adoption of the amendments on its parent company only financial statements, particularly with respect to the collection of additional information needed to meet the new disclosure requirements.

The following amendments are not expected to have a significant impact on the Company's parent company only 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"

(c) The impact of IFRSs issued by International Accounting Standards Board ("IASB") but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent company only 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"
- Amendments to IAS21 "Lack of Exchangeability"

(Continued)

(4) Summary of material accounting policies:

The significant accounting policies applied in the preparation of these parent company only financial statements are set out as below. Except for those specifically indicated, the following accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“ the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

Except for financial assets (liabilities) at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value, the parent company only financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency is determined based on the primary economic environment in which the Company operates. The parent company only financial statements are presented in New Taiwan Dollars, the Company’ s functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(iii) Business combinations under common control

The business combinations under common control often occur as the ownership of the company change to another but they are both controlled by the same ultimate parent company. These combinations are treated as the later of either the earliest comparative period in financial statements or the date under common control to restate comparative information of prior period. Under common control, assets and liabilities are recognized at their original carrying amount. The parent company only financial statements do not recognize the goodwill or the fair value of acquirer’ s share of the acquiree’ s interest in the acquiree’ s identifiable assets, liabilities, and contingent liabilities in excess of the common controlled carrying amount.

In preparing the balance sheet, the equity from acquisition record as “Equity attributable to former owner of business combination under common control” ; In preparing the statements of comprehensive income, the profit or loss belong to former controlling shareholders record as “profit (loss), attributable to former owner of business combination under common control”.

(Continued)

(c) Foreign currency transactions and operations

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period ("the reporting date") monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies measured based on historical cost are translated using the exchange rate at the date of transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

An asset is classified 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 is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting date; or

(iv) The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in its normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(Continued)

(iii) It is due to be settled within twelve months after the reporting date; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and deposits. Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amount of cash and are subject to an insignificant risk of changes in their fair value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial assets

Accounts receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date and settle date basis.

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (“ FVOCI”) or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus/minus the cumulative amortization using the effective interest method, and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) FVTPL

All financial assets not classified as amortized cost or fair value through comprehensive income described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value.

Net gains and losses, including any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

(Continued)

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12-month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly once it is past due.

The Company considers a financial asset to be in default when the financial asset is more than 120 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

ECL are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 120 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for that financial asset because of financial difficulties.

(Continued)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received less the direct issuing cost.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been discharged, cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

Derivatives held for hedging risk exposure to currency and interest rate are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost or net realizable value. The costs of inventories weighted-average principle include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

The parent company only financial reports include the Company’s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company from the date on which significant influence commences until the date on which significant influence ceases. When an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes of the Company’s shareholding percentage in the associate, the Company recognizes equity changes attributable to the Company by its shareholding percentage as capital surplus.

(Continued)

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated party's interests in the associate.

When the Company's share of losses of an associate equal or exceed its interest in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for using the equity method when preparing the parent company only financial reports. There is no difference between net income and comprehensive income in the Company's parent company only financial statements and net income and comprehensive income attributable to stockholders of the parent. The equity in the Company's parent company only financial statements and the equity attributable to stockholders of the parent in the Company's consolidated financial statements are also the same.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(j) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful lives, and residual value which are the same as those adopted for property, plant, and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(Continued)

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant, and equipment are measured at cost, which includes capitalized borrowing cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant, and equipment are as follows:

1) Buildings and improvements: 50 years

2) Office and other equipment: 3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

The property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(Continued)

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company' s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments or penalties for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the assessment of whether it will have the option to exercise a purchase; or

— there is a change in its assessment of whether it will exercise an extension or termination option; or

— there is any lease modification in lease subject, scope of the lease, or other terms.

(Continued)

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right of use assets and lease liabilities for short term leases of office equipment of low value assets, The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

For operating lease, the Company recognizes rental income on a straight-line basis over the lease term.

(m) Impairment of non-derivative financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’ s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (“CGU”). Goodwill arising from a business combination is allocated to CGU or groups of CGU that are expected to benefit from the synergies of the combination.

(Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years.

(n) Revenue from contracts with customers

Revenue is measured basing on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The following is a description of the Company's major revenues:

(i) Sale of goods

Revenue is recognized when the control over a product has been transferred to the customer. When the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional. Advance sales receipts are recognized as contract liabilities and are transferred to revenue upon the delivery of goods.

(ii) Services

The Company provides installation and maintenance services on hardware and software. The recognition of the revenue generated was based on the progress towards completing the transaction recognized by the two parties as of the reporting date.

(iii) Financing components

The Company does not expect the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes include both current taxes and deferred taxes. Except for expenses related to business combinations, or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for the following exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences.

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted on the reporting date.

(Continued)

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary equity holders. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Company divided by weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise accrued employee remuneration.

(r) Operating segments

Please refer to the Company's consolidated financial statements for the year ended December 31, 2023, for further details.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing the parent company only financial statements, management has made 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 estimates.

Management continues to monitor the accounting estimates and assumptions. Any changes in accounting estimates are recognized during the period and the impact of those changes in accounting estimates are recognized in the following period.

Regarding control of investees or judgment of significant influence, please refer to the Company's consolidated financial statements for the year ended December 31, 2023, for further details. There are no critical judgments made in applying the accounting policies that have significant effects on the amounts recognized in the parent company only financial statements.

(Continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities at the reporting date within the next financial year is as follows:

(a) Valuation of inventories

As inventories are measured at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for normal loss, obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(f) for the valuation of inventories.

(b) Valuation of inventories and impairment of goodwill included in investment in subsidiaries.

The carrying amounts of investments in subsidiaries include subsidiaries' inventories. As inventories are measured at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for normal loss, obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

The carrying amounts of investments in subsidiaries include goodwill arising from the acquisition, the assessment of impairment of goodwill requires the Company to make subjective judgments to identify CGU, allocate the goodwill to relevant CGU, and estimate the recoverable amount of relevant CGU. Any changes in these estimates based on the change in economic conditions or business strategies could result in significant adjustments.

Valuation process

The Company's accounting policies and disclosure include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: input for the asset or liability is not based on the observable market information.

(Continued)

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 220	250
Check and demand deposits	470,943	424,598
	$ 471,163	**424,848**

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

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

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Current:		
Pre-purchased forward exchange contracts	$ -	623
Non-current:		
Foreign and domestic unlisted stocks	453,931	280,153
Foreign and domestic unlisted equities	239,126	230,691
Total	**$ 693,057**	**511,467**

	December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss:		
Current:		
Pre-purchased/Pre-sold forward exchange contracts	$ (21,852)	(13,651)
Non-current:		
Contingent considerations arising from business combinations	-	(63,144)
	$ (21,852)	**(76,795)**

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.

(Continued)

(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 Company's derivatives recognized as held-for-trading financial assets and liabilities to which hedging accounting was not applicable:

	December 31, 2023		
Financial instruments	**Nominal amounts**	**Maturity period**	**Pre-agreed exchange rate**
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD21,180 thousand	2024.01.01~ 2024.03.18	30.875~32.125
Buy USD/Sell ZAR	USD5,000 thousand	2024.01.08	18.702
Pre-sold forward exchange contracts			
Buy NTD/Sell ZAR	ZAR53,000 thousand	2024.01.01~ 2024.01.26	1.643~1.646

	December 31, 2022		
Financial instruments	**Nominal amounts**	**Maturity period**	**Pre-agreed exchange rate**
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD33,350 thousand	2023.01.01~ 2023.04.19	30.224~ 32.045

(iii) As of December 31, 2023 and 2022, none of financial assets at fair value through profit and loss was pledged as collateral, or otherwise subject to any restriction.

