

ONYX Healthcare Inc.
Standalone Financial Statements and Independent Auditor's Report
For 2023 and 2022
(Stock code: 6569)

Company address: 4F, No. 135, Lane 235, Baoqiao Road, Xindian
District, New Taipei City

TEL: (02)8919-2188

For the convenience of readers and for information purpose only, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' review report and financial statements shall prevail.

ONYX Healthcare Inc.

Standalone Financial Statements and Independent Auditor's Report for 2023 and 2022

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Independent Auditor's Report

(113)-Cai-Shen-Bao-Zi No. 23003011

To stakeholders of ONYX Healthcare Inc.:

Audit opinion

We have audited the accompanying standalone balance sheet of ONYX Healthcare Inc. (referred to as "ONYX Healthcare" below) as at December 31, 2023 and 2022, the standalone statement of comprehensive income, standalone statement of changes in equity, and standalone cash flow statement from January 1 to December 31, 2023 and 2022, and notes to standalone financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and audit results of other auditors (please refer to the Other Issues paragraph), all material disclosures of the standalone financial statements mentioned above were prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and presented a fair view of the standalone financial position of ONYX Healthcare as at December 31, 2023 and 2022, and standalone business performance and cash flow for the periods January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We have conducted our audits in accordance with "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards of the Republic of China. Our responsibilities as an auditor under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics of the Republic of China and maintained independence from ONYX Healthcare, and fulfilled other responsibilities under the code of ethics. We believe that the evidence obtained from audit and reports made by other auditors provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment when auditing the 2023 standalone financial statements of ONYX Healthcare. These issues have already been addressed when we audited and formed our opinions on the standalone financial statements. Therefore we do not provide opinions separately for individual issues.

Key audit issues concerning the 2023 standalone financial statements of ONYX Healthcare are as follows:

Existence of sales revenue

Description

Please refer to Note 4(27) for the accounting policy on revenue recognition. For a detailed description of revenue accounts, please refer to Note 6(21) of the standalone financial statements.

ONYX Healthcare and its subsidiaries' (recognized as investment under the equity method) main business is the design, manufacturing and sales of medical computers and peripheral equipment. Because product project orders are easily affected by the customer's product project cycle, it is necessary to strive to develop new markets and undertake new project orders. Therefore, the operating revenue of each period may be subject to change in market trend. According to industry reports and peer information, the overall market trend has declined for the current period, while the operating revenue of some products is growing, and the impact on the amount is significant. Therefore, we have listed the existence of the above-mentioned sales revenue as one of the most important audit matters for the current year.

Audit procedures

This issue concerned ONYX Healthcare and certain subsidiaries (presented as equity-accounted investments), and the following audit procedures were taken specifically in relation to the key audit issues described above:

1. Assessment and testing of internal control processes on sales transactions to determine whether transactions were carried out according to the Company's internal control system during the reporting period and to confirm the accuracy of the Company's product classification.
2. Obtain and verify the above-mentioned revenue, transaction, and related documents on a sample basis, and confirm that the customer has acquired control of the product and assumed the product risk before recognizing the revenue.

Accounting estimates for inventory valuation

Description

For accounting policies on inventory valuation, please refer to Note 4(13) of the standalone financial statements; for major accounting estimates, assumptions, and uncertainties on inventory valuation, please refer to Note 5(2) of the standalone financial statements; for detailed inventory accounts, please refer to Note 6(5) of the standalone financial statements.

ONYX Healthcare is mainly involved in the design, manufacturing, and sale of medical computers. Due to the long useful life of medical computers, ONYX Healthcare is required to maintain inventory of certain products and peripherals for longer periods of time in order to meet customers' needs for long-term supply and maintenance. Any change in customers' purchase order or under-performance of the market would cause fluctuation in product pricing or slow down the rate at which inventory is sold, therefore increasing risk of loss on devaluation or obsolescence. ONYX Healthcare accounts for normal inventory at the lower of cost and net realizable value; inventory that exceeds certain duration of time or has been individually identified as obsolete will have loss provisions made on an item-by-item basis according to the devaluation loss provisioning policy.

ONYX Healthcare makes timely adjustments to inventory level in response to changes in market demand and the Company's development strategies. The Company carries a wide variety of medical computers, which also makes up a substantial portion of the Company's product portfolio and a high amount of inventory. Furthermore, evaluation of net realizable value on obsolete inventory often involves subjective judgments, making the estimated amount prone to uncertainties, and was one of the key areas we had to verify as part of our audit. For this reason, we have identified the estimation of inventory valuation losses as one of the key audit issues for this year.

Audit procedures

This issue concerned ONYX Healthcare and certain subsidiaries (presented as

equity-accounted investments), and the following audit procedures were taken specifically in relation to the key audit issues described above:

1. Evaluating the policy adopted by ONYX Healthcare to make provisions for inventory devaluation losses, based on our understanding of the company's operations and industry nature.
2. Examining details of individual inventory items that the management had considered to be obsolete, and verifying against supporting documents.
3. Testing the market prices based upon which net realizable values of individual inventory items were established, and making random checks to ensure that net realizable values were correctly calculated.

Other issues - audits by other auditors

Amongst the equity-accounted business investments presented in the standalone financial statements of ONYX Healthcare, some of which had financial statements audited by other CPAs that we did not take part of. Therefore, opinions made in the standalone financial statements mentioned above in regards to such businesses were based on audited reports of other CPAs. As at December 31, 2023 and 2022, balances of the abovementioned equity-accounted investments totaled NT\$629,526, thousand and NT\$606,637 thousand, representing 31% and 32% of total assets, respectively. For the periods from January 1 to December 31, 2023 and 2022, comprehensive income recognized from the abovementioned companies totaled NT\$71,691 thousand and NT\$74,696 thousand, representing 28% and 34% of comprehensive income, respectively.

Responsibilities of the management and governing body to the standalone financial statements

Responsibilities of the management were to prepare and ensure fair presentation of standalone financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal

control practices that are relevant to the preparation of standalone financial statements so that the standalone financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing financial statements also involved: assessing the ability of ONYX Healthcare to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governing body of ONYX Healthcare (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of CPAs in Inspecting Individual Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the financial statements were prone to material misstatements caused by fraud or error, and to issue a report of our audit opinions. Reasonable assurance provides a high degree of certainty. However, audit tasks conducted in accordance with auditing principles of the Republic of China do not necessarily guarantee detection of all material misstatements within the standalone financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the financial statement user.

When conducting audits in accordance with audit principles Republic of China, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of ONYX Healthcare.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of ONYX Healthcare to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of standalone financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or circumstances may still render ONYX Healthcare no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the standalone financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the financial statements.
6. Obtaining sufficient and appropriate audit evidence on financial information of equity-

accounted investments held by ONYX Healthcare, and expressing opinions on standalone financial statements. Our responsibilities as auditor are to instruct, supervise and execute audits and form audit opinions on the standalone financial statements.

We have communicated with the governing body about the scope, timing, and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics of the Republic of China, and communicated with the governing body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governance body regarding the 2023 standalone financial statements of ONYX Healthcare. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

PwC Taiwan

CPA

Chang, Shu-Chiung

Lin, Chun-Yao

Former Financial Supervisory Commission, Executive Yuan
Approval reference: Jin-Guan-Zheng-Shen-Zi No. 0990042602
(Formerly known as) Securities and Futures Commission,
Ministry of Finance
Approval reference: (85)-Tai-Cai-Zheng-(VI) No. 68702

February 27, 2024

ONYX Healthcare Inc.
Standalone Balance Sheet
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 271,068	13	\$ 265,189	14
1110	Financial assets at fair value through profit or loss - current	6(2)	11,389	-	7,211	-
1136	Financial assets at amortized cost - current	6(3) and 8	31,626	2	-	-
1150	Net notes receivable	6(4)	3	-	-	-
1170	Net accounts receivable	6(4)	119,987	6	141,074	7
1180	Accounts receivable - related parties, net	7	54,023	3	98,723	5
1200	Other receivables		1,716	-	3,625	-
130X	Inventory	6(5)	226,869	11	264,044	14
1410	Prepayments		13,908	1	11,717	1
1470	Other current assets	8	2,235	-	1,699	-
11XX	Total current assets		<u>732,824</u>	<u>36</u>	<u>793,282</u>	<u>41</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	34,637	2	26,956	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	68,756	3	27,536	2
1550	Equity-accounted investments	6(7)	786,564	39	710,670	37
1600	Property, plant and equipment	6(8), 7 and 8	347,832	17	293,776	15
1755	Right-of-use assets	6(9)	32,219	2	34,414	2
1780	Intangible assets		3,517	-	5,593	-
1840	Deferred income tax assets	6(26)	13,059	1	19,622	1
1900	Other non-current assets	8	952	-	2,367	-
15XX	Total non-current assets		<u>1,287,536</u>	<u>64</u>	<u>1,120,934</u>	<u>59</u>
1XXX	Total assets		<u>\$ 2,020,360</u>	<u>100</u>	<u>\$ 1,914,216</u>	<u>100</u>

(Continued next page)

ONYX Healthcare Inc.
Standalone Balance Sheet
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	6(12)	\$ 27,000	1	\$ -	-
2130	Contractual liabilities - current	6(21)	57,838	3	57,996	3
2170	Accounts payable		65,176	3	81,270	4
2180	Accounts payable - related parties	7	1,091	-	5,857	-
2200	Other payables	6(13)	72,561	4	55,285	3
2220	Other payables - related parties	7	2,214	-	3,414	-
2230	Current income tax liabilities		37,883	2	46,954	3
2250	Liability reserves - current	6(16)	7,585	-	7,367	-
2280	Lease liabilities - current		1,985	-	4,154	-
2320	Long-term liabilities due within 1 year or 1 business cycle	6(14)	10,476	1	10,376	1
2399	Other current liabilities - others		3,762	-	3,084	-
21XX	Total current liabilities		<u>287,571</u>	<u>14</u>	<u>275,757</u>	<u>14</u>
Non-current liabilities						
2527	Contractual liabilities - non-current	6(21)	53,301	3	67,860	3
2540	Long-term loans	6(14)	134,499	7	144,910	8
2550	Liability reserves - non-current	6(16)	2,364	-	2,327	-
2570	Deferred income tax liabilities	6(26)	423	-	-	-
2580	Lease liabilities - non-current		30,610	1	30,371	2
2645	Guarantee deposits received	7	-	-	1,148	-
25XX	Total non-current liabilities		<u>221,197</u>	<u>11</u>	<u>246,616</u>	<u>13</u>
2XXX	Total liabilities		<u>508,768</u>	<u>25</u>	<u>522,373</u>	<u>27</u>
Equity						
Share capital		6(18)				
3110	Common share capital		335,163	17	332,612	17
Capital reserves		6(17)(19)				
3200	Capital reserves		708,803	35	679,472	36
Retained earnings		6(20)				
3310	Legal reserves		151,706	7	131,410	7
3320	Special reserves		33,926	2	49,896	3
3350	Unappropriated earnings		312,163	15	232,379	12
Other equity items						
3400	Other equity items		(30,169)	(1)	(33,926)	(2)
3XXX	Total equity		<u>1,511,592</u>	<u>75</u>	<u>1,391,843</u>	<u>73</u>
Major post-balance sheet date events		11				
3X2X	Total liabilities and equity		<u>\$ 2,020,360</u>	<u>100</u>	<u>\$ 1,914,216</u>	<u>100</u>

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Standalone Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand
(except earnings per share, which are presented in NTD)

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenues	6(21) and 7	\$ 1,248,403	100	\$ 1,329,319	100
5000 Operating costs	6(5)(24)(25) and 7	(834,466)	(67)	(948,618)	(71)
5900 Gross profit		413,937	33	380,701	29
5910 Unrealized gain on sales		(20,722)	(2)	(20,752)	(2)
5920 Realized gain on sales		20,752	2	14,016	1
5950 Net gross profit		413,967	33	373,965	28
Operating expenses	6(24)(25) and 7				
6100 Selling expenses		(73,600)	(6)	(62,432)	(5)
6200 Administrative expenses		(50,725)	(4)	(47,908)	(4)
6300 R&D expenses		(79,347)	(6)	(86,018)	(6)
6450 Expected credit impairment loss/reversal gain	12(2)	959	-	1,193	-
6000 Total operating expenses		(202,713)	(16)	(195,165)	(15)
6900 Operating profit		211,254	17	178,800	13
Non-operating income and expenses					
7100 Interest income		2,895	-	957	-
7010 Other income	6(22) and 7	6,518	1	19,210	2
7020 Other gains and losses	6(23) and 7	2,684	-	4,920	-
7050 Financial costs		(3,513)	-	(3,115)	-
7070 Share of profits/losses on equity-accounted subsidiaries, associated companies, and joint ventures	6(7)	80,546	6	41,061	3
7000 Total non-operating income and expenses		89,130	7	63,033	5
7900 Pre-tax profit		300,384	24	241,833	18
7950 Income tax expense	6(26)	(45,122)	(4)	(38,870)	(3)
8200 Current net income		\$ 255,262	20	\$ 202,963	15
Other comprehensive income					
Items not reclassified into profit or loss					
8316 Unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	6(6)	(\$ 5,394)	-	(\$ 4,845)	(1)
8330 Share of other comprehensive income from subsidiaries, equity-accounted associated companies, and joint ventures - not reclassified into profit or loss		3,853	-	11,164	1
8310 Items not reclassified into profit or loss - total		(1,541)	-	6,319	-
Items likely to be reclassified into profit or loss					
8361 Financial statement translation differences arising from foreign operations		421	-	11,319	1
8380 Share of other comprehensive income from equity-accounted subsidiaries, associated companies, and joint ventures - likely to be reclassified into profit or loss		116	-	596	-
8399 Income tax on items that are likely to be reclassified into profit or loss	6(26)	(84)	-	(2,264)	-
8360 Items likely to be reclassified into profit or loss - total		453	-	9,651	1
8300 Other comprehensive income (net)		(\$ 1,088)	-	\$ 15,970	1
8500 Total comprehensive income for the current period		\$ 254,174	20	\$ 218,933	16
EPS	6(27)				
9750 Basic earnings per share		\$ 7.65		\$ 6.24	
9850 Diluted earnings per share		\$ 7.59		\$ 6.20	

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Standalone Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	Common share capital	Capital reserves	Retained earnings			Other equity items		Total
				Legal reserves	Special reserves	Unappropriated earnings	Financial statement translation differences arising from foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
<u>2022</u>									
Balance as at January 1, 2022		\$ 302,612	\$ 462,673	\$ 118,655	\$ 44,993	\$ 146,858	(\$ 12,500)	(\$ 37,396)	\$ 1,025,895
Current net income		-	-	-	-	202,963	-	-	202,963
Other current comprehensive income		-	-	-	-	-	9,651	6,319	15,970
Total comprehensive income for the current period		-	-	-	-	202,963	9,651	6,319	218,933
Appropriation and distribution of 2021 earnings:	6(20)								
Provision for legal reserves		-	-	12,755	-	(12,755)	-	-	-
Provision for special reserves		-	-	-	4,903	(4,903)	-	-	-
Cash dividends		-	-	-	-	(99,784)	-	-	(99,784)
Cash issue	6(18)(19)	30,000	233,100	-	-	-	-	-	263,100
Cost of cash issue reserved for subscription by employees as remuneration	6(17)(19)	-	8,174	-	-	-	-	-	8,174
Distribution of cash from capital reserves	6(19)(20)	-	(33,261)	-	-	-	-	-	(33,261)
Share-based payment	6(17)(19)	-	8,786	-	-	-	-	-	8,786
Balance as at December 31, 2022		\$ 332,612	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849)	(\$ 31,077)	\$ 1,391,843
<u>2023</u>									
Balance as at January 1, 2023		\$ 332,612	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849)	(\$ 31,077)	\$ 1,391,843
Current net income		-	-	-	-	255,262	-	-	255,262
Other current comprehensive income		-	-	-	-	-	453	(1,541)	(1,088)
Total comprehensive income for the current period		-	-	-	-	255,262	453	(1,541)	254,174
Appropriation and distribution of 2022 earnings:	6(20)								
Provision for legal reserves		-	-	20,296	-	(20,296)	-	-	-
Reversal for special reserve		-	-	-	(15,970)	15,970	-	-	-
Cash dividends		-	-	-	-	(166,307)	-	-	(166,307)
Share-based payment	6(17)(19)	-	3,590	-	-	-	-	-	3,590
Exercise of employee warrants	6(18)(19)	2,551	25,741	-	-	-	-	-	28,292
Reclassification of equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	(4,845)	-	4,845	-
Balance as at December 31, 2023		\$ 335,163	\$ 708,803	\$ 151,706	\$ 33,926	\$ 312,163	(\$ 2,396)	(\$ 27,773)	\$ 1,511,592

