

ONYX Healthcare Inc. and Subsidiaries
Consolidated Financial Statements and Independent Auditor's
Review Report
For the Third 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
Third Quarter of 2023 and 2022
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Independent Auditor's Review Report

(112)-Cai-Shen-Bao-Zi No. 23001738

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 September 30, 2023 and 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement from July 1 to September 30, 2023 and 2022, January 1 to September 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 September 30, 2023 and 2022, these subsidiaries aggregately reported total assets of NT\$45,736 thousand and NT\$46,244 thousand that represented 2% and 2% of consolidated total assets, and total liabilities of NT\$4,200 thousand and NT\$7,535 thousand that represented 1% and 1% of consolidated total liabilities, respectively. For the periods July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022, these subsidiaries reported total comprehensive income of NT\$1,628 thousand, NT\$(383) thousand, NT\$(820) thousand, and NT\$(1,919) thousand that represented 2%, (1%) (0%), and

(1%) of consolidated total comprehensive income, respectively. Balance of equity-accounted investments was reported at NT\$36,099 thousand as at September 30, 2023, representing 2% of consolidated total assets. Share of net income and other comprehensive income from equity-accounted associated companies for the periods July 1 to September 30, 2023 and January 1 to September 30, 2023 amounted to NT\$(1,327) thousand and NT\$(3,436) 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 September 30, 2023 and 2022, or consolidated financial performance for the periods July 1 to September 30, 2023 and 2022, or January 1 to September 30, 2023 and 2022, or consolidated cash flow for the periods January 1 to September 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 September 30, 2023 and 2022, balances of the abovementioned equity-accounted investments totaled NT\$623,686 thousand and NT\$583,126 thousand, representing 29% and 30% of consolidated total assets, respectively. For the periods from July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022, comprehensive income recognized from the abovementioned companies totaled NT\$27,671 thousand, NT\$27,535 thousand, NT\$65,849 thousand and NT\$56,860 thousand, representing 38%, 45%, 33% and 41% 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

November 7, 2023

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

Unit: NT\$ thousand

Assets	Note	September 30, 2023		December 31, 2022		September 30, 2022		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 340,191	16	\$ 328,886	17	\$ 363,509	19
1110	Financial assets at fair value through profit or loss - current	6(2)	11,243	-	7,211	-	6,547	-
1136	Financial assets at amortized cost - current	6(3)	33,238	2	-	-	-	-
1150	Net notes receivable	6(4)	6	-	-	-	160	-
1170	Net accounts receivable	6(4)	213,815	10	264,279	14	166,752	9
1180	Accounts receivable - related parties, net	7	174	-	1,046	-	2,331	-
1200	Other receivables	7	4,875	-	4,120	-	4,288	-
1220	Current income tax asset		1,362	-	1,030	-	697	-
130X	Inventory	6(5)	337,866	16	311,527	16	361,116	19
1410	Prepayments		25,146	1	19,230	1	23,564	1
1470	Other current assets	8	481	-	1,699	-	1,431	-
11XX	Total current assets		<u>968,397</u>	<u>45</u>	<u>939,028</u>	<u>48</u>	<u>930,395</u>	<u>48</u>
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)	31,383	2	26,956	1	26,532	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	57,363	3	27,536	2	23,906	1
1550	Equity-accounted investments	6(7)	659,785	31	606,637	31	583,126	30
1600	Property, plant and equipment	6(8), 7 and 8	350,813	16	296,155	15	21,162	1
1755	Right-of-use assets	6(9)	32,692	2	36,421	2	35,066	2
1760	Investment property - net	6(11), 7, and 8	-	-	-	-	276,425	14
1780	Intangible assets		3,840	-	5,593	-	4,789	-
1840	Deferred income tax assets		29,874	1	25,015	1	25,736	2
1900	Other non-current assets	8	2,381	-	3,567	-	3,343	-
15XX	Total non-current assets		<u>1,168,131</u>	<u>55</u>	<u>1,027,880</u>	<u>52</u>	<u>1,000,085</u>	<u>52</u>
1XXX	Total assets		<u>\$ 2,136,528</u>	<u>100</u>	<u>\$ 1,966,908</u>	<u>100</u>	<u>\$ 1,930,480</u>	<u>100</u>

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

Unit: NT\$ thousand

Liabilities and equity	Note	September 30, 2023		December 31, 2022		September 30, 2022		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term loans	6(12)	\$ 27,000	1	\$ -	-	\$ -	-
2130	Contractual liabilities - current	6(21)	72,645	3	64,733	3	79,119	4
2170	Accounts payable		183,728	9	83,348	4	130,491	7
2180	Accounts payable - related parties	7	28,879	1	23,009	1	22,039	1
2200	Other payables	6(13) and 7	72,954	3	74,270	4	63,466	3
2230	Current income tax liabilities		31,508	2	46,954	3	31,913	2
2250	Liability reserves - current	6(16)	7,685	-	7,367	-	7,273	1
2280	Lease liabilities - current		2,786	-	5,746	-	6,346	-
2320	Long-term liabilities due within 1 year or 1 business cycle	6(14)	10,427	1	10,376	1	10,419	1
2399	Other current liabilities - others		1,249	-	3,084	-	3,439	-
21XX	Total current liabilities		<u>438,861</u>	<u>20</u>	<u>318,887</u>	<u>16</u>	<u>354,505</u>	<u>19</u>
Non-current liabilities								
2527	Contractual liabilities - non-current	6(21)	55,925	3	67,860	4	73,510	4
2540	Long-term loans	6(14)	137,139	6	144,910	7	147,453	8
2550	Liability reserves - non-current	6(16)	2,432	-	2,327	-	2,429	-
2570	Deferred income tax liabilities		4,563	-	-	-	1,763	-
2580	Lease liabilities - non-current		31,368	2	30,887	2	29,811	1
2645	Guarantee deposits received	7	-	-	1,148	-	1,148	-
25XX	Total non-current liabilities		<u>231,427</u>	<u>11</u>	<u>247,132</u>	<u>13</u>	<u>256,114</u>	<u>13</u>
2XXX	Total liabilities		<u>670,288</u>	<u>31</u>	<u>566,019</u>	<u>29</u>	<u>610,619</u>	<u>32</u>
Equity								
Equity attributable to parent company shareholders								
	Share capital	6(18)						
3110	Common share capital		335,063	16	332,612	17	332,612	17
	Capital reserves	6(17) (19)						
3200	Capital reserves		706,900	33	679,472	35	677,276	35
	Retained earnings	6(20)						
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		245,824	11	232,379	12	156,847	8
	Other equity items							
3400	Other equity items		(16,140)	(1)	(33,926)	(2)	(36,348)	(2)
31XX	Total equity attributable to parent company shareholders		<u>1,457,279</u>	<u>68</u>	<u>1,391,843</u>	<u>71</u>	<u>1,311,693</u>	<u>68</u>
36XX	Non-controlling equity	4(3)	<u>8,961</u>	<u>1</u>	<u>9,046</u>	<u>-</u>	<u>8,168</u>	<u>-</u>
3XXX	Total equity		<u>1,466,240</u>	<u>69</u>	<u>1,400,889</u>	<u>71</u>	<u>1,319,861</u>	<u>68</u>
3X2X	Total liabilities and equity		<u>\$ 2,136,528</u>	<u>100</u>	<u>\$ 1,966,908</u>	<u>100</u>	<u>\$ 1,930,480</u>	<u>100</u>

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 September 30, 2023 and 2022

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

Item	Note	July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000		\$ 372,247	100	\$ 336,350	100	\$ 1,058,063	100	\$ 1,113,022	100
5000									
5900									
6100									
6200									
6300									
6450									
6000									
6900									
7100									
7010									
7020									
7050									
7060									
7000									
7900									
7950									
8200									

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

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

Item	Note	July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	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(6)							
		(\$ 2,237)	(1)	(\$ 4,575)	(1)	(\$ 2,237)	-	(\$ 8,475)	(1)
8320	Share of other comprehensive income from equity-accounted associated companies and joint ventures - not reclassified into profit or loss								
		5,508	2	8,584	2	9,810	1	12,213	1
8310	Items not reclassified into profit or loss - total	3,271	1	4,009	1	7,573	1	3,738	-
Items likely to be reclassified into profit or loss									
8361	Financial statement translation differences arising from foreign operations								
		3,900	1	5,215	1	6,016	-	11,513	1
8370	Share of other comprehensive income from equity-accounted associated companies and joint ventures - likely to be reclassified into profit or loss								
		661	-	51	-	555	-	600	-
8399	Income tax on items that are likely to be reclassified into profit or loss	6(26)							
		(780)	-	(1,043)	-	(1,203)	-	(2,303)	-
8360	Items likely to be reclassified into profit or loss - total	3,781	1	4,223	1	5,368	-	9,810	1
8300	Other comprehensive income (net)	\$ 7,052	2	\$ 8,232	2	\$ 12,941	1	\$ 13,548	1
8500	Total comprehensive income for the current period	\$ 72,274	19	\$ 61,777	18	\$ 201,779	19	\$ 140,276	13
Net income (loss) attributable to:									
8610	Parent company shareholders	\$ 65,245	17	\$ 53,609	16	\$ 188,923	18	\$ 127,431	12
8620	Non-controlling equity	(23)	-	(64)	-	(85)	-	(703)	-
	Total	\$ 65,222	17	\$ 53,545	16	\$ 188,838	18	\$ 126,728	12
Comprehensive income attributable to:									
8710	Parent company shareholders	\$ 72,297	19	\$ 61,841	18	\$ 201,864	19	\$ 140,979	13
8720	Non-controlling equity	(23)	-	(64)	-	(85)	-	(703)	-
	Total	\$ 72,274	19	\$ 61,777	18	\$ 201,779	19	\$ 140,276	13
EPS									
9750	Basic earnings per share	6(27)							
		\$ 1.96		\$ 1.61		\$ 5.67		\$ 3.95	
9850	Diluted earnings per share								
		\$ 1.94		\$ 1.60		\$ 5.63		\$ 3.93	

