

ONYX Healthcare Inc. and Subsidiaries
Consolidated Financial Statements and Independent Auditor's
Review Report
For the Second Quarter of 2024 and 2023
(Stock code: 6569)

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

ONYX Healthcare Inc. and Subsidiaries
Consolidated Financial Statements and Independent Auditor's Review Report for the
Second Quarter of 2024 and 2023
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Independent Auditor's Review Report

(113)-Cai-Shen-Bao-Zi No. 24001022

To stakeholders of ONYX Healthcare Inc.:

Preamble

We have reviewed the accompanying consolidated balance sheet of ONYX Healthcare Inc. and subsidiaries (hereinafter referred to as "ONYX Group" below) as of June 30, 2024 and 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement from April 1 to June 30, 2024 and 2023, January 1 to June 30, 2024 and 2023, 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(7) of the consolidated financial statements, some of the non-material subsidiaries were consolidated using financial statements for the corresponding periods that were not reviewed by CPAs. As at June 30, 2024 and 2023, these subsidiaries aggregately reported total assets of NT\$102,431 thousand and NT\$44,212 thousand that represented 5% and 2% of consolidated total assets, and total liabilities of NT\$13,126 thousand and NT\$4,648 thousand that represented 2% and 1% of consolidated total liabilities, respectively. For the periods April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, these

subsidiaries reported total comprehensive income of NT\$7,020 thousand, NT\$(230) thousand, NT\$6,827 thousand, and NT\$(2,448) thousand that represented 17%, (0%), 7%, and (2%) of consolidated total comprehensive income, respectively. Balance of equity-accounted investments as at June 30, 2024 and 2023, was reported at NT\$32,033 thousand and NT\$32,747 thousand, representing 1% and 2% of consolidated total assets, respectively. Share of net income and other comprehensive income from equity-accounted associated companies for the periods April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, amounted to NT\$(1,152) thousand, NT\$(1,323) thousand, NT\$(2,652) thousand, and NT\$(2,109) thousand, representing (3%), (2%), (3%), and (2%) of consolidated comprehensive income, respectively.

Reservations

Based on our review and the review reports of other CPAs (please refer to the Other issues paragraph), we found that none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Securities Issuers or the version of IAS 34 - "Interim Financial Reporting" approved, published, and effected by the Financial Supervisory Commission, or compromised the fair view of the consolidated financial position of ONYX Group as of June 30, 2024 and 2023, or consolidated financial performance for the periods April 1 to June 30, 2024 and 2023, or January 1 to June 30, 2024 and 2023, or consolidated cash flow for the periods January 1 to June 30, 2024 and 2023, except for the issues discussed in the "Basis of reservation" paragraph, where financial statements of certain non-material subsidiaries and equity-accounted investments had yet to be reviewed by CPAs, and may cause adjustments to the consolidated financial statements if they were CPA-reviewed.

Other issues - reviews by other CPAs

Amongst the equity-accounted business investments presented in the consolidated financial statements of ONYX Group, some of which had financial statements reviewed by other CPAs that we did not take part in. Therefore, amounts presented in the consolidated financial statements mentioned above in regards to such businesses were based on auditor-reviewed reports of other CPAs. As at June 30, 2024 and 2023, balances of the abovementioned equity-accounted investments totaled NT\$618,269 thousand and NT\$596,015 thousand, representing 28% and 29% of consolidated total assets, respectively. For the periods from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, comprehensive income recognized from the abovementioned companies totaled NT\$21,132 thousand, NT\$20,256 thousand, NT\$41,060 thousand, and NT\$38,178 thousand, representing 51%, 29%, 41% and 29% of consolidated

comprehensive income, respectively.

PwC Taiwan

CPA

Chang, Shu-Chiung
Lin, Chun-Yao

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

August 5, 2024

ONYX Healthcare Inc. and Subsidiaries
Consolidated balance sheet
As of June 30, 2024, December 31, 2023 and June 30, 2023

Unit: NT\$ thousand

Assets		Note	June 30, 2024		December 31, 2023		June 30, 2023	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 361,740	16	\$ 366,767	18	\$ 327,743	16
1110	Financial assets at fair value through profit or loss - current	6(2)	7,255	-	11,389	1	12,549	1
1136	Financial assets at amortized cost - current	6(3) and 8	33,423	2	31,626	2	-	-
1150	Net notes receivable	6(4)	-	-	3	-	-	-
1170	Net accounts receivable	6(4)	178,415	8	191,375	9	247,660	12
1180	Accounts receivable - related parties, net	7	648	-	748	-	3,374	-
1200	Other receivables	7	60,259	3	2,144	-	51,316	3
1220	Current income tax asset		11	-	695	-	1,584	-
130X	Inventory	6(5)	318,515	14	245,689	12	264,796	13
1410	Prepayments		23,753	1	18,294	1	30,476	1
1470	Other current assets	8	1,805	-	2,235	-	1,390	-
11XX	Total current assets		985,824	44	870,965	43	940,888	46
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)	42,317	2	34,637	2	31,597	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	145,118	7	68,756	3	2,381	-
1550	Equity-accounted investments	6(7)	650,302	29	664,211	32	628,762	31
1600	Property, plant and equipment	6(8), 7 and 8	344,031	15	349,380	17	351,373	18
1755	Right-of-use assets	6(9)	37,967	2	34,331	2	34,511	2
1780	Intangible assets		2,396	-	3,517	-	4,456	-
1840	Deferred income tax assets		23,849	1	20,244	1	27,349	1
1900	Other non-current assets	8	2,177	-	2,167	-	3,578	-
15XX	Total non-current assets		1,248,157	56	1,177,243	57	1,084,007	54
1XXX	Total assets		\$ 2,233,981	100	\$ 2,048,208	100	\$ 2,024,895	100

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ONYX Healthcare Inc. and Subsidiaries
Consolidated balance sheet
As of June 30, 2024, December 31, 2023 and June 30, 2023

Unit: NT\$ thousand

Liabilities and equity			June 30, 2024		December 31, 2023		June 30, 2023	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term loans	6(11)	\$ 27,000	1	\$ 27,000	1	\$ -	-
2130	Contractual liabilities - current	6(20)	89,946	4	61,847	3	74,909	4
2170	Accounts payable		129,224	6	67,160	3	53,140	3
2180	Accounts payable - related parties	7	19,193	1	1,395	-	16,894	1
2200	Other payables	6(12) and 7	253,574	11	79,704	4	242,384	12
2230	Current income tax liabilities		14,176	1	43,380	2	14,622	1
2250	Liability reserves - current	6(15)	7,220	-	7,585	1	7,579	-
2280	Lease liabilities - current		3,935	-	2,842	-	3,952	-
2320	Long-term liabilities due within 1 year or 1 business cycle	6(13)	10,507	1	10,476	1	10,379	-
2399	Other current liabilities - others		3,473	-	3,762	-	1,239	-
21XX	Total current liabilities		558,248	25	305,151	15	425,098	21
Non-current liabilities								
2527	Contractual liabilities - non-current	6(20)	51,278	2	53,301	3	52,693	3
2540	Long-term loans	6(13)	129,275	6	134,499	7	139,761	7
2550	Liability reserves - non-current	6(15)	2,251	-	2,364	-	2,268	-
2570	Deferred income tax liabilities		1,607	-	423	-	4,482	-
2580	Lease liabilities - non-current		35,648	2	31,924	1	31,613	1
25XX	Total non-current liabilities		220,059	10	222,511	11	230,817	11
2XXX	Total liabilities		778,307	35	527,662	26	655,915	32
Equity								
Equity attributable to parent company shareholders								
	Share capital	6(17)						
3110	Common share capital		335,253	15	335,163	16	332,883	16
3150	Stock dividends pending distribution		50,274	2	-	-	-	-
	Capital reserves	6(16)(18)						
3200	Capital reserves		710,478	32	708,803	35	684,094	34
	Retained earnings	6(19)						
3310	Legal reserves		176,748	8	151,706	7	151,706	7
3320	Special reserves		30,169	2	33,926	2	33,926	2
3350	Unappropriated earnings		162,329	7	312,163	15	180,579	9
	Other equity items							
3400	Other equity items		(17,776)	(1)	(30,169)	(1)	(23,192)	(1)
31XX	Total equity attributable to parent company shareholders		1,447,475	65	1,511,592	74	1,359,996	67
36XX	Non-controlling equity	4(3)	8,199	-	8,954	-	8,984	1
3XXX	Total equity		1,455,674	65	1,520,546	74	1,368,980	68
3X2X	Total liabilities and equity		\$ 2,233,981	100	\$ 2,048,208	100	\$ 2,024,895	100

