ONYX Healthcare Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Review Report

For the Second Quarter of 2023 and 2022

(Stock code: 6569)

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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. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Review Report for the Second Quarter of 2023 and 2022

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Independent Auditor's Review Report

(112)-Cai-Shen-Bao-Zi No. 23000874

To stakeholders of ONYX Healthcare Inc.:

Preamble

We have reviewed the accompanying consolidated balance sheet of ONYX Healthcare Inc. and subsidiaries (hereinafter referred to as "ONYX Group" below) as of June 30, 2023 and 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement from April 1 to June 30, 2023 and 2022, January 1 to June 30, 2023 and 2022, and notes to consolidated financial statements (including a summary of the significant accounting policies). It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as auditor is to form a conclusion based on our review.

Scope

Except for the issues discussed in the "Basis of reservation" paragraph, we, the auditors, have performed the review in accordance with Standards on Review Engagements No. 2410 - "Financial Statement Review." The procedures executed in our review of consolidated financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis, and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an audit opinion.

Basis of reservation

As mentioned in Notes 4(3) and 6(6) of the consolidated financial statements, some of the non-material subsidiaries were consolidated using financial statements for the corresponding periods that were not reviewed by CPAs. As at June 30, 2023 and 2022, these subsidiaries aggregately reported total assets of NT$44,212 thousand and NT$48,653 thousand that represented 2% and 2% of consolidated total assets, and total liabilities of NT$4,648 thousand and

NT$5,500 thousand that represented 1% and 1% of consolidated total liabilities, respectively. For the periods April 1 to June 30, 2023 and 2022, and January 1 to June 30, 2023 and 2022, these subsidiaries reported total comprehensive income of NT$(230) thousand, NT$(1,138) thousand, NT$(2,448) thousand, and NT$(1,536) thousand that represented (0%), (3%) (2%), and (2%) of consolidated total comprehensive income, respectively. Balance of equity-accounted investments was reported at NT$32,747 thousand as at June 30, 2023, representing 2% of consolidated total assets. Share of net income and other comprehensive income from equity-accounted associated companies for the periods April 1 to June 30, 2023 and January 1 to June 30, 2023 amounted to NT$(1,323) thousand and NT$(2,109) thousand, representing (2%) and (2%) of consolidated comprehensive income, respectively.

Reservations

Based on our review and the review reports of other CPAs (please refer to the Other issues paragraph), we found that none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Securities Issuers or the version of IAS 34 - "Interim Financial Reporting" approved, published, and effected by the Financial Supervisory Commission, or compromised the fair view of the consolidated financial position of ONYX Group as of June 30, 2023 and 2022, or consolidated financial performance for the periods April 1 to June 30, 2023 and 2022, or January 1 to June 30, 2023 and 2022, or consolidated cash flow for the periods January 1 to June 30, 2023 and 2022, except for the issues discussed in the "Basis of reservation" paragraph, where financial statements of certain non-material subsidiaries and equity-accounted investments had yet to be reviewed by CPAs, and may cause adjustments to the consolidated financial statements if they were CPA-reviewed.

Other issues - reviews by other CPAs

Amongst the equity-accounted business investments presented in the consolidated financial statements of ONYX Group, some of which had financial statements reviewed by other CPAs that we did not take part in. Therefore, amounts presented in the consolidated financial statements mentioned above in regards to such businesses were based on auditor-reviewed reports of other CPAs. As at June 30, 2023 and 2022, balances of the abovementioned equity-accounted investments totaled NT$596,015 thousand and NT$545,464 thousand, representing 29% and 28% of consolidated total assets, respectively. For the periods from April 1 to June 30, 2023 and 2022, and January 1 to June 30, 2023 and 2022, comprehensive income recognized from the abovementioned companies totaled NT$20,256 thousand, NT$15,491 thousand, NT$38,178 thousand and NT$29,325 thousand, representing 29%, 46%, 29% and 37% of consolidated comprehensive income, respectively.

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
August 8, 2023

ONYX Healthcare Inc. and Subsidiaries
Consolidated balance sheet
As of June 30, 2023, December 31, 2022 and June 30, 2022

Unit: NT$ thousand

	Assets	Note	June 30, 2023 Amount	%	December 31, 2022 Amount	%	June 30, 2022 Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 327,743	16	$ 328,886	17	$ 433,008	22
1110	Financial assets at fair value through profit or loss - current	6(2)	12,549	1	7,211	-	5,985	-
1170	Net accounts receivable	6(3)	247,660	12	264,279	14	177,273	9
1180	Accounts receivable - related parties, net	7	3,374	-	1,046	-	7,128	1
1200	Other receivables	7	51,316	3	4,120	-	49,331	3
1220	Current income tax asset		1,584	-	1,030	-	652	-
130X	Inventory	6(4)	264,796	13	311,527	16	295,691	15
1410	Prepayments		30,476	1	19,230	1	19,951	1
1470	Other current assets	8	1,390	-	1,699	-	1,311	-
11XX	**Total current assets**		940,888	46	939,028	48	990,330	51
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	31,597	2	26,956	1	26,965	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	2,381	-	27,536	2	28,481	2
1550	Equity-accounted investments	6(6)	628,762	31	606,637	31	545,464	28
1600	Property, plant and equipment	6(7), 7 and 8	351,373	18	296,155	15	22,646	1
1755	Right-of-use assets	6(8)	34,511	2	36,421	2	35,976	2
1760	Investment property - net	6(10), 7, and 8	-	-	-	-	276,832	14
1780	Intangible assets		4,456	-	5,593	-	5,174	-
1840	Deferred income tax assets		27,349	1	25,015	1	24,849	1
1900	Other non-current assets	8	3,578	-	3,567	-	3,390	-
15XX	**Total non-current assets**		1,084,007	54	1,027,880	52	969,777	49
1XXX	**Total assets**		$ 2,024,895	100	$ 1,966,908	100	$ 1,960,107	100

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ONYX Healthcare Inc. and Subsidiaries
Consolidated balance sheet
As of June 30, 2023, December 31, 2022 and June 30, 2022

Unit: NT$ thousand

	Liabilities and equity	Note	June 30, 2023 Amount	%	December 31, 2022 Amount	%	June 30, 2022 Amount	%
	Current liabilities							
2130	Contractual liabilities - current	6(19)	$ 74,909	4	$ 64,733	3	$ 89,352	5
2170	Accounts payable		53,140	3	83,348	4	98,318	5
2180	Accounts payable - related parties	7	16,894	1	23,009	1	15,443	1
2200	Other payables	6(11) and 7	242,384	12	74,270	4	202,372	10
2230	Current income tax liabilities		14,622	1	46,954	3	23,199	1
2250	Liability reserves - current	6(14)	7,579	-	7,367	-	7,206	-
2280	Lease liabilities - current		3,952	-	5,746	-	6,220	-
2320	Long-term liabilities due within 1 year or 1 business cycle	6(12)	10,379	-	10,376	1	10,536	1
2399	Other current liabilities - others		1,239	-	3,084	-	4,863	-
21XX	**Total current liabilities**		425,098	21	318,887	16	457,509	23
	Non-current liabilities							
2527	Contractual liabilities - non-current	6(19)	52,693	3	67,860	4	62,397	3
2540	Long-term loans	6(12)	139,761	7	144,910	7	149,950	8
2550	Liability reserves - non-current	6(14)	2,268	-	2,327	-	2,529	-
2570	Deferred income tax liabilities		4,482	-	-	-	191	-
2580	Lease liabilities - non-current		31,613	1	30,887	2	30,496	2
2645	Guarantee deposits received	7	-	-	1,148	-	1,148	-
25XX	**Total non-current liabilities**		230,817	11	247,132	13	246,711	13
2XXX	**Total liabilities**		655,915	32	566,019	29	704,220	36
	Equity							
	Equity attributable to parent company shareholders							
	Share capital	6(16)						
3110	Common share capital		332,883	16	332,612	17	332,612	17
	Capital reserves	6(15) (17)						
3200	Capital reserves		684,094	34	679,472	35	675,079	34
	Retained earnings	6(18)						
3310	Legal reserves		151,706	7	131,410	7	131,410	7
3320	Special reserves		33,926	2	49,896	2	49,896	3
3350	Unappropriated earnings		180,579	9	232,379	12	103,238	5
	Other equity items							
3400	Other equity items		(23,192)	(1)	(33,926)	(2)	(44,580)	(2)
31XX	**Total equity attributable to parent company shareholders**		1,359,996	67	1,391,843	71	1,247,655	64
36XX	**Non-controlling equity**	4(3)	8,984	1	9,046	-	8,232	-
3XXX	**Total equity**		1,368,980	68	1,400,889	71	1,255,887	64
3X2X	**Total liabilities and equity**		$ 2,024,895	100	$ 1,966,908	100	$ 1,960,107	100

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

Chairman: Chuang, Yung-Shun   Manager: Chuang, Yung-Shun   Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Consolidated statement of comprehensive income
January 1 to June 30, 2023 and 2022

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

	Item	Note	April 1 to June 30, 2023 Amount	%	April 1 to June 30, 2022 Amount	%	January 1 to June 30, 2023 Amount	%	January 1 to June 30, 2022 Amount	%
4000	Operating revenues	6(19) and 7	$ 357,874	100	$ 357,464	100	$ 685,816	100	$ 776,672	100
5000	Operating costs	6(4) (22) (23) and 7	(222,127)	(62)	(254,329)	(71)	(438,588)	(64)	(553,998)	(71)
5900	Gross profit		135,747	38	103,135	29	247,228	36	222,674	29
	Operating expenses	6(22) (23) and 7								
6100	Selling expenses		(43,750)	(12)	(42,344)	(12)	(84,648)	(12)	(87,946)	(12)
6200	Administrative expenses		(22,787)	(7)	(20,081)	(6)	(42,672)	(6)	(41,208)	(5)
6300	R&D expenses		(18,454)	(5)	(18,956)	(5)	(38,671)	(6)	(39,685)	(5)
6450	Expected credit impairment gain (loss)	12(2)	(300)	-	84	-	467	-	558	-
6000	Total operating expenses		(85,291)	(24)	(81,297)	(23)	(165,524)	(24)	(168,281)	(22)
6900	Operating profit		50,456	14	21,838	6	81,704	12	54,393	7
	Non-operating income and expenses									
7100	Interest income		1,355	-	57	-	1,795	-	58	-
7010	Other income	6(20) and 7	1,225	-	4,160	1	10,260	1	10,878	1
7020	Other gains and losses	6(21)	9,690	3	86	-	16,201	2	710	-
7050	Financial costs		(739)	-	(622)	-	(1,436)	-	(1,414)	-
7060	Share of profits/losses on equity-accounted associated companies and joint ventures		18,236	5	13,201	4	31,873	5	25,147	3
7000	Total non-operating income and expenses		29,767	8	16,882	5	58,693	8	35,379	4
7900	**Pre-tax profit**		80,223	22	38,720	11	140,397	20	89,772	11
7950	Income tax expense	6(24)	(12,699)	(3)	(7,095)	(2)	(16,781)	(2)	(16,589)	(2)
8200	**Current net income**		$ 67,524	19	$ 31,625	9	$ 123,616	18	$ 73,183	9