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 September 30, 2023 and 2022

Unit: NT\$ thousand

	Note	Equity attributable to parent company shareholders									
		Common share capital	Retained earnings				Other equity items		Total	Non-controlling equity	Total
			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			
<u>January 1 to September 30, 2022</u>											
Balance as at January 1, 2022		\$ 302,612	\$ 462,673	\$ 118,655	\$ 44,993	\$ 146,858	(\$ 12,500)	(\$ 37,396)	\$ 1,025,895	\$ 8,871	\$ 1,034,766
Current net income (loss)		-	-	-	-	127,431	-	-	127,431	(703)	126,728
Other current comprehensive income		-	-	-	-	-	9,810	3,738	13,548	-	13,548
Total comprehensive income for the current period		-	-	-	-	127,431	9,810	3,738	140,979	(703)	140,276
Appropriation and distribution of 2021 earnings: 6(20)											
Provision for legal reserves		-	-	12,755	-	(12,755)	-	-	-	-	-
Provision for special reserves		-	-	-	4,903	(4,903)	-	-	-	-	-
Cash dividends		-	-	-	-	(99,784)	-	-	(99,784)	-	(99,784)
Cash issue	6(18)(19)	30,000	233,100	-	-	-	-	-	263,100	-	263,100
Cost of cash issue reserved for subscription by employees as remuneration	6(17)(19)	-	8,174	-	-	-	-	-	8,174	-	8,174
Distribution of cash from capital reserves	6(19)(20)	-	(33,261)	-	-	-	-	-	(33,261)	-	(33,261)
Share-based payment	6(17)(19)	-	6,590	-	-	-	-	-	6,590	-	6,590
Balance as at September 30, 2022		\$ 332,612	\$ 677,276	\$ 131,410	\$ 49,896	\$ 156,847	(\$ 2,690)	(\$ 33,658)	\$ 1,311,693	\$ 8,168	\$ 1,319,861
<u>January 1 to September 30, 2023</u>											
Balance as at January 1, 2023		\$ 332,612	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849)	(\$ 31,077)	\$ 1,391,843	\$ 9,046	\$ 1,400,889
Current net income (loss)		-	-	-	-	188,923	-	-	188,923	(85)	188,838
Other current comprehensive income		-	-	-	-	-	5,368	7,573	12,941	-	12,941
Total comprehensive income for the current period		-	-	-	-	188,923	5,368	7,573	201,864	(85)	201,779
Appropriation and distribution of 2022 earnings: 6(20)											
Provision for legal reserves		-	-	20,296	-	(20,296)	-	-	-	-	-
Reversal for special reserve		-	-	-	(15,970)	15,970	-	-	-	-	-
Cash dividends		-	-	-	-	(166,307)	-	-	(166,307)	-	(166,307)
Share-based payment	6(17)(19)	-	2,692	-	-	-	-	-	2,692	-	2,692
Exercise of employee warrants	6(18)(19)	2,451	24,736	-	-	-	-	-	27,187	-	27,187
Reclassification of equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	(4,845)	-	4,845	-	-	-
Balance as at September 30, 2023		\$ 335,063	\$ 706,900	\$ 151,706	\$ 33,926	\$ 245,824	\$ 2,519	(\$ 18,659)	\$ 1,457,279	\$ 8,961	\$ 1,466,240

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 September 30, 2023 and 2022

Unit: NT\$ thousand

	<u>Note</u>	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 219,733	\$ 152,041
Adjustments			
Income, expenses, and losses			
Depreciation	6(8)(9)(24)	16,305	17,635
Depreciation of investment properties (presented as other gains and losses)	6(11) (23)	-	1,220
Amortization	6(24)	1,847	1,514
Expected credit impairment loss/reversal gain	12(2)	(1,764)	(1,035)
Gain (loss) on financial assets at fair value through profit or loss	6(2)(23)	(8,459)	13,452
Interest expenses		2,307	2,296
Interest income		(2,004)	(239)
Dividend income	6(22)	(390)	(3,672)
Share-based payment - remuneration	6(17)	2,692	14,764
Share of profit from equity-accounted associated companies		(52,048)	(44,047)
Gain on disposal of property, plant, and equipment	6(23)	-	(250)
Gain on lease amendment	6(9)(23)	(5)	(90)
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Notes receivable		(6)	(160)
Accounts receivable		52,178	36,715
Accounts receivable - related parties		872	342
Other receivables		(755)	276
Inventory		(26,339)	(89,897)
Prepayments		(5,916)	(7,078)
Other current assets		297	211
Net change in liabilities related to operating activities			
Contractual liabilities		(4,023)	34,736
Accounts payable		100,380	38,634
Accounts payable - related parties		5,870	(10,634)
Other payables		(3,662)	(9,765)
Other payables - related parties		2,162	107
Liability reserves		423	1,431
Other current liabilities		(1,835)	(2,457)
Cash inflow from operating activities		297,860	146,050
Interests received		2,004	239
Dividends received		49,190	48,808
Interests paid		(2,309)	(2,327)
Income tax refunded		-	5,803
Income tax paid		(47,921)	(19,068)
Net cash inflow from operating activities		298,824	179,505

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

Unit: NT\$ thousand

	<u>Note</u>	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
<u>Cash flow from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 32,317)	\$ -
Acquisition of financial assets at fair value through other comprehensive income		(57,219)	-
Acquisition of equity-accounted investments		(14,380)	(10,127)
Acquisition of property, plant, and equipment	6(28)	(65,620)	(8,184)
Acquisition of intangible assets		(94)	(1,714)
Decrease (increase) in guarantee deposits paid (presented as other non-current assets)		<u>1,186</u>	<u>(119)</u>
Net cash outflow from investing activities		<u>(168,444)</u>	<u>(20,144)</u>
<u>Cash flow from financing activities</u>			
Net increase (decrease) in short-term loans	6(29)	27,000	(105,000)
Repayment of long-term loan	6(29)	(7,720)	(7,915)
Repayment of lease principal	6(29)	(3,847)	(5,710)
Decrease in guarantee deposits received		(1,148)	-
Cash issue	6(18)	-	263,100
Cash dividends paid	6(20)	(166,307)	(99,784)
Exercise of employee warrants		27,187	-
Distribution of cash from capital reserves		<u>-</u>	<u>(33,261)</u>
Net cash (outflow) inflow from financing activities		<u>(124,835)</u>	<u>11,430</u>
Exchange rate impact		<u>5,760</u>	<u>9,825</u>
Increase in cash and cash equivalents for the current period		11,305	180,616
Opening cash and cash equivalents balance	6(1)	<u>328,886</u>	<u>182,893</u>
Closing cash and cash equivalents balance	6(1)	<u>\$ 340,191</u>	<u>\$ 363,509</u>

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 Third 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 48.51% 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 November 7, 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:

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

After a thorough assessment, the 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

The following is a list of new/amended/modified IFRSs and interpretations approved by FSC that are applicable for the 2024 financial year:

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

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

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

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

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

After a thorough assessment, the 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:

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Business activities</u>	<u>Shareholding percentage</u>			<u>Description</u>
			<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	
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 September 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 \$8,961, \$9,046, and \$8,168 on September 30, 2023, December 31, 2022, and September 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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Petty cash	\$ 273	\$ 320	\$ 337
Check and current deposit	339,918	297,856	331,422
Time deposit	-	30,710	31,750
	<u>\$ 340,191</u>	<u>\$ 328,886</u>	<u>\$ 363,509</u>

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 forward exchange contracts and short-term loans are presented as financial assets at amortized cost. Please see Note 6(3) for details.

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current portion:			
Financial assets mandatory to be carried at fair value through profit or loss			
TWSE/TPEX listed shares	\$ 10,208	\$ 10,208	\$ 9,873
Valuation adjustment	<u>1,035</u>	<u>(2,997)</u>	<u>(3,326)</u>
	<u>\$ 11,243</u>	<u>\$ 7,211</u>	<u>\$ 6,547</u>
Non-current portion:			
Financial assets mandatory to be carried at fair value through profit or loss			
Not listed on TWSE/TPEX or the Emerging Stock Market board	\$ 30,000	\$ 30,000	\$ 30,000
Valuation adjustment	<u>1,383</u>	<u>(3,044)</u>	<u>(3,468)</u>
	<u>\$ 31,383</u>	<u>\$ 26,956</u>	<u>\$ 26,532</u>

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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	<u>(\$ 1,520)</u>	<u>\$ 129</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	<u>\$ 8,459</u>	<u>(\$ 13,452)</u>

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) Financial assets carried at cost after amortization

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current portion:			
Restricted time deposit	\$ <u>33,238</u>	\$ <u>-</u>	\$ <u>-</u>

1. Without considering the collateral or other credit enhancements held, financial assets measured at amortized cost that best represent the Group held on September 30, 2023, December 31, 2022 and September 30, 2022, the highest credit risk exposure amount was \$33,238, \$0, and \$0, respectively.
2. Please refer to Note 8 for the financial assets measured at amortized cost that are provided as collateral.
3. Please refer to Note 12(2) for the credit risk information of financial assets measured at amortized cost. The counterparties of the Group's investment in certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(IV) Notes and accounts receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ <u>6</u>	\$ <u>-</u>	\$ <u>160</u>
Accounts receivable	\$ 227,543	\$ 279,721	\$ 182,956
Less: loss provisions	(<u>13,728</u>)	(<u>15,442</u>)	(<u>16,204</u>)
	\$ <u>213,815</u>	\$ <u>264,279</u>	\$ <u>166,752</u>