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

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Consolidated statement of comprehensive income
January 1 to June 30, 2024 and 2023

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

	Item	Note	April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(20) and 7	\$ 299,338	100	\$ 357,874	100	\$ 574,678	100	\$ 685,816	100
5000	Operating costs	6(5)(23)(24) and 7	(194,355)	(65)	(222,127)	(62)	(355,653)	(62)	(438,588)	(64)
5900	Gross profit		<u>104,983</u>	<u>35</u>	<u>135,747</u>	<u>38</u>	<u>219,025</u>	<u>38</u>	<u>247,228</u>	<u>36</u>
	Operating expenses	6(23)(24) and 7	(43,896)	(15)	(43,750)	(12)	(91,191)	(16)	(84,648)	(12)
6100	Selling expenses		(19,697)	(7)	(22,787)	(7)	(38,524)	(7)	(42,672)	(6)
6200	Administrative expenses		(28,500)	(9)	(18,454)	(5)	(54,210)	(9)	(38,671)	(6)
6300	R&D expenses		(795)	-	(300)	-	(247)	-	467	-
6450	Expected credit impairment gain (loss)	12(2)	(92,888)	(31)	(85,291)	(24)	(184,172)	(32)	(165,524)	(24)
6000	Total operating expenses		<u>12,095</u>	<u>4</u>	<u>50,456</u>	<u>14</u>	<u>34,853</u>	<u>6</u>	<u>81,704</u>	<u>12</u>
6900	Operating profit									
	Non-operating income and expenses									
7100	Interest income		1,502	1	1,355	-	1,860	-	1,795	-
7010	Other income	6(21) and 7	5,762	2	1,225	-	6,447	1	10,260	1
7020	Other gains and losses	6(22)	3,801	1	9,690	3	21,882	4	16,201	2
7050	Financial costs		(810)	-	(739)	-	(1,595)	-	(1,436)	-
7060	Share of profits/losses on equity-accounted associated companies and joint ventures									
			<u>18,798</u>	<u>6</u>	<u>18,236</u>	<u>5</u>	<u>34,700</u>	<u>6</u>	<u>31,873</u>	<u>5</u>
7000	Total non-operating income and expenses		<u>29,053</u>	<u>10</u>	<u>29,767</u>	<u>8</u>	<u>63,294</u>	<u>11</u>	<u>58,693</u>	<u>8</u>
7900	Pre-tax profit		<u>41,148</u>	<u>14</u>	<u>80,223</u>	<u>22</u>	<u>98,147</u>	<u>17</u>	<u>140,397</u>	<u>20</u>
7950	Income tax expense	6(25)	(2,644)	(1)	(12,699)	(3)	(9,595)	(1)	(16,781)	(2)
8200	Current net income		<u>\$ 38,504</u>	<u>13</u>	<u>\$ 67,524</u>	<u>19</u>	<u>\$ 88,552</u>	<u>16</u>	<u>\$ 123,616</u>	<u>18</u>
	Other comprehensive income (net)									
	Items not reclassified into profit or loss									
8316	Unrealized gain/loss on valuation of equity instruments at fair value	6(6)								
	through other comprehensive income		\$ 451	-	\$ -	-	\$ 3,479	1	\$ -	-
8320	Share of other comprehensive income from equity-accounted associated companies and joint ventures - not reclassified into profit or loss		<u>891</u>	<u>-</u>	<u>637</u>	<u>-</u>	<u>2,404</u>	<u>-</u>	<u>4,302</u>	<u>1</u>
8310	Items not reclassified into profit or loss - total		<u>1,342</u>	<u>-</u>	<u>637</u>	<u>-</u>	<u>5,883</u>	<u>1</u>	<u>4,302</u>	<u>1</u>
	Items likely to be reclassified into profit or loss									
8361	Financial statement translation differences arising from foreign operations		1,621	1	2,593	1	6,507	1	2,116	-
8370	Share of other comprehensive income from equity-accounted associated companies and joint ventures - likely to be reclassified into profit or loss		291	-	60	-	1,304	-	(106)	-
8399	Income tax on items that are likely to be reclassified into profit or loss	6(25)	(324)	-	(518)	-	(1,301)	-	(423)	-
8360	Items likely to be reclassified into profit or loss - total		<u>1,588</u>	<u>1</u>	<u>2,135</u>	<u>1</u>	<u>6,510</u>	<u>1</u>	<u>1,587</u>	<u>-</u>
8300	Other comprehensive income (net)		<u>\$ 2,930</u>	<u>1</u>	<u>\$ 2,772</u>	<u>1</u>	<u>\$ 12,393</u>	<u>2</u>	<u>\$ 5,889</u>	<u>1</u>
8500	Total comprehensive income for the current period		<u>\$ 41,434</u>	<u>14</u>	<u>\$ 70,296</u>	<u>20</u>	<u>\$ 100,945</u>	<u>18</u>	<u>\$ 129,505</u>	<u>19</u>
	Net income (loss) attributable to:									
8610	Parent company shareholders		\$ 38,499	13	\$ 67,540	19	\$ 89,307	16	\$ 123,678	18
8620	Non-controlling equity		<u>5</u>	<u>-</u>	<u>(16)</u>	<u>-</u>	<u>(755)</u>	<u>-</u>	<u>(62)</u>	<u>-</u>
	Total		<u>\$ 38,504</u>	<u>13</u>	<u>\$ 67,524</u>	<u>19</u>	<u>\$ 88,552</u>	<u>16</u>	<u>\$ 123,616</u>	<u>18</u>
	Comprehensive income attributable to:									
8710	Parent company shareholders		\$ 41,429	14	\$ 70,312	20	\$ 101,700	18	\$ 129,567	19
8720	Non-controlling equity		<u>5</u>	<u>-</u>	<u>(16)</u>	<u>-</u>	<u>(755)</u>	<u>-</u>	<u>(62)</u>	<u>-</u>
	Total		<u>\$ 41,434</u>	<u>14</u>	<u>\$ 70,296</u>	<u>20</u>	<u>\$ 100,945</u>	<u>18</u>	<u>\$ 129,505</u>	<u>19</u>
	EPS	6(26)								
9750	Basic earnings per share		<u>\$ 1.15</u>		<u>\$ 2.03</u>		<u>\$ 2.66</u>		<u>\$ 3.72</u>	
9850	Diluted earnings per share		<u>\$ 1.14</u>		<u>\$ 2.02</u>		<u>\$ 2.64</u>		<u>\$ 3.70</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, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Consolidated statement of changes in equity
January 1 to June 30, 2024 and 2023