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ONYX Healthcare Inc. and Subsidiaries
Consolidated statement of comprehensive income
January 1 to June 30, 2023 and 2022

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

	Item	Note	April 1 to June 30, 2023 Amount	%	April 1 to June 30, 2022 Amount	%	January 1 to June 30, 2023 Amount	%	January 1 to June 30, 2022 Amount	%
	Other comprehensive income (net)									
	Items not reclassified into profit or loss									
8316	Unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	6(5)	$ -	-	($ 2,325)	(1)	$ -	-	($ 3,900)	-
8320	Share of other comprehensive income from equity-accounted associated companies and joint ventures - not reclassified into profit or loss		637	-	2,017	1	4,302	1	3,629	-
8310	Items not reclassified into profit or loss - total		637	-	(308)	-	4,302	1	(271)	-
	Items likely to be reclassified into profit or loss									
8361	Financial statement translation differences arising from foreign operations		2,593	1	2,264	-	2,116	-	6,298	1
8370	Share of other comprehensive income from equity-accounted associated companies and joint ventures - likely to be reclassified into profit or loss		60	-	273	-	(106)	-	549	-
8399	Income tax on items that are likely to be reclassified into profit or loss	6(24)	(518)	-	(453)	-	(423)	-	(1,260)	-
8360	Items likely to be reclassified into profit or loss - total		2,135	1	2,084	-	1,587	-	5,587	1
8300	**Other comprehensive income (net)**		$ 2,772	1	$ 1,776	-	$ 5,889	1	$ 5,316	1
8500	**Total comprehensive income for the current period**		$ 70,296	20	$ 33,401	9	$ 129,505	19	$ 78,499	10
	Net income (loss) attributable to:									
8610	Parent company shareholders		$ 67,540	19	$ 31,879	9	$ 123,678	18	$ 73,822	9
8620	Non-controlling equity		(16)	-	(254)	-	(62)	-	(639)	-
	Total		$ 67,524	19	$ 31,625	9	$ 123,616	18	$ 73,183	9
	Comprehensive income attributable to:									
8710	Parent company shareholders		$ 70,312	20	$ 33,655	9	$ 129,567	19	$ 79,138	10
8720	Non-controlling equity		(16)	-	(254)	-	(62)	-	(639)	-
	Total		$ 70,296	20	$ 33,401	9	$ 129,505	19	$ 78,499	10
	EPS	6(25)								
9750	Basic earnings per share		$ 2.03		$ 0.96		$ 3.72		$ 2.32	
9850	Diluted earnings per share		$ 2.02		$ 0.96		$ 3.70		$ 2.32	

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

Chairman: Chuang, Yung-Shun　　Manager: Chuang, Yung-Shun　　Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Consolidated statement of changes in equity
January 1 to June 30, 2023 and 2022

Unit: NT$ thousand

		Equity attributable to parent company shareholders									
				Retained earnings			Other equity items				
	Note	Common share capital	Capital reserves	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	Total	Non-controlling equity	Total
January 1 to June 30, 2022											
Balance as at January 1, 2022		$ 302,612	$ 462,673	$ 118,655	$ 44,993	$ 146,858	($ 12,500)	($ 37,396)	$ 1,025,895	$ 8,871	$ 1,034,766
Current net income (loss)		-	-	-	-	73,822	-	-	73,822	(639)	73,183
Other current comprehensive income		-	-	-	-	-	5,587	(271)	5,316	-	5,316
Total comprehensive income for the current period		-	-	-	-	73,822	5,587	(271)	79,138	(639)	78,499
Appropriation and distribution of 2021 earnings:	6(18)										
Provision for legal reserves		-	-	12,755	-	(12,755)	-	-	-	-	-
Provision for special reserves		-	-	-	4,903	(4,903)	-	-	-	-	-
Cash dividends		-	-	-	-	(99,784)	-	-	(99,784)	-	(99,784)
Cash issue	6(16)(17)	30,000	233,100	-	-	-	-	-	263,100	-	263,100
Cost of cash issue reserved for subscription by employees as remuneration	6(15)(17)	-	8,174	-	-	-	-	-	8,174	-	8,174
Distribution of cash from capital reserves	6(17)(18)	-	(33,261)	-	-	-	-	-	(33,261)	-	(33,261)
Share-based payment	6(15)(17)	-	4,393	-	-	-	-	-	4,393	-	4,393
Balance as at June 30, 2022		$ 332,612	$ 675,079	$ 131,410	$ 49,896	$ 103,238	($ 6,913)	($ 37,667)	$ 1,247,655	$ 8,232	$ 1,255,887
January 1 to June 30, 2023											
Balance as at January 1, 2023		$ 332,612	$ 679,472	$ 131,410	$ 49,896	$ 232,379	($ 2,849)	($ 31,077)	$ 1,391,843	$ 9,046	$ 1,400,889
Current net income (loss)		-	-	-	-	123,678	-	-	123,678	(62)	123,616
Other current comprehensive income		-	-	-	-	-	1,587	4,302	5,889	-	5,889
Total comprehensive income for the current period		-	-	-	-	123,678	1,587	4,302	129,567	(62)	129,505
Appropriation and distribution of 2022 earnings:	6(18)										
Provision for legal reserves		-	-	20,296	-	(20,296)	-	-	-	-	-
Reversal for special reserve		-	-	-	(15,970)	15,970	-	-	-	-	-
Cash dividends		-	-	-	-	(166,307)	-	-	(166,307)	-	(166,307)
Share-based payment	6(15)(17)	-	1,795	-	-	-	-	-	1,795	-	1,795
Exercise of employee warrants	6(16)(17)	271	2,827	-	-	-	-	-	3,098	-	3,098
Reclassification of equity instruments at fair value through other comprehensive income	6(5)	-	-	-	-	(4,845)	-	4,845	-	-	-
Balance as at June 30, 2023		$ 332,883	$ 684,094	$ 151,706	$ 33,926	$ 180,579	($ 1,262)	($ 21,930)	$ 1,359,996	$ 8,984	$ 1,368,980

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

Chairman: Chuang, Yung-Shun   Manager: Chuang, Yung-Shun   Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Consolidated cash flow statement
January 1 to June 30, 2023 and 2022

Unit: NT$ thousand

	Note	January 1 to June 30, 2023	January 1 to June 30, 2022
Cash flow from operating activities			
Pre-tax profit for the current period		$ 140,397	$ 89,772
Adjustments			
Income, expenses, and losses			
Depreciation	6(7)(8)(22)	10,752	12,481
Depreciation of investment properties (presented as other gains and losses)	6(10)(21)	-	813
Amortization	6(22)	1,230	998
Expected credit impairment loss/reversal gain	12(2)	(467)	(558)
Gain (loss) on financial assets at fair value through profit or loss	6(2)(21)	(9,979)	13,581
Interest expenses		1,436	1,414
Interest income		(1,795)	(58)
Dividend income	6(20)	(390)	(3,672)
Share-based payment - remuneration	6(15)	1,795	12,567
Share of profit from equity-accounted associated companies		(31,873)	(25,147)
Gain on lease amendment	6(8)(21)	-	(88)
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Accounts receivable		17,407	(4,445)
Accounts receivable - related parties		(2,327)	25,813
Other receivables		1,604	556
Inventory		46,731	(24,472)
Prepayments		(11,246)	(3,465)
Other current assets		322	270
Net change in liabilities related to operating activities			
Contractual liabilities		(4,991)	33,856
Accounts payable		(30,208)	6,461
Accounts payable - related parties		(6,115)	(17,230)
Other payables		754	(3,082)
Other payables - related parties		1,473	36
Liability reserves		153	1,464
Other current liabilities		(1,845)	(1,033)
Cash inflow from operating activities		122,818	116,832
Interests received		1,795	58
Dividends received		-	3,485
Interests paid		(1,443)	(1,447)
Income tax refunded		-	5,692
Income tax paid		(47,898)	(19,073)
Net cash inflow from operating activities		75,272	105,547

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ONYX Healthcare Inc. and Subsidiaries
Consolidated cash flow statement
January 1 to June 30, 2023 and 2022

Unit: NT$ thousand

	Note	January 1 to June 30, 2023	January 1 to June 30, 2022
Cash flow from investing activities			
Acquisition of equity-accounted investments		($ 9,700)	$ -
Acquisition of property, plant, and equipment	6(26)	(61,980)	(7,047)
Acquisition of intangible assets		(93)	(1,584)
Increase in guarantee deposits paid (presented as other non-current assets)		(11)	(166)
Net cash outflow from investing activities		(71,784)	(8,797)
Cash flow from financing activities			
Decrease in short-term loan	6(27)	-	(105,000)
Repayment of long-term loan	6(27)	(5,146)	(5,301)
Repayment of lease principal	6(27)	(2,735)	(4,360)
Decrease in guarantee deposits received		(1,148)	-
Cash issue	6(16)	-	263,100
Exercise of employee warrants		3,098	-
Net cash (outflow) inflow from financing activities		(5,931)	148,439
Exchange rate impact		1,300	4,926
Increase (decrease) in cash and cash equivalents in current period		(1,143)	250,115
Opening cash and cash equivalents balance	6(1)	328,886	182,893
Closing cash and cash equivalents balance	6(1)	$ 327,743	$ 433,008

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

Chairman: Chuang, Yung-Shun Manager: Chuang, Yung-Shun Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Notes to consolidated financial statements
For the Second Quarter of 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 and its subsidiaries (collectively referred to as "Group" below) are mainly involved in the design, manufacturing, and trading of medical computers and peripherals. AAEON Technology Inc. holds 48.83% equity ownership in the Company, whereas ASUSTeK Computer Inc. is the Group's ultimate parent.

II. Financial statement approval date and procedures

This consolidated financial report was passed during the board of directors meeting dated August 8, 2023.