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Standalone Cash Flow Statement
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 300,384	\$ 241,833
Adjustments			
Income, expenses, and losses			
Depreciation	6(8)(9)(24)	18,465	18,532
Depreciation of investment properties (presented as other gains and losses)	6(11)(23)	-	1,627
Amortization	6(24)	2,476	2,095
Expected credit impairment loss/reversal gain	12(2)	(959)	(1,193)
Gain (loss) on financial assets at fair value through profit or loss	6(2)(23)	(11,859)	12,468
Interest expenses		3,513	3,115
Interest income		(2,895)	(957)
Dividend income	6(22)	(408)	(3,709)
Share-based payment - remuneration	6(17)	3,403	16,474
Share of gain from subsidiaries and associated companies accounted using the equity method	6(7)	-	-
Gain on disposal of property, plant, and equipment	6(23)	(80,546)	(41,061)
Gain on lease amendment	6(9)(23)	(5)	(250)
Gain on elimination of overdue contract liabilities	6(22)	-	(3,986)
Unrealized gains/losses among affiliates		(30)	6,736
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets at fair value through profit or loss		-	(19)
Notes receivable		(3)	-
Accounts receivable		22,046	(45,923)
Accounts receivable - related parties		44,700	15,378
Other receivables		1,909	584
Inventory		37,175	(24,672)
Prepayments		(2,191)	(1,034)
Other current assets		(540)	(179)
Net change in liabilities related to operating activities			
Contractual liabilities		(14,717)	12,226
Accounts payable		(16,094)	(5,415)
Accounts payable - related parties		(4,766)	(1,366)
Other payables		16,271	1,074
Other payables - related parties		(1,200)	1,058
Liability reserves		255	1,423
Other current liabilities		678	(2,712)
Cash inflow from operating activities		315,062	202,147
Interests received		2,895	957
Dividends received		49,208	48,845
Interests paid		(3,479)	(3,086)
Income tax paid		(47,289)	(18,389)
Net cash inflow from operating activities		316,397	230,474
<u>Cash flow from investing activities</u>			
Acquisition of financial assets at fair value through profit or loss		-	(5,335)
Disposal of financial assets at fair value through profit or loss		-	5,250
Acquisition of financial assets at amortized cost		(31,626)	-
Acquisition of financial assets at fair value through other comprehensive income		(71,769)	-
Acquisition of equity-accounted investments		(14,380)	(15,802)
Acquisition of property, plant, and equipment	6(28)	(67,335)	(10,816)
Disposal of property, plant, and equipment		-	250
Acquisition of intangible assets		(400)	(3,099)
Decrease (increase) in guarantee deposits paid (presented as other non-current assets)		1,415	(375)
Net cash outflow from investing activities		(184,095)	(29,927)
<u>Cash flow from financing activities</u>			
Net increase (decrease) in short-term loans	6(29)	27,000	(105,000)
Repayment of long-term loan	6(29)	(10,311)	(10,501)
Repayment of lease principal	6(29)	(3,949)	(4,894)
Decrease in guarantee deposits received		(1,148)	-
Cash issue	6(18)	-	263,100
Cash dividends paid	6(20)	(166,307)	(99,784)
Exercise of employee warrants		28,292	-
Distribution of cash from capital reserves	6(20)	-	(33,261)
Net cash (outflow) inflow from financing activities		(126,423)	9,660
Increase in cash and cash equivalents for the current period		5,879	210,207
Opening cash and cash equivalents balance	6(1)	265,189	54,982
Closing cash and cash equivalents balance	6(1)	\$ 271,068	\$ 265,189

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Notes to Standalone Financial Statements
2023 and 2022

Unit: NT\$ thousand
(unless specified otherwise)

I. Company history

ONYX Healthcare Inc. (the "Company") was incorporated on February 2, 2010 in the Republic of China. The Company is mainly involved in the design, manufacturing, and trading of medical computers and peripherals. AAEON Technology Inc. holds 48.50% equity ownership in the Company, whereas ASUSTeK Computer Inc. is the Company's ultimate parent.

II. Financial statement approval date and procedures

This standalone financial report was passed during the board of directors meeting dated February 27, 2024.

III. Application of new standards, amendments and interpretations

(I) Impacts of adopting new and amended International Financial Reporting Standards (IFRS) approved by the Financial Supervisory Commission (FSC)

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed and issued into effect by the FSC that are applicable in 2023:

<u>New/amended/modified standards and interpretations</u>	<u>Effective date of IASB announcement</u>
Amendments to IAS 1 regarding "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 regarding "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 regarding "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 12 regarding "International Tax Reform - Pillar Two Model Rules"	May 23, 2023

After a thorough assessment, the Company expects no material financial or performance impact from the above standards and interpretations.

(II)Impacts of adopting new and amended IFRSs not yet approved by FSC

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2024:

<u>New/amended/modified standards and interpretations</u>	<u>Effective date of IASB announcement</u>
Amendments to IFRS 16 regarding "Lease liability in a sale and leaseback"	January 1, 2024
Amendments to IAS 1 regarding "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 regarding "Non-current Liabilities with Covenants "	January 1, 2024
Amendments to IAS 7 and IFRS 7 regarding "Supplier Finance Arrangements"	January 1, 2024

After a thorough assessment, the Company expects no material financial or performance impact from the above standards and interpretations.

(III)Impacts of IFRS changes announced by International Accounting Standards Board (IASB) but not yet approved by FSC

The following is a list of new/amended/modified IFRSs announced by IASB but not approved by FSC:

<u>New/amended/modified standards and interpretations</u>	<u>Effective date of IASB announcement</u>
Amendments to IFRS 10 and IAS 28 regarding "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Pending final decision from IASB
IFRS 17 - Insurance Contracts	January 1, 2023
Amendments to IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS No. 21 "Lack of Exchangeability"	January 1, 2025

After a thorough assessment, the Company expects no material financial or performance impact from the above standards and interpretations.

IV.Summary of significant accounting policies

Below is a summary of significant accounting policies used for the preparation of standalone financial statements. Unless otherwise stated, the following policies were applied consistently in all reporting periods.

(I)Statement of compliance

The standalone financial statements have been prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(II)Basis of preparation

1. This parent company only financial report is prepared based on historical cost, except for items including financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.
2. Preparation of a financial report that complies with the version of International Financial Reporting Standards, International Accounting Standards, and interpretations approved by FSC (collectively referred to as "IFRSs" below) involves some adoption of critical accounting estimates, and the management is required to exercise certain judgment when applying the Company's accounting policies. Please refer to Note 5 for highly complex and significant assumptions and estimates made in relation to the standalone financial report.

(III)Foreign currency conversion

All items listed in the standalone financial report are measured using the currency of the main economic environment where the Company operates (i.e. the functional currency). This standalone financial report is presented using the Company's functional currency - "NTD."

1. Foreign currency transaction and balance

- (1) Foreign currency transactions are converted into the functional currency using the spot exchange rate at the transaction date or measurement date. Differences arising from the conversion of such transactions are recognized in current profit and loss.
- (2) Balances of monetary assets and liabilities denominated in foreign currencies are converted using the spot exchange rate as at the balance sheet date. Differences arising from exchange rate fluctuation are recognized as current period gain or loss.
- (3) For non-monetary assets and liabilities denominated in foreign currencies, those that are carried at fair value through profit or loss will have balances converted using the spot exchange rate as at the balance sheet date, and any exchange differences arising from the adjustment will be recognized in current profit and loss; those that are carried at fair value through other comprehensive income will have balances converted using the spot exchange rate as at the balance sheet date, and any exchange differences arising from the adjustment will be recognized in other comprehensive income; those that are not carried at fair value will have balances converted using the historical exchange rate applicable at the time when the transaction was initiated.
- (4) All gains and losses on the exchange are presented as "Other gains and losses" in the statement of comprehensive income.

2. Currency conversion for foreign operations

For entities and associated companies that have a functional currency different from the presentation currency, performance results and financial position are converted into the presentation currency using the following methods:

- (1) Every asset and liability in the balance sheet is converted using the exchange rate as at the balance sheet date;
- (2) Every income, expense, and loss in the statement of comprehensive income is converted using the average exchange rate for the given period; and
- (3) All exchange differences are recognized in other comprehensive income.

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

1. Assets that satisfy any of the following criteria are classified as current assets:

- (1) Assets that are expected to be realized, or intended to be sold or consumed, over the normal operating cycle.
- (2) Held mainly for the purpose of trading.
- (3) Assets that are expected to be realized within 12 months after balance sheet date.
- (4) Cash or cash equivalents, except those that will be swapped or used to repay liabilities at least 12 months from the balance sheet date, and those with restricted uses.

The Company classifies all assets that do not satisfy the above criteria as non-current assets.

2. Liabilities that satisfy any of the following criteria are classified as current liabilities:

- (1) Liabilities that are expected to be settled over the normal operating cycle.
- (2) Held mainly for the purpose of trading.
- (3) Liabilities that are due to be settled within 12 months after the balance sheet date.
- (4) Liabilities with repayment terms that cannot be extended unconditionally for more than 12 months after the balance sheet date. Classification of liability is unaffected even if there are terms that give counterparties the option to be repaid in the form of equity instruments.

The Company classifies all liabilities that do not satisfy the above criteria as non-current assets.

(V) Cash equivalents

Cash equivalent refers to short-term and highly liquid investments that are readily convertible into known amounts of cash and are prone to an insignificant risk of changes in value. Time deposits that meet the abovementioned definitions and are held for a tenor of less than three months from initiation to meet short-term cash commitments are stated as cash equivalents.

(VI)Financial assets at fair value through profit or loss

1. Refers to financial assets that are not carried at cost after amortization or at fair value through other comprehensive income.
2. The Company adopts trade day accounting to account for financial assets at fair value through profit or loss that conform with normal trade terms.
3. These items are recognized at fair value at initiation with transaction costs recognized through profit and loss and subsequently assessed at fair value with gains or losses recognized through profit and loss.
4. Dividend income is recognized in a standalone statement of comprehensive income when the entitlement to receive dividend has been established when economic benefits relating to dividends are very likely to be realized. The amount in dividend can be measured reliably.

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

1. Refers to equity instruments not held for trading for which an irrevocable choice was made at initiation to account for subsequent fair value changes through other comprehensive income.
2. The Company adopts trade day accounting to account for financial assets at fair value through other comprehensive income that conforms with normal trade terms.
3. These assets are recognized at fair value at initiation inclusive of transaction cost, and are subsequently measured at fair value:
 - A. Changes in the fair value of equity instruments are recognized through other comprehensive income. When the asset is removed from the balance sheet, all cumulative gains/losses previously recognized through other comprehensive income cannot be reclassified to profit and loss and are transferred to retained earnings instead. Dividend income is recognized in a standalone statement of comprehensive income when the entitlement to receive dividend has been established when economic benefits relating to dividends are very likely to be realized. The amount in dividend can be measured reliably.

(VIII)Financial assets carried at cost after amortization

1. Refers to those who meet the following conditions at the same time:
 - (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.
 - (2) The cash flow generated on a specific date due to the contract terms of the financial asset is solely for use on paying the interest of the principal and the outstanding principal.
2. The Company's time deposits that do not meet the cash equivalents are held for a short period of time, so the impact of discounting is not significant, and they are measured at the investment amount.

(IX) Accounts and notes receivable

1. Refers to accounts that the Company may collect unconditionally as consideration for the transfer of merchandise or rendering of service, according to the terms of the respective contracts.
2. Short-term accounts and notes receivable that bear no interest are subsequently measured at the original invoice amount as the effect of discounting is insignificant.

(X) Impairment of financial assets

Accounts receivable with significant financing components are evaluated on every balance sheet date by taking into account all reasonable and verifiable information (including prospective information). Assets that exhibit no significant increase in credit risk after initial recognition have loss reserves measured based on 12-month expected credit loss; those that exhibit a significant increase in credit risk after initial recognition have loss reserves measured based on expected credit loss over the remaining duration. Accounts receivable that do not contain significant financing components have loss reserves measured based on expected credit loss over the remaining duration.

(XI) Removal of financial assets

Financial assets are removed from the balance sheet when entitlement to contractual cash inflow has ended.

(XII) Lease transaction as a lessor - operating lease

Income from the operating lease net of any incentive granted to the lessee is amortized on a straight-line basis over the lease duration and recognized in current profit or loss.

(XIII) Inventory

Inventory is stated at the lower of cost or net realizable value. The amount in cost is determined using the weighted average method. The cost of finished goods and work-in-progress includes raw material, direct labor, other direct costs, and production-related overheads (allocated based on normal production capacity), but excludes the cost of borrowing. The lower of cost or net realizable value is compared on an item-by-item basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to be incurred for completion and estimated costs necessary to complete the sale.

(XIV) Equity-accounted investments/subsidiaries and associated companies

1. A subsidiary refers to an entity (including a structured entity) in which the Company exercises control. The Company is considered to exercise control if it is exposed or entitled to variable returns generated by the entity and can influence such return.

2. Any unrealized gains/losses arising from transactions between the Company and subsidiaries have been eliminated. The subsidiaries have made the necessary adjustments to align their accounting policies with that of the Company.
3. Share of profits/losses from the associated company after the acquisition is recognized in current profit and loss; share of other comprehensive income after the acquisition is recognized in other comprehensive income. If the share of losses on a subsidiary equals or exceeds the Company's equity ownership, the Company will continue recognizing additional losses at the current shareholding percentage.
4. Associated company refers to an entity in which the Company exercises significant influence but no control, which generally means 20% direct or indirect voting interest or above. The Company accounts for associated companies using the equity method. Value at initial acquisition is accounted for at cost.
5. Share of profits/losses from an associated company after the acquisition is recognized in current profit and loss; share of other comprehensive income after the acquisition is recognized in other comprehensive income. If the Company's share of losses in an associated company equals to or exceeds its equity interest in the associated company (including any other unsecured receivables), the Company will not recognize the extra losses unless the Company has a legal obligation or constructive obligation to pay, or has paid, liabilities on behalf of the associated company.
6. If an associated company undergoes a change of equity that has no impact on profit and loss, other comprehensive income, and shareholding percentage, the Company will recognize the change of ownership proportionally in "Capital reserve."
7. Unrealized gains arising from transactions between the Company and an associated company are eliminated proportionally based on ownership percentage. Unrealized losses are also eliminated unless there is evidence to suggest impairment in the transferred assets. All associated companies have made the necessary adjustments to align their accounting policies with that of the Company.

8. If the Company disposes of an associated company in a manner that causes it to lose significant influence, all amounts previously recognized in other comprehensive income in relation to the associated company are accounted on the same basis as if the Company had directly disposed of the relevant assets or liabilities. In other words, if gains or losses previously recognized in other comprehensive income are to be reclassified into profit and loss upon disposal of relevant assets or liabilities, such gains or losses shall be reclassified into profit and loss when the Company loses significant influence in the associated company. If the Company still retains significant influence in the associated company, the above amounts previously recognized in other comprehensive income are reclassified proportionally in the manner mentioned above.
9. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, the amount in current profit/loss and other comprehensive income attributable to parent company shareholders should be consistent between standalone and consolidated financial reports; the amount in equity attributable to parent company shareholders should also be consistent between standalone and consolidated financial reports.

(XV)Property, plant and equipment

1. All property, plant and equipment are recorded at cost.
2. Subsequent costs incurred are added to book value or recognized as separate assets only when future economic benefits associated with the costs are likely to be realized by the Company. Such costs can be reliably measured. Book values of replaced components are removed from the balance sheet. All other maintenance expenses are recognized in current profit and loss when incurred.
3. Property, plant and equipment are subsequently measured at cost (except for land, which is not depreciated) and are depreciated on a straight-line basis over their estimated useful lives. Significant compositions of property, plant, and equipment are depreciated separately.
4. The Company reviews the residual value, useful life, and depreciation method of all assets at the end of each financial year. If the residual value or useful life differs from the previous estimate, or if there is any material change to how an asset's future economic benefit is realized, the difference would be treated as a change in accounting estimate according to IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" from the day the change occurs. The useful lives of various asset categories are explained in Note 6(8).