Unit: NT\$ thousand

		Equity attributable to parent company shareholders										
		Share capital			Retained earnings			Other equity items				
		Common share capital	Stock dividends pending distribution	Capital reserves	Legal reserves	Special reserves	Unappropriated earnings	Financial statement translation differences arising from foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	Total	Non-controlling equity	Total
Note												
January 1 to June 30, 2023												
Balance as at January 1, 2023		\$ 332,612	\$ -	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849)	(\$ 31,077)	\$ 1,391,843	\$ 9,046	\$ 1,400,889
Current net income (loss)		-	-	-	-	-	123,678	-	-	123,678	(62)	123,616
Other current comprehensive income		-	-	-	-	-	-	1,587	4,302	5,889	-	5,889
Total comprehensive income for the current period		-	-	-	-	-	123,678	1,587	4,302	129,567	(62)	129,505
Appropriation and distribution of 2022 earnings:	6(19)											
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(16)(18)	-	-	1,795	-	-	-	-	-	1,795	-	1,795
Exercise of employee warrants	6(17)(18)	271	-	2,827	-	-	-	-	-	3,098	-	3,098
Reclassification of equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	-	(4,845)	-	4,845	-	-	-
Balance as at June 30, 2023		\$ 332,883	\$ -	\$ 684,094	\$ 151,706	\$ 33,926	\$ 180,579	(\$ 1,262)	(\$ 21,930)	\$ 1,359,996	\$ 8,984	\$ 1,368,980
January 1 to June 30, 2024												
Balance as at January 1, 2024		\$ 335,163	\$ -	\$ 708,803	\$ 151,706	\$ 33,926	\$ 312,163	(\$ 2,396)	(\$ 27,773)	\$ 1,511,592	\$ 8,954	\$ 1,520,546
Current net income (loss)		-	-	-	-	-	89,307	-	-	89,307	(755)	88,552
Other current comprehensive income		-	-	-	-	-	-	6,510	5,883	12,393	-	12,393
Total comprehensive income for the current period		-	-	-	-	-	89,307	6,510	5,883	101,700	(755)	100,945
Appropriation and distribution of 2023 earnings:	6(19)											
Provision for legal reserves		-	-	-	25,042	-	(25,042)	-	-	-	-	-
Reversal for special reserve		-	-	-	-	(3,757)	3,757	-	-	-	-	-
Cash dividends		-	-	-	-	-	(167,582)	-	-	(167,582)	-	(167,582)
Stock dividends	6(17)	-	50,274	-	-	-	(50,274)	-	-	-	-	-
Share-based payment	6(16)(18)	-	-	771	-	-	-	-	-	771	-	771
Exercise of employee warrants	6(17)(18)	90	-	904	-	-	-	-	-	994	-	994
Balance as at June 30, 2024		\$ 335,253	\$ 50,274	\$ 710,478	\$ 176,748	\$ 30,169	\$ 162,329	\$ 4,114	(\$ 21,890)	\$ 1,447,475	\$ 8,199	\$ 1,455,674

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, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Consolidated cash flow statement
January 1 to June 30, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to June 30, 2024	January 1 to June 30, 2023
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 98,147	\$ 140,397
Adjustments			
Income, expenses, and losses			
Depreciation	6(8)(9)		
	(23)	9,991	10,752
Amortization	6(23)	1,222	1,230
Expected credit impairment loss (reversal gain)	12(2)	247	(467)
Gain on financial assets at fair value through profit or loss	6(2)(22)	(9,193)	(9,979)
Interest expenses		1,595	1,436
Interest income		(1,860)	(1,795)
Dividend income	6(21)	(5,009)	(390)
Share-based payment - remuneration	6(16)	771	1,795
Share of profit from equity-accounted associated companies		(34,700)	(31,873)
Loss on lease amendment	6(9)(22)	12	-
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets at fair value through profit or loss		53	-
Notes receivable		3	-
Accounts receivable		12,314	17,407
Accounts receivable - related parties		100	(2,327)
Other receivables	(1,869)	1,604
Inventory	(72,826)	46,731
Prepayments	(5,459)	(11,246)
Other current assets		431	322
Net change in liabilities related to operating activities			
Contractual liabilities		26,076	(4,991)
Accounts payable		62,064	(30,208)
Accounts payable - related parties		17,798	(6,115)
Other payables		5,630	754
Other payables - related parties	(71)	1,473
Liability reserves	(478)	153
Other current liabilities	(289)	(1,845)
Cash inflow from operating activities		104,700	122,818
Interests received		1,860	1,795
Dividends received		1,080	-
Interests paid	(1,602)	(1,443)
Income tax paid	(36,017)	(47,898)
Net cash inflow from operating activities		70,021	75,272

(Continued next page)

ONYX Healthcare Inc. and Subsidiaries
Consolidated cash flow statement
January 1 to June 30, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to June 30, 2024	January 1 to June 30, 2023
<u>Cash flow from investing activities</u>			
Disposal of financial assets at fair value through profit or loss		\$ 5,595	\$ -
Acquisition of financial assets at fair value through other comprehensive income		(72,883)	-
Acquisition of equity-accounted investments		-	(9,700)
Acquisition of property, plant, and equipment	6(27)	(2,673)	(61,980)
Acquisition of intangible assets		(101)	(93)
Increase in guarantee deposits paid (presented as other non-current assets)		(11)	(11)
Net cash outflow from investing activities		(70,073)	(71,784)
<u>Cash flow from financing activities</u>			
Repayment of long-term loan	6(28)	(5,193)	(5,146)
Repayment of lease principal	6(28)	(1,171)	(2,735)
Decrease in guarantee deposits received		-	(1,148)
Exercise of employee warrants		994	3,098
Net cash outflow from financing activities		(5,370)	(5,931)
Exchange rate impact		395	1,300
Decrease in cash and cash equivalents for the current period		(5,027)	(1,143)
Opening cash and cash equivalents balance	6(1)	366,767	328,886
Closing cash and cash equivalents balance	6(1)	<u>\$ 361,740</u>	<u>\$ 327,743</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, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries
Notes to consolidated financial statements
For the Second Quarter of 2024 and 2023

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 48.49% equity ownership in the Company, whereas ASUSTeK Computer Inc. is the Group's ultimate parent.

II. Financial statement approval date and procedures

This consolidated financial report was passed during the board of directors meeting dated August 5, 2024.

III. Application of new standards, amendments and interpretations

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

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

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

After a thorough assessment, the 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 2025 financial year:

<u>New/amended/modified standards and interpretations</u>	<u>Effective date of IASB announcement</u>
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.

(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 9 and IFRS 7 regarding "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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
IFRS 18 - "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 - "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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

IFRS 18 - "Presentation and Disclosure in Financial Statements"

IFRS 18 - "Presentation and Disclosure in Financial Statements" replaces IAS 1 and introduces an update to the structure of the statement of comprehensive income along with new disclosures for management-defined performance measures. This standard emphasizes the aggregation and disaggregation of disclosures in key financial statements and footnotes.

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 2023 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 2023 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 a 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 2023 consolidated financial report.

2. Subsidiaries included in the consolidated financial report:

			<u>Shareholding percentage</u>			<u>Description</u>
<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Business activities</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</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, maintenance, and sales of medical computers and peripherals	100	100	100	Note 1
The Company	Onyx Healthcare (Shanghai) Inc. (OCI)	Sale of medical computers and peripherals	100	100	100	Note 1
The Company	iHELPER Inc. (iHELPER)	Research, development, and sale of medical robots	46	46	46	Note 1 and Note 2

Note 1: These entities do not meet the definition of material subsidiary, and therefore, financial statements dated June 30, 2024 and 2023 were not reviewed by CPAs.

Note 2: The Company holds less than 50% aggregate ownership in the entity but has included the entity in the preparation of the 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 \$8,199, \$8,954, and \$8,984 on June 30, 2024, December 31, 2023, and June 30, 2023, 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 2023 consolidated financial report.

VI. Notes to major accounts

(I) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Petty cash	\$ 297	\$ 426	\$ 280
Check and current deposit	345,218	350,989	296,323
Time deposit	<u>16,225</u>	<u>15,352</u>	<u>31,140</u>
	<u>\$ 361,740</u>	<u>\$ 366,767</u>	<u>\$ 327,743</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 Notes 6(3) and 8 for details.