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 is a list of new/amended/modified IFRSs and interpretations approved by FSC that are applicable for 2023:

New/amended/modified standards and interpretations	Effective date of IASB announcement
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

After a thorough assessment, the Group 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

None.

(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:

New/amended/modified standards and interpretations	Effective date of IASB announcement
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
Amendments to IFRS 16 regarding "Lease liability in a sale and leaseback"	January 1, 2024
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 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
Amendments to IAS 12 regarding "International Tax Reform Pillar Two Model Rules"	May 23, 2023

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

IV. Summary of significant accounting policies

Except for the statement of compliance, basis of preparation, basis of consolidation, and new explanations provided below, all other significant accounting policies are unchanged from Note 4 of the 2022 consolidated financial statements. Unless otherwise stated, the following policies were applied consistently in all reporting periods.

(I) Statement of compliance

1. The consolidated financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the version of IAS 34 - "Interim Financial Reporting" approved, announced, and effected by FSC.

2. These consolidated financial statements should be read in conjunction with the 2022 consolidated financial statements.

(II) Basis of preparation

1. This consolidated 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 financial report that complies with the version of International Financial Reporting Standards, International Accounting Standards and interpretations approved, announced, and effected by the FSC (collectively referred to as "IFRSs" below) involves some use of critical accounting estimates, and the management is required to exercise some judgment when applying the Group's accounting policies. Please refer to Note 5 for highly complex and significant assumptions and estimates made in relation to the consolidated financial report.

(III) Basis of consolidation

1. Basis of preparation for consolidated financial report
   Basis of preparation for this consolidated financial report is identical to the 2022 consolidated financial report.

2. Subsidiaries included in the consolidated financial report:

			Shareholding percentage			
Name of investor	Name of subsidiary	Business activities	June 30, 2023	December 31, 2022	June 30, 2022	Description
The Company	ONYX HEALTHCARE USA, Inc.(OHU)	Sale of medical computers and peripherals	100	100	100	
The Company	ONYX HEALTHCARE EUROPE B.V.(ONI)	Marketing support and maintenance of medical computers and peripherals	100	100	100	Note 1
The Company	Onyx Healthcare (Shanghai) Inc. (OCI)	Sale of medical computers and peripherals	100	100	100	Note 1
The Company	iHELPER Inc. (iHELPER)	Research, development, and sale of medical robots	46	46	46	Note 1 and Note 2

Note 1: These entities do not meet the definition of material subsidiary, and therefore financial statements dated June 30, 2023 and 2022 were not reviewed by CPAs.

Note 2: The Company holds less than 50% aggregate ownership in the entity, but includes it in the preparation of consolidated financial report as the Company has control over the entity's financial, operational and personnel decisions.

3. Subsidiaries not included in the consolidated financial report: None.
4. Methods for aligning subsidiaries' accounting periods: None.
5. Significant limitations: None.
6. Subsidiaries with non-controlling owners that are significant to the Group: The Group had non-controlling equity outstanding at $8,984, $9,046, and $8,232 on June 30, 2023, December 31, 2022, and June 30, 2022, respectively. None of the non-controlling shareholders were significant to the Group.

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

There were no significant changes in the current period; please refer to Note 5 of the 2022 consolidated financial report.

VI. Notes to major accounts

(I) Cash and cash equivalents

	June 30, 2023	December 31, 2022	June 30, 2022
Petty cash	$ 280	$ 320	$ 327
Check and current deposit	296,323	297,856	402,961
Time deposit	31,140	30,710	29,720
	$ 327,743	$ 328,886	$ 433,008

1. All financial institutions that the Group deals with are of strong credit background. The Group 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 forwarding exchange contracts are presented as other financial assets (under other current assets). Please see Note 8 for details.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Current portion:			
Financial assets mandatory to be carried at fair value through profit or loss			
TWSE/TPEX listed shares	$ 10,208	$ 10,208	$ 9,873
Valuation adjustment	2,341	(2,997)	(3,888)
	$ 12,549	$ 7,211	$ 5,985

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	$ 30,000
Valuation adjustment	1,597	(3,044)	(3,035)
	$ 31,597	$ 26,956	$ 26,965

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

	April 1 to June 30, 2023	April 1 to June 30, 2022
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	$ 3,492	($ 7,516)

	January 1 to June 30, 2023	January 1 to June 30, 2022
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	$ 9,979	($ 13,581)

2. None of the Group's financial assets at fair value through profit or loss was placed as 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) Accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable	$ 262,314	$ 279,721	$ 193,859
Less: loss provisions	(14,654)	(15,442)	(16,586)
	$ 247,660	$ 264,279	$ 177,273

1. Accounts receivable (including related parties) aging analysis:

	June 30, 2023	December 31, 2022	June 30, 2022
Current	$ 168,148	$ 174,573	$ 150,151
Overdue within 30 days	61,464	87,762	33,047
Overdue 31 - 60 days	21,127	5,071	1,747
Overdue 61 - 90 days	140	-	771
Overdue 91 - 120 days	2,262	-	-
Overdue more than 121 days	12,547	13,361	15,271
	$ 265,688	$ 280,767	$ 200,987

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

2. Balances of accounts receivable (including related parties) as at June 30, 2023, December 31, 2022, and June 30, 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 $222,344 and $16,828, respectively.

3. In the absence of collaterals and other credit enhancements, maximum credit risk exposure associated with the Group's accounts receivable (including related parties) as at June 30, 2023, December 31, 2022, and June 30, 2022 amounted to $251,034, $265,325, and $184,401, respectively.

4. The Group held no collateral on accounts receivable (including related parties).

5. For credit risk information on accounts receivable (including related parties), please refer to Note 12(2).

(IV) Inventory

	June 30, 2023		
	Cost	Allowance for obsolescence and devaluation loss	Book value
Raw materials	$ 134,715	($ 14,456)	$ 120,259
Work-in-progress	26,161	(1,014)	25,147
Semi-finished goods	74,087	(8,175)	65,912
Finished goods	67,977	(15,250)	52,727
Inventory in transit	751	-	751
	$ 303,691	($ 38,895)	$ 264,796

	December 31, 2022		
	Cost	Allowance for obsolescence and devaluation loss	Book value
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	70,513	(11,673)	58,840
	$ 361,401	($ 49,874)	$ 311,527

	June 30, 2022		
	Cost	Allowance for obsolescence and devaluation loss	Book value
Raw materials	$ 175,740	($ 18,438)	$ 157,302
Work-in-progress	31,405	(256)	31,149
Semi-finished goods	79,481	(11,443)	68,038
Finished goods	59,451	(20,249)	39,202
	$ 346,077	($ 50,386)	$ 295,691

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

	April 1 to June 30, 2023	April 1 to June 30, 2022
Cost of inventory sold	$ 221,080	$ 248,564
Service and warranty cost	3,036	3,571
Other operating costs (Note 1)	(5,355)	-
Obsolescence and devaluation loss	3,733	1,612
Gain on stock-take	(379)	-
Impairment loss	12	582
	$ 222,127	$ 254,329

	January 1 to June 30, 2023	January 1 to June 30, 2022
Cost of inventory sold	$ 442,430	$ 537,066
Service and warranty cost	5,404	8,787
Other operating costs (Note 1)	(5,355)	-
Obsolescence and devaluation losses (reversal gains) (Note 2)	(3,587)	7,563
Gain on stock-take	(379)	-
Impairment loss	75	582
	$ 438,588	$ 553,998

Note 1: 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 Group received $5,355 in compensations and presented the amount as a contra item to other operating costs.

Note 2: Reversal gains for the period from January 1 to June 30, 2023 had arisen due to the Group having taken the initiative to dispose of slow-moving inventory.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Non-current portion:			
Equity instrument			
Not listed on TWSE/TPEX or the Emerging Stock Market board	$ 39,334	$ 69,334	$ 69,334
Valuation adjustment	(36,953)	(41,798)	(40,853)
	$ 2,381	$ 27,536	$ 28,481

1. The Group has chosen to classify shares of MELTEN CONNECTED HEALTHCARE INC. and ProtectLife International Biomedical Inc., both of which are strategic investments, as financial assets at fair value through other comprehensive income. Fair values of these investments were reported at $2,381, $27,536, and $28,481 as at June 30, 2023, December 31, 2022, and June 30, 2022.
2. Details of gains or losses on financial assets at fair value through other comprehensive income:

	April 1 to June 30, 2023	April 1 to June 30, 2022
Equity instruments at fair value through other comprehensive income		
Fair value changes recognized through other comprehensive income	$ -	($ 2,325)

	January 1 to June 30, 2023	January 1 to June 30, 2022
Equity instruments at fair value through other comprehensive income		
Fair value changes recognized through other comprehensive income	$ -	($ 3,900)
Cumulative losses reclassified into retained earnings	($ 4,845)	$ -

3. None of the Group'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).

(VI) Equity-accounted investments

	June 30, 2023		December 31, 2022	
Name of associated company	Shareholding %	Amount presented	Shareholding %	Amount presented
Winmate Inc. (Winmate)(Note 1)	13.33%	$ 596,015	13.99%	$ 606,637
ProtectLife International Biomedical Inc. (ProtectLife)(Note 2)	11.54%	32,747	-	-
		$ 628,762		$ 606,637

	June 30, 2022	
Name of associated company	Shareholding %	Amount presented
Winmate Inc. (Winmate)(Note 1)	13.83%	$ 545,464

Note: Although the Group 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 Group 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.

1. Summary financial information of significant associated companies:

Balance sheet

	Winmate		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	$ 2,442,585	$ 2,417,479	$ 2,329,530
Non-current assets	1,436,589	1,347,730	1,289,587
Current liabilities	(1,126,431)	(1,210,738)	(1,405,456)
Non-current liabilities	(20,003)	(15,176)	(21,083)
Total net assets	$ 2,732,740	$ 2,539,295	$ 2,192,578
As a percentage of net assets across associated companies	$ 364,351	$ 355,247	$ 303,108
Goodwill	231,664	251,390	242,356
Book value of associated company	$ 596,015	$ 606,637	$ 545,464

Statement of comprehensive income

	Winmate	
	April 1 to June 30, 2023	April 1 to June 30, 2022
Income	$ 688,477	$ 606,922
Current net income	$ 147,868	$ 93,223
Other comprehensive income (net, after-tax)	15,705	34,154
Total comprehensive income for the current period	$ 163,573	$ 127,377
Dividends received from associated companies	$ 48,800	$ 45,136

	Winmate	
	January 1 to June 30, 2023	January 1 to June 30, 2022
Income	$ 1,314,517	$ 1,194,636
Current net income	$ 259,763	$ 179,560
Other comprehensive income (net, after-tax)	44,005	48,471
Total comprehensive income for the current period	$ 303,768	$ 228,031
Dividends received from associated companies	$ 48,800	$ 45,136

2. The following is a summary of book values and business performance of the Group's non-material associated companies:

Book value of the Group's non-material associated companies as at June 30, 2023 totaled $32,747.