(XVI) Lease transaction as a lessee - right-of-use assets/lease liabilities

1. The Company recognizes a right-of-use asset and a lease liability on the day lease asset becomes available for use. For short-term lease and lease of low-value asset, lease payments are expensed using the straight-line method over the lease tenor.
2. Lease liability is recognized on the lease start date as the present value of outstanding lease payments discounted at the Company's incremental borrowing rate. Lease payments are made in fixed amounts and presented net of any lease incentives collectible.

Leases are subsequently measured at cost after amortization using the interest approach with interest expenses provided over the lease tenor. Lease liabilities will be re-evaluated for any change in lease tenor or lease payment that is not caused by modification of contract terms. In which case, the amount in remeasurement will be adjusted to right-of-use assets.

3. Right-of-use assets are recognized at cost on the lease start date. The cost includes:
 - (1) Initial measured amount in lease liability; and
 - (2) Any direct cost incurred at initiation.

Right-of-use assets are subsequently measured using the cost approach with depreciation expenses provided over the useful life or lease tenor, whichever expires the earlier. When lease liability is re-assessed, the right-of-use asset is adjusted for any remeasurement made to lease liability.

4. If there is any contract amendment that reduces the scope of the lease, the lessor will reduce the book value of the right-of-use asset accordingly to reflect partial or total termination of the lease arrangement. Any difference between right-of-use asset and remeasured lease liability is recognized through profit or loss.

(XVII) Intangible assets

Intangible asset mainly comprises the cost of computer software, which is amortized using the straight-line method over 3 years.

(XVIII) Impairment of non-financial assets

For assets that show signs of impairment on the balance sheet date, the Company first estimates the recoverable amount in such assets. It recognizes impairment losses if the recoverable amount is lower than the book value. The recoverable amount refers to the higher of an asset's fair value net of disposal cost or its utilization value. Impairment losses previously recognized can be reversed if asset impairment no longer exists or has been reduced. However, the reversal of impairment loss shall not increase the asset's book value above the amount in book value after depreciation/amortization if the impairment loss had not occurred in the first place.

(XIX)Loans

Refers to long-term and short-term funding borrowed from banks. Loans are recognized at fair value less transaction costs at initiation. Any subsequent differences between proceeds net of transaction cost and the redemption value are recognized as interest expenses in profit or loss using the effective interest rate method over the loan duration.

(XX)Accounts payable

1. Refers to liabilities arising from purchases of raw material, merchandise, or service on credit and accounts payable on operating and non-operating activities.
2. Short-term accounts payable that bear no interest are subsequently measured at the original invoice amount as the effect of discounting is insignificant.

(XXI)Removal of financial liabilities

Financial liabilities are removed from the balance sheet upon fulfillment, cancellation, or expiry of contractual obligation.

(XXII)Liability reserves

Liability reserves (warranty) are obligations that the Company is legally liable or deemed liable to fulfill due to a past event. The Company is very likely to incur an outflow of economic benefit or resource to settle such an obligation. Liability reserves are recognized when the amount in obligation can be estimated reliably. Liability reserves represent the Company's best estimate of the present value of all future obligations that the Company is liable to settle as at the balance sheet date. The discount rate used is a pre-tax discount rate reflecting the market's current perception of the time value of currency and risks associated with the specific liability. The amount in discount is amortized and recognized as an interest expense. No liability reserve is made on future operating losses.

(XXIII)Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured as non-discounted amounts expected to be paid in the future and are recognized as expenses when relevant service is rendered.

2. Pension - Defined contribution plan

For a defined contribution plan, the contributions payable to the pension fund are recognized as pension costs in the year that occurred on an accrual basis. Prepaid contributions that are refundable in cash or can be offset against future payments are recognized as assets.

3. Employees' and directors' remuneration

Employees' and directors' remuneration are recognized as expense and liability when the entity becomes legally obligated or is deemed obligated to pay, and the amount can be reasonably estimated. Any differences between the amount estimated and the amount resolved/paid are treated as a change of accounting estimate.

(XXIV) Share-based payment

In a share-based payment arrangement, the value of employees' services is measured based on the fair value of the equity instrument granted on the grant date. This payment is recognized as remuneration in the period vested, with corresponding adjustments made to equity. The fair value of the equity instrument should reflect the market price and the effects of both vesting and non-vesting conditions. The cost of remuneration to be recognized will be adjusted as service conditions and non-market value vesting conditions are met. The quantity of shares paid on the vesting date will determine the final amount to be recognized in the financial report.

(XXV) Income tax

1. Income tax expenses include current and deferred income tax. Income taxes are recognized in profit and loss, except for certain items that must be recognized in other comprehensive income or presented directly as equity items.
2. The Company calculates current income tax based on the statutory tax rate applicable at countries of operation and where it generates taxable income as at the balance sheet date. The management regularly assesses income tax filing in accordance with applicable income tax laws and estimates income tax liabilities for the estimated amount in tax payable to the authority. Unappropriated earnings are subject to additional income tax according to the Income Tax Act. This additional tax is recognized in the year after earning is generated, when the earnings appropriation proposal is passed in a shareholder meeting and the amount in earnings retained can be ascertained.
3. Deferred income tax is accounted for using the balance sheet method and recognized on taxable temporary differences that arise between the taxable basis and book value of assets and liabilities shown in the standalone balance sheet. No deferred income tax is recognized upon initial recognition of an asset or liability (except in the case of business combination) if it affects neither accounting profit nor taxable income (tax loss) at the time of the transaction and does not generate equivalent taxable and deductible temporary differences. Temporary differences arising from investment in subsidiaries and associated companies are not recognized as income tax asset/liability if the Company is able to control the timing at which temporary difference is reversed and that the temporary difference is unlikely to be reversed in the foreseeable future.

Deferred income taxes are calculated using the tax rate (and tax law) applicable on the day deferred income tax assets/liabilities are expected to be realized/settled, based on prevailing laws as at the balance sheet date.

4. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income. Unrecognized and recognized deferred income tax assets are re-assessed on each balance sheet date.

(XXVI) Dividend distribution

Dividends to the Company's shareholders are recognized in the financial report at the time the resolution is passed in a shareholder meeting. Cash dividends pending payment are recognized as liability, whereas stock dividends pending distribution are presented as pending stock dividends and reclassified into common share capital on the issuance baseline date.

(XXVII) Revenue recognition

1. Sales of goods

- (1) The Company manufactures and sells medical computers and peripherals. Sales revenues are recognized when control of the product is transferred to the customer; or in other words, when the product is delivered to the customer and the Company has no outstanding obligation that would otherwise affect the customer from accepting the product. Product transfer is deemed to have completed when the product is shipped to the designated location and the customer accepts the product according to the terms of the sales contract, or if there is objective evidence to prove that acceptance has been made, and thereby transferring all risks associated with obsolescence and loss to the customer.
- (2) The Company offers a standard warranty on the products sold and is obligated to repair defective products. Liability reserves are made to account for this obligation at the time of sale.
- (3) Accounts receivable are recognized when products are delivered to the customer because this is the point of time when the Company gains unconditional rights to contractual proceeds and is entitled to collect consideration from customers simply through the passage of time.

2. Warranty income

Warranty income in advance that the Company receives for the sale of warranty extension is reclassified into income based on the remaining service duration.

(XXVIII)Government subsidies

Government subsidies are recognized at fair value when the Company has reasonable assurance towards fulfilling the government's subsidy criteria and receiving the subsidy. For government subsidies aimed to reimburse expenses incurred, the Company will recognize government subsidies through current profit and loss in a systematic manner when the relevant expenses are incurred.

V.Major sources of uncertainty for significant accounting judgments, estimates and assumptions

The management had exercised judgment to determine the accounting policies to adopt when the standalone financial report was prepared and made accounting estimates and assumptions based on prevailing circumstances and reasonable expectations toward future events as at the balance sheet date. The significant accounting estimates and assumptions made can differ from the actual result, which the management will continually evaluate and adjust based on historical experience and other factors. These estimates and assumptions may result in major adjustments to the book value of assets and liabilities in the next financial year. Uncertainties associated with significant accounting judgments, estimates, and assumptions are explained below:

(I)Significant judgments adopted for accounting policies

None.

(II)Significant accounting estimates and assumptions

Valuation of inventory

Due to the fact that inventory is presented at the lower of cost or net realizable value, the Company is required to exercise judgment and make estimates in order to determine the net realizable value of inventory as at the balance sheet date. Inventory as at the balance sheet may be susceptible to normal wear, obsolescence, or loss of market value due to rapidly changing technologies. The Company estimates the above losses and reduces inventory cost down to the net realizable value. This inventory valuation is made by estimating product demand within a specific period of time in the future, which may give rise to significant changes.

Book value of the Company's inventory as at December 31, 2023 totaled \$226,869.

VI.Notes to major accounts

(I)Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Petty cash	\$ 418	\$ 312
Check and current deposit	255,298	234,167
Time deposit	15,352	30,710
	<u>\$ 271,068</u>	<u>\$ 265,189</u>

1. All financial institutions that the Company deals with are of strong credit background. The Company also diversifies credit risk by dealing with multiple financial institutions at the same time and therefore is unlikely to suffer from the default of a financial institution.
2. Cash and cash equivalents that have been placed as collateral for forward exchange contracts and short-term loans are presented as financial assets at amortized cost. Please see Notes 6(3) and 8 for details.

(II) Financial assets at fair value through profit or loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current portion:		
Financial assets mandatory to be carried at fair value through profit or loss		
TWSE/TPEX listed shares	\$ 10,208	\$ 10,208
Valuation adjustment	<u>1,181</u>	<u>(2,997)</u>
	<u>\$ 11,389</u>	<u>\$ 7,211</u>
Non-current portion:		
Financial assets mandatory to be carried at fair value through profit or loss		
Not listed on TWSE/TPEX or the Emerging Stock Market board	\$ 30,000	\$ 30,000
Valuation adjustment	<u>4,637</u>	<u>(3,044)</u>
	<u>\$ 34,637</u>	<u>\$ 26,956</u>

1. Details of gains (losses) on financial assets at fair value through profit or loss:

	<u>2023</u>	<u>2022</u>
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	\$ 11,859	(\$ 12,698)
Debt instrument	-	249
Derivatives	<u>-</u>	<u>(19)</u>
	<u>\$ 11,859</u>	<u>(\$ 12,468)</u>

2. None of the Company's financial assets at fair value through profit or loss was collateral.
3. For information relating to the credit risk of financial assets carried at fair value through profit or loss, please refer to Note 12(2).

(III) Financial assets carried at cost after amortization

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current portion		
Restricted time deposit	\$ 31,626	\$ -

1. Without considering the collateral or other credit enhancements held, financial assets measured at amortized cost that best represent the Company held on December 31, 2023 and 2022, the highest credit risk exposure amount was \$31,626 and \$0, respectively.
2. Please refer to Note 8 for the financial assets measured at amortized cost that are provided as collateral.
3. Please refer to Note 12(2) for the credit risk information of financial assets measured at amortized cost. The counterparties of the Company's investment in certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(IV) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 3	\$ -
Accounts receivable	\$ 121,837	\$ 143,883
Less: loss provisions	(1,850)	(2,809)
	<u>\$ 119,987</u>	<u>\$ 141,074</u>

1. Notes and accounts receivable (including related parties) aging analysis:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
Current	\$ 149,752	\$ 3	\$ 198,034
Overdue within 30 days	12,419	-	37,530
Overdue 31 - 60 days	12,199	-	5,061
Overdue more than 121 days	1,490	-	1,981
	<u>\$ 175,860</u>	<u>\$ 3</u>	<u>\$ 242,606</u>

The above aging analysis has been prepared based on the number of days overdue.

2. Balances of accounts and notes receivable (including related parties) as at December 31, 2023 and 2022, had arisen entirely from contractual arrangements with customers. Balances of contractual proceeds receivable from customers (including related parties) and loss provisions as at January 1, 2022 were \$212,393 and \$4,334, respectively.
3. In the absence of collaterals and other credit enhancements, maximum credit risk exposure associated with the Company's notes receivable as at December 31, 2023 and 2022, amounted to \$3 and \$0, respectively; maximum credit risk exposure associated with the Company's accounts receivable (including related parties) as at December 31, 2023 and 2022, amounted to \$174,013 and \$239,797, respectively.
4. The Company held no collateral on accounts and notes receivable (including related parties).
5. For credit risk information on notes and accounts receivable (including related parties), please refer to Note 12(2).

(V)Inventory

		<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>		<u>Book value</u>
Raw materials	\$ 142,640	(\$ 8,442)		\$ 134,198
Work-in-progress	13,180	(35)		13,145
Semi-finished goods	73,902	(7,399)		66,503
Finished goods	14,074	(1,051)		13,023
	<u>\$ 243,796</u>	<u>(\$ 16,927)</u>		<u>\$ 226,869</u>

		<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>		<u>Book value</u>
Raw materials	\$ 164,564	(\$ 24,527)		\$ 140,037
Work-in-progress	61,993	(6,468)		55,525
Semi-finished goods	64,331	(7,206)		57,125
Finished goods	12,943	(1,586)		11,357
	<u>\$ 303,831</u>	<u>(\$ 39,787)</u>		<u>\$ 264,044</u>

Cost of inventory recognized as expenses or losses in the current period:

	<u>2023</u>	<u>2022</u>
Cost of inventory sold	\$ 835,415	\$ 886,116
Service and warranty cost	11,194	15,062
Obsolescence and devaluation losses (reversal gains) (Note 1)	(6,432)	28,486
Other operating costs (Note 2)	(5,355)	17,847
Inventory loss (profit)	<u>(356)</u>	<u>1,107</u>
	<u>\$ 834,466</u>	<u>\$ 948,618</u>

Note 1: Reversal gains for the period in 2023 had arisen due to the Company having taken the initiative to dispose of slow-moving inventory.

Note 2: Raw materials previously placed at an OEM plant were lost during return shipment and the loss was recognized as other operating costs in September 2022. In May 2023, the Company received \$5,355 in compensations and presented the amount as a contra item to other operating costs.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current portion:		
Equity instrument		
TWSE/TPEX listed shares	\$ 71,769	\$ -
Not listed on TWSE/TPEX or the Emerging Stock Market board	<u>39,334</u>	<u>69,334</u>
	111,103	69,334
Valuation adjustment	<u>(42,347)</u>	<u>(41,798)</u>
	<u>\$ 68,756</u>	<u>\$ 27,536</u>

1. The Company chooses to classify the equity instrument investment, which is a strategic investment, as financial assets measured at fair value through other comprehensive gain or loss. The fair value of the investments on December 31, 2023 and 2022 was \$68,756 and \$27,536, respectively.

2. Details of gains or losses on financial assets at fair value through other comprehensive income:

	<u>2023</u>	<u>2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized through other comprehensive income	(\$ <u>5,394</u>)	(\$ <u>4,845</u>)
Cumulative losses reclassified into retained earnings	(\$ <u>4,845</u>)	\$ <u>-</u>

3. None of the Company's financial assets at fair value through other comprehensive income was placed as collateral.

4. For information relating to the credit risk of financial assets carried at fair value through other comprehensive income, please refer to Note 12(2).

(VII)Equity-accounted investments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries:		
ONXY HEALTHCARE USA, INC. (OHU)	\$ 95,024	\$ 77,251
ONYX HEALTHCARE EUROPE B.V.(ONI)	16,373	13,255
Onyx Healthcare (Shanghai) Inc. (OCI)	3,330	5,822
iHELPER Inc. (iHELPER)	7,626	7,705
Associated companies:		
Winmate Inc. (Winmate)	629,526	606,637
ProtectLife International Biomedical Inc. (ProtectLife)	<u>34,685</u>	<u>-</u>
	<u>\$ 786,564</u>	<u>\$ 710,670</u>

1. Subsidiaries

(1) For information relating to the Company's subsidiaries, please refer to Note 4(3) of the 2023 consolidated financial statements.

(2) Share of profits/losses on equity-accounted subsidiaries and associated companies amounted to \$80,546 in 2023 and \$41,061 in 2022.

2. Associated companies

(1) Profile of associated companies:

<u>Name of associated company</u>	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Shareholding %</u>	<u>Amount presented</u>	<u>Shareholding %</u>	<u>Amount presented</u>
Winmate (Note 1)	13.08%	\$ 629,526	13.99%	\$ 606,637
ProtectLife (Note 2)	11.27%	<u>34,685</u>	-	<u>-</u>
		<u>\$ 664,211</u>		<u>\$ 606,637</u>

Note 1: Although the Company held less than 20% of voting shares in Winmate, it did undertake directorship in Winmate and therefore accounted for the entity using the equity method for exercising significant influence.