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current portion:			
Financial assets			
mandatory to be			
carried at fair value			
through profit or loss			
TWSE/TPEX listed			
shares	\$ 3,957	\$ 10,208	\$ 10,208
Valuation adjustment	<u>3,298</u>	<u>1,181</u>	<u>2,341</u>
	<u>\$ 7,255</u>	<u>\$ 11,389</u>	<u>\$ 12,549</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>12,317</u>	<u>4,637</u>	<u>1,597</u>
	<u>\$ 42,317</u>	<u>\$ 34,637</u>	<u>\$ 31,597</u>

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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	<u>\$ 1,021</u>	<u>\$ 3,492</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	\$ 9,140	\$ 9,979
Derivatives	<u>53</u>	<u>-</u>
	<u>\$ 9,193</u>	<u>\$ 9,979</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>June 30, 2024</u>	<u>December 31, 2023</u>
Current portion:		
Restricted time deposit	<u>\$ 33,423</u>	<u>\$ 31,626</u>

1. None as of June 30, 2023.
2. Without considering the collateral or other credit enhancements held, financial assets measured at amortized cost that best represent the Group held on June 30, 2024, December 31, 2023 and June 30, 2023, the highest credit risk exposure amount was \$33,423, \$31,626, and \$0, respectively.
3. Please refer to Note 8 for the financial assets measured at amortized cost that are provided as collateral.
4. 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable	\$ -	\$ 3	\$ -
Accounts receivable	\$ 193,972	\$ 206,286	\$ 262,314
Less: loss provisions	(15,557)	(14,911)	(14,654)
	<u>\$ 178,415</u>	<u>\$ 191,375</u>	<u>\$ 247,660</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Current	\$ 128,764	\$ 141,612	\$ 3
Overdue within 30 days	24,475	39,255	-
Overdue 31 - 60 days	27,164	12,344	-
Overdue 61 - 90 days	-	-	-
Overdue 91 - 120 days	-	-	-
Overdue more than 121 days	14,217	13,823	-
	<u>\$ 194,620</u>	<u>\$ 207,034</u>	<u>\$ 3</u>

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

- Balances of notes and accounts receivable (including related parties) as at June 30, 2024, December 31, 2023, and June 30, 2023 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, 2023 were \$280,767 and \$15,442, respectively.
- In the absence of collaterals and other credit enhancements, maximum credit risk exposure associated with the Group's notes receivable as at June 30, 2024, December 31, 2023, and June 30, 2023, amounted to \$0, \$3, and \$0, respectively; maximum credit risk exposure associated with the Group's accounts receivable (including related parties) as at June 30, 2024, December 31, 2023, and June 30, 2023, amounted to \$179,063, \$192,123, and \$251,034, 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>June 30, 2024</u>			
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>	<u>Book value</u>
Raw materials	\$ 143,194	(\$ 6,773)	\$ 136,421
Work-in-progress	38,080	(160)	37,920
Semi-finished goods	65,902	(7,367)	58,535
Finished goods	<u>113,941</u>	<u>(28,302)</u>	<u>85,639</u>
	<u>\$ 361,117</u>	<u>(\$ 42,602)</u>	<u>\$ 318,515</u>

<u>December 31, 2023</u>			
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>	<u>Book value</u>
Raw materials	\$ 142,640	(\$ 8,442)	\$ 134,198
Work-in-progress	13,180	(35)	13,145
Semi-finished goods	73,902	(7,399)	66,503
Finished goods	<u>53,377</u>	<u>(21,534)</u>	<u>31,843</u>
	<u>\$ 283,099</u>	<u>(\$ 37,410)</u>	<u>\$ 245,689</u>

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

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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Cost of inventory sold	\$ 186,901	\$ 221,080
Obsolescence and devaluation loss	4,255	3,733
Service and warranty cost	3,199	3,036
Impairment loss	-	12
Gain on stock-take	-	(379)
Other operating costs (Note 1)	-	(5,355)
	<u>\$ 194,355</u>	<u>\$ 222,127</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Cost of inventory sold	\$ 339,306	\$ 442,430
Obsolescence and devaluation loss (reversal gain) (Note 2)	11,145	(3,587)
Service and warranty cost	5,198	5,404
Impairment loss	9	75
Gain on stock-take	(5)	(379)
Other operating costs (Note 1)	-	(5,355)
	<u>\$ 355,653</u>	<u>\$ 438,588</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 June 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Non-current portion:			
Equity instrument			
TWSE/TPEX listed shares	\$ 83,452	\$ 71,769	\$ -
Not listed on TWSE/TPEX or the Emerging Stock Market board	<u>100,534</u>	<u>39,334</u>	<u>39,334</u>
	183,986	111,103	39,334
Valuation adjustment	(38,868)	(42,347)	(36,953)
	<u>\$ 145,118</u>	<u>\$ 68,756</u>	<u>\$ 2,381</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 June 30, 2024, December 31, 2023 and June 30, 2023 was \$145,118, \$68,756, and \$2,381, respectively.
2. Details of gains or losses on financial assets at fair value through other comprehensive income:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized through other comprehensive income	\$ 451	\$ -
Dividends recognized through profit or loss		
Holdings at the end of current period	\$ 3,929	\$ -
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized through other comprehensive income	\$ 3,479	\$ -
Cumulative losses reclassified into retained earnings	\$ -	(\$ 4,845)
Dividends recognized through profit or loss		
Holdings at the end of current period	\$ 3,929	\$ -

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

(VII) Equity-accounted investments

<u>Name of associated company</u>	<u>June 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Shareholding %</u>	<u>Amount presented</u>	<u>Shareholding %</u>	<u>Amount presented</u>
Winmate (Note 1)	12.85%	\$ 618,269	13.08%	\$ 629,526
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. (Note 2)	11.27%		11.27%	
		<u>32,033</u>		<u>34,685</u>
		<u>\$ 650,302</u>		<u>\$ 664,211</u>

<u>Name of associated company</u>	<u>June 30, 2023</u>	
	<u>Shareholding %</u>	<u>Amount presented</u>
Winmate (Note 1)	13.33%	\$ 596,015
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. (Note 2)	11.54%	
		<u>32,747</u>
		<u>\$ 628,762</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current assets	\$ 2,949,822	\$ 2,294,504	\$ 2,442,585
Non-current assets	1,815,977	1,586,066	1,436,589
Current liabilities	(1,180,205)	(795,394)	(1,126,431)
Non-current liabilities	(497,539)	(19,152)	(20,003)
Total net assets	<u>\$ 3,088,055</u>	<u>\$ 3,066,024</u>	<u>\$ 2,732,740</u>

As a percentage of
net assets across
associated

companies	\$ 396,815	\$ 401,036	\$ 364,351
Goodwill	<u>221,454</u>	<u>228,490</u>	<u>231,664</u>
Book value of associated company	<u>\$ 618,269</u>	<u>\$ 629,526</u>	<u>\$ 596,015</u>

Statement of comprehensive income

	<u>Winmate</u>	
	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Income	\$ 740,293	\$ 688,477
Current net income	\$ 135,854	\$ 147,868
Other comprehensive income (net, after-tax)	12,669	15,705
Total comprehensive income for the current period	<u>\$ 148,523</u>	<u>\$ 163,573</u>
Dividends received from associated companies	<u>\$ 52,317</u>	<u>\$ 48,801</u>

	<u>Winmate</u>	
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Income	\$ 1,440,483	\$ 1,314,517
Current net income	\$ 269,697	\$ 259,763
Other comprehensive income (net, after-tax)	27,792	44,005
Total comprehensive income for the current period	<u>\$ 297,489</u>	<u>\$ 303,768</u>
Dividends received from associated companies	<u>\$ 52,317</u>	<u>\$ 48,801</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 June 30, 2024, December 31, 2023, and June 30, 2023 totaled \$32,033, \$34,685, and \$32,747, respectively.