	April 1 to June 30, 2023	April 1 to June 30, 2022
Current net loss	($ 12,051)	$ -
	January 1 to June 30, 2023	January 1 to June 30, 2022
Current net loss	($ 22,151)	$ -

3. Fair value of material associated companies that are openly quoted:

	June 30, 2023	December 31, 2022	June 30, 2022
Winmate	$ 1,152,450	$ 850,252	$ 760,104

4. ProtectLife, an equity-accounted investment held by the Group, was recognized using the investee's unaudited financial statements for the corresponding period.

(VII) Property, plant and equipment

	2023							
	Land	Buildings	Machinery	Office equipment	Lease improvements	Other equipment	Construction in progress and equipment pending inspection	Total
January 1								
Cost	$ 229,660	$ 48,798	$ 17,200	$ 11,463	$ 20,697	$ 84,201	$ 1,727	$ 413,746
Accumulated depreciation	-	(2,440)	(15,392)	(9,262)	(19,473)	(71,024)	-	(117,591)
	$ 229,660	$ 46,358	$ 1,808	$ 2,201	$ 1,224	$ 13,177	$ 1,727	$ 296,155
January 1	$ 229,660	$ 46,358	$ 1,808	$ 2,201	$ 1,224	$ 13,177	$ 1,727	$ 296,155
Addition	37,523	11,539	-	148	1,156	1,296	10,731	62,393
Transfer	-	5,001	-	-	-	2,304	(7,305)	-
Depreciation	-	(1,053)	(668)	(431)	(1,214)	(3,813)	-	(7,179)
Net exchange difference	-	-	-	17	-	(13)	-	4
June 30	$ 267,183	$ 61,845	$ 1,140	$ 1,935	$ 1,166	$ 12,951	$ 5,153	$ 351,373
June 30								
Cost	$ 267,183	$ 65,338	$ 16,582	$ 11,741	$ 21,853	$ 87,715	$ 5,153	$ 475,565
Accumulated depreciation	-	(3,493)	(15,442)	(9,806)	(20,687)	(74,764)	-	(124,192)
	$ 267,183	$ 61,845	$ 1,140	$ 1,935	$ 1,166	$ 12,951	$ 5,153	$ 351,373

	2022					
	Machinery	Office equipment	Lease improvements	Other equipment	Construction in progress and equipment pending inspection	Total
January 1						
Cost	$ 17,980	$ 9,547	$ 20,697	$ 78,525	$ -	$ 126,749
Accumulated depreciation	(14,281)	(7,946)	(15,012)	(65,189)	-	(102,428)
	$ 3,699	$ 1,601	$ 5,685	$ 13,336	$ -	$ 24,321
January 1	$ 3,699	$ 1,601	$ 5,685	$ 13,336	$ -	24,321
Addition	-	1,328	-	603	3,768	5,699
Depreciation	(1,018)	(403)	(2,415)	(3,633)	-	(7,469)
Net exchange difference	-	68	-	27	-	95
June 30	$ 2,681	$ 2,594	$ 3,270	$ 10,333	$ 3,768	$ 22,646
June 30						
Cost	$ 17,980	$ 11,184	$ 20,697	$ 79,195	$ 3,768	$ 132,824
Accumulated depreciation	(15,299)	(8,590)	(17,427)	(68,862)	-	(110,178)
	$ 2,681	$ 2,594	$ 3,270	$ 10,333	$ 3,768	$ 22,646

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

Item	Major component	Useful life
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 revovation 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 Group's property, plant, and equipment.
3. See Note 8 for details of Property, plant and equipment pledged as collateral by the Group.

(VIII) Leases - as a lessee

1. The Group leases buildings, transport equipment, 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 can not be placed as collateral.
2. Lease tenors for buildings and transport equipment do not exceed 12 months, whereas leases for office equipment are treated as low-value leases.
3. Book value of right-of-use assets and recognized amounts of depreciation expense are presented below:

	June 30, 2023	December 31, 2022	June 30, 2022
	Book value	Book value	Book value
Buildings	$ 30,994	$ 33,782	$ 33,634
Transport equipment	2,059	967	456
Office equipment	1,458	1,672	1,886
	$ 34,511	$ 36,421	$ 35,976

	January 1 to June 30, 2023	January 1 to June 30, 2022
	Depreciation	Depreciation
Buildings	$ 2,973	$ 4,397
Transport equipment	386	401
Office equipment	214	214
	$ 3,573	$ 5,012

4. Amounts of right-of-use assets added during the periods January 1 to June 30, 2023 and 2022, were $1,583 and $0, respectively.

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

	April 1 to June 30, 2023	April 1 to June 30, 2022
Current income/expense accounts affected		
Interest expense on lease liabilities	$ 39	$ 72
Expenses on short-term lease agreements	3,181	2,730
Lease expense of low-value leases	7	2
Income from sub-leasing of right-of-use assets	602	-
Gain on lease amendment	-	(88)

	January 1 to June 30, 2023	January 1 to June 30, 2022
Current income/expense accounts affected		
Interest expense on lease liabilities	$ 77	$ 145
Expenses on short-term lease agreements	7,041	5,196
Lease expense of low-value leases	67	13
Income from sub-leasing of right-of-use assets	903	-
Gain on lease amendment	-	(88)

6. Amounts of cash outflow incurred on leases totaled $9,920 and $9,714 for the periods January 1 to June 30, 2023 and 2022, respectively.

(IX) Leases - as a lessor

1. The Group leases out its land and buildings. The current lease tenure is from September 2021 to August 2024. However, part of the lease was 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 Group recognized $602, $1,724, $903, and $3,457 of rental income from operating lease agreements for the periods April 1 to June 30, 2023 and 2022 and January 1 to June 30, 2023 and 2022; these amounts included no variable lease payment.

3. Maturity analysis for lease payments collectible on operating leases:

	June 30, 2023	December 31, 2022	June 30, 2022
No more than 1 year	$ 451	$ -	$ 6,897
More than 1 year but not exceeding 5 years	-	-	8,047
	$ 451	$ -	$ 14,944

4. See Note 7 for details on the lease of assets to related parties.

(X) Investment property

	2022		
	Land	Buildings	Total
January 1			
Cost	$ 229,660	$ 48,798	$ 278,458
Accumulated depreciation	-	(813)	(813)
	$ 229,660	$ 47,985	$ 277,645
January 1	$ 229,660	$ 47,985	$ 277,645
Depreciation	-	(813)	(813)
June 30	$ 229,660	$ 47,172	$ 276,832
June 30			
Cost	$ 229,660	$ 48,798	$ 278,458
Accumulated depreciation	-	(1,626)	(1,626)
	$ 229,660	$ 47,172	$ 276,832

1. The Group 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:

	April 1 to June 30, 2022
Rent income from investment property	$ 1,724
Direct expenses incurred in relation to current rent income generated from investment property	$ 406

	January 1 to June 30, 2022
Rent income from investment property	$ 3,457
Direct expenses incurred in relation to current rent income generated from investment property	$ 813

3. Fair value of the Group's investment properties was reported at $280,333 as at June 30, 2022 based on the valuation result produced by an independent valuer. The valuation used a combination of the comparative and income approaches, which involved level 3 fair value inputs. Main assumptions of the valuation are as follows:

	June 30, 2022
Income capitalization rate	1.8%

4. See Note 8 for details of investment property pledged as collateral.

(XI) Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
Dividends payable	$ 166,307	$ -	$ 133,045
Employee and director remuneration payable	33,551	26,752	31,171
Salary and bonus payable	28,030	33,420	23,975
Equipment purchase payable	413	-	378
Other payables	14,083	14,098	13,803
	$ 242,384	$ 74,270	$ 202,372

(XII) Long-term loans

Nature of loan	Loan tenor and repayment method	Interest rate range	Collateral	June 30, 2023
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	$ 150,140
Less: current portion of long-term loan				(10,379)
				$ 139,761

Nature of loan	Loan tenor and repayment method	Interest rate range	Collateral	December 31, 2022
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)
				$ 144,910

Nature of loan	Loan tenor and repayment method	Interest rate range	Collateral	June 30, 2022
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.375%	Land and buildings	$ 160,486
Less: current portion of long-term loan				(10,536)
				$ 149,950

(XIII) Pension

1. The Company and domestic subsidiaries have 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 and domestic subsidiaries contribute an amount equal to 6% of employees' 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. OHU currently implements a company-funded personal pension program. Every employee who voluntarily participates in the program may have pension contributions shared between OHU and the employee. OHU makes contributions at 3% of gross salary, up to the amount in employee's self contribution.

3. OCI is required under the retirement insurance system of The People's Republic of China to pay monthly retirement premiums at a certain percentage of gross salary for local employees. Employees' pension funds are collectively managed by the local government. OCI has no further obligations other than making monthly contributions.

4. ONI makes pension contributions according to local regulations.

5. Total pension costs recognized under the above policies amounted to $1,472, $1,787, $3,145, and $3,250 for the periods April 1 to June 30, 2023 and 2022 and January 1 to June 30, 2023 and 2022, respectively.

(XIV) Liability reserves

	2023		2022	
	Warranty		Warranty	
January 1	$	9,694	$	8,271
Increase of liability reserves in the current period		4,384		5,127
Liability reserves used and reversed in the current period	(	4,231)	(	3,663)
June 30	$	9,847	$	9,735

Analysis of liability reserves:

	June 30, 2023		December 31, 2022		June 30, 2022	
Current	$	7,579	$	7,367	$	7,206
Non-current	$	2,268	$	2,327	$	2,529

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.