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

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Notes receivable</u>
Current	\$ 154,992	\$ 6	\$ 174,573	\$ 145,835	\$ 160	
Overdue within 30 days	41,323	-	87,762	18,149	-	
Overdue 31 - 60 days	5,069	-	5,071	5,397	-	
Overdue 61 - 90 days	2,943	-	-	57	-	
Overdue 91 - 120 days	95	-	-	16	-	
Overdue more than 121 days	<u>23,295</u>	<u>-</u>	<u>13,361</u>	<u>15,833</u>	<u>-</u>	
	<u>\$ 227,717</u>	<u>\$ 6</u>	<u>\$ 280,767</u>	<u>\$ 185,287</u>	<u>\$ 160</u>	

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

2. Balances of notes and accounts receivable (including related parties) as at September 30, 2023, December 31, 2022, and September 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 notes receivable as at September 30, 2023, December 31, 2022, and September 30, 2022, amounted to \$6, \$0, and \$160, respectively; maximum credit risk exposure associated with the Group's accounts receivable (including related parties) as at September 30, 2023, December 31, 2022, and September 30, 2022, amounted to \$213,989, \$265,325, and \$169,083, respectively.
4. The Group held no collateral on accounts and notes receivable (including related parties).
5. For credit risk information on notes and accounts receivable (including related parties), please refer to Note 12(2).

(V) Inventory

		<u>September 30, 2023</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>		<u>Book value</u>
Raw materials	\$ 161,178	(\$ 15,115)		\$ 146,063
Work-in-progress	48,491	(985)		47,506
Semi-finished goods	86,365	(8,488)		77,877
Finished goods	83,466	(17,824)		65,642
Inventory in transit	778	-		778
	<u>\$ 380,278</u>	<u>(\$ 42,412)</u>		<u>\$ 337,866</u>

		<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>		<u>Book value</u>
Raw materials	\$ 164,564	(\$ 24,527)		\$ 140,037
Work-in-progress	61,993	(6,468)		55,525
Semi-finished goods	64,331	(7,206)		57,125
Finished goods	70,513	(11,673)		58,840
	<u>\$ 361,401</u>	<u>(\$ 49,874)</u>		<u>\$ 311,527</u>

		<u>September 30, 2022</u>		
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>		<u>Book value</u>
Raw materials	\$ 176,602	(\$ 14,034)		\$ 162,568
Work-in-progress	56,489	(1,571)		54,918
Semi-finished goods	66,825	(7,395)		59,430
Finished goods	106,814	(22,766)		84,048
Inventory in transit	152	-		152
	<u>\$ 406,882</u>	<u>(\$ 45,766)</u>		<u>\$ 361,116</u>

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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Cost of inventory sold	\$ 236,246	\$ 221,213
Service and warranty cost	2,788	2,988
Other operating costs (Note 1)	-	17,847
Obsolescence and devaluation loss	3,059	4,857
Loss on stock-take	-	882
Impairment loss	1	11
	<u>\$ 242,094</u>	<u>\$ 247,798</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Cost of inventory sold	\$ 678,676	\$ 758,279
Service and warranty cost	8,192	11,775
Other operating costs (Note 1) (	5,355)	17,847
Obsolescence and devaluation losses (reversal gains) (Note 2) (	528)	12,420
Inventory loss (profit) (	379)	882
Impairment loss	76	593
	<u>\$ 680,682</u>	<u>\$ 801,796</u>

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 September 30, 2023 had arisen due to the Group having taken the initiative to dispose of slow-moving inventory.

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Non-current portion:			
Equity instrument			
TWSE/TPEX listed shares	\$ 57,219	\$ -	\$ -
Not listed on TWSE/TPEX or the Emerging Stock Market board	<u>39,334</u>	<u>69,334</u>	<u>69,334</u>
	96,553	69,334	69,334
Valuation adjustment	<u>(39,190)</u>	<u>(41,798)</u>	<u>(45,428)</u>
	<u>\$ 57,363</u>	<u>\$ 27,536</u>	<u>\$ 23,906</u>

1. The Group chooses to classify the equity instrument investment, which is a strategic investment, as financial assets measured at fair value through other comprehensive gain or loss. The fair value of the investments on September 30, 2023, December 31, 2022 and September 30, 2022 was \$57,363, \$27,536, and \$23,906, respectively.
2. Details of gains or losses on financial assets at fair value through other comprehensive income:

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized through other comprehensive income	<u>(\$ 2,237)</u>	<u>(\$ 4,575)</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized through other comprehensive income	<u>(\$ 2,237)</u>	<u>(\$ 8,475)</u>
Cumulative losses reclassified into retained earnings	<u>(\$ 4,845)</u>	<u>\$ -</u>

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).

(VII) Equity-accounted investments

<u>Name of associated company</u>	<u>September 30, 2023</u>		<u>December 31, 2022</u>	
	<u>Shareholding %</u>	<u>Amount presented</u>	<u>Shareholding %</u>	<u>Amount presented</u>
Winmate Inc. (Winmate)(Note 1)	13.10%	\$ 623,686	13.99%	\$ 606,637
ProtectLife International Biomedical Inc. (ProtectLife)(Note 2)	11.27%	<u>36,099</u>	-	<u>-</u>
		<u>\$ 659,785</u>		<u>\$ 606,637</u>

<u>Name of associated company</u>	<u>September 30, 2022</u>	
	<u>Shareholding %</u>	<u>Amount presented</u>
Winmate Inc. (Winmate)(Note 1)	14.01%	<u>\$ 583,126</u>

Note 1: 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. In addition, the Group participated in its cash capital increase on July 21, 2023, and the shareholding was 11.27% after the capital increase.

1. Summary financial information of significant associated companies:

Balance sheet

	<u>Winmate</u>		
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current assets	\$ 2,279,521	\$ 2,417,479	\$ 2,181,883
Non-current assets	1,483,015	1,347,730	1,337,140
Current liabilities	(741,797)	(1,210,738)	(1,131,322)
Non-current liabilities	(22,769)	(15,176)	(23,284)
Total net assets	<u>\$ 2,997,970</u>	<u>\$ 2,539,295</u>	<u>\$ 2,364,417</u>
As a percentage of net assets across associated companies	\$ 392,702	\$ 355,247	\$ 331,255
Goodwill	<u>230,984</u>	<u>251,390</u>	<u>251,871</u>
Book value of associated company	<u>\$ 623,686</u>	<u>\$ 606,637</u>	<u>\$ 583,126</u>

Statement of comprehensive income

	<u>Winmate</u>	
	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Income	<u>\$ 679,051</u>	<u>\$ 763,959</u>
Current net income	\$ 158,498	\$ 162,784
Other comprehensive income (net, after-tax)	<u>12,626</u>	<u>9,055</u>
Total comprehensive income for the current period	<u>\$ 171,124</u>	<u>\$ 171,839</u>
	<u>Winmate</u>	
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Income	<u>\$ 1,993,568</u>	<u>\$ 1,958,595</u>
Current net income	\$ 418,261	\$ 342,344
Other comprehensive income (net, after-tax)	<u>56,631</u>	<u>57,526</u>
Total comprehensive income for the current period	<u>\$ 474,892</u>	<u>\$ 399,870</u>
Dividends received from associated companies	<u>\$ 48,800</u>	<u>\$ 45,136</u>

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 September 30, 2023 totaled \$36,099.

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Current net loss	(\$ <u>11,399</u>)	\$ <u>-</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Current net loss	(\$ <u>33,550</u>)	\$ <u>-</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Winmate	\$ <u>1,178,060</u>	\$ <u>850,252</u>	\$ <u>788,563</u>

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

(VIII) Property, plant and equipment

2023

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Lease improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment pending inspection</u>	<u>Total</u>
January 1								
Cost	\$ 229,660	\$ 48,798	\$ 17,200	\$ 11,463	\$ 20,697	\$ 84,201	\$ 1,727	\$ 413,746
Accumulated depreciation	<u>-</u>	<u>(2,440)</u>	<u>(15,392)</u>	<u>(9,262)</u>	<u>(19,473)</u>	<u>(71,024)</u>	<u>-</u>	<u>(117,591)</u>
	<u>\$ 229,660</u>	<u>\$ 46,358</u>	<u>\$ 1,808</u>	<u>\$ 2,201</u>	<u>\$ 1,224</u>	<u>\$ 13,177</u>	<u>\$ 1,727</u>	<u>\$ 296,155</u>
January 1	\$ 229,660	\$ 46,358	\$ 1,808	\$ 2,201	\$ 1,224	\$ 13,177	\$ 1,727	\$ 296,155
Addition	37,523	12,936	-	258	1,156	1,919	12,015	65,807
Transfer	-	6,330	-	-	-	3,358	(9,688)	-
Depreciation	-	(2,056)	(990)	(625)	(1,554)	(5,982)	-	(11,207)
Net exchange difference	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>58</u>
September 30	<u>\$ 267,183</u>	<u>\$ 63,568</u>	<u>\$ 818</u>	<u>\$ 1,891</u>	<u>\$ 826</u>	<u>\$ 12,473</u>	<u>\$ 4,054</u>	<u>\$ 350,813</u>
September 30								
Cost	\$ 267,183	\$ 68,064	\$ 16,582	\$ 11,990	\$ 21,853	\$ 89,485	\$ 4,054	\$ 479,211
Accumulated depreciation	<u>-</u>	<u>(4,496)</u>	<u>(15,764)</u>	<u>(10,099)</u>	<u>(21,027)</u>	<u>(77,012)</u>	<u>-</u>	<u>(128,398)</u>
	<u>\$ 267,183</u>	<u>\$ 63,568</u>	<u>\$ 818</u>	<u>\$ 1,891</u>	<u>\$ 826</u>	<u>\$ 12,473</u>	<u>\$ 4,054</u>	<u>\$ 350,813</u>