Note 2: The Company previously held a 6.3% equity interest in ProtectLife, and after subscribing to cash issue on February 9, 2023, shareholding percentage increased to 11.54%. Although shareholding percentage is below 20%, the shares held by the Company and another related party - Fu Li Investment Co., Ltd. (in which the Company shares a common chairperson) aggregate to 20%, and considering that the Company's chairperson serves as a director of ProtectLife, the Company is deemed to exercise significant influence. For this reason, the investment has been accounted for using the equity method since February 9, 2023. In addition, the Company participated in its cash capital increase on July 21, 2023, and the shareholding was 11.27% after the capital increase.

(2) Summary financial information of significant associated companies:

Balance sheet

	<u>Winmate</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 2,294,504	\$ 2,417,479
Non-current assets	1,586,066	1,347,730
Current liabilities	(795,394)	(1,210,738)
Non-current liabilities	(19,152)	(15,176)
Total net assets	<u>\$ 3,066,024</u>	<u>\$ 2,539,295</u>
As a percentage of net assets across associated companies	\$ 401,036	\$ 355,247
Goodwill	<u>228,358</u>	<u>251,390</u>
Book value of associated company	<u>\$ 629,526</u>	<u>\$ 606,637</u>

Statement of comprehensive income

	<u>Winmate</u>	
	<u>2023</u>	<u>2022</u>
Income	\$ <u>2,598,533</u>	\$ <u>2,659,296</u>
Current net income	\$ 505,952	\$ 452,429
Other comprehensive income (net, after-tax)	<u>27,340</u>	<u>81,155</u>
Total comprehensive income for the current period	\$ <u>533,292</u>	\$ <u>533,584</u>
Dividends received from associated companies	\$ <u>48,800</u>	\$ <u>45,136</u>

- (3) The following is a summary of book values and business performance of the Company's non-material associated companies:

Book value of the Company's non-material associated companies as at December 31, 2023 totaled \$34,685.

	<u>2023</u>	<u>2022</u>
Current net loss	(\$ <u>47,750</u>)	\$ <u>-</u>

- (4) Fair value of material associated companies that are openly quoted:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Winmate	\$ <u>1,254,890</u>	\$ <u>850,252</u>

(VIII) Property, plant and equipment

2023

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Lease improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment pending inspection</u>	<u>Total</u>
January 1								
Cost	\$ 229,660	\$ 48,798	\$ 17,200	\$ 3,427	\$ 19,555	\$ 80,660	\$ 1,727	\$ 401,027
Accumulated depreciation	<u>-</u>	<u>(2,440)</u>	<u>(15,392)</u>	<u>(2,711)</u>	<u>(18,331)</u>	<u>(68,377)</u>	<u>-</u>	<u>(107,251)</u>
	<u>\$ 229,660</u>	<u>\$ 46,358</u>	<u>\$ 1,808</u>	<u>\$ 716</u>	<u>\$ 1,224</u>	<u>\$ 12,283</u>	<u>\$ 1,727</u>	<u>\$ 293,776</u>
January 1	\$ 229,660	\$ 46,358	\$ 1,808	\$ 716	\$ 1,224	\$ 12,283	\$ 1,727	\$ 293,776
Addition	37,523	13,462	192	93	1,363	3,167	12,502	68,302
Transfer	-	9,435	-	-	-	4,451	(13,886)	-
Depreciation	<u>-</u>	<u>(3,248)</u>	<u>(1,311)</u>	<u>(323)</u>	<u>(1,698)</u>	<u>(7,666)</u>	<u>-</u>	<u>(14,246)</u>
December 31	<u>\$ 267,183</u>	<u>\$ 66,007</u>	<u>\$ 689</u>	<u>\$ 486</u>	<u>\$ 889</u>	<u>\$ 12,235</u>	<u>\$ 343</u>	<u>\$ 347,832</u>
December 31								
Cost	\$ 267,183	\$ 71,695	\$ 16,774	\$ 3,423	\$ 20,918	\$ 88,278	\$ 343	\$ 468,614
Accumulated depreciation	<u>-</u>	<u>(5,688)</u>	<u>(16,085)</u>	<u>(2,937)</u>	<u>(20,029)</u>	<u>(76,043)</u>	<u>-</u>	<u>(120,782)</u>
	<u>\$ 267,183</u>	<u>\$ 66,007</u>	<u>\$ 689</u>	<u>\$ 486</u>	<u>\$ 889</u>	<u>\$ 12,235</u>	<u>\$ 343</u>	<u>\$ 347,832</u>

2022

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Lease improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment pending inspection</u>	<u>Total</u>
January 1								
Cost	\$ -	\$ -	\$ 17,980	\$ 3,207	\$ 19,555	\$ 75,027	\$ -	\$ 115,769
Accumulated depreciation	<u>-</u>	<u>-</u>	<u>(14,281)</u>	<u>(2,365)</u>	<u>(13,870)</u>	<u>(63,148)</u>	<u>-</u>	<u>(93,664)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,699</u>	<u>\$ 842</u>	<u>\$ 5,685</u>	<u>\$ 11,879</u>	<u>\$ -</u>	<u>\$ 22,105</u>
January 1	\$ -	\$ -	\$ 3,699	\$ 842	\$ 5,685	\$ 11,879	\$ -	\$ 22,105
Addition	-	-	-	95	-	2,663	6,332	9,090
Transfer	-	-	-	135	-	4,470	(4,605)	-
Reclassification	229,660	46,358	-	-	-	-	-	276,018
Depreciation	<u>-</u>	<u>-</u>	<u>(1,891)</u>	<u>(356)</u>	<u>(4,461)</u>	<u>(6,729)</u>	<u>-</u>	<u>(13,437)</u>
December 31	<u>\$ 229,660</u>	<u>\$ 46,358</u>	<u>\$ 1,808</u>	<u>\$ 716</u>	<u>\$ 1,224</u>	<u>\$ 12,283</u>	<u>\$ 1,727</u>	<u>\$ 293,776</u>
December 31								
Cost	\$ 229,660	\$ 48,798	\$ 17,200	\$ 3,427	\$ 19,555	\$ 80,660	\$ 1,727	\$ 401,027
Accumulated depreciation	<u>-</u>	<u>(2,440)</u>	<u>(15,392)</u>	<u>(2,711)</u>	<u>(18,331)</u>	<u>(68,377)</u>	<u>-</u>	<u>(107,251)</u>
	<u>\$ 229,660</u>	<u>\$ 46,358</u>	<u>\$ 1,808</u>	<u>\$ 716</u>	<u>\$ 1,224</u>	<u>\$ 12,283</u>	<u>\$ 1,727</u>	<u>\$ 293,776</u>

Major components of property, plant, and equipment held by the Company, and useful lives:

<u>Item</u>	<u>Major component</u>	<u>Useful life</u>
Buildings	Building, parking lot, renovation etc.	5-30 years
Machinery	Oscilloscope, suspensory burn-in equipment, and automated streamline workstation	3 years
Office equipment	Server and host	3 years
Lease improvements	Plant expansion and renovation works	2 years
Other equipment	Front and back cover mold, repair mold, and sizing mold	2-5 years

1. All property, plant, and equipment mentioned above are self-occupied.
2. No borrowing cost was capitalized into the Company's property, plant, and equipment.
3. See Note 8 for details of Property, plant and equipment pledged as collateral by the Group.

(IX) Leases - as a lessee

1. The Company leases buildings and office equipment; the duration of the lease agreements usually ranges from 1 to 20 years. Lease contracts were individually negotiated and drafted with different terms and conditions with no additional restriction, except that the leased assets cannot be placed as collateral.
2. Book value of right-of-use assets and recognized amounts of depreciation expense are presented below:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 30,975	\$ 32,742
Office equipment	<u>1,244</u>	<u>1,672</u>
	<u>\$ 32,219</u>	<u>\$ 34,414</u>

	<u>2023</u>	<u>2022</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Buildings	\$ 3,791	\$ 4,666
Office equipment	<u>428</u>	<u>429</u>
	<u>\$ 4,219</u>	<u>\$ 5,095</u>

3. Amounts of right-of-use assets added in 2023 and 2022 were \$2,335 and \$3,035, respectively.

4. Income and expenses relating to lease agreements are presented below:

<u>Current income/expense</u> <u>accounts affected</u>	<u>2023</u>	<u>2022</u>
Interest expense on lease liabilities	\$ 632	\$ 648
Expenses on short-term lease agreements	6,821	9,305
Income from sub-leasing of right-of-use assets	1,053	-
Gain on lease amendment	(5)	-

5. Amounts of cash outflow incurred on leases totaled \$11,402 in 2023 and \$14,847 in 2022.

(X)Leases - as a lessor

1. The Company leases out its land and buildings. The current lease tenor is from September 2021 to August 2024. However, the some of the leases were prematurely terminated on December 31, 2022. Lease contracts were individually negotiated and drafted with different terms and conditions. To ensure that lease assets are used for the purpose described, lessees are generally prohibited from sub-leasing, lending, or transferring all or part of the leased asset, or in any other way allowing others to make use of the leased asset. Lessees are also prohibited from transferring leases to others.
2. The Company recognized rental income of \$1,053 and \$6,906 for the years ended December 31, 2023 and 2022, respectively, based on operating lease agreements, of which no variable lease payments were made.
3. See Note 7 for details on the lease of assets to related parties.

(XI)Investment property

	<u>Land</u>	<u>2022</u> <u>Buildings</u>	<u>Total</u>
January 1			
Cost	\$ 229,660	\$ 48,798	\$ 278,458
Accumulated depreciation	-	(813)	(813)
	<u>\$ 229,660</u>	<u>\$ 47,985</u>	<u>\$ 277,645</u>
January 1	\$ 229,660	\$ 47,985	\$ 277,645
Reclassification	(229,660)	(46,358)	(276,018)
Depreciation	-	(1,627)	(1,627)
December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31			
Cost	\$ -	\$ -	\$ -
Accumulated depreciation	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1. The Company signed a contract to purchase real estate property located in Xindian District for a price of \$280,077 (tax-inclusive) in March 2021, and the ownership transfer was completed in May 2021. This real estate was originally planned for self-use, but concerns were raised on the inconvenience of relocation, construction and certification of customer plants during the COVID-19 pandemic. After taking into account the above concerns, a decision was made to postpone plant relocation and lease the plant to a related party in September 2021. For this reason, the asset was reclassified into an investment property. The lease of this property was terminated in December 2022 and was therefore reclassified to property, plant and equipment.
2. Rent income and direct expenses associated with investment property:

	<u>2022</u>
Rent income from investment property	\$ <u>6,906</u>
Direct expenses incurred in relation to current rent income generated from investment property	\$ <u>1,627</u>

(XII)Short-term loans

<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ <u>27,000</u>	0.50%	Time deposit

1. None as at December 31, 2022.
2. Interest expense recognized in profit or loss was \$142 and \$364 for 2023 and 2022, respectively.

(XIII)Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salary and bonus payable	\$ 32,425	\$ 20,137
Employee and director remuneration payable	26,580	26,752
Equipment purchase payable	967	-
Other payables	<u>12,589</u>	<u>8,396</u>
	<u>\$ 72,561</u>	<u>\$ 55,285</u>

(XIV) Long-term loans

<u>Nature of loan</u>	<u>Loan tenor and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.85%	Land and buildings	\$ 144,975
Less: current portion of long-term loan				(10,476)
				<u>\$ 134,499</u>

<u>Nature of loan</u>	<u>Loan tenor and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.73%	Land and buildings	\$ 155,286
Less: current portion of long-term loan				(10,376)
				<u>\$ 144,910</u>

(XV) Pension

1. The Company has implemented defined contribution policies in accordance with the "Labor Pension Act" that apply to all employees of local nationality. For employees who are subject to the pension scheme introduced under the "Labor Pension Act," the Company contributes an amount equal to 6% of employee's monthly salary to their individual accounts held with the Bureau of Labor Insurance on a monthly basis. Upon retirement, employees are paid the balance of their pension account plus cumulative gains either in monthly installments or in one lump sum.
2. Total pension costs recognized under the above policies amounted to \$5,509 in 2023 and \$5,083 in 2022.

(XVI) Liability reserves

	<u>2023</u>	<u>2022</u>
	<u>Warranty</u>	<u>Warranty</u>
January 1	\$ 9,694	\$ 8,271
Increase of liability reserves in the current period	7,613	7,690
Liability reserves used and reversed in the current period	(7,358)	(6,267)
December 31	<u>\$ 9,949</u>	<u>\$ 9,694</u>

Analysis of liability reserves:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current	\$ 7,585	\$ 7,367
Non-current	\$ 2,364	\$ 2,327

Warranty reserves are related to the sale of medical computers, the amount in which is estimated based on historical warranty information of the product concerned.

(XVII)Share-based payment

1. The Company had the following share-based payment arrangements in 2023 and 2022:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Quantity granted (thousand shares)</u>	<u>Contract duration</u>	<u>Vesting condition</u>
Employee warrant program	August 6, 2020	1,000	5 years	2-4 years of service
Cash issue retain for subscription by employees	January 25, 2022	418	Not applicable	Immediately vested

The above share-based payment arrangement is settled with equity.

2. Details of the above share-based payment arrangements:

	<u>2023</u>		<u>2022</u>	
	<u>Quantity of warrants (thousand shares)</u>	<u>Weighted average exercise price (NTD)</u>	<u>Quantity of warrants (thousand shares)</u>	<u>Weighted average exercise price (NTD)</u>
Opening balance (January 1) of outstanding warrants	872	\$ 114.70	1,000	\$ 121.50
Adjustment of warrants	52	-	-	-
Warrants exercised in the current period	(255)	111.00	-	-
Warrants voided in the current period	(44)	-	(128)	-
Closing balance (December 31) of outstanding warrants	<u>625</u>	110.50	<u>872</u>	114.70
Closing balance (December 31) of exercisable warrants	<u>405</u>		<u>436</u>	

3. Maturity date and exercise price of warrants outstanding as at the balance sheet date:

<u>Type of agreement</u>	<u>Issuance date</u>	<u>Maturity date</u>	<u>December 31, 2023</u>	
			<u>Shares (thousand shares)</u>	<u>Exercise price (NTD)</u>
Employee warrant program	August 6, 2020	August 6, 2025	625	\$ 110.50

<u>Type of agreement</u>	<u>Issuance date</u>	<u>Maturity date</u>	<u>December 31, 2022</u>	
			<u>Shares (thousand shares)</u>	<u>Exercise price (NTD)</u>
Employee warrant program	August 6, 2020	August 6, 2025	872	\$ 114.70

4. The Company uses the Black-Scholes options pricing model to estimate the fair value of warrants allocated for share-based payment and the fair value of cash issues retained for subscription by employees. Information on relevant parameters are presented below:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Share price</u>	<u>Exercise price (NTD)</u>	<u>Expected volatility</u>	<u>Expected duration</u>	<u>Risk-free rate</u>	<u>Fair value per unit (NTD)</u>
Employee warrant program	August 6, 2020	\$139.50	\$139.50	32.26%	3.88 years	0.29%	\$ 35.39
Cash issue retain for subscription by employees	January 25, 2022	107.50	88.00	18.32%	0.16 years	0.34%	19.5567

5. Expenses incurred on share-based payments are as follows:

	<u>2023</u>	<u>2022</u>
Employee warrants	\$ 3,403	\$ 8,300
Cash issue retain for subscription by employees	-	8,174
	<u>\$ 3,403</u>	<u>\$ 16,474</u>

(XVIII)Share capital

- The Company had \$500,000 of authorized capital (including 6,000 thousand shares reserved for issuance of employee warrant) as per Articles of Incorporation and \$335,163 of paid-up capital issued in 33,516 thousand shares at a face value of NT\$10 per share as at December 31, 2023. Proceeds from issued shares have been fully collected. Reconciliation between the opening and closing number of outstanding common shares (in thousand shares) in 2023 and 2022 is explained below:

	<u>2023</u>	<u>2022</u>
January 1	33,261	30,261
Exercise of employee warrants	255	-
Cash issue	-	3,000
December 31	<u>33,516</u>	<u>33,261</u>

- The board of directors passed a resolution on August 7, 2019 to issue employee warrants and later resolved on December 23, 2019 to amend the issuance policy. A total of 1,000 units of the warrant were issued, and each warrant is vested with the right to subscribe 1,000 shares. 1,000 thousand new common shares will have to be issued when the warrants are exercised. The subscription price per share will be determined according to policy. The warrants mentioned above were issued on August 6, 2020; please see Note 6(17) for details.
- The board of directors passed a resolution to issue 3,000 thousand common shares for cash during the meeting held on December 17, 2021. The cash issue was effected after it was reported to the competent securities authority. The aforementioned capital increase was issued at a price of NT\$88 per share and the change of registration was completed on April 14, 2022.