(XV) Share-based payment

1. The Group had the following share-based payment arrangements for the periods January 1 to June 30, 2023 and 2022:

Type of agreement	Grant date	Quantity granted (thousand shares)	Contract duration	Vesting condition
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:

	2023 Quantity of warrants (thousand shares)	2023 Weighted average exercise price (NTD)	2022 Quantity of warrants (thousand shares)	2022 Weighted average exercise price (NTD)
Opening balance (January 1) of outstanding warrants	872	$ 114.70	1,000	$ 121.50
Adjustment of warrants	20	-	-	-
Warrants exercised in the current period	(27)	-	-	-
Closing balance (June 30) of outstanding warrants	865	114.70	1,000	119.70
Closing balance (June 30) of exercisable warrants	433		-	

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

			June 30, 2023	
Type of agreement	Issuance date	Maturity date	Shares (thousand shares)	Exercise price (NTD)
Employee warrant program	August 6, 2020	August 6, 2025	865	$ 114.70

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

			June 30, 2022	
Type of agreement	Issuance date	Maturity date	Shares (thousand shares)	Exercise price (NTD)
Employee warrant program	August 6, 2020	August 6, 2025	1,000	$ 119.70

4. The Group 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:

Type of agreement	Grant date	Share price	Exercise price (NTD)	Expected volatility	Expected duration	Risk-free rate	Fair value per unit (NTD)
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:

	April 1 to June 30, 2023	April 1 to June 30, 2022
Employee warrants	$ 897	$ 2,196
	January 1 to June 30, 2023	January 1 to June 30, 2022
Employee warrants	$ 1,795	$ 4,393
Cash issue retain for subscription by employees	-	8,174
	$ 1,795	$ 12,567

(XVI) Share capital

1. 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 $332,883 of paid-up capital issued in 33,288 thousand shares at a face value of NT$10 per share as at June 30, 2023. Proceeds from issued shares have been fully collected.

   Reconciliation between the opening and closing number of outstanding common shares (in thousand shares) between January 1 and June 30, 2023 and 2022, is explained below:

	2023	2022
January 1	33,261	30,261
Exercise of employee warrants	27	-
Cash issue	-	3,000
June 30	33,288	33,261

2. 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(15) for details.
3. 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.

(XVII) 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.

	2023			
	Share premium	Employee warrants	Others	Total
January 1	$ 654,359	$ 24,885	$ 228	$ 679,472
Exercise of employee warrants	3,782	(955)	-	2,827
Employee warrants	-	1,795	-	1,795
June 30	$ 658,141	$ 25,725	$ 228	$ 684,094

	2022		
	Share premium	Employee warrants	Total
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	-	4,393	4,393
June 30	$ 654,359	$ 20,720	$ 675,079

(XVIII) 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:

	2022		2021	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
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.

(XIX) Operating revenues

	April 1 to June 30, 2023	April 1 to June 30, 2022
Revenue from contracts with customers	$ 357,874	$ 357,464

	January 1 to June 30, 2023	January 1 to June 30, 2022
Revenue from contracts with customers	$ 685,816	$ 776,672

1. Breakdown of revenue from contracts with customers

The Group 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:

April 1 to June 30, 2023	Medical computers Taiwan	 USA	 Others	Services and warranty Taiwan	 USA	 Others	 Total
Revenue from contracts with external customers	$190,024	$157,143	$ 2,900	$ 6,217	$ 1,592	($ 2)	$ 357,874
Timing of revenue recognition							
Revenues recognized at a specific time	$190,024	$157,143	$ 2,900	$ -	$ -	$ -	$ 350,067
Revenues recognized progressively over time	-	-	-	6,217	1,592	(2)	7,807
	$190,024	$157,143	$ 2,900	$ 6,217	$ 1,592	($ 2)	$ 357,874

April 1 to June 30, 2022	Medical computers Taiwan	 USA	 Others	Services and warranty Taiwan	 USA	 Others	 Total
Revenue from contracts with external customers	$203,060	$139,536	$ 5,474	$ 7,988	$ 1,393	$ 13	$ 357,464
Timing of revenue recognition							
Revenues recognized at a specific time	$203,060	$139,536	$ 5,474	$ -	$ -	$ -	$ 348,070
Revenues recognized progressively over time	-	-	-	7,988	1,393	13	9,394
	$203,060	$139,536	$ 5,474	$ 7,988	$ 1,393	$ 13	$ 357,464

January 1 to June 30, 2023	Medical computers Taiwan	 USA	 Others	Services and warranty Taiwan	 USA	 Others	 Total
Revenue from contracts with external customers	$414,882	$240,538	$ 17,342	$10,130	$ 2,921	$ 3	$ 685,816
Timing of revenue recognition							
Revenues recognized at a specific time	$414,882	$240,538	$ 17,342	$ -	$ -	$ -	$ 672,762
Revenues recognized progressively over time	-	-	-	10,130	2,921	3	13,054
	$414,882	$240,538	$ 17,342	$10,130	$ 2,921	$ 3	$ 685,816

January 1 to June 30, 2022	Medical computers Taiwan	 USA	 Others	Services and warranty Taiwan	 USA	 Others	 Total
Revenue from contracts with external customers	$390,719	$341,923	$ 23,896	$14,854	$ 5,203	$ 77	$ 776,672
Timing of revenue recognition							
Revenues recognized at a specific time	$390,719	$341,923	$ 23,896	$ -	$ -	$ -	$ 756,538
Revenues recognized progressively over time	-	-	-	14,854	5,203	77	20,134
	$390,719	$341,923	$ 23,896	$14,854	$ 5,203	$ 77	$ 776,672

2. Contractual liabilities

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

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Contractual liabilities - current:				
Service and sales contract	$ 67,030	$ 55,834	$ 79,453	$ 64,568
Warranty contract	7,879	8,899	9,899	11,187
Contractual liabilities - non-current:				
Service and sales contract	42,954	54,939	48,509	26,024
Warranty contract	9,739	12,921	13,888	16,114
	$ 127,602	$ 132,593	$ 151,749	$ 117,893

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

	April 1 to June 30, 2023	April 1 to June 30, 2022
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	$ 20,432	$ 16,165
Warranty contract	2,217	2,837
	$ 22,649	$ 19,002

	January 1 to June 30, 2023	January 1 to June 30, 2022
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	$ 37,149	$ 34,044
Warranty contract	4,584	5,886
	$ 41,733	$ 39,930

(3) Long-term contracts not yet fulfilled

The Group had long-term contracts with customers that were unfulfilled (or not fully fulfilled) as at June 30, 2023, December 31, 2022, and June 30, 2022, which had allocated prices of $127,602, $132,593, and $151,749, respectively. The management expects to recognize $74,909, $64,733, and $89,352 of revenues from allocated prices of unfulfilled performance obligations as at June 30, 2023, December 31, 2022, and June 30, 2022, in the following year, whereas the remaining contract prices are expected to be recognized as income over 2 to 8 years. The above amounts do not include constraining estimates of variable consideration.

(XX) Other income

	April 1 to June 30, 2023	April 1 to June 30, 2022
Rental income	$ 602	$ 1,724
Dividend income	390	305
Other income	233	2,131
	$ 1,225	$ 4,160

	January 1 to June 30, 2023	January 1 to June 30, 2022
Rental income	$ 903	$ 3,457
Dividend income	390	3,672
Other income	8,967	3,749
	$ 10,260	$ 10,878

(XXI) Other gains and losses

	April 1 to June 30, 2023	April 1 to June 30, 2022
Gain (loss) on financial assets at fair value through profit or loss	$ 3,492	($ 7,516)
Government grant income	89	-
Gain on foreign currency exchange	6,109	7,920
Depreciation of investment property	-	(406)
Gain on lease amendment	-	88
	$ 9,690	$ 86

	January 1 to June 30, 2023	January 1 to June 30, 2022
Gain (loss) on financial assets at fair value through profit or loss	$ 9,979	($ 13,581)
Government grant income	4,758	-
Gain on foreign currency exchange	3,193	15,016
Depreciation of investment property	-	(813)
Gain on lease amendment	-	88
Other losses	(1,729)	-
	$ 16,201	$ 710

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

	April 1 to June 30, 2023	April 1 to June 30, 2022
Employee benefit expenses	$ 68,025	$ 67,404
Depreciation on property, plant, and equipment	3,317	3,258
Depreciation on right-of-use assets	1,819	2,397
Amortization	616	515
	$ 73,777	$ 73,574

	January 1 to June 30, 2023	January 1 to June 30, 2022
Employee benefit expenses	$ 135,559	$ 143,577
Depreciation on property, plant, and equipment	7,179	7,469
Depreciation on right-of-use assets	3,573	5,012
Amortization	1,230	998
	$ 147,541	$ 157,056

(XXIII) Employee benefit expenses

	April 1 to June 30, 2023		April 1 to June 30, 2022	
Salary expenses	$	62,550	$	60,527
Labor/health insurance premium		3,153		4,222
Pension expense		1,472		1,787
Other personnel expenses		850		868
	$	68,025	$	67,404
	January 1 to June 30, 2023		January 1 to June 30, 2022	
Salary expenses	$	123,725	$	129,025
Labor/health insurance premium		6,546		9,774
Pension expense		3,145		3,250
Other personnel expenses		2,143		1,528
	$	135,559	$	143,577

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 $5,677, $4,357, $11,951 and $8,419, and director remuneration at $600, $600, $1,200, and $1,200, for the periods April 1 to June 30, 2023 and 2022, January 1 to June 30, 2023 to 2022, respectively. All of the above amounts were presented as salary expenses for the respective years.

   Amounts for the period January 1 to June 30, 2023 were estimated based on current year's profits to date and the percentages outlined in the Articles of Incorporation.

   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 to be paid in cash. Payment had yet to be completed as at August 8, 2023.

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

(XXIV) Income tax

1. Income tax expenses

(1) Composition of income tax expense:

	April 1 to June 30, 2023	April 1 to June 30, 2022
Current income tax:		
Income tax on current profit	$ 7,813	$ 15,277
Additional tax on unappropriated earnings	305	505
Underestimation of income tax expenses in previous years	57	-
Total current income tax	8,175	15,782
Deferred income tax:		
Occurrence and reversal of temporary difference	4,524	(8,687)
Income tax expense	$ 12,699	$ 7,095

	January 1 to June 30, 2023	January 1 to June 30, 2022
Current income tax:		
Income tax on current profit	$ 14,695	$ 23,418
Additional tax on unappropriated earnings	305	505
Underestimation of income tax expenses in previous years	57	866
Total current income tax	15,057	24,789
Deferred income tax:		
Occurrence and reversal of temporary difference	1,724	(8,200)
Income tax expense	$ 16,781	$ 16,589

(2) Income tax on other comprehensive income:

	April 1 to June 30, 2023	April 1 to June 30, 2022
Translation differences from foreign operations	$ 518	$ 453

	January 1 to June 30, 2023	January 1 to June 30, 2022
Translation differences from foreign operations	$ 423	$ 1,260

2. OCI, one of the consolidated entities, is incorporated in the People's Republic of China as a production-oriented foreign enterprise and is governed by the Enterprise Income Tax Law of the People's Republic of China.