2022

	<u>Machinery</u>	<u>Office equipment</u>	<u>Lease improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment pending inspection</u>	<u>Total</u>
January 1						
Cost	\$ 17,980	\$ 9,547	\$ 20,697	\$ 78,525	\$ -	\$ 126,749
Accumulated depreciation	(14,281)	(7,946)	(15,012)	(65,189)	-	(102,428)
	<u>\$ 3,699</u>	<u>\$ 1,601</u>	<u>\$ 5,685</u>	<u>\$ 13,336</u>	<u>\$ -</u>	<u>\$ 24,321</u>
January 1	\$ 3,699	\$ 1,601	\$ 5,685	\$ 13,336	\$ -	24,321
Addition	-	1,214	-	1,766	4,605	7,585
Transfer	-	135	-	2,377	(2,512)	-
Depreciation	(1,528)	(631)	(3,438)	(5,324)	-	(10,921)
Net exchange difference	-	144	-	33	-	177
September 30	<u>\$ 2,171</u>	<u>\$ 2,463</u>	<u>\$ 2,247</u>	<u>\$ 12,188</u>	<u>\$ 2,093</u>	<u>\$ 21,162</u>
September 30						
Cost	\$ 17,200	\$ 11,566	\$ 20,697	\$ 81,259	\$ 2,093	\$ 132,815
Accumulated depreciation	(15,029)	(9,103)	(18,450)	(69,071)	-	(111,653)
	<u>\$ 2,171</u>	<u>\$ 2,463</u>	<u>\$ 2,247</u>	<u>\$ 12,188</u>	<u>\$ 2,093</u>	<u>\$ 21,162</u>

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

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

(IX) 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:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 29,501	\$ 33,782	\$ 32,253
Transport equipment	1,839	967	1,034
Office equipment	<u>1,352</u>	<u>1,672</u>	<u>1,779</u>
	<u>\$ 32,692</u>	<u>\$ 36,421</u>	<u>\$ 35,066</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Buildings	\$ 4,163	\$ 5,818
Transport equipment	614	575
Office equipment	<u>321</u>	<u>321</u>
	<u>\$ 5,098</u>	<u>\$ 6,714</u>

4. Amounts of right-of-use assets added during the periods January 1 to September 30, 2023 and 2022, were \$1,606 and \$801, respectively.

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

	<u>July 1 to September 30, 2023</u>		<u>July 1 to September 30, 2022</u>	
<u>Current income/expense accounts affected</u>				
Interest expense on lease liabilities	\$	31	\$	40
Expenses on short-term lease agreements		2,005		3,562
Lease expense of low-value leases		8		16
Income from sub-leasing of right-of-use assets		150		-
Gain on lease amendment	(	5)	(	2)
		<u>January 1 to September 30,</u>		<u>January 1 to September 30,</u>
		<u>2023</u>		<u>2022</u>
<u>Current income/expense accounts affected</u>				
Interest expense on lease liabilities	\$	108	\$	185
Expenses on short-term lease agreements		9,046		8,758
Lease expense of low-value leases		75		29
Income from sub-leasing of right-of-use assets		1,053		-
Gain on lease amendment	(	5)	(	90)

6. Amounts of cash outflow incurred on leases totaled \$13,076 and \$14,682 for the periods January 1 to September 30, 2023 and 2022, respectively.

(X) 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 \$150, \$1,725, \$1,053, and \$5,182 of rental income from operating lease agreements for the periods July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 2022; these amounts included no variable lease payment.

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

	<u>September 30, 2022</u>
No more than 1 year	<u>\$ 1,724</u>

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

(XI) Investment property

	<u>2022</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1			
Cost	\$ 229,660	\$ 48,798	\$ 278,458
Accumulated depreciation	-	(813)	(813)
	<u>\$ 229,660</u>	<u>\$ 47,985</u>	<u>\$ 277,645</u>
January 1	\$ 229,660	\$ 47,985	\$ 277,645
Depreciation	-	(1,220)	(1,220)
September 30	<u>\$ 229,660</u>	<u>\$ 46,765</u>	<u>\$ 276,425</u>
September 30			
Cost	\$ 229,660	\$ 48,798	\$ 278,458
Accumulated depreciation	-	(2,033)	(2,033)
	<u>\$ 229,660</u>	<u>\$ 46,765</u>	<u>\$ 276,425</u>

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:

	<u>July 1 to September 30, 2022</u>
Rent income from investment property	<u>\$ 1,725</u>
Direct expenses incurred in relation to current rent income generated from investment property	<u>\$ 407</u>
	<u>January 1 to September 30, 2022</u>
Rent income from investment property	<u>\$ 5,182</u>
Direct expenses incurred in relation to current rent income generated from investment property	<u>\$ 1,220</u>

3. Fair value of the Group's investment properties was reported at \$280,333 as at September 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:

	<u>September 30, 2022</u>
Income capitalization rate	1.8%

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

(XII) Short-term loans

<u>Nature of loan</u>	<u>September 30, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	<u>\$ 27,000</u>	0.50%	Time deposit

- None as at December 31, 2022 and September 30, 2022.
- The amounts of interest expense recognized through profit or loss were \$108, \$0, \$108 and \$364 for the periods July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 2022, respectively.

(XIII) Other payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Salary and bonus payable	\$ 31,972	\$ 33,420	\$ 28,475
Employee and director remuneration payable	21,843	26,752	21,324
Equipment purchase payable	187	-	1,127
Other payables	18,952	14,098	12,540
	<u>\$ 72,954</u>	<u>\$ 74,270</u>	<u>\$ 63,466</u>

(XIV) Long-term loans

<u>Nature of loan</u>	<u>Loan tenor and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2023</u>
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.85%	Land and buildings	\$ 147,566
Less: current portion of long-term loan				(10,427)
				<u>\$ 137,139</u>

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

<u>Nature of loan</u>	<u>Loan tenor and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2022</u>
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.60%	Land and buildings	\$ 157,872
Less: current portion of long-term loan				(10,419)
				<u>\$ 147,453</u>

(XV) 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 \$1,797, \$1,597, \$4,942, and \$4,847 for the periods July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 2022, respectively.

(XVI) Liability reserves

	<u>2023</u>		<u>2022</u>	
	<u>Warranty</u>		<u>Warranty</u>	
January 1	\$	9,694	\$	8,271
Increase of liability reserves in the current period		6,338		6,507
Liability reserves used and reversed in the current period	(	5,915)	(	5,076)
September 30	\$	<u>10,117</u>	\$	<u>9,702</u>

Analysis of liability reserves:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current	\$ <u>7,685</u>	\$ <u>7,367</u>	\$ <u>7,273</u>
Non-current	\$ <u>2,432</u>	\$ <u>2,327</u>	\$ <u>2,429</u>

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

(XVII) Share-based payment

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

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

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

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

	<u>2023</u>		<u>2022</u>	
	<u>Quantity of warrants (thousand shares)</u>	<u>Weighted average exercise price (NTD)</u>	<u>Quantity of warrants (thousand shares)</u>	<u>Weighted average exercise price (NTD)</u>
Opening balance (January 1) of outstanding warrants	872	\$ 114.70	1,000	\$ 121.50
Adjustment of warrants	52	-	-	-
Warrants exercised in the current period	(245)	111.00	-	-
Warrants voided in the current period	(44)	-	(52)	-
Closing balance (September 30) of outstanding warrants	<u>635</u>	110.50	<u>948</u>	114.70
Closing balance (September 30) of exercisable warrants	<u>415</u>		<u>474</u>	

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

<u>Type of agreement</u>	<u>Issuance date</u>	<u>Maturity date</u>	<u>September 30, 2023</u>	
			<u>Shares (thousand shares)</u>	<u>Exercise price (NTD)</u>
Employee warrant program	August 6, 2020	August 6, 2025	635	\$ 110.50

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

<u>Type of agreement</u>	<u>Issuance date</u>	<u>Maturity date</u>	<u>September 30, 2022</u>	
			<u>Shares (thousand shares)</u>	<u>Exercise price (NTD)</u>
Employee warrant program	August 6, 2020	August 6, 2025	948	\$ 114.70

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:

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

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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Employee warrants	<u>\$ 897</u>	<u>\$ 2,197</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Employee warrants	\$ 2,692	\$ 6,590
Cash issue retain for subscription by employees	<u>-</u>	<u>8,174</u>
	<u>\$ 2,692</u>	<u>\$ 14,764</u>

(XVIII) 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 \$335,063 of paid-up capital issued in 33,506 thousand shares at a face value of NT\$10 per share as at September 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 September 30, 2023 and 2022, is explained below:

	<u>2023</u>	<u>2022</u>
January 1	33,261	30,261
Exercise of employee warrants	245	-
Cash issue	-	3,000
September 30	<u>33,506</u>	<u>33,261</u>

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(17) 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.