(XIX)Capital reserves

Pursuant to The Company Act, the amount in premiums received on shares issued above the face value plus any capital reserves arising from gifts received may be used to reimburse previous losses. If the Company has not accumulated losses, this amount may be distributed to shareholders in cash or new shares based on shareholders' exiting ownership percentage. Furthermore, according to the Securities and Exchange Act, the amount in capital reserves capitalized into share capital is capped at 10% of paid-up capital per year. The Company may not utilize capital reserves to offset losses when there is still a positive balance in the earning reserves.

	<u>2023</u>			
	<u>Share premium</u>	<u>Employee warrants</u>	<u>Others</u>	<u>Total</u>
January 1	\$ 654,359	\$ 24,885	\$ 228	\$ 679,472
Exercise of employee warrants	34,765	(9,024)	-	25,741
Employee warrants	-	3,590	-	3,590
December 31	<u>\$ 689,124</u>	<u>\$ 19,451</u>	<u>\$ 228</u>	<u>\$ 708,803</u>

	<u>2022</u>			
	<u>Share premium</u>	<u>Employee warrants</u>	<u>Others</u>	<u>Total</u>
January 1	\$ 446,346	\$ 16,327	\$ -	\$ 462,673
Cash issue	233,100	-	-	233,100
Cash issue retain for subscription by employees	8,174	-	-	8,174
Distribution of cash from capital reserves	(33,261)	-	-	(33,261)
Employee warrants	-	8,786	-	8,786
Lapsed share option	-	(228)	228	-
December 31	<u>\$ 654,359</u>	<u>\$ 24,885</u>	<u>\$ 228</u>	<u>\$ 679,472</u>

(XX)Retained earnings

1. According to the Articles of Incorporation, annual net income concluded by the Company is the first subject to reimbursement of previous losses (including adjustment to unappropriated earnings) followed by a 10% provision for legal reserve. However, no further provision is needed when the legal reserve has accumulated to an amount equal to the Company's paid-up capital. Any surpluses remaining shall be subject to provision or reversal of special reserve as laws or the authority may require. The residual balance can then be added to unappropriated earnings (including adjustment to unappropriated earnings) carried from previous years and distributed as dividends to shareholders, subject to the board of directors' proposal and shareholder meeting resolution. The amount in dividends paid to shareholders must not be less than 5% of total distributable earnings.

Cash dividends must not be less than 10% of the sum of cash and stock dividends for the current year. However, cash dividends amounting to less than NT\$0.1 per share are to be paid in stock dividends instead.

The Company adopts a residual dividend policy that takes into consideration current and future investment prospects, capital requirements, local and foreign competition, capital budget, shareholders' interest, balanced dividend, long-term financial plans and related factors.

2. The legal reserve may not be used for purposes other than reimbursing previous losses or distributing proportionally back to existing shareholders in the form of cash or new shares. Only the amount in reserve that exceeds paid-up capital by 25% may be distributed in cash or new shares.

3. When distributing earnings, the Company is bound by laws to make provision for special reserves equal to the debit balance of other equity items as at the current balance sheet date before proceeding. If the debit balance of other equity items is reversed on a later date, the amount reversed can be added to available earnings for distribution.

4. Appropriation of 2022 and 2021 earnings were resolved in shareholder meetings dated May 26, 2023 and May 31, 2022, respectively. Details are as follows:

	<u>Amount</u>	<u>2022</u> <u>Dividends per</u> <u>share (NTD)</u>	<u>Amount</u>	<u>2021</u> <u>Dividends per</u> <u>share (NTD)</u>
Provision for legal reserves	\$ 20,296		\$ 12,755	
(Reversal of provision for special reserves)	(15,970)		4,903	
Cash dividends	166,307	\$ 5.0	99,784	\$ 3.0

A resolution was passed during the shareholder meeting held on May 31, 2022 to issue additional common shares at a premium above face value against the capitalization of \$33,261 in capital reserves. This is equivalent to NT\$1 of stock dividend per share.

As explained above, the appropriation of 2022 and 2021 earnings were indifferent from the proposals raised by the board of directors.

5. Appropriation of 2023 earnings has been proposed and passed by the board of directors during the meeting held on February 27, 2024; details are as follows:

	<u>Amount</u>	<u>2023</u> <u>Dividends per share</u> <u>(NTD)</u>
Provision for legal reserves	\$ 25,042	
Reversal for special reserve	(3,757)	
Cash dividends	167,582	\$ 5.0
Stock dividends	50,274	1.5

As of February 27, 2024, it has not been resolved by the shareholders' meeting.

(XXI) Operating revenues

	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	<u>\$ 1,248,403</u>	<u>\$ 1,329,319</u>

1. Breakdown of revenue from contracts with customers

The Company recognizes income when merchandise is transferred or when service is rendered, which may take place progressively over time or occur at a specific time. Income can be distinguished by main product lines and geographic areas as follows:

	<u>Medical computers</u>		<u>Services and</u>	<u>Total</u>
	<u>Taiwan</u>	<u>Taiwan</u>	<u>warranty</u>	
<u>2023</u>				
Revenue from contracts with external customers	\$ 1,230,956	\$ 17,447	\$	\$ 1,248,403
Timing of revenue recognition				
Revenues recognized at a specific time	\$ 1,230,956	\$ -	\$	\$ 1,230,956
Revenues recognized progressively over time	-	17,447		17,447
	\$ 1,230,956	\$ 17,447	\$	\$ 1,248,403

	<u>Medical computers</u>		<u>Services and</u>	<u>Total</u>
	<u>Taiwan</u>	<u>Taiwan</u>	<u>warranty</u>	
<u>2022</u>				
Revenue from contracts with external customers	\$ 1,299,123	\$ 30,196	\$	\$ 1,329,319
Timing of revenue recognition				
Revenues recognized at a specific time	\$ 1,299,123	\$ -	\$	\$ 1,299,123
Revenues recognized progressively over time	-	30,196		30,196
	\$ 1,299,123	\$ 30,196	\$	\$ 1,329,319

2. Contractual liabilities

- (1) Contractual liabilities associated with revenue from contracts with customers are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contractual liabilities - current:			
Service and sales contract	\$ 51,251	\$ 49,143	\$ 64,568
Warranty contract	<u>6,587</u>	<u>8,853</u>	<u>10,862</u>
	<u>57,838</u>	<u>57,996</u>	<u>75,430</u>
Contractual liabilities - non-current:			
Service and sales contract	44,848	54,939	26,024
Warranty contract	<u>8,453</u>	<u>12,921</u>	<u>16,072</u>
	<u>53,301</u>	<u>67,860</u>	<u>42,096</u>
	<u>\$ 111,139</u>	<u>\$ 125,856</u>	<u>\$ 117,526</u>

(2) Amount in opening contractual liabilities recognized as current income

	<u>2023</u>	<u>2022</u>
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	\$ 40,657	\$ 55,940
Warranty contract	<u>8,853</u>	<u>10,862</u>
	<u>\$ 49,510</u>	<u>\$ 66,802</u>

(3) Long-term contracts not yet fulfilled

The Company had long-term contracts with customers that were unfulfilled (or not fully fulfilled) as at December 31, 2023 and 2022, which had allocated prices of \$111,139 and \$125,856, respectively. The management expects to recognize \$57,838 and \$57,996 of revenues from allocated prices of unfulfilled performance obligations as at December 31, 2023 and 2022, in the following year. In contrast, the remaining contract prices are expected to be recognized as income over 2 to 6 years. The above amounts do not include constraining estimates of variable consideration.

(XXII)Other income

	<u>2023</u>		<u>2022</u>
Rental income	\$ 1,053	\$	6,906
Dividend income	408		3,709
Gain on elimination of overdue contract liabilities	-		3,986
Other income	<u>5,057</u>		<u>4,609</u>
	<u>\$ 6,518</u>	<u>\$</u>	<u>19,210</u>

(XXIII)Other gains and losses

	<u>2023</u>		<u>2022</u>
Gain (loss) on financial assets at fair value through profit or loss	\$ 11,859	(\$	12,468)
Gain (loss) on exchange	(7,646)		18,749
Government grant income	196		16
Gain on lease amendment	5		-
Depreciation of investment property	-	(1,627)
Gain on disposal of property, plant, and equipment	-		250
Other losses	<u>(1,730)</u>		<u>-</u>
	<u>\$ 2,684</u>	<u>\$</u>	<u>4,920</u>

(XXIV)Additional information on the nature of costs and expenses

	<u>2023</u>		<u>2022</u>
Employee benefit expenses	\$ 173,353	\$	169,472
Depreciation on property, plant, and equipment	14,246		13,437
Depreciation on right-of-use assets	4,219		5,095
Amortization	<u>2,476</u>		<u>2,095</u>
	<u>\$ 194,294</u>	<u>\$</u>	<u>190,099</u>

(XXV)Employee benefit expenses

	<u>2023</u>		<u>2022</u>
Salary expenses	\$ 155,584	\$	152,746
Labor/health insurance premium	10,625		9,957
Pension expense	5,509		5,083
Other personnel expenses	<u>1,635</u>		<u>1,686</u>
	<u>\$ 173,353</u>	<u>\$</u>	<u>169,472</u>

1. According to the Articles of Incorporation, any profits remaining after reimbursing cumulative losses in a given year shall be subject to employee remuneration of no less than 5% and director remuneration of no higher than 3%.
2. The Company had estimated employee remuneration at \$22,500 and \$18,000, and director remuneration at \$2,400 and \$2,400, for 2023 and 2022, respectively. All above amounts were presented as salary expenses for the respective years.

Amounts for 2023 were estimated based on the current year's profits and the percentages outlined in the Articles of Incorporation. The board of directors has resolved to pay \$22,500 and \$2,400, respectively, in cash.

The board of directors had resolved to pay 2022 employee remuneration and director remuneration at \$18,000 and \$2,400, respectively; both figures were consistent with the amounts previously recognized in the 2022 financial report and were paid in cash. Payment of the above amounts had been completed as at February 27, 2024.

Details of employees' and directors' remuneration passed by the Company's board of directors can be found on the Market Observation Post System.

3. The Company employed a total of 125 employees in 2023 and 120 employees in 2022; the number of directors without a concurrent role as an employee was 5 in both years.

(XXVI) Income tax

1. Income tax expenses

(1) Composition of income tax expense:

	<u>2023</u>	<u>2022</u>
Current income tax:		
Income tax on current profit	\$ 38,163	\$ 46,530
Additional tax on unappropriated earnings	-	505
Underestimation of income tax expenses in previous years	<u>57</u>	<u>866</u>
Total current income tax	38,220	47,901
Deferred income tax:		
Occurrence and reversal of temporary difference	<u>6,902</u>	<u>(9,031)</u>
Income tax expense	<u>\$ 45,122</u>	<u>\$ 38,870</u>

(2) Income tax on other comprehensive income:

	<u>2023</u>	<u>2022</u>
Translation differences from foreign operations	<u>\$ 84</u>	<u>\$ 2,264</u>

2. Relationship between income tax expense and accounting profit

	<u>2023</u>		<u>2022</u>	
Income tax derived by applying the statutory tax rate to pre-tax profit	\$	60,077	\$	48,367
Income tax to be adjusted in accordance with the tax law	(15,012)	(10,868)
Underestimation of income tax expenses in previous years		57		866
Additional tax on unappropriated earnings		<u>-</u>		<u>505</u>
	<u>\$</u>	<u>45,122</u>	<u>\$</u>	<u>38,870</u>

3. Deferred income tax assets and liabilities arising from temporary differences are presented below:

	<u>January 1</u>	<u>Recognized through profit and loss</u>	<u>2023</u> <u>Recognized in other comprehensive income</u>	<u>December 31</u>
Temporary difference:				
- Deferred income tax assets:				
Warranty reserves	\$ 1,939	\$ 51	\$ -	\$ 1,990
Allowance for inventory devaluation	7,957	(4,572)	-	3,385
Unrealized gross profit	4,150	(5)	-	4,145
loss on foreign investments	3,127	(3,127)	-	-
Unrealized loss on exchange	259	1,172	-	1,431
Translation differences from foreign operations	634	-	(84)	550
Others	<u>1,556</u>	<u>2</u>	<u>-</u>	<u>1,558</u>
	19,622	(6,479)	(84)	13,059
- Deferred income tax liabilities:				
Gain on foreign investments	<u>-</u>	<u>(423)</u>	<u>-</u>	<u>(423)</u>
	<u>\$ 19,622</u>	<u>(\$ 6,902)</u>	<u>(\$ 84)</u>	<u>\$ 12,636</u>

	<u>January 1</u>	<u>Recognized through profit and loss</u>	<u>2022 Recognized in other comprehensive income</u>	<u>December 31</u>
Temporary difference:				
- Deferred income tax assets:				
Warranty reserves	\$ 1,654	\$ 285	\$ -	\$ 1,939
Allowance for inventory devaluation	5,023	2,934	-	7,957
Unrealized gross profit	2,803	1,347	-	4,150
loss on foreign investments	-	3,127	-	3,127
Unrealized loss on exchange	306	(47)	-	259
Translation differences from foreign operations	2,898	-	(2,264)	634
Others	<u>1,449</u>	<u>107</u>	<u>-</u>	<u>1,556</u>
	14,133	7,753	(2,264)	19,622
- Deferred income tax liabilities:				
Gain on foreign investments	(1,278)	<u>1,278</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,855</u>	<u>\$ 9,031</u>	<u>(\$ 2,264)</u>	<u>\$ 19,622</u>

4. The Company's profit-seeking enterprise business income tax returns have been certified by the tax authority up to 2021.

(XXVII)EPS

	<u>2023</u>		
	Amount after tax	Weighted average outstanding shares (thousand shares)	EPS (NTD)
<u>Basic earnings per share</u>			
Current net income	<u>\$ 255,262</u>	<u>33,351</u>	<u>\$ 7.65</u>
<u>Diluted earnings per share</u>			
Current net income	\$ 255,262	33,351	
Dilutive effect of potential common shares			
Employee warrants	-	154	
Employee remuneration	<u>-</u>	<u>144</u>	
Current net income plus effect of potential common shares	<u>\$ 255,262</u>	<u>33,649</u>	<u>\$ 7.59</u>

	<u>2022</u>		
	Amount after tax	Weighted average outstanding shares (thousand shares)	EPS (NTD)
<u>Basic earnings per share</u>			
Current net income	<u>\$ 202,963</u>	<u>32,522</u>	<u>\$ 6.24</u>
<u>Diluted earnings per share</u>			
Current net income	\$ 202,963	32,522	
Dilutive effect of potential common shares			
Employee remuneration	<u>-</u>	<u>200</u>	
Current net income plus effect of potential common shares	<u>\$ 202,963</u>	<u>32,722</u>	<u>\$ 6.20</u>

Employee warrants issued by the Company had an anti-dilutive effect in 2022, and were therefore excluded from the calculation of earnings per share.

(XXVIII) Supplementary cash flow information

1. Investing activities involving partial cash outlay:

	<u>2023</u>	<u>2022</u>
Purchase of property, plant, and equipment	\$ 68,302	\$ 9,090
Plus: equipment proceeds payable at the beginning of the period	-	1,726
Less: Equipment proceeds payable at the end of the period	(967)	-
Cash paid during the current period	<u>\$ 67,335</u>	<u>\$ 10,816</u>

2. Investment activities without cash flow effects:

	<u>2023</u>	<u>2022</u>
Reclassification of investment property to property, plant and equipment	<u>\$ -</u>	<u>\$ 276,018</u>

(XXIX) Change of liabilities relating to financing activities

	<u>2023</u>			<u>Total</u>
	<u>Short-term loans</u>	<u>Long-term loans</u>	<u>Lease liabilities</u>	
January 1	\$ -	\$ 155,286	\$ 34,525	\$ 189,811
Net increase in short-term loans	27,000	-	-	27,000
Repayment of long-term loan	-	(10,311)	-	(10,311)
Repayment of lease principal	-	-	(3,949)	(3,949)
Other changes without cash effect	-	-	2,019	2,019
December 31	<u>\$ 27,000</u>	<u>\$ 144,975</u>	<u>\$ 32,595</u>	<u>\$ 204,570</u>

	<u>2022</u>			<u>Total</u>
	<u>Short-term loans</u>	<u>Long-term loans</u>	<u>Lease liabilities</u>	
January 1	\$ 105,000	\$ 165,787	\$ 37,845	\$ 308,632
Decrease in short-term loan	(105,000)	-	-	(105,000)
Repayment of long-term loan	-	(10,501)	-	(10,501)
Repayment of lease principal	-	-	(4,894)	(4,894)
Other changes without cash effect	-	-	1,574	1,574
December 31	<u>\$ -</u>	<u>\$ 155,286</u>	<u>\$ 34,525</u>	<u>\$ 189,811</u>

VII. Related party transactions

(I) Parent company and ultimate controller

The Company (incorporated in the Republic of China) has 48.50% of its shares controlled by AAEON Technology Inc. AAEON Technology Inc. is the parent company, whereas ASUSTeK Computer Inc. is the ultimate controller of the Company.