3. Profit-seeking enterprise business income tax returns of the Company and iHELPER have been certified by the tax authority up to 2021.

(XXV) EPS

	April 1 to June 30, 2023		
	Amount after tax	Weighted average outstanding shares (thousand shares)	EPS (NTD)
Basic earnings per share			
Current net income attributable to common shareholders of parent company	$ 67,540	33,270	$ 2.03
Diluted earnings per share			
Current net income attributable to common shareholders of parent company	$ 67,540	33,270	
Dilutive effect of potential common shares			
Employee warrants	-	39	
Employee remuneration	-	85	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	$ 67,540	33,394	$ 2.02

April 1 to June 30, 2022	Amount after tax	Weighted average outstanding shares (thousand shares)	EPS (NTD)
Basic earnings per share			
Current net income attributable to common shareholders of parent company	$ 31,879	33,261	$ 0.96
Diluted earnings per share			
Current net income attributable to common shareholders of parent company	$ 31,879	33,261	
Dilutive effect of potential common shares			
Employee remuneration	-	85	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	$ 31,879	33,346	$ 0.96

January 1 to June 30, 2023	Amount after tax	Weighted average outstanding shares (thousand shares)	EPS (NTD)
Basic earnings per share			
Current net income attributable to common shareholders of parent company	$ 123,678	33,266	$ 3.72
Diluted earnings per share			
Current net income attributable to common shareholders of parent company	$ 123,678	33,266	
Dilutive effect of potential common shares			
Employee warrants	-	39	
Employee remuneration	-	135	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	$ 123,678	33,440	$ 3.70

	January 1 to June 30, 2022		
	Amount after tax	Weighted average outstanding shares (thousand shares)	EPS (NTD)
Basic earnings per share			
Current net income attributable to common shareholders of parent company	$ 73,822	31,770	$ 2.32
Diluted earnings per share			
Current net income attributable to common shareholders of parent company	$ 73,822	31,770	
Dilutive effect of potential common shares			
Employee remuneration	-	116	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	$ 73,822	31,886	$ 2.32

Employee warrants issued by the Company had an anti-dilutive in periods April 1 to June 30, 2022, and January 1 to June 30, 2022, and were therefore excluded from the calculation of diluted earnings per share.

(XXVI) Supplementary cash flow information

1. Investing activities involving partial cash outlay:

	January 1 to June 30, 2023	January 1 to June 30, 2022
Purchase of property, plant, and equipment	$ 62,393	$ 5,699
Plus: equipment proceeds payable at the beginning of the period	-	1,726
Less: Equipment proceeds payable at the end of the period	(413)	(378)
Cash paid during the current period	$ 61,980	$ 7,047

2. Financing activities without cash flow effects:

	January 1 to June 30, 2023
Cash dividends declared but not yet paid	$ 166,307

(XXVII) Change of liabilities relating to financing activities

	2023 Long-term loans	Lease liabilities	Total
January 1	$ 155,286	$ 36,633	$ 191,919
Repayment of long-term loan	(5,146)	-	(5,146)
Repayment of lease principal	-	(2,735)	(2,735)
Effects of exchange rate change	-	84	84
Other changes without cash effect	-	1,583	1,583
June 30	$ 150,140	$ 35,565	$ 185,705

	2022 Short-term loans	Long-term loans	Lease liabilities	Total
January 1	$ 105,000	$ 165,787	$ 44,764	$ 315,551
Decrease in short-term loan	(105,000)	-	-	(105,000)
Repayment of long-term loan	-	(5,301)	-	(5,301)
Repayment of lease principal	-	-	(4,360)	(4,360)
Effects of exchange rate change	-	-	136	136
Other changes without cash effect	-	-	(3,824)	(3,824)
June 30	$ -	$ 160,486	$ 36,716	$ 197,202

VII. Related party transactions

(I) Parent company and ultimate controller

The Company (incorporated in the Republic of China) has 48.83% 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

Name of related party	Relationship with the Group
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
AAEON ELECTRONICS,INC.	Affiliated subsidiary - with common ultimate parent
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
EverFocus Electronics Corp. (USA)	Other related party - the Company's Chairman concurrently serves as chairman in the entity's parent
AtechOEM Inc.	Other related party - the Company's Chairman concurrently serves as director in the entity
MACHVISION Inc Co., LTD	Other related party - the Company's Chairman concurrently serves as director in the entity
AAEON Foundation	Other related party - the Company's Chairman concurrently serves as chairman in the foundation
Kinpo Electronics Inc.	Other related party - iHELPER's chairman serves as director for the entity
New Era AI Robotics Inc.	Other related party - subsidiary of a shareholder that has significant influence over iHELPER
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

	April 1 to June 30, 2023	April 1 to June 30, 2022
Sales of goods:		
Parent company	$ 24	$ 5,141
Affiliated subsidiary of the same group	1,283	2,390
Associated company	146	13
Other related parties	319	2,070
	$ 1,772	$ 9,614

	January 1 to June 30, 2023	January 1 to June 30, 2022
Sales of goods:		
Parent company	$ 231	$ 8,976
Affiliated subsidiary of the same group	1,580	4,808
Associated company	146	27
Other related parties	2,850	2,239
	$ 4,807	$ 16,050

Selling prices of transactions with related parties were determined between the Group and the related counterparties, and 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 days after the current month-end.

2. Purchases

	April 1 to June 30, 2023	April 1 to June 30, 2022
Purchase of merchandise:		
Parent company		
AAEON Technology Inc.	$ 20,132	$ 41,761
Affiliated subsidiary of the same group	-	236
Associated company	2,645	678
Other related parties	3,060	5,244
	$ 25,837	$ 47,919

	January 1 to June 30, 2023	January 1 to June 30, 2022
Purchase of merchandise:		
Parent company AAEON Technology Inc.	$ 47,890	$ 109,131
Affiliated subsidiary of the same group	-	236
Associated company	3,935	1,395
Other related parties	9,072	8,474
	$ 60,897	$ 119,236

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

	April 1 to June 30, 2023	April 1 to June 30, 2022
Parent company	$ 771	$ 831
Affiliated subsidiary of the same group	1,185	1,153
Associated company	5	-
Other related parties	1,342	70
	$ 3,303	$ 2,054

	January 1 to June 30, 2023	January 1 to June 30, 2022
Parent company	$ 2,352	$ 3,634
Affiliated subsidiary of the same group	2,501	2,270
Associated company	81	8
Other related parties	3,568	149
	$ 8,502	$ 6,061

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

4. Other operating costs

	April 1 to June 30, 2023	April 1 to June 30, 2022
Parent company	($ 5,355)	$ -

	January 1 to June 30, 2023	January 1 to June 30, 2022
Parent company	($ 5,355)	$ -

Other operating costs mentioned above mainly comprise compensation payments received from the parent company. Please see Note 6(4) for details.

5. Other income

	April 1 to June 30, 2023	April 1 to June 30, 2022
Other related parties		
EverFocus Electronics Corp.(USA)	$ -	$ 1,325

	January 1 to June 30, 2023	January 1 to June 30, 2022
Other related parties		
EverFocus Electronics Corp.(USA)	$ -	$ 2,585

Other income presented above mainly comprises income from administrative and support services.

6. Rental income (presented as other income)

	April 1 to June 30, 2023	April 1 to June 30, 2022
Parent company AAEON Technology Inc.	$ 273	$ 1,724
Other related parties LYDS Technologies Inc.	329	-
	$ 602	$ 1,724

	January 1 to June 30, 2023	January 1 to June 30, 2022
Parent company AAEON Technology Inc.	$ 409	$ 3,457
Other related parties LYDS Technologies Inc.	494	-
	$ 903	$ 3,457

Rent between the Group and related parties is negotiated after taking into consideration the market rate of nearby areas. Rent payments are collected on a monthly basis.

7. Related party receivables

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable:			
Parent company	$ 26	$ 182	$ 4,578
Affiliated subsidiary of the same group	274	726	2,072
Associated company	162	-	-
Other related parties	2,912	138	478
	$ 3,374	$ 1,046	$ 7,128
Other receivables:			
Associated company			
Winmate Inc.	$ 48,801	$ -	$ 45,136
Other related parties	249	-	187
	$ 49,050	$ -	$ 45,323

8. Related party payables

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts payable:			
Parent company			
AAEON Technology Inc.	$ 13,470	$ 20,887	$ 12,106
Affiliated subsidiary of the same group	-	-	238
Associated company	1,399	5	-
Other related parties	2,025	2,117	3,099
	$ 16,894	$ 23,009	$ 15,443

	June 30, 2023	December 31, 2022	June 30, 2022
Other payables:			
Parent company	$ 141	$ 59	$ 168
Affiliated subsidiary of the same group	383	-	-
Associated company	5	4	-
Other related parties	-	1,218	23
	$ 529	$ 1,281	$ 191

9. Leases - as a lessee

The Group leased office premises from one of its affiliated subsidiaries; the initial lease tenor was from January 2021 to December 2022 and was terminated early in June 2022. Amounts paid in relation to the above totaled $1,766 for the period January 1 to June 30, 2022.

10. Property transaction

Acquisition of property, plant, and equipment

	April 1 to June 30, 2023	April 1 to June 30, 2022
Parent company AAEON Technology Inc.	$ -	$ -

	January 1 to June 30, 2023	January 1 to June 30, 2022
Parent company AAEON Technology Inc.	$ 2,639	$ -

11. Guarantee deposits received

	June 30, 2023	December 31, 2022	June 30, 2022
Parent company AAEON Technology Inc.	$ -	$ 1,148	$ 1,148

Represents rental deposit.

(IV) Compensation for key management

	April 1 to June 30, 2023	April 1 to June 30, 2022
Short-term employee benefits	$ 4,827	$ 12,942
Retirement benefits	72	185
Share-based payment	346	817
	$ 5,245	$ 13,944

	January 1 to June 30, 2023	January 1 to June 30, 2022
Short-term employee benefits	$ 16,449	$ 27,208
Retirement benefits	217	372
Share-based payment	645	4,255
	$ 17,311	$ 31,835

VIII. Pledged assets

The Group had placed the following assets as collaterals:

	Book value			
Assets	June 30, 2023	December 31, 2022	June 30, 2022	Purpose of security
Time deposit (presented as other current assets)	$ 934	$ 921	$ 892	Security for forward exchange contract
Guarantee deposits paid (presented as other current and non assets)	$ 3,578	$ 3,567	$ 3,390	Rental deposit for office and warehouse space, and deposit for special projects
Land (note)	$ 229,660	$ 229,660	$ 229,660	Long-term loans
Buildings and structures (note)	$ 45,545	$ 46,358	$ 47,172	Long-term loans

Note: Presented as property, plant and equipment as of June 30, 2023 and December 31, 2022; presented as investment property as at June 30, 2022.