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

	December 31, 2023	December 31, 2022
Non-current financial assets at fair value through other comprehensive income		
Domestic unlisted stocks	$ **118,189**	-

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

(ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the year ended December 31, 2023.

(iii) As of December 31, 2023, none of financial assets at fair value through other comprehensive income was pledged as collateral, or otherwise subject to any restriction.

(Continued)

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

	December 31, 2023	December 31, 2022
Notes receivable (including long-term)	$ 86,602	126,490
Accounts receivable	2,139,725	2,317,459
Accounts receivable due from related parties (including long-term)	45,602	117,813
Less: loss allowance	(10,824)	(21,191)
Total	$ 2,261,105	2,540,571
Current	$ 2,256,675	2,498,408
Non-current	4,430	42,163
Total	$ 2,261,105	2,540,571

(i) The Company 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 values.

(ii) Non-current notes receivable mainly arose from installment sales.

(iii) The Company applies the simplified approach to provide for its 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:

	December 31, 2023		
	Gross carrying amount of notes and accounts receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	$ 2,199,059	0.05%	1,154
1 to 30 days past due	34,069	3.00%	1,022
31 to 60 days past due	6,445	10.00%	644
61 to 90 days past due	4,523	20.00%	905
91 to 120 days past due	60	50.00%	30
More than 121 days past due	27,773	25.45%	7,069
	$ 2,271,929		10,824

(Continued)

	December 31, 2022		
	Gross carrying amount of notes and accounts receivable	**Weighted-average loss rate**	**Loss allowance for lifetime expected credit losses**
Current	$ 2,467,829	0.07%	1,634
1 to 30 days past due	45,049	3.00%	1,351
31 to 60 days past due	16,162	10.00%	1,616
61 to 90 days past due	1,883	20.00%	377
91 to 120 days past due	1,433	50.00%	717
More than 121 days past due	29,406	52.70%	15,496
	$ 2,561,762		**21,191**

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

	For the years ended December 31	
	2023	**2022**
Beginning balance	$ 21,191	21,385
Reversal of impairment loss	(10,000)	-
Transferred to other receivables	(367)	(194)
Ending balance	**$ 10,824**	**21,191**

(e) Other receivables

	December 31, 2023	**December 31, 2022**
Loan to related parties (including interest)	$ 88,299	-
Others (including long-term)	8,308	7,481
Less: loss allowance	(1,930)	(1,563)
	$ 94,677	**5,918**

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

(Continued)

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

	For the years ended December 31	
	2023	**2022**
Beginning balance	$ 1,563	19,641
Write-offs of uncollectible amount for the period	-	(18,272)
Transferred from accounts receivable	367	194
Ending balance	**$ 1,930**	**1,563**

(f) Inventories

	December 31, 2023	**December 31, 2022**
Merchandise inventory	**$ 2,906,276**	**2,914,551**

For the years ended December 31, 2023 and 2022, due to the write-down of inventories to net realizable value, a reversal gain of $25,000 thousand and $43,000, respectively, were recognized and reported as operating costs.

For the years ended December 31, 2023 and 2022, loss on scrap of inventories amounted to $0 thousand and $43,161 thousand, respectively.

(g) Investments accounted for using equity method

Investments accounted for using the equity method were as follows:

	December 31, 2023	**December 31, 2022**
Subsidiaries	$ 1,094,740	1,139,693
Associates	116,633	115,854
	$ 1,211,373	**1,255,547**

(i) Subsidiaries

1) Please refer to Notes 6(h) and (i) for the acquisition and disposal of subsidiaries by the Company.

2) Please refer to the Company' s consolidated financial statements for the year ended December 31, 2023, for details of subsidiaries.

(Continued)

(ii) Associates

1) In February and April 2022, GRANDSYS issued 925 thousand and 162 thousand new shares, respectively, to be exercised as employee stock options. Resulting the Company's shareholding in GRANDSYS to decrease from 21.84% to 20.96%, and the Company' s capital surplus to increase by $73 thousand due to the change in equity.

2) 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 Company's parent company only financial statements.

	For the years ended December 31	
	2023	**2022**
Attributable to the Company:		
Profit	$ 5,861	6,185
Other comprehensive income	561	(136)
Total comprehensive income	**$ 6,422**	**6,049**

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

(h) Acquisition of the subsidiary

(i) Acquisition of the subsidiary-Brainstorm

1) Acquisition of consideration transferred of the subsidiary

On October 2, 2023, the Company 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 Company to hold 55.29% of the voting rights at the shareholders' meeting and obtain the control based on Brainstorm' s Article of Incorporation. The Company acquired Brainstorm to strengthen the structure of overseas business, better understand the demand of end customers and expand the scope of cross-border sales.

(Continued)

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: Exchange differences on translation of foreign financial statements due to acquisition				36,637
Capital surplus			$	**54,835**

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.

(Continued)

(ii) Acquisition of the subsidiary- Metaguru

1) Acquisition of consideration transferred of the subsidiary

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

2) Identifiable net assets acquired

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

Consideration transferred:				
Cash			$	31,000
Carrying amounts of identifiable assets and liabilities acquired:				
Cash and cash equivalents	$	25,325		
Notes and accounts receivable (including related parties)		8,438		
Prepayments		7		
Other current assets		388		
Other non-current assets		5,875		
Contract liabilities		(7,011)		
Notes and accounts payable		(2,839)		
Other payables		(2,057)		
Other current liabilities		(425)		27,701
Capital surplus			**$**	**3,299**

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 Metagurn is debited to the capital surplus of $3,299 thousand.

(Continued)

(iii) Impairment test on goodwill

The Company evaluated the recoverable amounts of its goodwill, which is based on its value-in-use, for impairment testing at the reporting date. Value-in-use is based on three to five years of the estimated future cash flow, according to the future operation plan of the Company, discounted to their present value using the yearly discount rate, which reflects the risks specific to CGU by 8.56%~13.51% and 8.81%~18.35% , for the years ended December 31, 2023 and 2022, respectively. There were no impairment losses of goodwill in 2023 and 2022.

(i) Changes in ownership interest in a subsidiary

On March 31, 2023 and October 31, 2023, the Company paid $515 thousand and $343 thousand, respectively, for 30 thousand and 20 thousand shares from GLOBAL INTELLIGENCE NETWORK’ s original shareholders. Therefore, the Company’ s shareholding ratio increased to 79.73%, and capital surplus increased by $28 thousand due to changes in equity.