(II) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Company</u>
ASUSTeK Computer Inc.	The Company's ultimate parent company
AAEON Technology Inc.	The Company's parent company
AAEON Technology (Su Zhou) Inc.	Affiliated subsidiary - with common ultimate parent
AAEON TECHNOLOGY SINGAPORE PTE.LTD.	Affiliated subsidiary - with common ultimate parent
Jetway Information Co., Ltd.	Affiliated subsidiary - with common ultimate parent
ONYX HEALTHCARE USA, INC.	The Company's subsidiary
ONYX HEALTHCARE EUROPE B.V.	The Company's subsidiary
Onyx Healthcare (Shanghai) Inc.	The Company's subsidiary
iHELPER Inc.	The Company's subsidiary
Winmate Inc.	Associated company - investee accounted by the Company using the equity method
ProtectLife International Biomedical Inc.	Associated company - investee accounted by the Company using the equity method
IBASE Technology Inc.	Other related party - investee accounted by the Company's parent using the equity method
IBASE (Shanghai) Technology Inc.	Other related party - subsidiary of an investee accounted by the Company's parent using the equity method
WT Microelectronics Co., Ltd.	Other related party - investee accounted by the Company's affiliated subsidiary using the equity method
NuVision Technology, Inc.	Other related party - subsidiary of an investee accounted by the Company's affiliated subsidiary using the equity method
Morrihan International Corp.	Other related party - subsidiary of an investee accounted by the Company's affiliated subsidiary using the equity method
Maxtek Technology Co., Ltd.	Other related party - subsidiary of an investee accounted by the Company's affiliated subsidiary using the equity method
Fu Li Investment Co., Ltd.	Other related party - the Company's Chairman concurrently serves as chairman in the entity
Everfocus Electronics Corporation	Other related party - the Company's Chairman concurrently serves as chairman in the entity
AAEON Foundation	Other related party - the Company's Chairman concurrently serves as chairman in the foundation

MACHVISION Inc Co., LTD	Other related party - the Company's Chairman concurrently serves as director in the entity
AtechOEM Inc.	Other related party - the Company's Chairman concurrently serves as director in the entity
Spark Technologies Inc.	Other related party - the Company's Chairman is the spouse to the chairman of the entity
LYDS Technologies Inc.	Other related party - the Company's Chairman is the spouse to the chairman of the entity
Chuang, Yung-Shun	Executive management - the Company's Chairman

(III) Major transactions with related parties

1. Operating revenues

	<u>2023</u>	<u>2022</u>
Sales of goods:		
Parent company	\$ 240	\$ 7,772
Affiliated subsidiary of the same group	1,713	8,227
Subsidiary		
ONYX HEALTHCARE USA, INC.	279,658	392,845
Others	29,205	37,260
Associated company	141	27
Other related parties	4,323	4,000
	<u>\$ 315,280</u>	<u>\$ 450,131</u>

Selling prices of transactions with related parties were determined between the Company and the related counterparties, for which there were no transactions of similar nature available for comparison. Other sales transactions were handled according to normal trade terms (at market price). Sales proceeds were collectible 30-90 days after shipment or 30-90 days after month-end.

2. Purchases

	<u>2023</u>	<u>2022</u>
Purchase of merchandise:		
Parent company		
AAEON Technology Inc.	\$ 43,837	\$ 93,980
Affiliated subsidiary of the same group	205	193
Subsidiary	867	6,503
Associated company	8,407	8,442
Other related parties	16,580	16,861
	<u>\$ 69,896</u>	<u>\$ 125,979</u>

The abovementioned purchases were handled according to normal trade terms (at market price). Payments were made 30 days after delivery or 30-60 days after month-end.

3. Operating costs and expenses

	<u>2023</u>	<u>2022</u>
Parent company	\$ 4,436	\$ 2,630
Affiliated subsidiary of the same group	14	-
Subsidiary	26,828	25,065
Associated company	380	191
Other related parties	<u>4,118</u>	<u>2,219</u>
	<u>\$ 35,776</u>	<u>\$ 30,105</u>

The above operating costs and expenses mainly represent service charges, rental expenses, and donations.

4. Other operating costs

	<u>2023</u>	<u>2022</u>
Parent company	(\$ <u>5,355</u>)	<u>-</u>

Other operating costs mentioned above mainly comprise compensation payments received from the parent company. Please see Note 6(5) for details.

5. Rental income (presented as other income)

	<u>2023</u>	<u>2022</u>
Parent company		
AAEON Technology Inc.	\$ 477	\$ 6,906
Other related parties		
LYDS Technologies Inc.	<u>576</u>	<u>-</u>
	<u>\$ 1,053</u>	<u>\$ 6,906</u>

Rent between the Company and related parties is negotiated after taking into consideration the market rate of adjacent area rates. Rent payments are collected on a monthly basis.

6. Related party receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
Parent company	\$ 9	\$ 182
Affiliated subsidiary of the same group	108	726
Subsidiary		
ONYX HEALTHCARE USA, INC.	44,742	88,426
Others	8,533	9,251
Other related parties	631	138
	<u>\$ 54,023</u>	<u>\$ 98,723</u>

7. Related party payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable:		
Parent company	\$ 8	\$ 3,735
Associated company	-	5
Other related parties	1,083	2,117
	<u>\$ 1,091</u>	<u>\$ 5,857</u>
Other payables:		
Parent company	\$ 224	\$ 59
Subsidiary	1,990	2,133
Associated company	-	4
Other related parties	-	1,218
	<u>\$ 2,214</u>	<u>\$ 3,414</u>

8. Property transaction

Acquisition of property, plant, and equipment

	<u>2023</u>	<u>2022</u>
Parent company	<u>\$ 2,639</u>	<u>\$ -</u>

Disposal of property, plant, and equipment

	<u>2023</u>		<u>2022</u>	
	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>
Parent company				
AAEON Technology Inc.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ 250</u>

9. Guarantee deposits received

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Parent company		
AAEON Technology Inc.	<u>\$ -</u>	<u>\$ 1,148</u>

Represents rental deposit.

(IV)Compensation for key management

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 14,666	\$ 17,159
Retirement benefits	363	455
Share-based payment	<u>1,482</u>	<u>5,944</u>
	<u>\$ 16,511</u>	<u>\$ 23,558</u>

VIII.Pledged assets

The Company had placed the following assets as collaterals:

	<u>Book value</u>		
<u>Assets</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>Purpose of security</u>
Time deposits (statement of financial assets at amortized cost - current)	<u>\$ 31,626</u>	<u>\$ -</u>	Guarantee of short-term borrowings and forward exchange contract
Time deposit (presented as other current assets)	<u>\$ -</u>	<u>\$ 921</u>	Security for forward exchange contract
Guarantee deposits paid (presented as other current and non assets)	<u>\$ 952</u>	<u>\$ 2,367</u>	Rental deposit for office and warehouse space, and deposit for special projects
Land (listed under property, plant and equipment)	<u>\$ 229,660</u>	<u>\$ 229,660</u>	Long-term loans
Buildings (listed under property, plant and equipment)	<u>\$ 44,731</u>	<u>\$ 46,358</u>	Long-term loans

IX. Major contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None.

(2) Commitments

None.

X. Losses from major disasters

None.

XI. Major post-balance sheet date events

Appropriation of 2023 earnings has been proposed and passed by the board of directors during the meeting held on February 27, 2024; please see Note 6(20) for details.

XII. Others

(I) Capital management

Objectives of the Company's capital management efforts are to ensure continuity of business activities and maintain the optimal capital structure that minimizes funding costs while maximizing returns for shareholders. To maintain or adjust the capital structure, the Company may revise the amount in dividends paid to shareholders, refund capital back to shareholders, issue new shares, or reduce debts by making more effective use of working capital.

(II) Financial instruments

1. Types of financial instrument

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatory to be carried at fair value through profit or loss	<u>\$ 46,026</u>	<u>\$ 34,167</u>
Financial assets at fair value through other comprehensive income		
Voluntarily designated as an investment in an equity instrument	<u>\$ 68,756</u>	<u>\$ 27,536</u>
Financial assets carried at cost after amortization		
Cash and cash equivalents	\$ 271,068	\$ 265,189
Financial assets carried at cost after amortization	31,626	-
Notes receivable	3	-
Accounts receivable	119,987	141,074
Accounts receivable - related parties	54,023	98,723
Other receivables	1,716	3,625
Other financial assets (presented as other current assets)	-	921
Guarantee deposits paid (presented as other current and non assets)	952	2,367
	<u>\$ 479,375</u>	<u>\$ 511,899</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial liabilities		
Financial liabilities carried at cost after amortization		
Short-term loans	\$ 27,000	\$ -
Accounts payable	65,176	81,270
Accounts payable - related parties	1,091	5,857
Other payables	72,561	55,285
Other payables - related parties	2,214	3,414
Long-term loans (including those due within one year)	144,975	155,286
Guarantee deposits received	-	1,148
	<u>\$ 313,017</u>	<u>\$ 302,260</u>
Lease liabilities	<u>\$ 32,595</u>	<u>\$ 34,525</u>

2. Risk management policy

- (1) The Company's day-to-day operations are susceptible to multiple forms of financial risk, including market risks (exchange rate risk, interest rate risk, and price risk), credit risks, and liquidity risks.
- (2) Risk management is performed by the Company's Treasury Department according to board-approved policies. The Treasury Department is responsible for identifying, assessing, and mitigating financial risks, and it achieves this by working closely with other departments within the Company. The board of directors has implemented written principles on risk management practices and outlined policies for specific matters such as exchange rate risk, interest rate risk, credit risk, use of derivative/non-derivative instruments, and investment of residual liquid capital.

3. Characteristics and level of significant financial risks

(1) Market risk

Exchange rate risk

- A. The Company is a multinational organization, and transactions undertaken by the Company in currencies other than the functional currency would give rise to exchange rate risks. USD accounts for the highest exposure of exchange rate risk. Exchange rate risks arise from future commercial transactions and recognized amounts of assets and liabilities.
- B. The management has implemented policies to guide the Company in managing exchange rate risks associated with its functional currency. The Company hedges overall exchange rate risk through its Treasury Department. Exchange rate risks are measured by the value of USD transactions that are highly likely to occur. Instruments such as forward exchange and cross-currency contracts are used to mitigate the effect of exchange rate volatility on expected sales revenues.

D. Total (loss) gain on exchange (realized and unrealized) recognized by the Company for monetary items susceptible to significant exchange rate fluctuation in 2023 and 2022 amounted to (\$7,646) and \$18,749, respectively.

E. The following is an analysis of risk exposures to various foreign currencies and impacts of significant exchange rate fluctuations:

(Foreign currency: functional currency)	<u>Variation</u>	<u>2023</u>	
		<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 3,065	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	950
RMB:NTD	1%	-	33
EUR:NTD	1%	-	164
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	342	-

(Foreign currency: functional currency)	<u>Variation</u>	<u>2022</u>	
		<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 2,563	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	773
RMB:NTD	1%	-	58
EUR:NTD	1%	-	133
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	427	-

Price risk

- A. Equity instruments held by the Company that is exposed to price risks have been presented as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To better manage price risks on equity instruments, the Company has implemented concentration limits and diversified its investment portfolio accordingly.
- B. The Company mainly invests in equity instruments issued by local companies. Prices of these equity instruments are affected by the uncertainty associated with the future value of the underlying investment. A 1% rise/fall in the price of equity instruments would increase/decrease gain or loss on equity instruments at fair value through profit or loss, and hence net income, by \$460 and \$342 in 2023 and 2022, respectively, assuming that all other factors remain unchanged. For equity investments that are carried at fair value through other comprehensive income, the above changes would increase/decrease gain or loss on investment by \$688 and \$275, respectively.

Cash flow and fair value risk of interest rate

- A. The Company's exposure to interest rate risk arises mainly from short-term and long-term loans borrowed at a floating interest rate, which gives rise to the risk of cash flow change due to the interest rate. This risk is partially offset by cash and cash equivalents held at a floating interest rate. The Company's floating rate borrowings in 2023 and 2022 were denominated in NTD.
- B. If interest rates on NTD borrowings had increased or decreased by 1%, with all other factors remaining constant, net income would have decreased or increased by \$1,376 and \$1,242 in 2023 and 2022, respectively. This is mainly due to the change in interest expense as a result of variable-rate borrowings.

(2) Credit risk

- A. Credit risk refers to the possibility of losses suffered by the Company due to its customers or financial instrument counterparties becoming unable to fulfill contractual obligations. These risk events mostly involve the counterparties being unable to settle and pay accounts receivable according to the prescribed terms.
- B. The Company has developed credit risk management practices. According to the Company's internal credit policy, all departments are required to perform credit risk management and analysis on every new customer before establishing payment and delivery terms. The Company adopts an internal risk management system that assesses credit quality by considering customers' financial position, previous conduct, and other relevant factors. The board of directors sets individual counterparty risk limits based on internal or external assessments. Uses of credit limit are monitored on a regular basis.
- C. The Company adopts the assumptions stated in IFRS 9 and treats a contract to be in default if payment is overdue for more than 120 days.

D. The Company has adopted the following assumptions mentioned in IFRS 9 to provide the basis for identifying any significant increase in the credit risk of a financial instrument held on hand after initial recognition:

A financial asset is considered to have exhibited a significant increase in credit risk after initial recognition when contractual payment (according to the terms of the underlying contract) becomes past due for more than 30 days.

E. The Company distinguishes notes and accounts receivable (including related parties) by customers' characteristics, and adopts a simplified approach along with the use of provision matrix and loss given default to estimate expected credit loss.

F. Financial assets that are rationally deemed unrecoverable after exhausting collection efforts are charged off. In which case, however, the Company will continue taking legal actions to secure debt entitlement. The Company had no charged-off debt with ongoing collection activities as at December 31, 2023 and 2022.

G. (1) Customers of good credit background and insured accounts receivable are subject to loss given a default of 0.2%. As at December 31, 2023 and 2022, the Company had outstanding accounts receivable of \$115,115 and \$119,626 and had made bad debt provisions of \$230 and \$239, respectively.

(2) The Company takes into account multiple considerations, including the Monitoring Indicator published by National Development Council, future prospects, historical and current information etc. to determine loss given default, which is used for estimating loss provisions on notes and accounts receivable from customers under normal credit conditions. Provision matrix as at December 31, 2023 and 2022, is as follows:

	Current	Overdue within 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue 91 - 120 days	Overdue more than 121 days	Total
<u>December 31, 2023</u>							
Expected loss given default	0.00~1.58%	8.42%	15.63%	45.15%	50.00%	100%	
Total book value	<u>\$ 57,933</u>	<u>\$ 1,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 60,748</u>
Loss provision	<u>\$ 72</u>	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 1,620</u>

	Current	Overdue within 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue 91 - 120 days	Overdue more than 121 days	Total
<u>December 31, 2022</u>							
Expected loss given default	0.00~1.30%	7.71%	14.48%	44.38%	50.00%	100%	
Total book value	<u>\$ 116,811</u>	<u>\$ 1,322</u>	<u>\$ 3,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ 122,980</u>
Loss provision	<u>\$ 236</u>	<u>\$ 95</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ 2,570</u>

H. Below are changes in loss provision on notes and accounts receivable (including related parties), determined using the simplified approach:

	<u>2023</u>		<u>2022</u>
January 1	\$ 2,809	\$	4,334
Reversal of impairment loss (959)	(1,193)
Amount unrecoverable and charged off	-	(332)
December 31	<u>\$ 1,850</u>	<u>\$</u>	<u>2,809</u>

Of loss reversals in 2023 and 2022, the reversal of impairment losses on receivables arising from customer contracts was \$959 and \$1,193, respectively.