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

None.

XII. Others

(I) Capital management

Objectives of the Group'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 Group 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

	June 30, 2023		December 31, 2022		June 30, 2022	
Financial assets						
Financial assets at fair value through profit or loss						
Financial assets mandatory to be carried at fair value through profit or loss	$	44,147	$	34,167	$	32,950
Financial assets at fair value through other comprehensive income						
Voluntarily designated as an investment in an equity instrument	$	2,381	$	27,536	$	28,481
Financial assets carried at cost after amortization						
Cash and cash equivalents	$	327,743	$	328,886	$	433,008
Accounts receivable		247,660		264,279		177,273
Accounts receivable - related parties		3,374		1,046		7,128
Other receivables		51,316		4,120		49,331
Other financial assets (presented as other current assets)		934		921		892
Guarantee deposits paid (presented as other current and non assets)		3,578		3,567		3,390
	$	634,605	$	602,819	$	671,022
Financial liabilities						
Financial liabilities carried at cost after amortization						
Accounts payable	$	53,140	$	83,348	$	98,318
Accounts payable - related parties		16,894		23,009		15,443
Other payables		242,384		74,270		202,372
Long-term loans (including those due within one year)		150,140		155,286		160,486
Guarantee deposits received		-		1,148		1,148
	$	462,558	$	337,061	$	477,767
Lease liabilities	$	35,565	$	36,633	$	36,716

2. Risk management policy

(1) The Group'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. The Group undertakes forward exchange contracts to eliminate exchange rate risks, thereby minimizing the adverse impact of uncertainties on the Group's financial performance.

(2) Risk management is performed by the Group'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 Group. 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

<u>Exchange rate risk</u>

A. The Group is a multinational organization, and transactions undertaken by the Company and subsidiaries 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 Group affiliates in managing exchange rate risks associated with their functional currencies. All entities are required to hedge exchange rate risks through the Group's Treasury Department. Exchange rate risks are measured by the value of USD transactions that are highly likely to occur. Instruments such as forward exchange are used to mitigate the effect of exchange rate volatility on expected sales revenues.

C. Some of the Group's business activities involve non-functional currencies (the Company and some of its subsidiaries use NTD as the functional currency, while some overseas subsidiaries use USD as the functional currency) and are therefore susceptible to exchange rate fluctuations. Information on foreign currency-denominated assets and liabilities susceptible to significant exchange rate fluctuation is presented below:

	June 30, 2023		
	Foreign currency (thousand dollars)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 7,178	31.14	$ 223,523
Financial liabilities			
Monetary items			
USD:NTD	664	31.14	20,677

	December 31, 2022		
	Foreign currency (thousand dollars)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 8,473	30.71	$ 260,206
Financial liabilities			
Monetary items			
USD:NTD	1,392	30.71	42,748

	June 30, 2022		
	Foreign currency (thousand dollars)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 9,391	29.72	$ 279,101
Financial liabilities			
Monetary items			
USD:NTD	1,933	29.72	57,449

D. Total gain on exchange (realized and unrealized) recognized by the Group for monetary items susceptible to significant exchange rate fluctuation in the periods April 1 to June 30, 2023 and 2022 and January 1 to June 30, 2023 and 2022, amounted to $6,109, $7,920, $3,193 and $15,016, respectively.

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

	January 1 to June 30, 2023		
	Sensitivity analysis		
	Variation	Effect on profit and loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 2,235	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	207	-

	January 1 to June 30, 2022		
	Sensitivity analysis		
	Variation	Effect on profit and loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 2,791	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 574	-

Price risk

A. Equity instruments held by the Group 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. For better management of price risks on equity instruments, the Group has implemented concentration limits and diversified its investment portfolio accordingly.

B. The Group 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 $441 and $330 for the periods January 1 to June 30, 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 $24 and $285, respectively.

Cash flow and fair value risk of interest rate

A. The Group's exposure to interest rate risk arises mainly from long-term loans borrowed at floating interest rates, which gives rise to the risk of cash flow change due to interest rates. This risk is partially offset by cash and cash equivalents held at a floating interest rate. The Group's floating rate borrowings for the periods January 1 to June 30, 2023 and 2022, were denominated in NTD.

B. A 1% rise/fall in the NTD borrowing interest rate would reduce/increase net income by $601 and $642 for the periods January 1 to June 30, 2023 and 2022, assuming that all other factors remain unchanged. These changes are mainly attributed to changes in interest expense on loans borrowed at the floating rate.

(2) Credit risk

A. Credit risk refers to the possibility of losses suffered by the Group 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 Group has developed credit risk management practices from a group perspective. According to the Group's internal credit policy, all operating entities 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 Group adopts the assumptions stated in IFRS 9 and treats a contract to be in default if payment is overdue for more than 90 days.

D. The Group 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 Group distinguishes 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 Group will continue taking legal actions to secure debt entitlement. The Group had no charged-off debt with ongoing collection activities as of June 30, 2023, December 31, 2022 and June 30, 2022.

G. (1) Customers of good credit background and insured accounts receivable are subject to loss given default of 0.2%. As at June 30, 2023, December 31, 2022, and June 30, 2022, the Group had outstanding accounts receivable of \$233,735, \$219,755, and \$157,080 and had made loss provisions of \$458, \$439 and \$315, respectively.

(2) The Group 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 accounts receivable from customers (including related parties) under normal credit conditions. Provision matrix as of June 30, 2023, December 31, 2022 and June 30, 2022 is as follows:

	Current	Overdue within 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue 91 - 120 days	Overdue 121 days and above	Total
June 30, 2023							
Expected loss given default	0.00~1.30%	7.71%	14.48%	44.38%	50.00%	100%	
Total book value	$ 10,128	$ 3,612	$ 3,264	$ 140	$ 2,262	$ 12,547	$ 31,953
Loss provision	$ 125	$ 276	$ 55	$ 62	$ 1,131	$ 12,547	$ 14,196

	Current	Overdue within 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue 91 - 120 days	Overdue 121 days and above	Total
December 31, 2022							
Expected loss given default	0.00-1.30%	7.71%	14.48%	44.38%	50.00%	100%	
Total book value	$ 31,975	$ 12,799	$ 3,061	$ -	$ -	$ 13,177	$ 61,012
Loss provision	$ 403	$ 980	$ 443	$ -	$ -	$ 13,177	$ 15,003

	Current	Overdue within 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue 91 - 120 days	Overdue 121 days and above	Total
June 30, 2022							
Expected loss given default	0.00~1.62%	5.75%	21.28%	43.44%	50.00%	100%	
Total book value	$ 19,417	$ 8,431	$ 92	$ 696	$ -	$ 15,271	$ 43,907
Loss provision	$ 199	$ 480	$ 19	$ 302	$ -	$ 15,271	$ 16,271

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

	2023	2022
January 1	$ 15,442	$ 16,828
Reversal of impairment loss	(467)	(558)
Exchange rate impact	(321)	316
June 30	$ 14,654	$ 16,586

Losses reversed during the periods January 1 to June 30, 2023 and 2022, included $467 and $558 of losses reversed, respectively, on receivables from contracts with customers.

(3) Liquidity risk

A. Cash flow projections are made by individual operating entities within the Group, and consolidated by the Group Treasury Department. The Group Treasury Department is responsible for monitoring and predicting liquidity and capital requirements within the Group and ensuring that adequate capital has been sourced to support operational requirements.

B. As at June 30, 2023, December 31, 2022, and June 30, 2022, the Group had undrawn credit limits of $194,000, $194,000, and $193,000, respectively.

C. Non-derivative financial liabilities are presented in the chart below. The Group 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.

June 30, 2023

Non-derivative financial liabilities	Within 1 year	1 to 2 years	2 to 5 years	5 years and above
Accounts payable	$ 53,140	$ -	$ -	$ -
Accounts payable - related parties	16,894	-	-	-
Other payables	242,384	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	13,076	13,076	39,229	103,548
Lease liabilities	4,599	3,036	7,359	26,296

December 31, 2022

Non-derivative financial liabilities	Within 1 year	1 to 2 years	2 to 5 years	5 years and above
Accounts payable	$ 83,348	$ -	$ -	$ -
Accounts payable - related parties	23,009	-	-	-
Other payables	74,270	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	12,973	12,973	38,920	109,193
Lease liabilities	6,385	2,720	6,872	26,324

June 30, 2022

Non-derivative financial liabilities	Within 1 year	1 to 2 years	2 to 5 years	5 years and above
Accounts payable	$ 98,318	$ -	$ -	$ -
Accounts payable - related parties	15,443	-	-	-
Other payables	202,372	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	12,677	12,677	38,031	113,052
Lease liabilities	6,858	3,602	6,243	25,711

D. The Group 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. The 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 can not be observed for an asset or liability. Investments in equity instruments without an active market are valued using this input.

2. For fair value information of investment properties carried at cost, please refer to Note 6(10).

3. Financial instruments not measured at fair value

   Accounts including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), other financial assets (presented as other current assets), guarantee deposits paid (presented as other non-current assets), 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.

4. Information on financial and non-financial instruments measured at fair value, classified by asset nature, characteristics, risks, and levels of fair value input:

(1) Group assets and liabilities by nature:

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 12,549	$ -	$ 31,597	$ 44,146
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	2,381	2,381
	$ 12,549	$ -	$ 33,978	$ 46,527

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
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	-	-	27,536	27,536
	$ 7,211	$ -	$ 54,492	$ 61,703

June 30, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 5,985	$ -	$ 26,965	$ 32,950
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	28,481	28,481
	$ 5,985	$ -	$ 55,446	$ 61,431

(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:

	TWSE/TPEX listed shares
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 Group adopts valuation techniques that are 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 Group'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.

5. There had been no transfer between level 1 and level 2 input during the periods January 1 to June 30, 2023 and 2022.

6. Changes in level 3 input during the periods January 1 to June 30, 2023 and 2022, are explained below:

	2023 Equity instrument	2022 Equity instrument
January 1	$ 54,492	$ 68,787
Recognized through profit and loss (Note 1)	4,641	(9,441)
Recognized in other comprehensive income (Note 2)	-	(3,900)
Outward transfer of level 3 input	(25,155)	-
June 30	$ 33,978	$ 55,446

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

7. The outward transfer of level 3 input that occurred between January 1 and June 30, 2023 was due to the reclassification of ProtectLife shares, which used to be measured using level 3 input. Please see Note 6(6) for detailed description. There was no inward or outward transfer of level 3 input between January 1 and June 30, 2022.