(j) Property, plant and equipment

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

		Land	Buildings	Office and other equipment	Total
Cost:					
Balance on January 1, 2023	$	504,592	328,424	137,451	970,467
Additions		-	-	1,799	1,799
Disposal		-	-	(48,417)	(48,417)
Transferred to investment property		(38,274)	(3,697)	-	(41,971)
Transferred from investment property		11,170	7,032	-	18,202
Transferred from inventories		-	-	14,307	14,307
Balance on December 31, 2023	$	**477,488**	**331,759**	**105,140**	**914,387**
Balance on January 1, 2022	$	521,816	338,965	146,305	1,007,086
Additions		-	-	6,579	6,579
Disposal		-	-	(26,615)	(26,615)
Transferred to investment property		(17,224)	(10,541)	-	(27,765)
Transferred from inventories		-	-	11,182	11,182
Balance on December 31, 2022	$	**504,592**	**328,424**	**137,451**	**970,467**

(Continued)

	Land	Buildings	Office and other equipment	Total
Accumulated depreciation:				
Balance on January 1, 2023	$ -	73,559	93,174	166,733
Depreciation	-	6,531	22,934	29,465
Disposal	-	-	(47,613)	(47,613)
Transferred to investment property	-	(339)	-	(339)
Transferred from investment property	-	2,873	-	2,873
Balance on December 31, 2023	**$ -**	**82,624**	**68,495**	**151,119**
Balance on January 1, 2022	$ -	73,396	91,644	165,040
Depreciation	-	6,602	28,145	34,747
Disposal	-	-	(26,615)	(26,615)
Transferred to investment property	-	(6,439)	-	(6,439)
Balance on December 31, 2022	**$ -**	**73,559**	**93,174**	**166,733**
Carrying amount:				
December 31, 2023	**$ 477,488**	**249,135**	**36,645**	**763,268**
December 31, 2022	**$ 504,592**	**254,865**	**44,277**	**803,734**
January 1, 2022	**$ 521,816**	**265,569**	**54,661**	**842,046**

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

(k) Right-of-use assets

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

	Buildings
Cost:	
Balance on January 1, 2023	$ 245,515
Additions	52,836
Balance on December 31, 2023	**$ 298,351**
Balance on January 1, 2022	$ 214,195
Additions	31,320
Balance on December 31, 2022	**$ 245,515**

(Continued)

		Buildings
Accumulated depreciation:		
Balance on January 1, 2023	$	101,201
Depreciation		35,807
Balance on December 31, 2023	**$**	**137,008**
Balance on January 1, 2022	$	69,967
Depreciation		31,234
Balance on December 31, 2022	**$**	**101,201**
Carrying amount:		
December 31, 2023	**$**	**161,343**
December 31, 2022	**$**	**144,314**
January 1, 2022	**$**	**144,228**

(l) Investment property

Information about the movement of costs and accumulated depreciation of investment property was presented below:

		Land	Buildings	Total
Cost:				
Balance on January 1, 2023	$	42,001	24,896	66,897
Transferred from property, plant and equipment		38,274	3,697	41,971
Transferred to property, plant and equipment		(11,170)	(7,032)	(18,202)
Balance on December 31, 2023	**$**	**69,105**	**21,561**	**90,666**
Balance on January 1, 2022	$	24,777	14,355	39,132
Transferred from property, plant and equipment		17,224	10,541	27,765
Balance on December 31, 2022	**$**	**42,001**	**24,896**	**66,897**

(Continued)

		Land	Buildings	Total
Accumulated depreciation:				
Balance on January 1, 2023	$	-	9,804	9,804
Depreciation		-	472	472
Transferred from property, plant and equipment		-	339	339
Transferred to property, plant and equipment		-	(2,873)	(2,873)
Balance on December 31, 2023	**$**	**-**	**7,742**	**7,742**
Balance on January 1, 2022	$	-	2,963	2,963
Depreciation		-	402	402
Transferred from property, plant and equipment		-	6,439	6,439
Balance on December 31, 2022	**$**	**-**	**9,804**	**9,804**
Carrying amount:				
December 31, 2023	**$**	**69,105**	**13,819**	**82,924**
December 31, 2022	**$**	**42,001**	**15,092**	**57,093**
January 1, 2022	**$**	**24,777**	**11,392**	**36,169**
Fair value:				
December 31, 2023			**$**	**183,118**
December 31, 2022			**$**	**184,080**

(i) Investment property comprises a number of commercial properties which are leased to third parties. Each of the leases contains an initial non-cancellable period from 1 to 3 years. Subsequent renewals are negotiated with the lessee, and no contingent rents are charged. Please refer to Note 6(q) for further information (including rental income and related direct operating expense).

(ii) As there is no readily comparable information regarding the fair value of the aforementioned investment property, management determined its fair value according to the latest prices within the vicinity. The inputs used to evaluate the fair value belonged to Level 3.

(iii) As of December 31, 2023 and 2022, none of investment property was pledged as collateral.

(Continued)

(m) Short-term borrowings

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

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 2,450,000	1,100,000
Range of interest rates at the end of period	1.68%~1.78%	1.55%~1.85%

(ii) The company has not pledged any assets as collateral to guarantee the payment of short-term borrowing.

(n) Short-term notes and bills payable

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

	December 31, 2023			
	Guarantee or acceptance institution	Contract period	Range of interest rates	Amount
Commercial paper payable	DAH CHUNG BILLS FINANCE CORP.	2022.12~ 2023.02	1.79%	$ 200,000
Less: Discount on short-term notes and bills payable				(381)
Total				$ 199,619

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

(o) Long-term borrowings

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

	December 31, 2023			
	Currency	Range of interest rates	Maturity period	Amount
Secured bank loans	NTD	1.85%~1.95%	2024.01~2039.03	$ 223,580
Less: current portion				(13,974)
Total				$ 209,606
Unused credit lines				$ -

(Continued)

	December 31, 2022			
	Currency	Range of interest rates	Maturity period	Amount
Secured bank loans	NTD	1.60%~1.83%	2023.01~2039.03	$ 237,340
Less: current portion				(13,915)
Total				**$ 223,425**
Unused credit lines				**$ -**

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

(p) Lease liabilities

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

	December 31, 2023	December 31, 2022
Current	$ 49,579	30,431
Non-current	118,844	117,387
	$ 168,423	**147,818**

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

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	**$ 1,424**	**1,481**
Income from sub-leasing right-of-use assets	**$ 6,185**	**5,015**

The amounts recognized in the statements of cash flows of the Company were as follows:

	For the years ended December 31	
	2023	2022
Interest payments for lease liabilities in operating activities	$ 1,424	1,481
Payments of lease liabilities in financing activities	32,231	30,909
Total cash outflow for leases	**$ 33,655**	**32,390**

(iii) Real estate leases

The Company 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.

(iv) For the Company's leased right-of-use assets under operating leases, please refer to Note 6(q).

(Continued)

(q) Operating leases

The Company leases out its investment property and right-of-use assets. The Company 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 Notes 6(k) and 6(l).

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

	December 31, 2023	December 31, 2022
Less than one year	$ 8,614	10,258
1 to 2 years	5,215	10,278
2 to 3 years	2,971	4,973
3 to 4 years	1,923	1,174
4 to 5 years	391	1,174
More than 5 years	-	391
Undiscounted lease payments	**$ 19,114**	**28,248**

For the years ended December 31, 2023 and 2022, the amounts of rental income from investment property were $5,750 thousand and $4,625 thousand, respectively.

(r) Employee benefits－defined contribution plans

The Company 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. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company’s pension costs under the defined contribution method amounted to $21,434 thousand and $19,185 thousand for the years ended December 31, 2023 and 2022, respectively. Payment to the Bureau of Labor Insurance has been made.