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Current net loss	(\$ <u>1,152</u>)	(\$ <u>1,323</u>)
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Current net loss	(\$ <u>2,652</u>)	(\$ <u>2,109</u>)

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Winmate	\$ <u>1,567,332</u>	\$ <u>1,254,890</u>	\$ <u>1,152,450</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

<u>2024</u>								
	<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	\$ 267,183	\$ 71,695	\$ 16,774	\$ 11,779	\$ 22,060	\$ 91,764	\$ 343	\$ 481,598
Accumulated depreciation	-	(5,688)	(16,085)	(10,054)	(21,171)	(79,220)	-	(132,218)
	<u>\$ 267,183</u>	<u>\$ 66,007</u>	<u>\$ 689</u>	<u>\$ 1,725</u>	<u>\$ 889</u>	<u>\$ 12,544</u>	<u>\$ 343</u>	<u>\$ 349,380</u>
January 1	\$ 267,183	\$ 66,007	\$ 689	\$ 1,725	\$ 889	\$ 12,544	\$ 343	\$ 349,380
Addition	-	90	136	635	-	607	469	1,937
Transfer	-	-	-	-	-	812	(812)	-
Reclassification	-	-	-	-	-	471	-	471
Depreciation	-	(2,507)	(376)	(431)	(341)	(4,167)	-	(7,822)
Net exchange difference	-	-	-	62	-	3	-	65
June 30	<u>\$ 267,183</u>	<u>\$ 63,590</u>	<u>\$ 449</u>	<u>\$ 1,991</u>	<u>\$ 548</u>	<u>\$ 10,270</u>	<u>\$ -</u>	<u>\$ 344,031</u>
June 30								
Cost	\$ 267,183	\$ 71,785	\$ 16,910	\$ 12,386	\$ 20,918	\$ 93,619	\$ -	\$ 482,801
Accumulated depreciation	-	(8,195)	(16,461)	(10,395)	(20,370)	(83,349)	-	(138,770)
	<u>\$ 267,183</u>	<u>\$ 63,590</u>	<u>\$ 449</u>	<u>\$ 1,991</u>	<u>\$ 548</u>	<u>\$ 10,270</u>	<u>\$ -</u>	<u>\$ 344,031</u>

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	- (2,440)	(15,392)	(9,262)	(19,473)	(71,024)	-	(117,591)	
	<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	11,539	-	148	1,156	1,296	10,731	62,393
Transfer	-	5,001	-	-	-	2,304	(7,305)	-
Depreciation	- (1,053)	(668)	(431)	(1,214)	(3,813)	-	(7,179)	
Net exchange difference	-	-	-	17	-	(13)	-	4
June 30	<u>\$ 267,183</u>	<u>\$ 61,845</u>	<u>\$ 1,140</u>	<u>\$ 1,935</u>	<u>\$ 1,166</u>	<u>\$ 12,951</u>	<u>\$ 5,153</u>	<u>\$ 351,373</u>
June 30								
Cost	\$ 267,183	\$ 65,338	\$ 16,582	\$ 11,741	\$ 21,853	\$ 87,715	\$ 5,153	\$ 475,565
Accumulated depreciation	- (3,493)	(15,442)	(9,806)	(20,687)	(74,764)	-	(124,192)	
	<u>\$ 267,183</u>	<u>\$ 61,845</u>	<u>\$ 1,140</u>	<u>\$ 1,935</u>	<u>\$ 1,166</u>	<u>\$ 12,951</u>	<u>\$ 5,153</u>	<u>\$ 351,373</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 35,662	\$ 30,975	\$ 30,994
Transport equipment	1,733	2,112	2,059
Office equipment	572	1,244	1,458
	<u>\$ 37,967</u>	<u>\$ 34,331</u>	<u>\$ 34,511</u>

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Buildings	\$ 1,524	\$ 2,973
Transport equipment	444	386
Office equipment	201	214
	<u>\$ 2,169</u>	<u>\$ 3,573</u>

4. Amounts of right-of-use assets added during the periods January 1 to June 30, 2024 and 2023, were \$6,200 and \$1,583, respectively.

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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
<u>Current income/expense</u> <u>accounts affected</u>		
Interest expense on lease liabilities	\$ 79	\$ 39
Expenses on short-term lease agreements	2,457	3,181
Lease expense of low-value leases	36	7
Income from sub-leasing of right-of-use assets	-	602
Loss on lease amendment	12	-
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Current income/expense</u> <u>accounts affected</u>		
Interest expense on lease liabilities	\$ 163	\$ 77
Expenses on short-term lease agreements	4,895	7,041
Lease expense of low-value leases	44	67
Income from sub-leasing of right-of-use assets	-	903
Loss on lease amendment	12	-

6. Amounts of cash outflow incurred on leases totaled \$6,273 and \$9,920 for the periods January 1 to June 30, 2024 and 2023, 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 \$0, \$602, \$0, and \$903 of rental income from operating lease agreements for the periods April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023; these amounts included no variable lease payment.
3. See Note 7 for details on the lease of assets to related parties.

(XI) Short-term loans

<u>Nature of loan</u>	<u>June 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 27,000	0.50%	Time deposit
<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 27,000	0.50%	Time deposit

1. None as of June 30, 2023.
2. The amounts of interest expense recognized through profit or loss were \$33, \$0, \$71 and \$0 for the periods April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023, respectively.

(XII) Other payables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Dividends payable	\$ 167,582	\$ -	\$ 166,307
Employee and director remuneration payable	33,408	26,580	33,551
Salary and bonus payable	26,671	36,402	28,030
Equipment purchase payable	231	967	413
Other payables	25,682	15,755	14,083
	<u>\$ 253,574</u>	<u>\$ 79,704</u>	<u>\$ 242,384</u>

(XIII) Long-term loans

<u>Nature of loan</u>	<u>Loan tenor and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>June 30, 2024</u>
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.975%	Land and buildings	\$ 139,782
Less: current portion of long-term loan				(10,507)
				<u>\$ 129,275</u>
<u>Nature of loan</u>	<u>Loan tenor and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.85%	Land and buildings	\$ 144,975
Less: current portion of long-term loan				(10,476)
				<u>\$ 134,499</u>
<u>Nature of loan</u>	<u>Loan tenor and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>June 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	\$ 150,140
Less: current portion of long-term loan				(10,379)
				<u>\$ 139,761</u>

(XIV) 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 \$1,724, \$1,472, \$3,425, and \$3,145 for the periods April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023, respectively.

(XV) Liability reserves

	<u>2024</u>	<u>2023</u>
	<u>Warranty</u>	<u>Warranty</u>
January 1	\$ 9,949	\$ 9,694
Increase of liability reserves in the current period	4,001	4,384
Liability reserves used and reversed in the current period	(4,479)	(4,231)
June 30	<u>\$ 9,471</u>	<u>\$ 9,847</u>

Analysis of liability reserves:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current	<u>\$ 7,220</u>	<u>\$ 7,585</u>	<u>\$ 7,579</u>
Non-current	<u>\$ 2,251</u>	<u>\$ 2,364</u>	<u>\$ 2,268</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.

(XVI) Share-based payment

1. The Group had the following share-based payment arrangements for the periods January 1 to June 30, 2024 and 2023:

<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

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

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

	<u>2024</u>		<u>2023</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	625	\$ 110.50	872	\$ 114.70
Adjustment of warrants	-	-	20	-
Warrants exercised in the current period	(9)	110.50	(27)	114.70
Warrants voided in the current period	(3)	-	-	-
Closing balance (June 30) of outstanding warrants	<u>613</u>	110.50	<u>865</u>	114.70
Closing balance (June 30) of exercisable warrants	<u>396</u>		<u>433</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>June 30, 2024</u>	
			<u>Shares (thousand shares)</u>	<u>Exercise price (NTD)</u>
Employee warrant program	August 6, 2020	August 6, 2025	613	\$ 110.50

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

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

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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Employee warrants	\$ 386	\$ 897
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Employee warrants	\$ 771	\$ 1,795

(XVII) Share capital

1. A resolution was passed during the shareholder meeting held in May 2024 to capitalize \$50,274 of earnings and issue 5,027 thousand new shares. Official filing for this earnings capitalization proposal was submitted over the website of the Securities and Futures Bureau, Financial Supervisory Commission, and took effect on June 28, 2024. A change of company registration will be filed with the Ministry of Economic Affairs after the baseline date for new share issuance.
2. 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 \$335,253 of paid-up capital issued in 33,525 thousand shares at a face value of NT\$10 per share as at June 30, 2024. Proceeds from issued shares have been fully collected.

Reconciliation between the opening and closing number of outstanding common shares (in thousand shares) between January 1 and June 30, 2024 and 2023, is explained below:

	<u>2024</u>	<u>2023</u>
January 1	33,516	33,261
Exercise of employee warrants	<u>9</u>	<u>27</u>
June 30	<u><u>33,525</u></u>	<u><u>33,288</u></u>

3. 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 thousand 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(16) for details.
4. A resolution was passed during the shareholder meeting held on May 27, 2024 to issue 1,000 units of employee warrant. Each unit of employee warrant is vested with the right to subscribe 1 thousand shares. 1,000 thousand new common shares will have to be issued when the warrants are exercised. The subscription price per share is set at NT\$110. The above instruments had yet to be issued as of August 5, 2024.