(XIX) Capital reserves

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

	<u>2023</u>			
	<u>Share premium</u>	<u>Employee warrants</u>	<u>Others</u>	<u>Total</u>
January 1	\$ 654,359	\$ 24,885	\$ 228	\$ 679,472
Exercise of employee warrants	33,406	(8,670)	-	24,736
Employee warrants	-	2,692	-	2,692
September 30	<u>\$ 687,765</u>	<u>\$ 18,907</u>	<u>\$ 228</u>	<u>\$ 706,900</u>

	<u>2022</u>			
	<u>Share premium</u>	<u>Employee warrants</u>		<u>Total</u>
January 1	\$ 446,346	\$ 16,327	\$	462,673
Cash issue	233,100	-		233,100
Cash issue retain for subscription by employees	8,174			8,174
Distribution of cash from capital reserves	(33,261)	-	(	33,261)
Employee warrants	-	6,590		6,590
September 30	<u>\$ 654,359</u>	<u>\$ 22,917</u>	<u>\$</u>	<u>\$ 677,276</u>

(XX) Retained earnings

1. According to the Articles of Incorporation, annual net income concluded by the Company is the first subject to reimbursement of previous losses (including adjustment to unappropriated earnings) followed by a 10% provision for legal reserve. However, no further provision is needed when the legal reserve has accumulated to an amount equal to the Company's paid-up capital. Any surpluses remaining shall be subject to provision or reversal of special reserve as laws or the authority may require. The residual balance can then be added to unappropriated earnings (including adjustment to unappropriated earnings) carried from previous years and distributed as dividends to shareholders, subject to the board of directors' proposal and shareholder meeting resolution. The amount in dividends paid to shareholders must not be less than 5% of total distributable earnings. Cash dividends must not be less than 10% of the sum of cash and stock dividends for the current year. However, cash dividends amounting to less than NT\$0.1 per share are to be paid in stock dividends instead.

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

2. The legal reserve may not be used for purposes other than reimbursing previous losses or distributing proportionally back to existing shareholders in the form of cash or new shares. Only the amount in reserve that exceeds paid-up capital by 25% may be distributed in cash or new shares.
3. When distributing earnings, the Company is bound by laws to make provision for special reserves equal to the debit balance of other equity items as at the current balance sheet date before proceeding. If the debit balance of other equity items is reversed on a later date, the amount reversed can be added to available earnings for distribution.
4. Appropriation of 2022 and 2021 earnings were resolved in shareholder meetings dated May 26, 2023 and May 31, 2022, respectively. Details are as follows:

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

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

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

(XXI) Operating revenues

Revenue from contracts with customers	<u>July 1 to September 30, 2023</u> \$ 372,247	<u>July 1 to September 30, 2022</u> \$ 336,350
Revenue from contracts with customers	<u>January 1 to September 30, 2023</u> \$ 1,058,063	<u>January 1 to September 30, 2022</u> \$ 1,113,022

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:

July 1 to September 30, 2023	Medical computers			Services and warranty			Total
	Taiwan	USA	Others	Taiwan	USA	Others	
Revenue from contracts with external customers	<u>\$239,187</u>	<u>\$119,179</u>	<u>\$10,503</u>	<u>\$ 2,934</u>	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ 372,247</u>
Timing of revenue recognition							
Revenues recognized at a specific time	\$239,187	\$119,179	\$10,503	\$ -	\$ -	\$ -	\$ 368,869
Revenues recognized progressively over time	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,934</u>	<u>444</u>	<u>-</u>	<u>3,378</u>
	<u>\$239,187</u>	<u>\$119,179</u>	<u>\$10,503</u>	<u>\$ 2,934</u>	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ 372,247</u>

July 1 to September 30, 2022	Medical computers			Services and warranty			Total
	Taiwan	USA	Others	Taiwan	USA	Others	
Revenue from contracts with external customers	<u>\$221,438</u>	<u>\$ 97,208</u>	<u>\$ 5,952</u>	<u>\$ 9,655</u>	<u>\$ 2,093</u>	<u>\$ 4</u>	<u>\$ 336,350</u>
Timing of revenue recognition							
Revenues recognized at a specific time	\$221,438	\$ 97,208	\$ 5,952	\$ -	\$ -	\$ -	\$ 324,598
Revenues recognized progressively over time	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,655</u>	<u>2,093</u>	<u>4</u>	<u>11,752</u>
	<u>\$221,438</u>	<u>\$ 97,208</u>	<u>\$ 5,952</u>	<u>\$ 9,655</u>	<u>\$ 2,093</u>	<u>\$ 4</u>	<u>\$ 336,350</u>

January 1 to September 30, 2023	Medical computers			Services and warranty			Total
	Taiwan	USA	Others	Taiwan	USA	Others	
Revenue from contracts with external customers	<u>\$654,069</u>	<u>\$359,717</u>	<u>\$27,845</u>	<u>\$13,064</u>	<u>\$ 3,365</u>	<u>\$ 3</u>	<u>\$1,058,063</u>
Timing of revenue recognition							
Revenues recognized at a specific time	\$654,069	\$359,717	\$27,845	\$ -	\$ -	\$ -	\$1,041,631
Revenues recognized progressively over time	-	-	-	13,064	3,365	3	16,432
	<u>\$654,069</u>	<u>\$359,717</u>	<u>\$27,845</u>	<u>\$13,064</u>	<u>\$ 3,365</u>	<u>\$ 3</u>	<u>\$1,058,063</u>

January 1 to September 30, 2022	Medical computers			Services and warranty			Total
	Taiwan	USA	Others	Taiwan	USA	Others	
Revenue from contracts with external customers	<u>\$612,157</u>	<u>\$439,131</u>	<u>\$29,848</u>	<u>\$24,509</u>	<u>\$ 7,296</u>	<u>\$ 81</u>	<u>\$1,113,022</u>
Timing of revenue recognition							
Revenues recognized at a specific time	\$612,157	\$439,131	\$29,848	\$ -	\$ -	\$ -	\$1,081,136
Revenues recognized progressively over time	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,509</u>	<u>7,296</u>	<u>81</u>	<u>31,886</u>
	<u>\$612,157</u>	<u>\$439,131</u>	<u>\$29,848</u>	<u>\$24,509</u>	<u>\$ 7,296</u>	<u>\$ 81</u>	<u>\$1,113,022</u>

2. Contractual liabilities

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

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>	<u>January 1,</u> <u>2022</u>
Contractual liabilities - current:				
Service and sales contract	\$ 65,519	\$ 55,834	\$ 69,737	\$ 64,568
Warranty contract	7,126	8,899	9,382	11,187
Contractual liabilities - non-current:				
Service and sales contract	46,917	54,939	59,849	26,024
Warranty contract	<u>9,008</u>	<u>12,921</u>	<u>13,661</u>	<u>16,114</u>
	<u>\$ 128,570</u>	<u>\$ 132,593</u>	<u>\$ 152,629</u>	<u>\$ 117,893</u>

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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	\$ 4,999	\$ 7,729
Warranty contract	<u>2,223</u>	<u>2,749</u>
	<u>\$ 7,222</u>	<u>\$ 10,478</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	\$ 42,148	\$ 41,773
Warranty contract	<u>6,807</u>	<u>8,635</u>
	<u>\$ 48,955</u>	<u>\$ 50,408</u>

(3) Long-term contracts not yet fulfilled

The Group had long-term contracts with customers that were unfulfilled (or not fully fulfilled) as at September 30, 2023, December 31, 2022, and September 30, 2022, which had allocated prices of \$128,570, \$132,593, and \$152,629, respectively. The management expects to recognize \$72,645, \$64,733, and \$79,119 of revenues from allocated prices of unfulfilled performance obligations as at September 30, 2023, December 31, 2022, and September 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.

(XXII) Other income

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Rental income	\$ 150	\$ 1,725
Other income	<u>1,609</u>	<u>6,315</u>
	<u>\$ 1,759</u>	<u>\$ 8,040</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Rental income	\$ 1,053	\$ 5,182
Dividend income	390	3,672
Other income	<u>10,576</u>	<u>10,064</u>
	<u>\$ 12,019</u>	<u>\$ 18,918</u>

(XXIII) Other gains and losses

	<u>July 1 to September 30,</u> <u>2023</u>	<u>July 1 to September 30,</u> <u>2022</u>
Gain on foreign currency exchange	\$ 7,557	\$ 14,561
Government grant income	4,697	4,409
Gain (loss) on financial assets at fair value through profit or loss	(1,520)	129
Other losses	(1)	-
Gain on lease amendment	5	2
Depreciation of investment property	-	(407)
Gain on disposal of property, plant, and equipment	-	250
	<u>\$ 10,738</u>	<u>\$ 18,944</u>

	<u>January 1 to September 30,</u> <u>2023</u>	<u>January 1 to September 30,</u> <u>2022</u>
Gain on foreign currency exchange	\$ 10,750	\$ 29,577
Government grant income	9,455	4,409
Gain (loss) on financial assets at fair value through profit or loss	8,459 ()	13,452
Other losses	(1,730)	-
Gain on lease amendment	5	90
Depreciation of investment property	-	(1,220)
Gain on disposal of property, plant, and equipment	-	250
	<u>\$ 26,939</u>	<u>\$ 19,654</u>

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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Employee benefit expenses	\$ 66,484	\$ 62,386
Depreciation on property, plant, and equipment	4,028	3,452
Depreciation on right-of-use assets	1,525	1,702
Amortization	<u>617</u>	<u>516</u>
	<u>\$ 72,654</u>	<u>\$ 68,056</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Employee benefit expenses	\$ 202,043	\$ 205,963
Depreciation on property, plant, and equipment	11,207	10,921
Depreciation on right-of-use assets	5,098	6,714
Amortization	<u>1,847</u>	<u>1,514</u>
	<u>\$ 220,195</u>	<u>\$ 225,112</u>

(XXV) Employee benefit expenses

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Salary expenses	\$ 60,849	\$ 57,403
Labor/health insurance premium	3,209	2,934
Pension expense	1,797	1,597
Other personnel expenses	<u>629</u>	<u>452</u>
	<u>\$ 66,484</u>	<u>\$ 62,386</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Salary expenses	\$ 184,574	\$ 186,428
Labor/health insurance premium	9,755	12,708
Pension expense	4,942	4,847
Other personnel expenses	<u>2,772</u>	<u>1,980</u>
	<u>\$ 202,043</u>	<u>\$ 205,963</u>

1. According to the Articles of Incorporation, any profits remaining after reimbursing cumulative losses in a given year shall be subject to employee remuneration of no less than 5% and director remuneration of no higher than 3%.