(s) Income taxes

(i) Income tax expenses:

Income tax expenses are summarized as follows:

	For the years ended December 31	
	2023	2022
Current income tax expenses	$ 147,653	80,905
Deferred income tax expenses (benefit)	(14,655)	15,892
Income tax expenses	**$ 132,998**	**96,797**

(ii) The Company had no income taxes expenses recognized directly in equity and other comprehensive income.

(Continued)

(iii) Reconciliation of income tax expenses and profit before income tax was as follows:

	For the years ended December 31	
	2023	**2022**
Profit before income tax	$ 719,552	487,457
Income tax using the Company's domestic tax rate	143,910	97,491
Undistributed earnings additional tax	389	930
Non-deductible expenses	41,412	18,551
Tax-exempt income	(2,344)	(2,734)
Share of profit accounted for using equity method	(9,871)	(5,205)
Gains on evaluation of financial assets	(45,585)	(14,872)
Others	5,087	2,636
Income tax expense	**$ 132,998**	**96,797**

(iv) Deferred income tax assets and liabilities

The Company had no unrecognized deferred income tax assets and liabilities. Changes in the amount of deferred income tax assets and liabilities for 2023 and 2022 were as follows:

	Investment in subsidiaries	Fair value gains and others	Total
Deferred income tax liabilities:			
Balance on January 1, 2023	$ 25,577	6,087	31,664
Credit profit or loss	(14,106)	(1,101)	(15,207)
Balance on December 31, 2023	**$ 11,471**	**4,986**	**16,457**
Balance on January 1, 2022	$ 28,363	196	28,559
Debit (credit) profit or loss	(2,786)	5,891	3,105
Balance on December 31, 2022	**$ 25,577**	**6,087**	**31,664**

	Inventory allowances	Allowance limit on bad debts	Others	Total
Deferred income tax assets:				
Balance on January 1, 2023	$ (35,800)	-	(3,951)	(39,751)
Debit (credit) profit or loss	5,000	-	(4,448)	552
Balance on December 31, 2023	**$ (30,800)**	**-**	**(8,399)**	**(39,199)**
Balance on January 1, 2022	$ (44,400)	(3,099)	(5,039)	(52,538)
Debit profit or loss	8,600	3,099	1,088	12,787
Balance on December 31, 2022	**$ (35,800)**	**-**	**(3,951)**	**(39,751)**

(Continued)

(v) The Company' s income tax returns have been assessed and approved by the R.O.C. tax authority through the years to 2021.

(t) Capital and other equity

As of both December 31, 2023 and 2022, the Company's authorized shares amounted to $2,500,000 thousand, divided into 250,000 thousand shares, with par value of $10 per share. The issued 188,357 thousand shares comprised only ordinary shares, and all issued shares were paid up upon issuance.

(i) Capital surplus

The components of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Share capital premium	$ 1,134,185	1,189,020
Treasury share transactions	54,637	54,637
Difference arising from subsidiary's share price and its carrying value from acquired or disposed of	28,012	27,984
Changes in equity of associates accounted under equity method and others	2,546	1,106
	$ 1,219,380	**1,272,747**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends in proportion to shareholders held. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total paid-in capital. The capital increases by transferring capital surplus in excess of par value shall be capitalized in the subsequent year after such capital reserve has been authorized for registration by the regulatory agency.

(ii) Retained earnings

In accordance with the Articles of Association, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) and special reserve shall be appropriated or reversed, according to operating requirements or regulations of the Company, after the payment of income tax and offsetting the accumulated losses from prior years. The remaining portion will be combined with the earnings from prior years, and the Board of Directors can propose the distribution plan to be approved during the shareholders' meeting. The abovementioned distribution plan, by way of cash dividends, should be approved by the Company' s Board of Directors and should be reported during the Company' s shareholder' s meeting.

(Continued)

As the Company is in its growth phase, it has adopted a residual dividend policy to pay the dividends after the end of the year from the earnings of the current year and the accumulated earnings from prior years. If there are earnings at year end and the current unappropriated retained earnings exceeded the lower of 2% of the capital stock, the distribution ratio for dividends shall not be less than 10% of the current unappropriated retained earnings after taking into consideration the Company's profit, capital structure, and future operating needs. Dividends are distributed as either cash or stock, where cash dividends represent no less than 10% of the total dividends and the actual amount distributed is based on the amount approved by the Board of directors.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and provided that the balance of the reserve exceeds 25% of the Company's paid in capital.

2) Special reserve

In accordance with FSC, when distributing distributable earnings, the Company records the net decrease in other shareholders' equity from profit after income tax for the current period plus the current-period unappropriated retained earnings not included in the current profit after income tax and prior undistributed earnings to be added to special earnings reserve. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

If the subsidiary continues to hold the stocks of its parent company in the end of the period, with a market value lower than the book value, the Company shall allocate its special reserve, pro-rata to the shareholding percentage thereof, in an amount equals to the difference between the market value and the book value; also, the special reserve may not be distributed. If the market value subsequently increases, the Company may reverse the amount of special reserve, pro-rata to the shareholding percentage, corresponding to the amount by which the value has increased.

3) Earnings distribution

On February 23, 2023, cash dividends in the distribution plan for 2022 had been approved at the Board of Directors meeting, and other items of earnings distribution had been approved in shareholder' s meeting on May 24, 2023. The cash dividends of earnings distribution for 2021 had been approved at the Board of Directors meeting on February 24, 2022, and other items of earnings distribution had been approved in shareholder's meeting on May 26, 2022.

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

(Continued)

On February 29, 2024, cash dividends in the distribution plan for 2023 had been approved at the Board of Directors meeting, and the relevant dividend distributions to shareholders were as follows:

	For the year ended December 31, 2023
Dividends to shareholders - cash, $2.75 per share	$ 517,983

(u) Earnings per share

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

	For the years ended December 31 2023	2022
Basic earnings per share:		
Profit attributable to the Company	$ 592,342	412,505
Weighted-average number of ordinary shares outstanding (basic/thousand shares)	188,357	188,357
Earnings per share (dollars)	$ 3.14	2.19

	For the years ended December 31 2023	2022
Diluted earnings per share:		
Profit attributable to the Company	$ 592,342	412,505
Weighted-average number of ordinary shares outstanding (diluted/ thousand shares)	189,460	189,979
Earnings per share (dollars)	$ 3.13	2.17

	For the years ended December 31 2023	2022
Weighted-average number of ordinary shares outstanding (basic/ thousand shares)	188,357	188,357
Effect of employee remuneration	1,103	1,622
Weighted-average number of ordinary shares outstanding (diluted/thousand shares)	189,460	189,979

(Continued)

(v) Revenue from contracts with customers

(i) Details of revenue

	2023				
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Total
Major product/service lines:					
Sale of goods	$ 4,215,058	4,438,945	874,666	1,173,848	10,702,517
Services rendered	-	-	-	445,293	445,293
Total	$ 4,215,058	4,438,945	874,666	1,619,141	11,147,810
Timing of revenue recognition					
Products transferred to the customer at a point in time	$ 4,215,058	4,438,945	874,666	1,173,848	10,702,517
Services transferred over time or by the stage of completion	-	-	-	445,293	445,293
Total	$ 4,215,058	4,438,945	874,666	1,619,141	11,147,810

	2022				
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Total
Major product/service lines:					
Sale of goods	$ 3,798,413	4,172,376	909,271	583,331	9,463,391
Services rendered	-	-	-	389,515	389,515
Total	$ 3,798,413	4,172,376	909,271	972,846	9,852,906
Timing of revenue recognition					
Products transferred to the customer at a point in time	$ 3,798,413	4,172,376	909,271	583,331	9,463,391
Services transferred over time or by the stage of completionn	-	-	-	389,515	389,515
Total	$ 3,798,413	4,172,376	909,271	972,846	9,852,906

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable (including long-term)	$ 86,602	126,490	275,999
Accounts receivable (including related parties)	2,185,237	2,435,272	2,257,816
Less: loss allowance	(10,824)	(21,191)	(21,385)
	$ 2,261,015	2,540,571	2,512,430
Contract liability	$ 240,991	155,234	184,710

(Continued)

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, 2023 and 2022 at the beginning of the period, were as follows:

	For the years ended December 31	
	2023	2022
Revenue Recognition	$ 142,011	167,106

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.