(XVIII) 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>2024</u>			
	<u>Share premium</u>	<u>Employee warrants</u>	<u>Others</u>	<u>Total</u>
January 1	\$ 689,124	\$ 19,451	\$ 228	\$ 708,803
Exercise of employee warrants	1,223	(319)	-	904
Employee warrants	-	771	-	771
June 30	<u>\$ 690,347</u>	<u>\$ 19,903</u>	<u>\$ 228</u>	<u>\$ 710,478</u>

	<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	3,782	(955)	-	2,827
Employee warrants	-	1,795	-	1,795
June 30	<u>\$ 658,141</u>	<u>\$ 25,725</u>	<u>\$ 228</u>	<u>\$ 684,094</u>

(XIX) 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 2023 and 2022 earnings were resolved in shareholder meetings dated May 27, 2024 and May 26, 2023, respectively. Details are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Dividends per share (NTD)</u>	<u>Amount</u>	<u>Dividends per share (NTD)</u>
Provision for legal reserves	\$ 25,042		\$ 20,296	
Reversal for special reserve	(3,757)		(15,970)	
Cash dividends	167,582	\$ 5.0	166,307	\$ 5.0
Stock dividends	50,274	1.5	-	-

As explained above, the appropriation of 2023 and 2022 earnings were indifferent from the proposals raised by the board of directors.

(XX) Operating revenues

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Revenue from contracts with customers	\$ <u>299,338</u>	\$ <u>357,874</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Revenue from contracts with customers	\$ <u>574,678</u>	\$ <u>685,816</u>

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:

	<u>Medical computers</u>			<u>Services and warranty</u>			
<u>April 1 to June 30, 2024</u>	<u>Taiwan</u>	<u>USA</u>	<u>Others</u>	<u>Taiwan</u>	<u>USA</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$219,089</u>	<u>\$ 51,790</u>	<u>\$24,800</u>	<u>\$ 3,172</u>	<u>\$ 479</u>	<u>\$ 8</u>	<u>\$299,338</u>
Timing of revenue recognition							
Revenues recognized at a specific time	\$219,089	\$ 51,790	\$24,800	\$ -	\$ -	\$ -	\$295,679
Revenues recognized progressively over time	-	-	-	3,172	479	8	3,659
	<u>\$219,089</u>	<u>\$ 51,790</u>	<u>\$24,800</u>	<u>\$ 3,172</u>	<u>\$ 479</u>	<u>\$ 8</u>	<u>\$299,338</u>

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

	<u>Medical computers</u>			<u>Services and warranty</u>			
<u>January 1 to June 30, 2024</u>	<u>Taiwan</u>	<u>USA</u>	<u>Others</u>	<u>Taiwan</u>	<u>USA</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$387,252</u>	<u>\$135,453</u>	<u>\$42,117</u>	<u>\$ 7,577</u>	<u>\$ 2,271</u>	<u>\$ 8</u>	<u>\$574,678</u>
Timing of revenue recognition							
Revenues recognized at a specific time	\$387,252	\$135,453	\$42,117	\$ -	\$ -	\$ -	\$564,822
Revenues recognized progressively over time	-	-	-	7,577	2,271	8	9,856
	<u>\$387,252</u>	<u>\$135,453</u>	<u>\$42,117</u>	<u>\$ 7,577</u>	<u>\$ 2,271</u>	<u>\$ 8</u>	<u>\$574,678</u>

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

2. Contractual liabilities

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>January 1, 2023</u>
Contractual liabilities - current:				
Service and sales contract	\$ 83,703	\$ 55,234	\$ 67,030	\$ 55,834
Warranty contract	<u>6,243</u>	<u>6,613</u>	<u>7,879</u>	<u>8,899</u>
	<u>89,946</u>	<u>61,847</u>	<u>74,909</u>	<u>64,733</u>
Contractual liabilities - non-current:				
Service and sales contract	41,443		42,954	54,939
Warranty contract		44,848		
	<u>9,835</u>	<u>8,453</u>	<u>9,739</u>	<u>12,921</u>
	<u>51,278</u>	<u>53,301</u>	<u>52,693</u>	<u>67,860</u>
	<u>\$ 141,224</u>	<u>\$ 115,148</u>	<u>\$ 127,602</u>	<u>\$ 132,593</u>

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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	\$ 5,440	\$ 20,432
Warranty contract	<u>1,664</u>	<u>2,217</u>
	<u>\$ 7,104</u>	<u>\$ 22,649</u>

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	\$ 17,139	\$ 37,149
Warranty contract	<u>3,564</u>	<u>4,584</u>
	<u>\$ 20,703</u>	<u>\$ 41,733</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 June 30, 2024, December 31, 2023, and June 30, 2023, which had allocated prices of \$141,224, \$115,148, and \$127,602, respectively. The management expects to recognize \$89,946, \$61,847, and \$74,909 of revenues from allocated prices of unfulfilled performance obligations as of June 30, 2024, December 31, 2023, and June 30, 2023, in the following year, whereas the remaining contract prices are expected to be recognized as income over 2 to 6 years. The above amounts do not include constraining estimates of variable consideration.

(XXI) Other income

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Dividend income	\$ 5,009	\$ 390
Rental income	-	602
Other income	753	233
	<u>\$ 5,762</u>	<u>\$ 1,225</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Dividend income	\$ 5,009	\$ 390
Rental income	-	903
Other income	1,438	8,967
	<u>\$ 6,447</u>	<u>\$ 10,260</u>

(XXII) Other gains and losses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Gain on foreign currency exchange	\$ 2,727	\$ 6,109
Gain on financial assets at fair value through profit or loss	1,021	3,492
Government grant income	65	89
Loss on lease amendment	(12)	-
	<u>\$ 3,801</u>	<u>\$ 9,690</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Gain on foreign currency exchange	\$ 12,916	\$ 3,193
Gain on financial assets at fair value through profit or loss	9,193	9,979
Government grant income	119	4,758
Loss on lease amendment	(12)	-
Other losses	(334)	(1,729)
	<u>\$ 21,882</u>	<u>\$ 16,201</u>

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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Employee benefit expenses	\$ 64,001	\$ 68,025
Depreciation on property, plant, and equipment	3,590	3,317
Depreciation on right-of-use assets	1,083	1,819
Amortization	585	616
	<u>\$ 69,259</u>	<u>\$ 73,777</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Employee benefit expenses	\$ 127,614	\$ 135,559
Depreciation on property, plant, and equipment	7,822	7,179
Depreciation on right-of-use assets	2,169	3,573
Amortization	1,222	1,230
	<u>\$ 138,827</u>	<u>\$ 147,541</u>

(XXIV) Employee benefit expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Salary expenses	\$ 57,737	\$ 62,550
Labor/health insurance premium	3,864	3,153
Pension expense	1,724	1,472
Other personnel expenses	676	850
	<u>\$ 64,001</u>	<u>\$ 68,025</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Salary expenses	\$ 114,744	\$ 123,725
Labor/health insurance premium	7,937	6,546
Pension expense	3,425	3,145
Other personnel expenses	1,508	2,143
	<u>\$ 127,614</u>	<u>\$ 135,559</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 \$3,065, \$5,677, \$5,628, and \$11,951, and director remuneration at \$600, \$600, \$1,200, and \$1,200, for the periods April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 to 2023, respectively. All of the above amounts were presented as salary expenses for the respective years.

Amounts for the period January 1 to June 30, 2024, were estimated based on the current year's profits to date and the percentages outlined in the Articles of Incorporation.

The board of directors had resolved to pay 2023 employee remuneration and director remuneration at \$22,500 and \$2,400, respectively; both figures were consistent with the amounts previously recognized in the 2023 financial report and were paid in cash. Payment of the above amounts had yet to be completed as at August 5, 2024.