2. The Company had estimated employee remuneration at \$6,412, \$4,753, \$18,363 and \$13,172, and director remuneration at \$600, \$600, \$1,800, and \$1,800, for the periods July 1 to September 30, 2023 and 2022, January 1 to September 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 September 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 November 7, 2023.

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

(XXVI) Income tax

1. Income tax expenses

(1) Composition of income tax expense:

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Current income tax:		
Income tax on current profit	\$ 17,552	\$ 9,084
Additional tax on unappropriated earnings	<u>(215)</u>	<u>-</u>
Total current income tax	17,337	9,084
Deferred income tax:		
Occurrence and reversal of temporary difference	<u>(3,223)</u>	<u>(360)</u>
Income tax expense	<u>\$ 14,114</u>	<u>\$ 8,724</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Current income tax:		
Income tax on current profit	\$ 32,247	\$ 32,502
Additional tax on unappropriated earnings	90	505
Underestimation of income tax expenses in previous years	<u>57</u>	<u>866</u>
Total current income tax	32,394	33,873
Deferred income tax:		
Occurrence and reversal of temporary difference	<u>(1,499)</u>	<u>(8,560)</u>
Income tax expense	<u>\$ 30,895</u>	<u>\$ 25,313</u>

(2) Income tax on other comprehensive income:

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Translation differences from foreign operations	\$ <u>780</u>	\$ <u>1,043</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Translation differences from foreign operations	\$ <u>1,203</u>	\$ <u>2,303</u>

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.

(XXVII) EPS

	<u>July 1 to September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average outstanding shares (thousand shares)</u>	<u>EPS (NTD)</u>
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ <u>65,245</u>	<u>33,359</u>	\$ <u>1.96</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 65,245	33,359	
Dilutive effect of potential common shares			
Employee warrants	-	235	
Employee remuneration	-	<u>97</u>	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	\$ <u>65,245</u>	<u>33,691</u>	\$ <u>1.94</u>

	<u>July 1 to September 30, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average outstanding shares (thousand shares)</u>	<u>EPS (NTD)</u>
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 53,609</u>	<u>33,261</u>	<u>\$ 1.61</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 53,609	33,261	
Dilutive effect of potential common shares			
Employee remuneration	<u>-</u>	<u>142</u>	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 53,609</u>	<u>33,403</u>	<u>\$ 1.60</u>

	<u>January 1 to September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average outstanding shares (thousand shares)</u>	<u>EPS (NTD)</u>
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 188,923</u>	<u>33,297</u>	<u>\$ 5.67</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 188,923	33,297	
Dilutive effect of potential common shares			
Employee warrants	-	113	
Employee remuneration	<u>-</u>	<u>131</u>	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 188,923</u>	<u>33,541</u>	<u>\$ 5.63</u>

	<u>January 1 to September 30, 2022</u>		
	Amount after tax	Weighted average outstanding shares (thousand shares)	EPS (NTD)
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 127,431</u>	<u>32,272</u>	<u>\$ 3.95</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 127,431	32,272	
Dilutive effect of potential common shares			
Employee remuneration	<u>-</u>	<u>163</u>	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 127,431</u>	<u>32,435</u>	<u>\$ 3.93</u>

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

(XXVIII) Supplementary cash flow information

Investing activities involving partial cash outlay or cash receipt:

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Purchase of property, plant, and equipment	\$ 65,807	\$ 7,585
Plus: equipment proceeds payable at the beginning of the period	-	1,726
Less: Equipment proceeds payable at the end of the period	<u>(187)</u>	<u>(1,127)</u>
Cash paid during the current period	<u>\$ 65,620</u>	<u>\$ 8,184</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Disposal of book value of property, plant and equipment	\$ -	\$ -
Add: Gain on disposal of property, plant, and equipment	-	250
Less: Closing balance of proceeds receivable from the sale of equipment	<u>-</u>	<u>(250)</u>
Cash collected during the current period	<u>\$ -</u>	<u>\$ -</u>

(XXIX) Change of liabilities relating to financing activities

	<u>2023</u>			
	<u>Short-term loans</u>	<u>Long-term loans</u>	<u>Lease liabilities</u>	<u>Total</u>
January 1	\$ -	\$ 155,286	\$ 36,633	\$ 191,919
Net increase in short-term loans	27,000	-	-	27,000
Repayment of long-term loan	-	(7,720)	-	(7,720)
Repayment of lease principal	-	-	(3,847)	(3,847)
Effects of exchange rate change	-	-	77	77
Other changes without cash effect	-	-	1,291	1,291
September 30	<u>\$ 27,000</u>	<u>\$ 147,566</u>	<u>\$ 34,154</u>	<u>\$ 208,720</u>

	<u>2022</u>			
	<u>Short-term loans</u>	<u>Long-term loans</u>	<u>Lease liabilities</u>	<u>Total</u>
January 1	\$ 105,000	\$ 165,787	\$ 44,764	\$ 315,551
Decrease in short-term loan	(105,000)	-	-	(105,000)
Repayment of long-term loan	-	(7,915)	-	(7,915)
Repayment of lease principal	-	-	(5,710)	(5,710)
Effects of exchange rate change	-	-	223	223
Other changes without cash effect	-	-	(3,120)	(3,120)
September 30	<u>\$ -</u>	<u>\$ 157,872</u>	<u>\$ 36,157</u>	<u>\$ 194,029</u>

VII. Related party transactions

(I) Parent company and ultimate controller

The Company (incorporated in the Republic of China) has 48.51% of its shares controlled by AAEON Technology Inc. AAEON Technology Inc. is the parent company, whereas ASUSTeK Computer Inc. is the ultimate controller of the Company.

(II) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
ASUSTeK Computer Inc.	The Company's ultimate parent company
AAEON Technology Inc.	The Company's parent company
AAEON Technology (Su Zhou) Inc.	Affiliated subsidiary - with common ultimate parent
AAEON TECHNOLOGY SINGAPORE PTE.LTD.	Affiliated subsidiary - with common ultimate parent
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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Sum of merchandise sold:		
Parent company	\$ 1	\$ 1,063
Affiliated subsidiary of the same group	71	1,678
Associated company	58	-
Other related parties	448	827
	<u>\$ 578</u>	<u>\$ 3,568</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Sum of merchandise sold:		
Parent company	\$ 232	\$ 10,039
Affiliated subsidiary of the same group	1,651	6,486
Associated company	204	27
Other related parties	3,298	3,066
	<u>\$ 5,385</u>	<u>\$ 19,618</u>

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Sales return and discount:		
Parent company	\$ -	\$ 2,599
Affiliated subsidiary of the same group	26	-
Associated company	63	-
Other related parties	-	5
	<u>\$ 89</u>	<u>\$ 2,604</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Sales return and discount:		
Parent company	\$ -	\$ 2,599
Affiliated subsidiary of the same group	26	-
Associated company	63	-
Other related parties	-	5
	<u>\$ 89</u>	<u>\$ 2,604</u>

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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Sum of merchandise purchased:		
Ultimate parent company	\$ -	\$ 7
Parent company		
AAEON Technology Inc.	33,272	32,257
Associated company	2,460	4,696
Other related parties	<u>5,475</u>	<u>7,024</u>
	<u>\$ 41,207</u>	<u>\$ 43,984</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Sum of merchandise purchased:		
Ultimate parent company	\$ -	\$ 7
Parent company		
AAEON Technology Inc.	85,907	141,388
Affiliated subsidiary of the same group	-	236
Associated company	6,395	6,091
Other related parties	<u>14,547</u>	<u>15,568</u>
	<u>\$ 106,849</u>	<u>\$ 163,290</u>

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Purchase return:		
Affiliated subsidiary of the same group	<u>\$ -</u>	<u>\$ 43</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Purchase return:		
Parent company		
AAEON Technology Inc.	\$ 4,745	\$ -
Affiliated subsidiary of the same group	<u>-</u>	<u>43</u>
	<u>\$ 4,745</u>	<u>\$ 43</u>

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

3. Operating costs and expenses

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Parent company	\$ 665	\$ 994
Affiliated subsidiary of the same group	1,361	1,242
Associated company	45	105
Other related parties	<u>297</u>	<u>7,256</u>
	<u>\$ 2,368</u>	<u>\$ 9,597</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Parent company	\$ 3,017	\$ 4,628
Affiliated subsidiary of the same group	3,862	3,512
Associated company	126	113
Other related parties	<u>3,865</u>	<u>7,405</u>
	<u>\$ 10,870</u>	<u>\$ 15,658</u>

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

4. Other operating costs

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Parent company	<u>\$ -</u>	<u>\$ -</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Parent company	<u>\$ 5,355</u>	<u>\$ -</u>