(w) 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 $63,591 thousand and $44,651 thousand for the years ended December 31, 2023 and 2022, respectively, and estimated its remuneration to directors at $5,962 thousand and $4,186 thousand, respectively.

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 the estimated amounts and the actual amounts approved by the Board of directors for 2023, if any, shall be accounted for as changes in accounting estimates and recognized in 2024. The actual amounts distributed for 2022 and the estimated amounts for 2022 in the financial statements were the same.

(x) Non-operating income and expenses

(i) Other income

The Company's other income was as follows:

	For the years ended December 31	
	2023	2022
Rental income	$ 12,557	16,619
Dividend income	11,718	13,671
	$ 24,275	30,290

(Continued)

(ii) Other gains and losses

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

	For the years ended December 31	
	2023	2022
Net foreign exchange gains	$ 46,818	17,528
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	219,102	63,620
Loss on disposal of associates	-	(15)
Loss on disposal of property, plant and equipment	(530)	-
Revenue from system consulting and technical services	22,998	16,801
Others	4,391	12,098
	$ 292,779	**110,032**

(iii) Finance costs

The Company's finance costs were as follows:

	For the years ended December 31	
	2023	2022
Interest on bank loans	$ 35,980	14,293
Interest on lease liabilities	1,424	1,481
	$ 37,404	**15,774**

(y) Financial instruments

(i) Credit risk

A credit risk is the risk of having financial losses arising from counterparties failing to meet their required contract obligation. The major potential credit risks are from defaults from counterparties who fail to meet their required contract obligation.

1) Accounts receivable and other receivables

The Company's credit policy is transacting with creditworthy customers, and obtains collateral to mitigate risks arising from financial loss due to default if necessary. The Company assesses the ratings based on publicly available financial information and transactions records with its major customers. The Company continues to monitor the exposure to credit risk and the credit rating of counterparties, transaction amount to all qualified customers, and review annually the credit limit of counterparties, so as to manage risk exposure.

(Continued)

2) Other financial assets

The credit risk exposure in cash and cash equivalents, fixed income investments and other financial instruments are measured and monitored by the Company' s finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions which are graded above investment level, the management believes that the Company does not have any compliance issues, and therefore, there is no significant credit risk.

The carrying amount of financial assets, represents the maximum amount exposed to credit risk. As of December 31, 2023 and 2022, the maximum exposure to credit risk amounted to $3,701,328 thousand, and $3,538,464 thousand, respectively.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1~5 years	Over 5 years
December 31, 2023					
Non-derivative financial liabilities					
Long-term and short-term borrowings	$ 2,673,580	2,709,741	2,472,484	72,636	164,621
Lease liabilities (including non-current)	168,423	172,023	51,304	120,719	-
Accounts payable	1,232,243	1,232,243	1,232,243	-	-
Other payables	331,156	331,156	331,156	-	-
Guarantee deposits	938	938	-	938	-
Derivative financial liabilities					
Outflow	21,852	908,411	908,411	-	-
Inflow	-	(886,559)	(886,559)	-	-
	$ 4,428,192	4,467,953	4,109,039	194,293	164,621

(Continued)

	Carrying amount	Contractual cash flows	Within 1 year	1~5 years	Over 5 years
December 31, 2022					
Non-derivative financial liabilities					
Financial liabilities at fair value through profit or loss – Contingent considerations arising from business combinations (Current and Non-current)	$ 63,144	91,660	-	91,660	-
Long-term and short-term borrowings	1,337,340	1,372,161	1,120,294	71,635	180,232
Short-term notes and bills pyable	199,619	200,000	200,000	-	-
Lease liabilities (including non-current)	147,818	151,415	31,699	111,490	8,226
Accounts payable	1,711,387	1,711,387	1,711,387	-	-
Other payables	281,534	281,534	281,534	-	-
Guarantee deposits	959	959	-	959	-
Derivative financial liabilities					
Outflow	13,651	840,752	840,752	-	-
Inflow	-	(827,101)	(827,101)	-	-
	$ 3,755,452	**3,822,767**	**3,358,565**	**275,744**	**188,458**

The Company 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 Company's significant exposure to foreign currency risk was as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD/NTD	$ 3,317	30.75	101,995	4,294	30.73	131,947
ZAR/NTD	53,289	1.66	88,299	-	-	-
Financial liabilities						
Monetary items						
USD/NTD	$ 17,247	30.75	530,336	33,044	30.73	1,015,441

(Continued)

2) Sensitivity analysis

The Company'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, and accounts payable 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 Company 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 December 31, 2023 and 2022, with all other variables including derivative financial instruments remaining constant, would have decreased or increased the profit before income tax by $2,234 thousand and $1,414 thousand for the years ended December 31, 2023 and 2022, respectively. The analysis for both periods was performed on the same basis.

3) Foreign exchange gains and losses on monetary items

The Company' s functional currency is NTD, and foreign exchange gain (loss) on monetary items are recognized as foreign exchange gain (loss); please refer to Note 6(x) for details.

(iv) Interest rate analysis

The details of interest-bearing financial instruments at the reporting date were as follows:

		Carrying amount	
		December 31, 2023	**December 31, 2022**
Variable-rate instrument:			
Financial assets	$	470,943	424,598
Financial liabilities		(2,673,580)	(1,536,959)
	$	**(2,202,637)**	**(1,112,361)**

According to the Company's sensitivity analysis of risk exposure to non-derivative instruments on the reporting date, if the interest rate had increased or decreased by 0.25%, with all other variable factors remaining constant, the Company' s profit before income tax would have decreased or increased by $5,507 thousand and $2,781 thousand for the years ended December 31, 2023 and 2022, respectively. This is mainly due to interest rate risk exposures on variable-rate bank deposits, long-term and short-term borrowings and short-term notes and bills payable.