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

(XXV) Income tax

1. Income tax expenses

(1) Composition of income tax expense:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Current income tax:		
Income tax on	\$ 9,457	\$ 7,813
current profit		
Additional tax on	446	305
unappropriated		
earnings		
Underestimation		
(overestimation) of		
income tax expenses		
in previous years	(2,282)	57
Total current income	7,621	8,175
tax		
Deferred income tax:		
Occurrence and	(4,977)	4,524
reversal of		
temporary difference		
Income tax expense	<u>\$ 2,644</u>	<u>\$ 12,699</u>

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Current income tax:		
Income tax on current profit	\$ 15,154	\$ 14,695
Additional tax on unappropriated earnings	446	305
Underestimation (overestimation) of income tax expenses in previous years	(2,282)	57
Total current income tax	13,318	15,057
Deferred income tax:		
Occurrence and reversal of temporary difference	(3,723)	1,724
Income tax expense	<u>\$ 9,595</u>	<u>\$ 16,781</u>

(2) Income tax on other comprehensive income:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Translation differences from foreign operations	<u>\$ 324</u>	<u>\$ 518</u>

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Translation differences from foreign operations	<u>\$ 1,301</u>	<u>\$ 423</u>

- 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.
- Profit-seeking enterprise business income tax returns of the Company and iHELPER have been certified by the tax authority up to 2022.

(XXVI) EPS

	<u>April 1 to June 30, 2024</u>		
	Amount	Weighted average	Earnings per
	after tax	outstanding shares	share (NTD)
		(thousand shares)	
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 38,499</u>	<u>33,519</u>	<u>\$ 1.15</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 38,499	33,519	
Dilutive effect of potential common shares			
Employee warrants	-	233	
Employee remuneration	-	26	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 38,499</u>	<u>33,778</u>	<u>\$ 1.14</u>

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

	<u>January 1 to June 30, 2024</u>		
	Amount	Weighted average	Earnings per
	after tax	outstanding shares	share (NTD)
		(thousand shares)	
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 89,307</u>	<u>33,518</u>	<u>\$ 2.66</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 89,307	33,518	
Dilutive effect of potential common shares			
Employee warrants	-	218	
Employee remuneration	-	72	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 89,307</u>	<u>33,808</u>	<u>\$ 2.64</u>

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

The Company passed a resolution during the shareholder meeting held on May 27, 2024 to issue new shares against capitalization of 2023 earnings. The baseline date for capital increase was set as August 7, 2024. Pro-forma information concerning the effects of retrospective adjustment on earnings per share is explained below:

	<u>April 1 to June 30, 2024</u>		
	Amount after	Retrospective adjustment to outstanding shares (thousand shares)	Earnings per share (NTD)
	tax		
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 38,499</u>	<u>38,547</u>	<u>\$ 1.00</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 38,499	38,547	
Dilutive effect of potential common shares			
Employee warrants	-	268	
Employee remuneration	-	29	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 38,499</u>	<u>38,844</u>	<u>\$ 0.99</u>

	<u>April 1 to June 30, 2023</u>		
	Amount after	Retrospective adjustment to outstanding shares (thousand shares)	Earnings per share (NTD)
	tax		
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 67,540</u>	<u>38,261</u>	<u>\$ 1.77</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 67,540	38,261	
Dilutive effect of potential common shares			
Employee warrants	-	45	
Employee remuneration	-	98	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 67,540</u>	<u>38,404</u>	<u>\$ 1.76</u>

	<u>January 1 to June 30, 2024</u>		
		Retrospective adjustment to	
	Amount after tax	outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 89,307</u>	<u>38,545</u>	<u>\$ 2.32</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 89,307	38,545	
Dilutive effect of potential common shares			
Employee warrants	-	251	
Employee remuneration	-	83	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 89,307</u>	<u>\$ 38,879</u>	<u>\$ 2.30</u>

	<u>January 1 to June 30, 2023</u>		
		Retrospective adjustment to	
	Amount after tax	outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net income attributable to common shareholders of parent company	<u>\$ 123,678</u>	<u>38,256</u>	<u>\$ 3.23</u>
<u>Diluted earnings per share</u>			
Current net income attributable to common shareholders of parent company	\$ 123,678	38,256	
Dilutive effect of potential common shares			
Employee warrants	-	45	
Employee remuneration	-	155	
Current net income attributable to common shareholders of parent company plus the effect of potential common shares	<u>\$ 123,678</u>	<u>\$ 38,456</u>	<u>\$ 3.22</u>

(XXVII) Supplementary cash flow information

1. Investing activities involving partial cash outlay:

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Purchase of property, plant, and equipment	\$ 1,937	\$ 62,393
Plus: equipment proceeds payable at the beginning of the period	967	-
Less: Equipment proceeds payable at the end of the period	(231)	(413)
Cash paid during the current period	<u>\$ 2,673</u>	<u>\$ 61,980</u>

2. Financing activities without cash flow effects:

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Cash dividends declared but not yet paid	<u>\$ 167,582</u>	<u>\$ 166,307</u>

(XXVIII) Change of liabilities relating to financing activities

	<u>2024</u>			
	<u>Short-term loans</u>	<u>Long-term loans</u>	<u>Lease liabilities</u>	<u>Total</u>
January 1	\$ 27,000	\$ 144,975	\$ 34,766	\$ 206,741
Repayment of long- term loan	-	(5,193)	-	(5,193)
Repayment of lease principal	-	-	(1,171)	(1,171)
Effects of exchange rate change	-	-	78	78
Other changes without cash effect	-	-	5,910	5,910
June 30	<u>\$ 27,000</u>	<u>\$ 139,782</u>	<u>\$ 39,583</u>	<u>\$ 206,365</u>

		<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
Repayment of long-term loan	-	(5,146)	-	(5,146)
Repayment of lease principal	-	-	(2,735)	(2,735)
Effects of exchange rate change	-	-	84	84
Other changes without cash effect	-	-	1,583	1,583
June 30	<u>\$ -</u>	<u>\$ 150,140</u>	<u>\$ 35,565</u>	<u>\$ 185,705</u>

VII. Related party transactions

(I) Parent company and ultimate controller

The Company (incorporated in the Republic of China) has 48.49% 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

<u>Name of related party</u>	<u>Relationship with the Group</u>
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
Fu Li Investment Co., Ltd.	Other related party - the Company's Chairman concurrently serves as chairman in the entity
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
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>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Sales of goods:		
Parent company	\$ -	\$ 24
Affiliated subsidiary of the same group	655	1,283
Associated company	-	146
Other related parties	1,410	319
	<u>\$ 2,065</u>	<u>\$ 1,772</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Sales of goods:		
Parent company	\$ 48	\$ 231
Affiliated subsidiary of the same group	1,975	1,580
Associated company	36	146
Other related parties	4,631	2,850
	<u>\$ 6,690</u>	<u>\$ 4,807</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 30-90 days after the current month-end.

2. Purchases

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Purchase of merchandise:		
Parent company		
AAEON Technology		
Inc.	\$ 16,942	\$ 20,132
Associated company	217	2,645
Other related parties	4,131	3,060
	<u>\$ 21,290</u>	<u>\$ 25,837</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Purchase of merchandise:		
Parent company		
AAEON Technology		
Inc.	\$ 37,348	\$ 47,890
Associated company	1,861	3,935
Other related parties	7,148	9,072
	<u>\$ 46,357</u>	<u>\$ 60,897</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>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Parent company	\$ 1,007	\$ 771
Affiliated subsidiary of the same group	1,156	1,185
Associated company	-	5
Other related parties	<u>286</u>	<u>1,342</u>
	<u>\$ 2,449</u>	<u>\$ 3,303</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Parent company	\$ 2,311	\$ 2,352
Affiliated subsidiary of the same group	2,353	2,501
Associated company	4	81
Other related parties	<u>2,636</u>	<u>3,568</u>
	<u>\$ 7,304</u>	<u>\$ 8,502</u>

- (1) The above operating costs and expenses mainly represent service charges, rental expenses, and donations.
- (2) 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.

4. Other operating costs

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Parent company	\$ -	(\$ 5,355)
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Parent company	\$ -	(\$ 5,355)

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

5. Rental income (presented as other income)

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Parent company		
AAEON Technology Inc.	\$ -	\$ 273
Other related parties		
LYDS Technologies Inc.	-	329
	<u>\$ -</u>	<u>\$ 602</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Parent company		
AAEON Technology Inc.	\$ -	\$ 409
Other related parties		
LYDS Technologies Inc.	-	494
	<u>\$ -</u>	<u>\$ 903</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.