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

5. Other income

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Other related parties		
EverFocus Electronics Corp.(USA)	<u>\$ -</u>	<u>\$ 3,126</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Other related parties		
EverFocus Electronics Corp.(USA)	<u>\$ -</u>	<u>\$ 5,711</u>

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

6. Rental income (presented as other income)

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Parent company		
AAEON Technology Inc.	\$ 68	\$ 1,725
Other related parties		
LYDS Technologies Inc.	<u>82</u>	<u>-</u>
	<u>\$ 150</u>	<u>\$ 1,725</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Parent company		
AAEON Technology Inc.	\$ 477	\$ 5,182
Other related parties		
LYDS Technologies Inc.	<u>576</u>	<u>-</u>
	<u>\$ 1,053</u>	<u>\$ 5,182</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts receivable:			
Parent company	\$ -	\$ 182	\$ 329
Affiliated subsidiary of the same group	34	726	1,773
Associated company	54	-	-
Other related parties	<u>86</u>	<u>138</u>	<u>229</u>
	<u>\$ 174</u>	<u>\$ 1,046</u>	<u>\$ 2,331</u>
Other receivables:			
Parent company	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263</u>

8. Related party payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts payable:			
Parent company			
AAEON Technology Inc.	\$ 22,513	\$ 20,887	\$ 16,038
Associated company	1,386	5	495
Other related parties	<u>4,980</u>	<u>2,117</u>	<u>5,506</u>
	<u>\$ 28,879</u>	<u>\$ 23,009</u>	<u>\$ 22,039</u>
Other payables:			
Parent company	\$ 585	\$ 59	\$ 202
Associated company	3	4	56
Other related parties	<u>123</u>	<u>1,218</u>	<u>4</u>
	<u>\$ 711</u>	<u>\$ 1,281</u>	<u>\$ 262</u>

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 September 30, 2022.

10. Property transaction

Acquisition of property, plant, and equipment

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Parent company		
AAEON Technology Inc.	<u>\$ -</u>	<u>\$ -</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Parent company		
AAEON Technology Inc.	<u>\$ 2,639</u>	<u>\$ -</u>

Disposal of property, plant, and equipment

	<u>July 1 to September 30, 2023</u>		<u>July 1 to September 30, 2022</u>	
	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>
Parent company	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ 250</u>
	<u>January 1 to September 30, 2023</u>		<u>January 1 to September 30, 2022</u>	
	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>
Parent company	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ 250</u>

11. Guarantee deposits received

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company			
AAEON Technology Inc.	<u>\$ -</u>	<u>\$ 1,148</u>	<u>\$ 1,148</u>

Represents rental deposit.

(IV) Compensation for key management

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Short-term employee benefits	\$ 9,615	\$ 12,143
Retirement benefits	113	158
Share-based payment	405	862
	<u>\$ 10,133</u>	<u>\$ 13,163</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Short-term employee benefits	\$ 26,064	\$ 39,351
Retirement benefits	330	530
Share-based payment	1,050	5,117
	<u>\$ 27,444</u>	<u>\$ 44,998</u>

VIII. Pledged assets

The Group had placed the following assets as collaterals:

<u>Assets</u>	<u>Book value</u>			<u>Purpose of security</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	
Time deposits (statement of financial assets at amortized cost - current)	<u>\$ 33,238</u>	<u>\$ -</u>	<u>\$ -</u>	Guarantee of short-term borrowings and forward exchange contract
Time deposit (presented as other current assets)	<u>\$ -</u>	<u>\$ 921</u>	<u>\$ 953</u>	Security for forward exchange contract
Guarantee deposits paid (presented as other current and non assets)	<u>\$ 2,381</u>	<u>\$ 3,567</u>	<u>\$ 3,343</u>	Rental deposit for office and warehouse space, and deposit for special projects
Land (note)	<u>\$ 229,660</u>	<u>\$ 229,660</u>	<u>\$ 229,660</u>	Long-term loans
Buildings and structures (note)	<u>\$ 45,138</u>	<u>\$ 46,358</u>	<u>\$ 46,765</u>	Long-term loans

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

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatory to be carried at fair value through profit or loss	\$ 42,626	\$ 34,167	\$ 33,079
Financial assets at fair value through other comprehensive income			
Voluntarily designated as an investment in an equity instrument	\$ 57,363	\$ 27,536	\$ 23,906
Financial assets carried at cost after amortization			
Cash and cash equivalents	\$ 340,191	\$ 328,886	\$ 363,509
Financial assets carried at cost after amortization	33,238	-	-
Notes receivable	6	-	160
Accounts receivable	213,815	264,279	166,752
Accounts receivable - related parties	174	1,046	2,331
Other receivables	4,875	4,120	4,288
Other financial assets (presented as other current assets)	-	921	953
Guarantee deposits paid (presented as other current and non assets)	2,381	3,567	3,343
	<u>\$ 594,680</u>	<u>\$ 602,819</u>	<u>\$ 541,336</u>
<u>Financial liabilities</u>			
Financial liabilities carried at cost after amortization			
Short-term loans	\$ 27,000	\$ -	\$ -
Accounts payable	183,728	83,348	130,491
Accounts payable - related parties	28,879	23,009	22,039
Other payables	72,954	74,270	63,466
Long-term loans (including those due within one year)	147,566	155,286	157,872
Guarantee deposits received	-	1,148	1,148
	<u>\$ 460,127</u>	<u>\$ 337,061</u>	<u>\$ 375,016</u>
Lease liabilities	<u>\$ 34,153</u>	<u>\$ 36,633</u>	<u>\$ 36,157</u>

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

Exchange rate risk

- 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:

	<u>September 30, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Book value (NTD)</u>
(Foreign currency: functional currency)	<u>(thousand dollars)</u>		
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 8,026	32.27	\$ 258,999
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	3,619	32.27	116,785

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

	<u>September 30, 2022</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Book value (NTD)</u>
(Foreign currency: functional currency)	<u>(thousand dollars)</u>		
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,883	31.75	\$ 250,285
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,551	31.75	80,994

D. Total gain on exchange (realized and unrealized) recognized by the Group for monetary items susceptible to significant exchange rate fluctuation in the periods July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 2022, amounted to \$7,557, \$14,561, \$10,750 and \$29,577, respectively.

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

	<u>January 1 to September 30, 2023</u>		
	<u>Sensitivity analysis</u>		
	<u>Variation</u>	<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 2,590	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	1,168	-

	<u>January 1 to September 30, 2022</u>		
	<u>Sensitivity analysis</u>		
	<u>Variation</u>	<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 2,503	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 810	-

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 \$426 and \$331 for the periods January 1 to September 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 \$574 and \$239, 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 September 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 \$1,047 and \$947 for the periods January 1 to September 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 September 30, 2023, December 31, 2022 and September 30, 2022.

- G. (1) Customers of good credit background and insured accounts receivable are subject to loss given default of 0.2%. As at September 30, 2023, December 31, 2022, and September 30, 2022, the Group had outstanding accounts receivable of \$199,985, \$219,755, and \$152,924 and had made loss provisions of \$400, \$439 and \$306, 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 September 30, 2023, December 31, 2022, and September 30, 2022 is as follows:

	Current	Overdue within 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue 91 - 120 days	Overdue more than 121 days	Total
<u>September 30, 2023</u>							
Expected loss given default	0.00~1.30%	7.71%	14.48%	44.38%	50.00%	100%	
Total book value	<u>\$ 12,289</u>	<u>\$ 1,271</u>	<u>\$ 1,220</u>	<u>\$ 60</u>	<u>\$ 9</u>	<u>\$ 12,889</u>	<u>\$ 27,738</u>
Loss provision	<u>\$ 158</u>	<u>\$ 98</u>	<u>\$ 176</u>	<u>\$ 3</u>	<u>\$ 4</u>	<u>\$ 12,889</u>	<u>\$ 13,328</u>
	Current	Overdue Within 30 days	Overdue 31- 60 days	Overdue 61- 90 days	Overdue 91- 120 days	Overdue 121 days and above	Total
<u>December 31, 2022</u>							
Expected loss given default	0.00~1.30%	7.71%	14.48%	44.38%	50.00%	100%	
Total book value	<u>\$ 31,975</u>	<u>\$ 12,799</u>	<u>\$ 3,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,177</u>	<u>\$ 61,012</u>
Loss provision	<u>\$ 403</u>	<u>\$ 980</u>	<u>\$ 443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,177</u>	<u>\$ 15,003</u>
	Current	Overdue within 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue 91 - 120 days	Overdue more than 121 days	Total
<u>September 30, 2022</u>							
Expected loss given default	0.00~1.62%	5.75%	21.28%	43.44%	50.00%	100%	
Total book value	<u>\$ 15,098</u>	<u>\$ 1,350</u>	<u>\$ 185</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 15,833</u>	<u>\$ 32,523</u>
Loss provision	<u>\$ 32</u>	<u>\$ 6</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,833</u>	<u>\$ 15,898</u>

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

	<u>2023</u>		<u>2022</u>
January 1	\$ 15,442	\$	16,828
Reversal of impairment loss(	1,764)	(	1,035)
Exchange rate impact	<u>50</u>		<u>411</u>
September 30	<u>\$ 13,728</u>	<u>\$</u>	<u>16,204</u>

Losses reversed during the periods January 1 to September 30, 2023 and 2022, included \$1,764 and \$1,035 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 September 30, 2023, December 31, 2022, and September 30, 2022, the Group had undrawn credit limits of \$232,000, \$194,000, and \$194,000, 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.