(3) Liquidity risk

- A. Cash flow projections are made by individual departments within the Company and consolidated by the Treasury Department. The Treasury Department is responsible for monitoring and predicting liquidity and capital requirements within the Company and ensuring that adequate capital has been sourced to support operational requirements.
- B. As at December 31, 2023 and 2022, the Company had undrawn credit limits of \$232,000 and \$194,000, respectively.
- C. Non-derivative financial liabilities are presented in the chart below. The Company analyzes them based on their remaining timespan from the balance sheet date until contract maturity. The amount of contractual cash flow shown in the table below are not discounted.

December 31, 2023

<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>5 years and above</u>
Short-term loans (including estimated interest)	\$ 27,074	\$ -	\$ -	\$ -
Accounts payable	65,176	-	-	-
Accounts payable - related parties	1,091	-	-	-
Other payables	72,561	-	-	-
Other payables - related parties	2,214	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	13,076	13,076	39,229	97,010
Lease liabilities	2,568	2,443	6,887	26,086

December 31, 2022

<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>5 years and above</u>
Accounts payable	\$ 81,270	\$ -	\$ -	\$ -
Accounts payable - related parties	5,857	-	-	-
Other payables	55,285	-	-	-
Other payables - related parties	3,414	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	12,973	12,973	38,920	109,193
Lease liabilities	4,744	2,415	6,643	26,324

D. The Company does not expect cash flows in the maturity analysis to occur at an earlier time, or in amounts that differ significantly.

(III) Fair value information

1. Valuation techniques and inputs used for measuring fair value of financial and non-financial instruments are defined below:

Level 1 input: Quotations that can be obtained from an active market (unadjusted) on the measurement date for asset or liability of equivalent nature. An active market is one where assets or liabilities are transacted in sufficient frequency and quantity and where price information is provided on an ongoing basis. Fair value of investments in listed shares is determined using this input.

Level 2 input: Inputs can be observed directly or indirectly on an asset or liability, except for quotations covered in level 1 input.

Level 3 input: Inputs that cannot be observed for an asset or liability. Investments in equity instruments without an active market are valued using this input.

2. Financial instruments not measured at fair value

Accounts including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable (including related parties), other receivables, other financial assets (presented as other current assets), guarantee deposits paid (presented as other non-current assets), short-term loans, accounts payable (including related parties), other payables (including related parties), lease liabilities, long-term loans (including current portion due in one year), and guarantee deposits received have book value that closely resembles their fair value.

3. Financial and non-financial instruments carried at fair value are classified by the Company on the basis of the nature, characteristics and risks of the assets and the fair value hierarchy, and the related information is as follows:

(1) The Company assets by nature:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 11,389	\$ -	\$ 34,637	\$ 46,026
Financial assets at fair value through other comprehensive income				
Equity securities	<u>68,756</u>	<u>-</u>	<u>-</u>	<u>68,756</u>
	<u>\$ 80,145</u>	<u>\$ -</u>	<u>\$ 34,637</u>	<u>\$ 114,782</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 7,211	\$ -	\$ 26,956	\$ 34,167
Financial assets at fair value through other comprehensive income				
Equity securities	<u>-</u>	<u>-</u>	<u>27,536</u>	<u>27,536</u>
	<u>\$ 7,211</u>	<u>\$ -</u>	<u>\$ 54,492</u>	<u>\$ 61,703</u>

(2) Methods and assumptions used for measuring fair value:

A. Instruments using market quotation as fair value input (i.e. level 1), distinguished by characteristics:

	<u>TWSE/TPEX listed shares</u>
Market quotation	Closing price

B. Except for financial instruments traded in active markets, as described above, fair values of all other financial instruments were obtained either by applying valuation techniques or by referring to counterparties' quotations.

C. For the valuation of non-standardized financial instruments of low complexity, the Company adopts valuation techniques commonly used among market participants. Valuation models for this type of financial instrument often use observable market information as the parameter.

- D. Derivatives are valued using valuation models that are commonly accepted among market users, such as the discounted cash flow approach. Forward exchange contracts are usually valued using the prevailing forward exchange rate.
- E. Results generated from the valuation model are approximations of the estimate. The valuation technique may not reflect all relevant factors associated with the holding of financial and non-financial instruments. For this reason, estimates generated from the valuation model are adjusted using additional parameters, such as modeling risks or liquidity risks. Judging by the Company's fair value assessment modeling policies and control procedures, the management is confident that they ensure a fair presentation for the fair values of financial and non-financial instruments shown on the balance sheet. All valuation adjustments made were appropriate and necessary. All price information and parameters used in the valuation process have been thoroughly assessed and adjusted appropriately according to the prevailing market conditions.
4. There had been no transfer between level 1 and level 2 input in 2023 or 2022.
5. Changes of level 3 input in 2023 and 2022 are explained below:

	<u>2023</u>	<u>2022</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
January 1	\$ 54,492	\$ 68,787
Recognized through profit and loss (Note 1)	7,681	(9,450)
Recognized in other comprehensive income (Note 2)	(2,381)	(4,845)
Outward transfer of level 3 input	<u>(25,155)</u>	<u>-</u>
December 31	<u>\$ 34,637</u>	<u>\$ 54,492</u>

Note 1: Presented as other gains and losses.

Note 2: Presented as unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income

6. The outward transfer of level 3 input that occurred in 2023 was due to the reclassification of ProtectLife shares, which used to be measured using level 3 input. Please see Note 6(7) for detailed description. There was no inward or outward transfer of level 3 input 2022.
7. The Treasury Department is responsible for validating the fair value of assets that require the use of level 3 fair value input. The department relies on independent sources of information to ensure that the valuation results closely resemble the market condition; it verifies that information is obtained from independent, reliable, and consistent sources; and makes necessary fair value adjustments to ensure that valuation results are reasonable. Furthermore, the Treasury Department has financial instrument fair value evaluation policies and procedures in place and adopts practices to ensure compliance with International Financial Reporting Standards.
8. Quantitative information and sensitivity of significant and unobservable inputs used for level 3 fair value measurement are explained below:

	<u>Fair value as of</u> <u>December 31, 2023</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>and</u> <u>unobservable</u> <u>input</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input</u> <u>and fair value</u>
Equity instrument:					
Shares of joint venture companies	\$ 34,637	Net asset value approach	Not applicable	Not applicable	Not applicable

	<u>Fair value as of</u> <u>December 31, 2022</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>and</u> <u>unobservable</u> <u>input</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input</u> <u>and fair value</u>
Equity instrument:					
Non-listed shares	\$ 27,536	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	26,956	Net asset value approach	Not applicable	Not applicable	Not applicable

Note 1: Long-term revenue growth rate, the weighted average cost of capital, long-term pre-tax operating profit, discount for lack of marketability, discount for minority interest.

Note 2: The higher the weighted average cost of capital, discount for lack of marketability, and discount for minority interest, the lower the fair value; the higher the long-term revenue growth rate and long-term pre-tax operating profit, the higher the fair value.

9. The Company exercises a high level of discretion and evaluation in selecting valuation models and parameters. However, the uses of different valuation models or parameters may produce different valuation results. For financial assets classified as level 3 input, impacts on other comprehensive income in the event of a change in valuation parameter are explained below:

	<u>Input</u>	<u>Variation</u>	<u>December 31, 2022</u> <u>Recognized in other</u> <u>comprehensive income</u>	
			<u>Favorable</u> <u>variation</u>	<u>Adverse</u> <u>variation</u>
Financial assets				
Equity instrument	Weighted average funding cost	±0.5%	\$ 1,350	(\$ 1,250)

XIII. Other disclosures

(I) Information related to significant transactions

Significant transactions undertaken by the Company in 2023, as defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers, are explained below; disclosures concerning investees have been prepared based upon investees' audited financial statements for the corresponding period; transactions with subsidiaries have been eliminated while preparing the consolidated financial report, and are disclosed below solely for reference.

1. Loans to external parties: None.
2. Endorsement/guarantee to external parties: None.
3. End-of-period holding position of marketable securities (excluding investment in subsidiaries, associated companies, and joint ventures): Please refer to Attachment 1.
4. Cumulative purchase or sale of the same marketable securities amounting to NT\$300 million or more than 20% of the paid-up capital: Please refer to Table 2.
5. Acquisition of real estate amounting to NT\$300 million or more than 20% of paid-up capital: None.
6. Disposal of real estate amounting to NT\$300 million or more than 20% of paid-up capital: None.
7. Sales and purchases with related parties amounting to NT\$100 million or more than 20% of paid-up capital: Please refer to Attachment 3.
8. Related party accounts receivable amounting to NT\$100 million or more than 20% of paid-up capital: None.
9. Derivative transactions: None.
10. Major business dealings between the parent company and subsidiaries and transactions between subsidiaries: Please see Attachment 4.

(II) Information on business investments

Names, locations, and information on investees (excluding Mainland investees): Please see Attachment 5.

(III) Information relating to investments in the Mainland

1. Profile: Please see Attachment 6.
2. Significant transactions with Mainland investees, whether directly invested or indirectly invested through a third location: None.

(IV) Information on major shareholders

Information on major shareholders: Please see Attachment 7.

XIV. Segment information

Not applicable.

ONYX Healthcare Inc.
End-of-period marketable securities holding position (excluding investment in subsidiaries, associated companies and joint ventures)
December 31, 2023

Attachment 1

Unit: NT\$ thousand
(unless specified otherwise)

<u>Company name</u>	<u>Type of security</u>	<u>Name of security</u> (Note 1)	<u>Relationship with the securities issuer</u> (Note 2)	<u>Account category</u>	<u>Shares</u>	<u>End-of-period</u>		<u>Fair value</u>	<u>Remarks</u> (Note 4)
						<u>Book value (Note 3)</u>	<u>Shareholdings percentage</u>		
ONYX Healthcare Inc.	Shares	MACHVISION Inc Co., LTD	Other related party - the Company's Chairman concurrently serves as director in the entity	Financial assets at fair value through profit or loss - current	18,716	\$ 4,089	0.03%	\$ 4,089	None
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through profit or loss - current	223,918	7,300	0.16%	7,300	None
ONYX Healthcare Inc.	Shares	Taiwan Star Venture Capital Investment Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	3,000,000	34,637	13.04%	34,637	None
ONYX Healthcare Inc.	Shares	MELTEN CONNECTED HEALTHCARE INC.	None	Financial assets at fair value through other comprehensive income - non-current	4,193,548	-	6.61%	-	None
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through other comprehensive income - non-current	2,109,082	68,756	1.53%	68,756	None

Note 1: Securities mentioned in the financial statements shall refer to shares, bonds, beneficiary certificates, and any securities derived from the above, as specified in IFRS 9 "Financial Instruments."

Note 2: Not required if the securities issuer is a non-related party.

Note 3: For items that are measured at fair value, the amount in fair value after adjustment and net of cumulative impairment is shown in the book value column; for items that are not measured at fair value, the amount in original acquisition cost or cost after amortization net of cumulative impairment is shown in the book value column.

Note 4: All securities that have been placed as collateral, borrowed against, or are subject to restrictions under agreed terms shall have details such as the quantity pledged, the amount charged, and restrictions explained in the remarks column.

ONYX Healthcare Inc.
Cumulative purchase or sale of the same marketable securities amounting to NT\$300 million or more than 20% of the paid-up capital
January 1 to December 31, 2023

Attachment 2

Unit: NT\$ thousand
(unless specified otherwise)

Company name	Type of security	Name of security		Beginning of period		Buy (Note 3)		Sell (Note 3)				End-of-period						
		(Note 1)	Account category	Counterparty (Note 2)	Relationship (Note 2)	Shares	Amount	Shares	Amount	(Note 5)	Shares	Selling price	Book cost	Disposal gain or loss	(Note 5)	Shares	Amount	
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	Financial assets at fair value through other comprehensive income - non-current	-	-	-	\$ -	2,109,082	\$ 71,769	1	-	\$ -	\$ -	\$ -	-	-	2,109,082	\$ 68,756
										2								

Note 1: Securities mentioned in the financial statements shall refer to shares, bonds, beneficiary certificates, and any securities derived from the above.

Note 2: If the securities are accounted for under the equity method, these two columns are required to be fill in, and the remainder can be left blank.

Note 3: The cumulative amount of purchases and sales should be calculated separately based on the market price to determine whether it reaches NT\$300 million or 20% of the paid-in capital.

Note 4: Paid-up capital refers to that of the Parent company. If the issuer has issued shares without a face value or at face values other than NT\$10 per share, the 20% requirement on paid-up capital shall be calculated instead at 10% of equity attributable to parent company shareholders, as shown on the balance sheet.

Note 5: 1. The purchase or capital increase/sale or capital decrease/liquidation in the current period; 2. The valuation adjustment in the current period.

ONYX Healthcare Inc.
Sales and purchases with related parties amounting to NT\$100 million or more than 20% of paid-up capital
January 1 to December 31, 2023

Attachment 3

Unit: NT\$ thousand
(unless specified otherwise)

<u>Name of buyer (seller)</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Transaction summary</u>		<u>As a percentage to total purchases (sales)</u>	<u>Loan tenor</u>	<u>Distinctive terms of trade and reasons (Note 1)</u>		<u>Notes and accounts receivable (payable)</u>		<u>Remarks (Note 2)</u>
			<u>Purchase (sale)</u>	<u>Amount</u>			<u>Unit price</u>	<u>Loan tenor</u>	<u>Balance</u>	<u>As a percentage of total notes and accounts receivable (payable)</u>	
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	Subsidiary	(Sale)	(\$ 279,658)	(22.40%)	90 days after month-end	\$ -	-	\$ 44,742	25.71%	None

Note 1: Where the terms of related party transactions differ from ordinary transactions, the discrepancy and causes of discrepancy shall be explained in the unit price and loan tenor columns.

Note 2: In the case of advanced receipt (prepayment), explain in the remarks column the reason, terms & conditions, amount, and deviation from general transaction terms.

Note 3: Paid-up capital refers to that of the Parent company. If the issuer has issued shares without a face value or at face values other than NT\$10 per share, the 20% requirement on paid-up capital shall be calculated instead at 10% of equity attributable to parent company shareholders, as shown on the balance sheet.

Note 4: Disclose the revenue side; no disclosure is needed on the opposing side of the same transaction.

ONYX Healthcare Inc.
Major business dealings between the parent company and subsidiaries and transactions between subsidiaries
January 1 to December 31, 2023

Attachment 4

Unit: NT\$ thousand
(unless specified otherwise)

<u>Serial No.</u> <u>(Note 1)</u>	<u>Name of transacting party</u>	<u>Counterparty</u>	<u>Relationship with the transacting party</u> <u>(Note 2)</u>	<u>Account</u>	<u>Amount</u>	<u>Transaction terms</u>	<u>As a percentage of consolidated revenues or total assets</u> <u>(Note 3)</u>
0	ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	1	Sales	\$ 279,658	90 days after month-end	18.73%

Note 1: Business dealings between the parent company and subsidiaries are indicated in the serial number column. The numbering rule is explained below:

(1) 0 for the parent company.

(2) Each subsidiary is numbered in sequential order starting from 1.

Note 2: Related party transactions are distinguished into one of three categories, as shown below. Only the category is indicated (no duplicate disclosure is made on two counterparties of the same transaction; for example, in a parent-to-subsidiary transaction, no disclosure is made on the subsidiary's end if disclosure has already been made on the parent company's end; in a subsidiary-to-subsidiary transaction, no disclosure is made on one subsidiary's end if disclosure has already been made on the other subsidiary):

(1) Parent to subsidiary.

(2) Subsidiary to parent.

(3) Subsidiary to subsidiary.

Note 3: Calculation for business dealings as a percentage of total consolidated revenues or total assets is explained as follows: for balance sheet items, percentage of period-end balance is calculated relative to consolidated total assets or liabilities; for profit and loss items, percentage of end-of-period cumulative amount is calculated relative to consolidated total revenues.

Note 4: The Company determines key transactions presented in this chart based on principles of materiality.

Note 5: Individual transactions that amount to less than \$50,000 are not disclosed; disclose the asset or revenue side only. No further disclosure is needed on the opposing side of the same transaction.