(Continued)

(v) Fair value of financial instruments

1) Types of financial instrument and fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss 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 Company'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:

	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Foreign and domestic unlisted stocks	$ 453,931	-	-	453,931	453,931
Foreign and domestic unlisted equities	239,126	-	-	239,126	239,126
	$ 693,057				
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	$ 118,189	-	-	118,189	118,189
Financial assets at amortized cost					
Cash and cash equivalents	$ 471,163				
Notes and accounts receivable, net (including long-term and related parties)	2,261,105				
Other receivables	94,677				
Refundable deposits	63,137				
	$ 2,890,082				

(Continued)

	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Pre-purchased/Pre-sold forward exchange contracts	$ 21,852	-	-	21,852	21,852
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	$ 2,673,580				
Lease liabilities (including non-current)	168,423				
Accounts payable	1,232,243				
Other payables	331,156				
Guarantee deposits	938				
	$ 4,406,340				

	December 31, 2022				
	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	$ 623	-	-	623	623
Foreign and domestic unlisted stocks	280,153	-	-	280,153	280,153
Foreign and domestic unlisted equities	230,691	-	-	230,691	230,691
	$ 511,467				
Financial assets at amortized cost					
Cash and cash equivalents	$ 424,848				
Notes and accounts receivable, net (including long-term and related parties)	2,540,571				
Other receivables	5,918				
Refundable deposits	55,660				
	$ 3,026,997				

(Continued)

	December 31, 2022				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Pre-purchased currency forward exchange contracts	$ 13,651	-	-	13,651	13,651
Contingent considerations arising from business combinations	63,144	-	-	63,144	63,144
	$ 76,795				
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	$ 1,337,340				
Short-term notes and bills payable	199,619				
Lease liabilities (including non-current)	147,818				
Accounts payable	1,711,387				
Other payables	281,534				
Guarantee deposits	959				
	$ 3,678,657				

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.

(Continued)

3) Transfers between Level 1 and Level 2

There was no transfers between the level 1 and level 2 of fair value hierarchy for the years ended December 31, 2023 and 2022.

4) Reconciliation of Level 3 fair values

	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income
	Derivative financial assets (liabilities)	Non-derivative financial assets (liabilities) measured at fair value through profit or loss	Equity instruments without an active market
January 1, 2023	$ (13,028)	447,700	-
Acquisition	-	17,431	74,830
Recognized in profit or loss	(8,824)	227,926	-
Recognized in other comprehensive income	-	-	43,359
December 31, 2023	**$ (21,852)**	**693,057**	**118,189**
January 1, 2022	$ (2,286)	235,074	-
Acquisition	-	130,856	-
Recognized in profit or loss	(10,742)	74,362	-
Decrease of contingent considerations	-	7,408	-
December 31, 2022	**$ (13,028)**	**447,700**	**-**

(Continued)

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 December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Total gains and losses		
Recognized in profit or loss (recognized as other gains and losses)	$ 206,074	61,334
Recognized in other comprehensive income (recognized as unrealized gains and losses on financial asset at fair value through other comprehensive income)	43,359	-
	$ 249,433	**61,334**

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

The Company'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 Company did not disclose the quantitative information about significant unobservable inputs and sensitivity analysis.

Quantified information on other significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss investments in equity instrument without active market	Comparable listed companies approach	· Market liquidity discount rate (25.00%~30.00% as of December 31, 2023, 23.63%~27.08% as of December 31, 2022)	· The higher the market liquidity discount rate, the lower the fair value

(Continued)

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-Investments in equity instruments without an active market	Comparable companies approach	· Market liquidity discount rate (17.39% as of December 31, 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 methods	· Discount rate (8.56%~13.51% as of December 31, 2023, 8.81%~18.35% as of December 31, 2022)	· The higher the discount rate, the lower the fair value

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

The Company'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
December 31, 2023					
Financial assets (liabilies) at fair value through profit or loss					
Investments in equity instruments without actives market	Discount for marketability	$ (62,357)	62,357	-	-
Contingent considerations arising from business combinations	Discount for discount rate	$ -	-	-	-

(Continued)

	Inputs	Current profit (loss) arising from changes in fair value 10% increase	Current profit (loss) arising from changes in fair value 10% decrease	Other comprehensive income arising from changes in fair value 10% increase	Other comprehensive income arising from changes in fair value 10% decrease
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Discount for marketability	$ -	-	(14,303)	14,303
December 31, 2022					
Financial assets (liabilies) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	$ (36,719)	36,719	-	-
Contingent considerations arising from business combinations	Discount for discount rate	$ 2,063	(2,176)	-	-

(z) Financial risk management

(i) Overview

The Company is exposed to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note expressed the information on risk exposure and objectives, policies and process of risk measurement and management of the Company. For more details about the quantitative effects of these risk exposures, please refer to respective notes in the report.

(ii) Structure of risk management

The Company' s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities, so as to minimize risk exposure.

The Board of directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of directors is assisted in its oversight role by an internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

(Continued)

(aa) Capital management

The Board's policy is to maintain a strong capital base, in order to maintain investor, creditor, and market confidence. Capital consists of ordinary shares, capital surplus and retained earnings. As of December 31, 2023, the Company had sufficient capital to meet the needs for working capital and other expenditure in the next 12 months. The Company's approach to capital management has not changed on each reporting date.

As of December 31, 2023 and 2022, the debt ratios were 52% and 46%, respectively.

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

(i) For the acquisition of right-of-use assets by lease, please refer to Note 6(k).

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

	January 1, 2023	Cash flows	Non-cash changes	December 31, 2023
Long-term borrowings	$ 237,340	(13,760)	-	223,580
Short-term borrowings	1,100,000	1,350,000	-	2,450,000
Short-term notes and bills payable	199,619	(199,619)	-	-
Guarantee deposits	959	(21)	-	938
Lease liabilities (including non-current)	147,818	(32,231)	52,836	168,423
Total liabilities from financing activities	**$ 1,685,736**	**1,104,369**	**52,836**	**2,842,941**

	January 1, 2022	Cash flows	Non-cash changes	December 31, 2022
Long-term borrowings	$ 251,369	(14,029)	-	237,340
Short-term borrowings	1,000,000	100,000	-	1,100,000
Short-term notes and bills payable	-	199,619	-	199,619
Guarantee deposits	897	62	-	959
Lease liabilities (including non-current)	147,407	(30,909)	31,320	147,818
Total liabilities from financing activities	**$ 1,399,673**	**254,743**	**31,320**	**1,685,736**

(Continued)

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

Qisda Corporation ("Qisda") is both the parent company and the ultimate controlling party of the Company. As of December 31, 2023 and 2022, Qisda holds 51.41% of the number of ordinary shares outstanding of the Company, and it has prepared the consolidated financial statements for public use.

(b) Names and relationship with related parties

The followings are the subsidiaries and related parties that have had transactions with the Company during the periods covered in the parent company only financial statements:

Name of related party	Relationship with the Company
Qisda Corporation (Qisda)	Parent of the Company
GLOBAL INTELLIGENCE NETWORK CO., LTD. (GLOBAL INTELLIGENCE NETWORK)	Subsidiary of the Company
EPIC CLOUD CO., LTD. (EPIC CLOUD)	Subsidiary of the Company
ADVANCEDTEK INTERNATIONAL CORP. (ADVANCEDTEK INTERNATIONAL)	Subsidiary of the Company
APEO Human Capital Services Corp. (APEO Human Capital)	Subsidiary of the Company
DSIGroup Co., Ltd. (DSIGroup)	Subsidiary of the Company
DKABio Co., Ltd. (DKABio)	Subsidiary of the Company
Metaguru Corporation (Metaguru)	Subsidiary of the Company (Note 1)
COREX (PTY) LTD. (COREX)	Subsidiary of the Company
Brainstorm Corporation (Brainstorm)	Subsidiary of the Company (Note 2)
GRANDSYS INC. (GRANDSYS)	Associate of the Company
Everlasting Digital ESG Co., Ltd. (Everlasting Digital ESG)	Associate of the Company
BenQ Foundation	Substantive related party
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
BenQ Corporation (New BenQ)	It and the Company have the same ultimate parent company
DFI Inc. (DFI)	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