September 30, 2023

<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>5 years and above</u>
Short-term loans (including estimated interest)	\$ 27,109	\$ -	\$ -	\$ -
Accounts payable	183,728	-	-	-
Accounts payable - related parties	28,879	-	-	-
Other payables	72,954	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	13,076	13,076	39,229	100,279
Lease liabilities	3,421	2,999	7,146	26,283

December 31, 2022

<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>5 years and above</u>
Accounts payable	\$ 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

September 30, 2022

<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>5 years and above</u>
Accounts payable	\$ 130,491	\$ -	\$ -	\$ -
Accounts payable - related parties	22,039	-	-	-
Other payables	63,466	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	12,868	12,868	38,605	111,536
Lease liabilities	6,980	2,760	6,425	25,697

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

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:

September 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 11,243	\$ -	\$ 31,383	\$ 42,626
Financial assets at fair value through other comprehensive income				
Equity securities	<u>54,982</u>	<u>-</u>	<u>2,381</u>	<u>57,363</u>
	<u>\$ 66,225</u>	<u>\$ -</u>	<u>\$ 33,764</u>	<u>\$ 99,989</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 7,211	\$ -	\$ 26,956	\$ 34,167
Financial assets at fair value through other comprehensive income				
Equity securities	<u>-</u>	<u>-</u>	<u>27,536</u>	<u>27,536</u>
	<u>\$ 7,211</u>	<u>\$ -</u>	<u>\$ 54,492</u>	<u>\$ 61,703</u>
September 30, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 6,547	\$ -	\$ 26,532	\$ 33,079
Financial assets at fair value through other comprehensive income				
Equity securities	<u>-</u>	<u>-</u>	<u>23,906</u>	<u>23,906</u>
	<u>\$ 6,547</u>	<u>\$ -</u>	<u>\$ 50,438</u>	<u>\$ 56,985</u>

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

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

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

- B. Except for financial instruments traded in active markets, as described above, fair values of all other financial instruments were obtained either by applying valuation techniques or by referring to counterparties' quotations.
- C. For the valuation of non-standardized financial instruments of low complexity, the 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 September 30, 2023 and 2022.
6. Changes in level 3 input during the periods January 1 to September 30, 2023 and 2022, are explained below:

	<u>2023</u>		<u>2022</u>
	<u>Equity instrument</u>		<u>Equity instrument</u>
January 1	\$ 54,492		\$ 68,787
Recognized through profit and loss (Note 1)	4,427	(	9,874)
Recognized in other comprehensive income (Note 2)	-	(	8,475)
Outward transfer of level 3 input	<u>(25,155)</u>		<u>-</u>
September 30	<u>\$ 33,764</u>		<u>\$ 50,438</u>

Note 1: Presented as other gains and losses.

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

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

	<u>September 30,</u> <u>2023</u> <u>Fair value</u>	<u>Valuation</u> <u>technique</u>	<u>Significant and</u> <u>unobservable</u> <u>input</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input</u> <u>and fair value</u>
Equity instrument:					
Non-listed shares	\$ 2,381	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	31,383	Net asset value approach	Not applicable	Not applicable	Not applicable
	<u>Fair value as of</u> <u>December 31, 2022</u>	<u>Valuation</u> <u>technique</u>	<u>Significant and</u> <u>unobservable</u> <u>input</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input</u> <u>and fair value</u>
Equity instrument:					
Non-listed shares	\$ 27,536	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	26,956	Net asset value approach	Not applicable	Not applicable	Not applicable
	<u>September 30,</u> <u>2022</u> <u>Fair value</u>	<u>Valuation</u> <u>technique</u>	<u>Significant and</u> <u>unobservable</u> <u>input</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input</u> <u>and fair value</u>
Equity instrument:					
Non-listed shares	\$ 23,906	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	26,532	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:

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

XIII. Other disclosures

(I) Information related to significant transactions

Significant transactions undertaken by the Group during the period January 1 to September 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 the 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

	<u>January 1 to September 30, 2023</u>				
	<u>Taiwan</u>	<u>USA</u>	<u>Others</u>	<u>Eliminated upon consolidation</u>	<u>Consolidated</u>
Income from customers other than the ultimate parent, parent, and consolidated subsidiaries	\$ 667,132	\$363,083	\$ 27,848	\$ -	\$ 1,058,063
Income from the ultimate parent, parent, and consolidated subsidiaries	\$ - <u>250,477</u>	\$ - <u>26</u>	\$ - <u>20,368</u>	\$ - <u>(270,871)</u>	<u>-</u>
	<u>\$ 917,609</u>	<u>\$363,109</u>	<u>\$ 48,216</u>	<u>(\$270,871)</u>	<u>\$ 1,058,063</u>
Segment profit/loss	<u>\$ 130,894</u>	<u>(\$ 1,130)</u>	<u>(\$ 734)</u>	<u>\$ -</u>	<u>\$ 129,030</u>
Segment profit/loss includes:					
Depreciation and amortization	<u>\$ 15,814</u>	<u>\$ 303</u>	<u>\$ 2,035</u>	<u>\$ -</u>	<u>\$ 18,152</u>

	<u>January 1 to September 30, 2022</u>				
	<u>Taiwan</u>	<u>USA</u>	<u>Others</u>	<u>Eliminated upon consolidation</u>	<u>Consolidated</u>
Income from customers other than the ultimate parent, parent, and consolidated subsidiaries	\$ 636,666	\$446,427	\$ 29,929	\$ -	\$1,113,022
Income from the ultimate parent, parent, and consolidated subsidiaries	<u>325,349</u>	<u>3,510</u>	<u>19,236</u>	<u>(348,095)</u>	<u>-</u>
	<u>\$ 962,015</u>	<u>\$449,937</u>	<u>\$ 49,165</u>	<u>(\$348,095)</u>	<u>\$1,113,022</u>
Segment profit/loss	<u>\$ 122,714</u>	<u>(\$ 50,586)</u>	<u>(\$ 649)</u>	<u>\$ -</u>	<u>\$ 71,479</u>
Segment profit/loss includes:					
Depreciation and amortization	<u>\$ 16,553</u>	<u>\$ 2,002</u>	<u>\$ 1,814</u>	<u>\$ -</u>	<u>\$ 20,369</u>

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:

	<u>January 1 to September 30,</u> <u>2023</u>	<u>January 1 to September 30,</u> <u>2022</u>
Net income from reporting segments	\$ 129,764	\$ 72,128
Net loss from other reporting segments	(734)	(649)
Total across segments	\$ 129,030	\$ 71,479
Gain (loss) on financial assets at fair value through profit or loss	8,459	(13,452)
Other gains and losses	84,551	96,310
Financial costs	(2,307)	(2,296)
Pre-tax profit from continuing operations	<u>\$ 219,733</u>	<u>\$ 152,041</u>

ONYX Healthcare Inc. and Subsidiaries

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

September 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				Remarks (Note 4)
					Shares	Book value (Note 3)	Shareholdings percentage	Fair value	
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	\$ 3,809	0.03%	\$ 3,809	None
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through profit or loss - current	223,918	7,434	0.16%	7,434	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	31,383	13.04%	31,383	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
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through other comprehensive income - non- current	1,656,082	54,982	1.20%	54,982	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 September 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)	(\$ 233,582)	(25.46%)	90 days after month-end	\$ -	-	\$ 91,211	42.97%	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

September 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	\$ 91,211	3.27	\$ -	-	\$ 22,992	\$ -

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 September 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	\$ 233,582	90 days after month-end	22.07%
0	ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	1	Accounts receivable	91,211	90 days after month-end	4.27%

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 needs to be indicated (no duplicate disclosure has to be made on two counterparties of the same transaction; for example, in a parent-to-subsiary 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-subsiary 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 September 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		Period-end holding position			Current period profit/loss of the investee (Note 2(2))	Investment gains/losses recognized in the current period (Note 2(3))	Remarks
				End of current period	End of previous year	Shares	Percentage (%)	Book value			
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	USA	Sale of medical computers and peripherals	\$ 64,540	\$ 61,420	200,000	100	\$ 84,042	\$ 15,536	\$ 15,536	None
ONYX Healthcare Inc.	ONYX HEALTHCARE EUROPE B.V.	The Netherlands	Marketing support and maintenance of medical computers and peripherals	3,391	3,272	100,000	100	18,126	1,021	1,021	None
ONYX Healthcare Inc.	iHELPER Inc.	Taiwan	Research, development, and sale of medical robots	16,560	16,560	1,656,000	46	7,633	(157)	(72)	None
ONYX Healthcare Inc.	Winmate Inc.	Taiwan	Tendering, quotation, and distribution of LCD equipment and modules	568,585	568,585	10,244,000	13	623,686	418,261	55,484	None
ONYX Healthcare Inc.	ProtectLife International Biomedical Inc.	Taiwan	Production and wholesaling of medical equipment, consumables, and related products	44,380	-	2,188,000	11	36,099	(33,550)	(3,436)	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 September 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 September 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		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
					Invested	Recovered							
Onyx Healthcare (Shanghai) Inc.	Sale of medical computers and peripherals	\$ 70,994	1	\$ 70,994	\$ -	\$ -	\$ 70,994	(\$ 1,684)	100	(\$ 1,684)	\$ 4,184	\$ -	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.	\$ 70,994	\$ 70,994	\$ 879,744

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 methods

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 and September 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

September 30, 2023

Attachment 7

Name of major shareholder	Shareholding	
	Number of shares held	Shareholding percentage (%)
AAEON Technology Inc.	16,257,179	48.51
Chuang, Yung-Shun	2,745,068	8.19
ASUSTeK Computer Inc.	1,694,112	5.05

Note 1: Information on major shareholders, as presented in this chart, was taken from 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 the 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.