ONYX Healthcare Inc.
Names, locations and information on investees (excluding Mainland investees)
January 1 to December 31, 2023

Attachment 5

Unit: NT\$ thousand
(unless specified otherwise)

Name of investor	Name of investee (Notes 1 and 2)	Location	Main business activities	Sum of initial investment		Period-end holding position			Current period profit/loss of the investee (Note 2(2))	Investment gains/losses recognized in the current period (Note 2(3))	Remarks
				End of current period	End of previous year	Shares	Percentage (%)	Book value			
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	USA	Sale of medical computers and peripherals	\$ 61,410	\$ 61,420	200,000	100	\$ 95,024	\$ 18,402	\$ 18,402	None
ONYX Healthcare Inc.	ONYX HEALTHCARE EUROPE B.V.	The Netherlands	Marketing support, maintenance, and sales of medical computers and peripherals	3,398	3,272	100,000	100	16,373	1,779	1,779	None
ONYX Healthcare Inc.	iHELPER Inc.	Taiwan	Research, development, and sale of medical robots	16,560	16,560	1,656,000	46	7,626	(1,570)	(79)	None
ONYX Healthcare Inc.	Winmate Inc.	Taiwan	Tendering, quotation, and distribution of LCD equipment and modules	568,585	568,585	10,244,000	13	629,526	505,952	67,722	None
ONYX Healthcare Inc.	ProtectLife International Biomedical Inc.	Taiwan	Production and wholesaling of medical equipment, consumables, and related products	44,380	-	2,188,000	11	34,685	(47,750)	(4,850)	None

Note 1: If the public company has set up a foreign holding entity and prepared a consolidated financial report on the holding entity according to local regulations, information on foreign investees can be disclosed to the level of the foreign holding entity, and no further breakdown is needed.

Note 2: Companies that do not meet the condition described in Note 1 shall complete the form according to the following rules:

- (1) For columns including "Name of investor," "Location," "Main business activities," "Sum of initial investment," and "Period-end holding position," list down investees that are held by the Company first, followed by those held by directly controlled investees and indirectly controlled investees. Specify in the remarks column the relationship between each investee and the Company (such as a subsidiary or 2nd-tier subsidiary).
- (2) For "Current period profit/loss of the investee," specify the amount of profit or loss made by each investee in the current period.
- (3) For "Investment gains/losses recognized in the current period," specify only the amount of profit or loss that the Company has recognized from directly held subsidiaries and equity-accounted investees. No disclosure is needed on indirectly held investees. When disclosing "current gains/losses recognized on directly held subsidiaries," make sure that the gains/losses already include investment gains/losses that they are required to recognize on their investments.

Note 3: Amounts that are denominated in foreign currencies shall be converted into NTD using either the average exchange rate between January 1 to December 31, 2023 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc.
Mainland investments - profile
January 1 to December 31, 2023

Attachment 6

Unit: NT\$ thousand
(unless specified otherwise)

<u>Name of Mainland investee</u>	<u>Main business activities</u>	<u>Paid-up capital</u>	<u>Method of investment (Note 1)</u>	<u>Investment capital contributed or recovered during the current period</u>		<u>Closing cumulative balance of investment capital invested from Taiwan</u>	<u>Current period profit/loss of the investee</u>	<u>The Company's direct or indirect holding percentage (%)</u>	<u>Investment gains (losses) recognized in the current period (Note 2(2)B.)</u>	<u>Closing investment book value</u>	<u>Investment gains recovered to date</u>	<u>Remarks</u>
				<u>Opening cumulative balance of investment capital invested from Taiwan</u>	<u>Invested</u>							
Onyx Healthcare (Shanghai) Inc.	Sale of medical computers and peripherals	\$ 67,551	1	\$ 67,551	\$ -	\$ -	\$ 67,551	(\$ 2,428)	100(\$ 2,428)	\$ 3,330	\$ -	None

<u>Company name</u>	<u>Closing cumulative balance of investment capital transferred from Taiwan into Mainland China</u>	<u>Investment limit authorized by the Investment Commission, Ministry of Economic Affairs</u>	<u>Limits authorized by the Investment Commission, Ministry of Economic Affairs, for investing in Mainland China</u>
ONYX Healthcare Inc.	\$ 67,551	\$ 67,551	\$ 912,327

Note 1: Method of investment is distinguished between the three categories below, and presented in category name only:

- (1) Direct investment into the Mainland
- (2) Indirect investment into the Mainland through a third location (please indicate the name of the investee at the third location)
- (3) Other method

Note 2: With regards to investment gains/losses recognized in the current period:

- (1) Additional remarks are made for investments that are in the midst of preparation and have yet to produce gains or losses
- (2) Investment gains or losses are specified for having been recognized using one of the following three bases
 - A. Based on financial statements audited by the R.O.C. partner of an international CPA firm.
 - B. Based on audited financial statements of the parent company in Taiwan.
 - C. Others.

Note 3: Figures in this chart are presented in NTD.

Note 4: Amounts that are denominated in foreign currencies shall be converted into NTD using either the average exchange rate between January 1 to December 31, 2023 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc.
Information on major shareholders
December 31, 2023

Attachment 7

	<u>Name of major shareholder</u>	<u>Number of shares held</u>	<u>Shareholding</u>	<u>Shareholding percentage (%)</u>
	AAEON Technology Inc.	16,257,179		48.50
	Chuang, Yung-Shun	2,745,068		8.19
	ASUSTeK Computer Inc.	1,694,112		5.05

Note 1: Information on major shareholders, as presented in this chart, was taken from records of Taiwan Depository & Clearing Corporation as at the final business day of the reported quarter; and included parties holding book-entry common and preferred shares (including treasury stock) for aggregate ownership of 5% and above.

Share capital reported in the Company's financial statements may differ from the number of shares delivered via book entry due to different basis of preparation/calculation.

Note 2: Shareholders who placed shares under the trust are disclosed in trustors' sub-accounts held with various trustees. According to Securities and Exchange Act, shareholders with more than 10% ownership interest are subject to insider equity reporting. Insider equity includes shares held in own name and any shares placed under a trust that the insider has control over. Please access Market Observation Post System for reports on insider equity.

ONYX Healthcare Inc.
Cash and cash equivalents
December 31, 2023

Unit: NT\$ thousand

Account set 1			
Item	Summary	Amount	Remarks
Petty cash		\$ 418	
Demand deposit - NTD		106,034	
USD	USD 4,543 thousand; exchange rate: 30.71	139,484	
EUR	EUR 288 thousand; exchange rate: 33.98	9,780	
Time deposit - USD	USD 500 thousand; exchange rate: 30.71	15,352	
		<u>\$ 271,068</u>	

ONYX Healthcare Inc.
Net accounts receivable
December 31, 2023

Unit: NT\$ thousand

Account set 2

Customer name	Summary	Amount	Remarks
Customer A		\$ 38,697	
Customer B		22,304	
Customer C		18,469	
Customer D		11,303	
Customer E		7,469	
Others		23,595	No single customer represented more than 5% of this account balance
		121,837	
Less: loss provisions	(1,850)	
		<u>\$ 119,987</u>	

ONYX Healthcare Inc.
Inventory
December 31, 2023

Account set 3

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Cost</u>	<u>Amount</u> <u>Net realizable</u> <u>value</u>	<u>Remarks</u>
Raw materials		\$ 142,640	\$ 134,198	Measured at replacement original cost
Work-in-progress		13,180	13,145	Measured at net realizable value
Semi-finished goods		73,902	66,503	Measured at net realizable value
Finished goods		<u>14,074</u>	<u>20,208</u>	Measured at net realizable value
		243,796	<u>\$ 234,054</u>	
Less: Allowance for obsolescence and devaluation loss		<u>(16,927)</u>		
		<u>\$ 226,869</u>		

ONYX Healthcare Inc.
Change in equity-accounted investments
January 1 to December 31, 2023

Account set 4

Unit: NT\$ thousand

<u>Name</u>	<u>Opening balance</u>		<u>Current period increase</u>		<u>Current period decrease</u>		<u>Closing balance</u>		<u>Market price or net equity</u>			<u>Collateralized or pledged</u>	<u>Remarks</u>
	<u>Shares</u>	<u>Book value</u>	<u>Shares</u>	<u>Amount (Note 1)</u>	<u>Shares</u>	<u>Amount (Note 2)</u>	<u>Shares</u>	<u>Proportion</u>	<u>Amount</u>	<u>Unit price (\$)</u>	<u>Total price</u>		
OHU	200,000	\$ 77,251	-	\$ 18,589	-	(\$ 816)	200,000	100%	\$ 95,024	\$ -	\$ -	None	
ONI	100,000	13,255	-	3,118	-	-	100,000	100%	16,373	-	-	None	
OCI	-	5,822	-	18	-	(2,510)	-	100%	3,330	-	-	None	
iHelper	1,656,000	7,705	-	-	-	(79)	1,656,000	46%	7,626	-	-	None	
Winmate	10,244,000	606,637	-	71,690	-	(48,801)	10,244,000	13%	629,526	122.5	1,254,890	None	
ProtectLife	-	-	2,188,000	39,535	-	(4,850)	2,188,000	11%	34,685	-	-	None	
		<u>\$ 710,670</u>		<u>\$ 132,950</u>		<u>(\$ 57,056)</u>			<u>\$ 786,564</u>				

Note 1: Increases in the current period are the result of additional investments, the share of gain from subsidiaries and associated companies accounted using the equity method, effects of share-based payment, and cumulative translation adjustments.

Note 2: Decreases in the current period are the result of cash dividends collected from investees, share of loss from subsidiaries and associated companies accounted for using the equity method, and cumulative translation adjustments.

ONYX Healthcare Inc.

Long-term loans

December 31, 2023

Account set 5

Unit: NT\$ thousand

Lender	Summary	Amount borrowed	Contract duration	Interest rate	Collateral or security
Mega International Commercial Bank	Secured borrowings	\$ 144,975	May 28, 2021 to May 28, 2036	1.85%	Land and buildings
	Less: current portion of (long-term loan	10,476)			
		<u>\$ 134,499</u>			

ONYX Healthcare Inc.
Operating revenues
January 1 to December 31, 2023

Unit: NT\$ thousand

Account set 6

Item	Quantity (pieces)	Amount	Remarks
Sales revenue			
- Medical computers	42,826	\$ 1,160,361	
- Others	66,062	75,010	
		1,235,371	
Less: sales return		(137)	
Sales discount		(4,278)	
Net sales revenue		1,230,956	
Services and warranty income		17,447	
		<u>\$ 1,248,403</u>	

ONYX Healthcare Inc.
Operating costs
January 1 to December 31, 2023

Account set 7

Unit: NT\$ thousand

Item	Amount
Opening raw materials	\$ 164,564
Plus: Raw materials purchased in the current period	398,161
Gains on stock-take of raw materials	399
Less: Closing raw materials	(142,640)
Sale of raw materials	(17,637)
Scrapping of raw materials	(10,883)
Raw materials used and reclassified to expenses	(1,151)
Director raw materials	390,813
Direct labor	13,341
Manufacturing overhead	84,051
Manufacturing cost	488,205
Opening balance of work-in-progress and semi-finished goods	126,324
Plus: Semi-finished goods purchased	238,394
Reclassification from finished goods	5
Less: Closing work-in-progress and semi-finished goods	(87,082)
Sale of semi-finished goods	(40,498)
Loss on stock-take of work-in-progress	(36)
Scrapping of work-in-progress	(5,197)
Requisition of work-in-progress and reclassification of work-in-progress to expense accounts	(5,951)
Cost of finished goods	714,164
Opening balance of finished goods	12,943
Plus: Finished goods purchased	64,244
Reclassification of expense to finished goods	364
Less: Closing balance of finished goods	(14,074)
Reclassification to semi-finished goods	(5)
Loss on stock-take of finished goods	(7)
Scrapping of finished goods	(349)
Production/selling cost	777,280
Cost of raw materials and semi-finished goods sold	58,135
Cost of inventory sold	835,415
Service and warranty cost	11,194
Gains from recovery	(6,432)
Other operating costs	(5,355)
Gain on stock-take	(356)
Operating costs	<u>\$ 834,466</u>

ONYX Healthcare Inc.
Manufacturing overhead
January 1 to December 31, 2023

Unit: NT\$ thousand

Account set 8

Item	Amount	Remarks
Salary expenses	\$ 39,553	
Depreciation	13,604	
Lease expenses	5,711	
Insurance premium	4,834	
Sundry purchases	4,388	
Other manufacturing overhead	15,961	No single item represented more than 5% of this account balance
	<u>\$ 84,051</u>	

ONYX Healthcare Inc.
Selling expenses
January 1 to December 31, 2023

Unit: NT\$ thousand

Item	Amount	Remarks
Salary expenses	\$ 28,653	
Service charges	26,990	
Advertising expenses	7,554	
Other expenses	10,403	No single item represented more than 5% of this account balance
	<u>\$ 73,600</u>	

ONYX Healthcare Inc.
Administrative expenses
January 1 to December 31, 2023

Unit: NT\$ thousand

Account set 10

Item	Amount	Remarks
Salary expenses	\$ 28,900	
Professional service expenses	4,674	
Insurance premium	3,957	
Other expenses	13,194	No single item represented more than 5% of this account balance
	<u>\$ 50,725</u>	

ONYX Healthcare Inc.
R&D expenses
January 1 to December 31, 2023

Unit: NT\$ thousand

Account set 11

Item	Amount	Remarks
Salary expenses	\$ 45,137	
R&D budget	15,865	
Testing expenses	5,144	
Other expenses	13,201	No single item represented more than 5% of this account balance
	<u>\$ 79,347</u>	

ONYX Healthcare Inc.
Summary of current employee welfare, depreciation, and amortization by function
January 1 to December 31, 2023

Account set 12

Unit: NT\$ thousand

Item	<u>2023</u>			<u>2022</u>		
	<u>Presented as operating cost</u>	<u>Presented as operating expense</u>	<u>Total</u>	<u>Presented as operating cost</u>	<u>Presented as operating expense</u>	<u>Total</u>
Employee benefit expenses						
Salary expenses	\$ 52,894	\$ 98,670	\$ 151,564	\$ 50,999	\$ 97,700	\$ 148,699
Labor/health insurance premium	4,310	6,315	10,625	4,007	5,950	9,957
Pension expense	2,005	3,504	5,509	1,868	3,215	5,083
Directors' compensation	-	4,020	4,020	-	4,047	4,047
Other employee benefit expenses	720	915	1,635	747	939	1,686
	<u>\$ 59,929</u>	<u>\$ 113,424</u>	<u>\$ 173,353</u>	<u>\$ 57,621</u>	<u>\$ 111,851</u>	<u>\$ 169,472</u>
Depreciation	<u>\$ 13,604</u>	<u>\$ 4,861</u>	<u>\$ 18,465</u>	<u>\$ 11,927</u>	<u>\$ 6,605</u>	<u>\$ 18,532</u>
Amortization	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ 2,476</u>	<u>\$ -</u>	<u>\$ 2,095</u>	<u>\$ 2,095</u>

1. Total employee count was 125 in 2023 and 120 in 2022; the number of directors without a concurrent role as an employee was 5 in both years.
2. The Company is required to make the mandatory disclosures below given that its shares are listed for trading on Taipei Exchange (TPEX):
 - (1) Average employee benefit expense was reported at \$1,411 for 2023 and \$1,438 for 2022.
 - (2) Average employee salary expense was reported at \$1,263 for 2023 and \$1,293 for 2022.
 - (3) Change in average employee salary expenses was calculated at (2.32%).
 - (4) The Company has assembled an Audit Committee. Therefore no compensation was recognized for supervisors in 2023 and 2022.

ONYX Healthcare Inc.
Summary of current employee welfare, depreciation, and amortization by function (continued)
January 1 to December 31, 2023

Account set 12

Unit: NT\$ thousand

3. The Company's salary and compensation policy is as follows:
- (1) According to the Articles of Incorporation, the Company may authorize the board of directors to compensate directors for the services rendered based on their involvements and contributions to the Company's operations, in reference to local and foreign peer levels. The Articles of Incorporation also caps director remuneration at 3% of annual profit. Principles for payment of director remuneration:
 - A. The Company may compensate independent directors with monthly fixed payments regardless of profitability, based on individual participation and contribution to the Company's operations.
 - B. Independent directors of the Company are not entitled to director remuneration or any other form of profit-sharing besides monthly fixed compensations. For non-independent directors, the Remuneration Committee will recommend the method and amount of remuneration after considering the board's overall performance and the Company's business performance and raising the proposal for board of directors' resolution.
 - (2) Compensations for the Company's managers are determined after taking into consideration their individual duties, individual contribution, the performance of the Company for the year, and future risks. Compensation proposals are reviewed by the Remuneration Committee and forwarded to the board of directors for final resolution. Managers' compensation comprises the same components as general staff, which include: monthly salary, quarterly incentive bonus, and employee remuneration.
 - (3) The Company determines employees' salary after considering the organization's performance, industry risks and trends, as well as performance, target accomplishment, and contribution of each individual. Employees' compensation includes: monthly salary, quarterly incentive bonus determined based on organizational performance, and remuneration determined based on the Company's profit performance for the year.