(Continued)

Name of related party	Relationship with the Company
AEWIN Technologies Co., Ltd (AEWIN Technologies)	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
BenQ Asia Pacific Corporation (BenQ Asia Pacific)	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
Interactive Digital Technologies Inc. (Interactive Digital)	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
BenQ Guru Holding limited(GSH)	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
BENQ HEALTHCARE CORPORATION (BHS)	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
LA FRESH INFORMATION CO., LTD. (LA FRESH)	It and the Company have the same ultimate parent company
WEB-PRO Corporation (WPC)	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
Darfon Electronics Corporation (Darfon Electronics)	Associate of the parent company
AUO Education Service Corp. (AUO Education Service)	Subsidiary of associate (AUO) of parent company
AUO Digitech Taiwan Inc. (AUO Digitech)	Subsidiary of associate (AUO) of parent company
Key management personnel	Key management personnel of the Company

Note 1: Metaguru Corporation’s original name was BenQ Guru Corporation, and its original ultimate parent company is same as the Company. The Company had fully acquired Metaguru on December 1, 2022, and it became the Company’s subsidiary.

Note 2: The ultimate parent of Brainstorm and the Company is the same before acquiring. Moreover, after acquiring a total of 35.09% of common shares and preference shares of Brainstorm on October 2, 2023, the Company obtained 55.29% of its voting rights and it became the Company’ s subsidiary.

(Continued)

(c) Significant related-party transactions

(i) Sales

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

	For the years ended December 31	
	2023	**2022**
Parent company	$ 112	1,023
Subsidiaries	170,728	126,094
Associates	2,366	7,857
Other associates	57,404	62,714
	$ 230,610	**197,688**

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

(ii) Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	For the years ended December 31	
	2023	**2022**
Subsidiaries	$ 15,558	27,310
Other associates	232	627
	$ 15,790	**27,937**

Purchase prices and payment terms from related parties were not significantly different from those of regular suppliers. The payment terms for the years ended December 31, 2023 and 2022, ranged from 30 to 60 days after the end of the month.

(Continued)

(iii) Receivables from related parties

The receivables due from related parties were as follows:

Account	Category of related party	December 31, 2023	December 31, 2022
Accounts receivable (including long-term)	Parent company	$ 46	65,807
Accounts receivable	Subsidiaries	33,950	45,170
Accounts receivable	Associates	480	358
Accounts receivable	Other associates	11,126	6,478
		$ 45,602	**117,813**

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Category of related party	December 31, 2023	December 31, 2022
Accounts payable	Subsidiaries	$ 4,414	3,136
Accounts payable	Other associates	91	16
		$ 4,505	**3,152**

(v) Lease

1) Lessor

The Company leased out buildings to its related parties. The amounts of rental income were as follows:

Lessee	For the years ended December 31 2023	2022
Subsidiaries:		
GLOBAL INTELLIGENCE NETWORK	$ 7,463	6,727
Other subsidiaries	3,332	1,773
Other Associates:		
DFI	-	6,035
	$ 10,795	**14,535**

As of December 31, 2023 and 2022, the rental amount of $0 thousand and $169 thousand, respectively, had not been received by the Company, and was recorded under other current assets. The deposit and rent were determined with reference to the market price of the nearby offices, and the rent was collected on a monthly basis.

(Continued)

2) Lessee

The Company rented buildings from GLOBAL INTELLIGENCE NETWORK and entered into 3-years lease contract by reference of the rental price of the nearby offices. For the years ended December 31, 2023 and 2022, the Company recognized the amounts of $38 thousand and $27 thousand, respectively, as interest expense. As of December 31, 2023 and 2022, the balance of lease liabilities amounted to $3,077 thousand and $5,226 thousand, respectively.

(vi) Loans to related parties

The loans to related parties were as follows:

Relationship	December 31, 2023	December 31, 2022
Subsidiaries:		
COREX	**$ 87,821**	**-**

For the year ended December 31, 2023, the Company’ s unsecured loan to its subsidiary, COREX, bears an annual interest of 6.30%. No provision for impairment loss was required after an assessment made by the Company.

For the year ended and on December 31, 2023, the interest revenue from the above loans to subsidiary amounted to $484 thousand. As of Decemeber 31, 2023, interest receivable amounted to $478 thousand (recorded as other current assets).

(vii) Guarantee and endorsements

The company guarantees and endorsements for related parties are as follows:

Counterparty of guarantees and endorsements	December 31, 2023	December 31, 2022
Subsidiaries		
COREX	**$ 611,250**	**150,000**

(viii) Services revenue

The Company provided system consulting and project supporting services to its related parties. The amounts of services revenue were as follows:

	For the years ended December 31 2023	2022
Subsidiaries		
GLOBAL INTELLIGENCE NETWORK	$ 11,229	11,173
EPIC CLOUD	8,097	5,628
Metaguru Corporation	3,672	-
	$ 22,998	**16,801**

(Continued)

The outstanding balances for providing system consulting and project supporting services to its related parties were as follows:

Account	Category of related party	December 31, 2023	December 31, 2022
	Subsidiaries		
Other current assets-other receivables	GLOBAL INTELLIGENCE NETWORK	$ 2,948	3,517
Other current assets-other receivables	EPIC CLOUD	2,125	1,788
Other current assets-other receivables	Metaguru Corporation	964	-
		$ 6,037	5,305

(ix) Donation

For the years ended December 31, 2023 and 2022, the company made donations of $2,000 thousand and $3,000 thousand, respectively, to its substantive related party, BenQ Foundation.

(x) Investments accounted for using equity method acquired

The Company acquired investments accounted for using equity method from its related parties.

Account	Category of related party	For the years ended December 31 2023	2022
Investments accounted for using equity method	Other associates- GHS	$ -	31,000
Investments accounted for using equity method	Other associates- DFI	530,075	-
		$ 530,075	31,000

(Continued)

(xi) 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 years ended December 31		December 31, 2023	December 31, 2022
	2023	2022		
Parent Company	$ 819	790	310	100
Subsidiaries	3,196	1,773	848	439
Associates	5	-	-	-
Other associates	811	1,562	140	57
	$ 4,831	**4,125**	**1,298**	**596**

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31	
	2023	2022
Short-term employee benefits	$ 56,062	50,276
Post-employment benefits	528	524
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payment	-	-
	$ 56,590	**50,800**

(8) Pledged assets:

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

Asset Name	Object	December 31, 2023	December 31, 2022
Property, plant and equipment	Long-term borrowings	**$ 427,988**	**431,839**

(Continued)

(9) Significant commitments and contingencies:

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

	Currency	December 31, 2023	December 31, 2022
Promissory notes issued	NTD	$ 5,215,000	4,865,000
	USD	$ 4,500	4,500

(b) For the amounts of guarantees and endorsements for related parties, please see Note 7(c) 7.

(10) Losses due to major disasters:None

(11) Subsequent Events:

Based on the result of the Board of Directors meeting held on January 12, 2024, the Company would pay 192,066 thousand to acquired 5,170 thousand shares of GRANDSYS with the share holding percentage of 19.19%. All statutory registration procedures had been completed before the issuance date of the parent company only financial report and the price had been fully paid.