8. 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.

9. Quantitative information and sensitivity of significant and unobservable inputs used for level 3 fair value measurement are explained below:

	June 30, 2023 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instrument:					
Non-listed shares	$ 2,381	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	31,597	Net asset value approach	Not applicable	Not applicable	Not applicable

	December 31, 2022 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
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

	June 30, 2022 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instrument:					
Non-listed shares	$ 28,481	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	26,965	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.

10. The Group exercises a high level of discretion and evaluation in the selection of 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:

			December 31, 2022 Recognized in other comprehensive income		June 30, 2022 Recognized in other comprehensive income	
	Input	Variation	Favorable variation	Adverse variation	Favorable variation	Adverse variation
Financial assets						
Equity instrument	Weighted average funding cost	±0.5%	$ 1,350	($ 1,250)	$ 1,350	($ 1,250)

XIII. Other disclosures

(I) Information related to significant transactions

Significant transactions undertaken by the Group during the period January 1 to June 30, 2023, as defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers, are explained below; 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 paid-up capital: None.
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 2.

8. Related party accounts receivable amounting to NT$100 million or more than 20% of paid-up capital: Please refer to Attachment 3.
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

(I) General information

The Group prepares regional information for its decision makers; regional information is sorted by the locations at which sales orders are received and is currently divided between Taiwan and the USA. Since the two regions differ significantly in terms of sales network, products, and distribution model and operate independently with respect to financial management and performance evaluation, the Group has identified Taiwan and the USA as the reporting segments.

(II) Assessment of segment information

The Group assesses the performance of each segment based on operating revenues. All segments adopt consistent accounting policies, as described in Note 4 - Summary of significant accounting policies of the consolidated financial report. Sales between segments are conducted based on the fair trade principle. Revenues from external sources reported to main decision makers are measured in a manner consistent with revenues of the statement of comprehensive income.

(III) Segment profit/loss

	January 1 to June 30, 2023				
	Taiwan	USA	Others	Eliminated upon consolidation	Consolidated
Income from customers other than the ultimate parent, parent, and consolidated subsidiaries	$ 425,012	$243,459	$ 17,345	$ -	$ 685,816
	$ -	$ -	$ -	$ -	
Income from the ultimate parent, parent, and consolidated subsidiaries	157,539	-	13,442	(170,981)	-
	$ 582,551	$243,459	$ 30,787	($170,981)	$ 685,816
Segment profit/loss	$ 74,120	$ 4,754	($ 2,525)	$ -	$ 76,349
Segment profit/loss includes:					
Depreciation and amortization	$ 10,458	$ 200	$ 1,324	$ -	$ 11,982

	January 1 to June 30, 2022				
	Taiwan	USA	Others	Eliminated upon consolidation	Consolidated
Income from customers other than the ultimate parent, parent, and consolidated subsidiaries	$ 405,573	$347,126	$ 23,973	$ -	$ 776,672
Income from the ultimate parent, parent, and consolidated subsidiaries	227,628	944	13,436	(242,008)	-
	$ 633,201	$348,070	$ 37,409	($242,008)	$ 776,672
Segment profit/loss	$ 88,982	($ 33,955)	($ 634)	$ -	$ 54,393
Segment profit/loss includes:					
Depreciation and amortization	$ 11,197	$ 1,864	$ 1,231	$ -	$ 14,292

Note: Information on segment assets and liabilities was not provided to key decision makers of the Group, and therefore were not disclosed.

(IV) Reconciliation of segment profit/loss

Sales of merchandise (product) and rendering of service between segments are conducted based on the fair trade principle. Revenues from external sources and financial information reported to main decision makers are measured in a manner that is consistent with the revenues and financial information presented in the statement of comprehensive income. Reconciliation between segment profit/loss and pre-tax profit from continuing operations for the current period:

	January 1 to June 30, 2023	January 1 to June 30, 2022
Net income from reporting segments	$ 78,874	$ 55,027
Net loss from other reporting segments	(2,525)	(634)
Total across segments	$ 76,349	$ 54,393
Gain (loss) on financial assets at fair value through profit or loss	9,979	(13,581)
Other gains and losses	55,505	50,374
Financial costs	(1,436)	(1,414)
Pre-tax profit from continuing operations	$ 140,397	$ 89,772

ONYX Healthcare Inc. and Subsidiaries

End-of-period marketable securities holding position (excluding investment in subsidiaries, associated companies, and joint ventures)

June 30, 2023

Attachment 1

Unit: NT$ thousand

(unless specified otherwise)

Company name	Type of security	Name of security (Note 1)	Relationship with the securities issuer (Note 2)	Account category	End-of-period Shares	End-of-period Book value (Note 3)	End-of-period Shareholdings percentage	End-of-period Fair value	Remarks (Note 4)
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	$ 4,342	0.03%	$ 4,342	None
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through profit or loss - current	223,918	8,207	0.16%	8,207	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	31,597	13.04%	31,597	None
ONYX Healthcare Inc.	Shares	MELTEN CONNECTED HEALTHCARE INC.	None	Financial assets at fair value through other comprehensive income - non-current	4,193,548	2,381	6.61%	2,381	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. and Subsidiaries

Sales and purchases with related parties amounting to NT$100 million or more than 20% of paid-up capital

January 1 to June 30, 2023

Attachment 2

Unit: NT$ thousand

(unless specified otherwise)

			Transaction summary				Distinctive terms of trade and reasons (Note 1)		Notes and accounts receivable (payable)		Remarks (Note 2)
Name of buyer (seller)	Name of counterparty	Relationship	Purchase (Sale)	Amount	As a percentage to total purchases (sales)	Loan tenor	Unit price	Loan tenor	Balance	As a percentage of total notes and accounts receivable (payable)	
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	Subsidiary	(Sale)	($ 145,240)	(24.93%)	90 days after month-end	$ -	-	$ 84,975	36.50%	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. and Subsidiaries

Related party receivables amounting to NT$100 million or 20% of paid-up capital or above

June 30, 2023

Attachment 3

Unit: NT$ thousand

(unless specified otherwise)

Companies presented as accounts receivable	Name of counterparty	Relationship	Balance of related party receivables (Note 1)	Turnover rate	Overdue balance of related party receivables		Amount of related party receivables collected after the balance sheet date	Loss provisions provided
					Amount	Treatment		
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	Subsidiary	$ 84,975	3.15	$ -	-	$ 35,022	$ -

Note 1: Please input as related party accounts/notes/other receivables.
Note 2: 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.

ONYX Healthcare Inc. and Subsidiaries

Major business dealings between the parent company and subsidiaries and transactions between subsidiaries

January 1 to June 30, 2023

Attachment 4

Unit: NT$ thousand

(unless specified otherwise)

				Transaction summary				
Serial No. (Note 1)	Name of transacting party	Counterparty	Relationship with the transacting party (Note 2)	Account		Amount	Transaction terms	As a percentage of consolidated revenues or total assets (Note 3)
0	ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	1	Sales	$	145,240	90 days after month-end	21.17%
0	ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	1	Accounts receivable		84,975	90 days after month-end	4.20%

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. and Subsidiaries

Names, locations, and information on investees (excluding Mainland investees)

January 1 to June 30, 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: End of current period	Sum of initial investment: End of previous year	Period-end holding position: Shares	Period-end holding position: Percentage (%)	Period-end holding position: Book value	Current period profit/loss of the investee (Note 2(2))	Investment gains/losses recognized in the current period (Note 2(3))	Remarks
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	USA	Sale of medical computers and peripherals	$ 62,280	$ 61,420	200,000	100	$ 95,707	$ 19,171	$ 19,171	None
ONYX Healthcare Inc.	ONYX HEALTHCARE EUROPE B.V.	The Netherlands	Marketing support and maintenance of medical computers and peripherals	3,381	3,272	100,000	100	14,728	(1,267)	(1,267)	None
ONYX Healthcare Inc.	iHELPER Inc.	Taiwan	Research, development, and sale of medical robots	16,560	16,560	1,656,000	46	7,652	(114)	(53)	None
ONYX Healthcare Inc.	Winmate Inc.	Taiwan	Tendering, quotation, and distribution of LCD equipment and modules	568,585	568,585	10,244,000	13	596,015	259,763	33,982	None
ONYX Healthcare Inc.	ProtectLife International Biomedical Inc.	Taiwan	Production and wholesaling of medical equipment, consumables, and related products	39,701	-	1,720,059	12	32,747	(22,151)	(2,109)	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 June 30, 2023 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc. and Subsidiaries

Mainland investments - profile

January 1 to June 30, 2023

Attachment 6

Unit: NT$ thousand

(unless specified otherwise)

Name of Mainland investee	Main business activities	Paid-up capital	Method of investment (Note 1)	Opening cumulative balance of investment capital invested from Taiwan	Investment capital contributed or recovered during the current period: Invested	Investment capital contributed or recovered during the current period: Recovered	Closing cumulative balance of investment capital invested from Taiwan	Current period profit/loss of the investee	The Company's direct or indirect holding percentage (%)	Investment gains/losses recognized in the current period (Note 2(2)C.)	Closing investment book value	Investment gains recovered to date	Remarks
Onyx Healthcare (Shanghai) Inc.	Sale of medical computers and peripherals	$ 68,508	1	$ 68,508	$ -	$ -	$ 68,508	($ 1,066)	100	($ 1,066)	$ 4,634	$ -	None

Company name	Closing cumulative balance of investment capital transferred from Taiwan into Mainland China	Investment limit authorized by the Investment Commission, Ministry of Economic Affairs	Limits authorized by the Investment Commission, Ministry of Economic Affairs, for investing in Mainland China
ONYX Healthcare Inc.	$ 68,508	$ 68,508	$ 821,388

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 reviewed by the R.O.C. partner of an international CPA firm.
B. Based on auditor-reviewed financial statements of the parent company in Taiwan.
C. Based on investee's unaudited, non-auditor-reviewed financial statements for the corresponding period.

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 June 30, 2023 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc. and Subsidiaries

Information on major shareholders

June 30, 2023

Attachment 7

Name of major shareholder	Shareholding: Number of shares held	Shareholding: Shareholding percentage (%)
AAEON Technology Inc.	16,257,179	48.83
Chuang, Yung-Shun	2,745,068	8.24
ASUSTeK Computer Inc.	1,694,112	5.08

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