(12) Others:

The summary of employee benefits, depreciation, and amortization, by function, was as follows:

By function / By item	For the years ended December 31, 2023 Operating expenses	2022 Operating expenses
Employee benefits		
Salary	582,787	491,980
Labor and health insurance	45,981	40,726
Pension	21,434	19,185
Benefits of directors	16,441	15,227
Other employee benefits expense	25,753	23,216
Depreciation	65,272	65,981
Amortization	572	745

Note: Excluding the depreciation of the investment property-buildings (classified as other income) amounted to $472 thousand and $402 thousand for the years ended December 31, 2023 and 2022, respectively.

(Continued)

The following were the additional information on the Company's employees and employee benefits for the years ended December 31, 2023 and 2022:

	For the years ended December 31	
	2023	2022
Numbers of employees	542	504
Numbers of directors, but not employees concurrently	5	5
The average employee benefits	$ 1,259	1,153
The average salaries	$ 1,085	986
Adjustment of the average salaries	10.04 %	
Benefits of supervisors	$ -	-

The following was the information about the Company's benefits policies (including directors, executive officers and employees):

The Company's directors' benefits consisted of remuneration and compensation. In accordance with the Article of Association of the Company, once the Company has annual earnings, it should contribute less than 1% as directors' remuneration. The compensation is evaluated by Human Resources Department and based on competitive environment and operational risk. It is proposed by management after considering regulation and bonus plan then submitted to the Board of Directors for approval.

The benefits of executive officers and employees consisted of fixed salary and variable salary. The former is basic salaries of employees and the latter is connected to operational performance and strategic objectives that the Company wants to achieve. The Company's benefits policies are proposed by Human Resources Department, which is based on management regulation and bonus plan and then submitted to the Board of Directors for approval.

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the Regulations for the Company for the year ended December 31, 2023:

(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 Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing	Note
0	the Company	COREX	Other current assets-other receivables	Yes	156,275	153,750	87,821	6.30 %	Short-term loan	-	Working capital	-	None	-	890,197	1,780,394	Note 1

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.

(Continued)

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	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 of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	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 with the Company										
0	the Company	COREX	Subsidiary of the Company	(Note 1)	618,825	611,250	297,595	-	13.73 %	(Note 1)	Y	-	-

Note 1: The amount of the guarantees and endorsements for a single entity company shall not exceed 20% of the Company's net worth of $890,197 thousand when the guarantees and endorsements was provided; the total amount of guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth of $2,225,493 thousand.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand shares/thousand units

Holder name	Category and name of security	Relationship with company	Account	Ending balance				Remark
				Shares/Units	Carrying amount	Percentage of Ownership (%)	Fair value	
	Stock:							
the Company	DYNASAFE TECHNOLOGIES, INC.	-	Non-current financial assets at fair value through profit or loss	4,404	453,931	19.15	453,931	(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	-	〃
〃	High Performance Information Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,138	118,189	8.36	118,189	〃
	Equity:							
〃	Taiwania Capital Buffalo Fund V, LP.	-	Non-current financial assets at fair value through profit or loss	(Note 2)	197,658	12.78	197,658	〃
〃	New Economy Ventures L.P.	-	〃	(Note 2)	41,468	7.36	41,468	〃
					811,246		811,246	

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

(Continued)

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Category and name of security	Account	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost (Note 1)	Gain (loss) on disposal	Shares	Amount
the Company	Stock-Brainstorm	Investments accounted for using equity method	DFI	Other associates	-	-	233	530,075	-	-	(6,869)	-	233	523,206

Note 1: Share of profit (loss) of subsidiaries accounted for using equity method.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$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)	
The Company	GLOBAL INTELLIGENCE ENTWORK	The subsidiary of the Company	(Sales)	(111,424)	(1)%	60 days	Price agreed by both sides	No significant different with general selling	17,394	1%	-
GLOBAL INTELLIGENCE ENTWORK	The Company	The parent company	Purchases	111,424	13%	〃	〃	No significant different with general selling	(17,394)	(19)%	
Brainstorm	Dolica	Other related parties	(Sales)	(158,851)	(3) %	90 days	-	No significant different with general selling	39,653	7%	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(ix) Trading in derivative instruments:Please refer to notes the Company’s consolidated financial statem Note 6(b).

(Continued)

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying amount			
the Company	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	120,000	119,142	10,525	79.73 %	180,736	9,677	7,691	(Note 1)
〃	EPIC CLOUD	Taiwan	Data software and data processing services	55,000	27,500	5,500	100.00 %	61,848	7,346	7,346	(Notes 1 and 3)
〃	COREX	South Africa	Import and export of electronic products for sale and purchase	251,872	251,872	1	100.00 %	181,325	(65,054)	(66,096)	(Note 1)
〃	DSIGroup	Taiwan	Market research, management consulting and data processing services	69,983	69,983	1,754	34.99 %	81,103	(1,227)	(1,092)	(Note 1)
〃	GRANDSYS	Taiwan	Data software and data processing services	94,547	94,547	5,643	20.96 %	114,326	42,837	6,667	(Note 2)
〃	ADVANCEDTEKINTERNATIONAL	Taiwan	Applications of software implementing services	30,091	30,091	1,153	34.09 %	38,499	13,508	4,605	(Note 1)
〃	Everlasting Digital ESG	Taiwan	Development and sale of software	5,000	5,000	500	29.41 %	2,307	(3,459)	(806)	(Note 2)
〃	Metaguru	Taiwan	R&D and sales of computer information systems	31,000	31,000	2,000	100.00 %	28,023	2,442	2,442	(Notes 1 and 4)
〃	Brainstorm	U.S.A	Wholesale and retail of computers and peripheral devices	530,075	-	233	35.09 %	523,206	16,230	(10,285)	(Note 1)
EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	172	172	10	0.08 %	172	9,677	-	(Note 1)
〃	DSIGroup	Taiwan	Market research, management consulting and data processing services	40	40	1	0.02 %	40	(1,227)	-	(Note 1)
ADVANCEDTEK INTERNATIONAL	APEO Human Capital	Taiwan	Applications of software implementing services	2,060	2,060	200	100.00 %	2,692	169	169	(Note 1)
DSIGroup	DKABio	Taiwan	Market research, management consulting and data processing service	20,000	20,000	2,000	100.00 %	6,962	(5,488)	(5,488)	(Note 1)

Note 1: Subsidiary of the Company.
Note 2: Associates of the Company
Note 3: The investee company reduced its capital to offset its accumulated deficit by deducting 2,250 thousand shares, at the amount of $22,500 thousand. Thereafter, it conducted a cash capital increase by issuing 5,000 thousand new shares, at the amount of $50,000 thousand, with the base date of capital increase set on October 12, 2023. Both transactions above were based on the resolutions approved during the board meeting held on October 4, 2023, with all the relevant statutory registration procedures having been completed.
Note 4: On February 20, 2023, pursuant to the resolutions approved during the board of directors, the investee company increased its capital by $2,881 thousand and issued 288 thousand new shares, from retained earnings. The date of capital increase was March 17, 2023. The relevant statutory registration procedures have since been completed.

(c) Information on investment in Mainland China:None

(d) Major shareholders:

Unit: share

Shareholding Major shareholders	Shareholding	Percentage of Ownership
Qisda	96,841,239	51.41 %

(Continued)

(14) Segment information:

Please refer to the Company's consolidated financial statements for the year ended December 31, 2023, for details.

Metaage Corporation

Chairman of the Board: Wen-Hsing Tseng

Metaage Corporation

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