6. Related party receivables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts receivable:			
Parent company	\$ -	\$ 9	\$ 26
Affiliated subsidiary of the same group	648	108	274
Associated company	-	-	162
Other related parties	-	631	2,912
	<u>\$ 648</u>	<u>\$ 748</u>	<u>\$ 3,374</u>
Other receivables:			
Associated company	\$ 52,317	\$ -	\$ 48,801
Other related parties	-	-	249
	<u>\$ 52,317</u>	<u>\$ -</u>	<u>\$ 49,050</u>

Other receivables, as shown above, are mostly comprised of cash dividends receivable.

7. Related party payables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts payable:			
Parent company			
AAEON			
Technology Inc.	\$ 14,467	\$ 312	\$ 13,470
Associated	9	-	1,399
company			
Other related parties	<u>4,717</u>	<u>1,083</u>	<u>2,025</u>
	<u>\$ 19,193</u>	<u>\$ 1,395</u>	<u>\$ 16,894</u>
Other payables:			
Parent company	\$ 264	\$ 224	\$ 141
Affiliated subsidiary	-	-	383
of the same group			
Associated company	-	-	5
Other related parties	<u>112</u>	<u>-</u>	<u>-</u>
	<u>\$ 376</u>	<u>\$ 224</u>	<u>\$ 529</u>

8. Property transaction

Acquisition of property, plant, and equipment

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Parent company		
AAEON Technology		
Inc.	<u>\$ -</u>	<u>\$ -</u>
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Parent company		
AAEON Technology		
Inc.	<u>\$ -</u>	<u>\$ 2,639</u>

(IV) Compensation for key management

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>
Short-term employee benefits	\$ 4,189	\$ 4,827
Retirement benefits	82	72
Share-based payment	189	346
	<u>\$ 4,460</u>	<u>\$ 5,245</u>

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term employee benefits	\$ 14,166	\$ 16,449
Retirement benefits	215	217
Share-based payment	377	645
	<u>\$ 14,758</u>	<u>\$ 17,311</u>

VIII. Pledged assets

The Group had placed the following assets as collaterals:

<u>Assets</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>Purpose of security</u>
Time deposits (statement of financial assets at amortized cost - current)	<u>\$ 33,423</u>	<u>\$ 31,626</u>	<u>\$ -</u>	Guarantee of short- term borrowings and forward exchange contract
Time deposit (presented as other current assets)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 934</u>	Security for forward exchange contract
Guarantee deposits paid (presented as other current and non assets)	<u>\$ 2,177</u>	<u>\$ 2,167</u>	<u>\$ 3,578</u>	Rental deposit for office and warehouse space, and deposit for special projects
Land (listed under property, plant and equipment)	<u>\$ 229,660</u>	<u>\$ 229,660</u>	<u>\$ 229,660</u>	Long-term loans
Buildings (listed under property, plant and equipment)	<u>\$ 43,918</u>	<u>\$ 44,731</u>	<u>\$ 45,545</u>	Long-term loans

IX. Major contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None.

(2) Commitments

None.

X. Losses from major disasters

None.

XI. Major post-balance sheet date events

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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatory to be carried at fair value through profit or loss	<u>\$ 49,572</u>	<u>\$ 46,026</u>	<u>\$ 44,147</u>
Financial assets at fair value through other comprehensive income			
Voluntarily designated as an investment in an equity instrument	<u>\$ 145,118</u>	<u>\$ 68,756</u>	<u>\$ 2,381</u>
Financial assets carried at cost after amortization			
Cash and cash equivalents	\$ 361,740	\$ 366,767	\$ 327,743
Financial assets carried at cost after amortization	33,423	31,626	-
Notes receivable	-	3	-
Accounts receivable	178,415	191,375	247,660
Accounts receivable - related parties	648	748	3,374
Other receivables (including related parties)	60,259	2,144	51,316
Other financial assets (presented as other current assets)	-	-	934
Guarantee deposits paid (presented as other current and non assets)	<u>2,177</u>	<u>2,167</u>	<u>3,578</u>
	<u>\$ 636,662</u>	<u>\$ 594,830</u>	<u>\$ 634,605</u>
<u>Financial liabilities</u>			
Financial liabilities carried at cost after amortization			
Short-term loans	\$ 27,000	\$ 27,000	\$ -
Accounts payable	129,224	67,160	53,140
Accounts payable - related parties	19,193	1,395	16,894
Other payables (including related parties)	253,574	79,704	242,384
Long-term loans (including those due within one year)	<u>139,782</u>	<u>144,975</u>	<u>150,140</u>
	<u>\$ 568,773</u>	<u>\$ 320,234</u>	<u>\$ 462,558</u>
Lease liabilities	<u>\$ 39,583</u>	<u>\$ 34,766</u>	<u>\$ 35,565</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.
- (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>June 30, 2024</u>			
	Foreign currency (thousand dollars)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 8,765	32.45	\$ 284,424
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,067	32.45	67,074
<u>December 31, 2023</u>			
	Foreign currency (thousand dollars)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 9,981	30.71	\$ 306,460
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1,112	30.71	34,158
<u>June 30, 2023</u>			
	Foreign currency (thousand dollars)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,178	31.14	\$ 223,523
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	664	31.14	20,677

- D. Total gain on exchange (realized and unrealized) recognized by the Group for monetary items susceptible to significant exchange rate fluctuation in the periods April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023, amounted to \$2,727, \$6,109, \$12,916 and \$3,193, 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 June 30, 2024</u>		
				<u>Sensitivity analysis</u>		
				<u>Variati</u>	<u>Effect on profit and</u>	<u>Effect on other comprehensive</u>
				<u>on</u>	<u>loss</u>	<u>income</u>
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	1%	\$	2,844	\$	-	
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1%		671		-	
				<u>January 1 to June 30, 2023</u>		
				<u>Sensitivity analysis</u>		
				<u>Variati</u>	<u>Effect on profit and</u>	<u>Effect on other comprehensive</u>
				<u>on</u>	<u>loss</u>	<u>income</u>
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	1%	\$	2,235	\$	-	
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1%	\$	207		-	

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 \$496 and \$441 for the periods January 1 to June 30, 2024 and 2023, 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 \$1,451 and \$24, respectively.

Cash flow and fair value risk of interest rate

- A. The Group's exposure to interest rate risk arises mainly from short-term and long-term loans borrowed at floating interest rates, which gives rise to the risk of cash flow change due to interest rates. This risk is partially offset by cash and cash equivalents held at a floating interest rate. The Group's floating rate borrowings for the periods January 1 to June 30, 2024 and 2023, were denominated in NTD.
- B. A 1% rise/fall in the NTD borrowing interest rate would reduce/increase net income by \$667 and \$601 for the periods January 1 to June 30, 2024 and 2023, 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 120 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 notes and accounts receivable (including related parties) by customers' characteristics, and adopts a simplified approach along with the use of provision matrix and loss given default to estimate expected credit loss.
- F. Financial assets that are rationally deemed unrecoverable after exhausting collection efforts are charged off. In which case, however, the Group will continue taking legal actions to secure debt entitlement. The Group had no charged-off debt with ongoing collection activities as of June 30, 2024, December 31, 2023 and June 30, 2023.
- G. (1) Customers of good credit background and insured accounts receivable are subject to loss given default of 0.2%. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Company had outstanding accounts receivable of \$154,556, \$169,182 and \$233,735 and had made bad debt provisions of \$309, \$337 and \$458, respectively.
- (2) The Group takes into account multiple considerations, including the Monitoring Indicator published by National Development Council, future prospects, historical and current information etc. to determine loss given default, which is used for estimating loss provisions on accounts receivable from customers (including related parties) under normal credit conditions. Provision matrix as of June 30, 2024, December 31, 2023, and June 30, 2023 is as follows:

		<u>Overdue within 30 days</u>	<u>Overdue 31 - 60 days</u>	<u>Overdue 61 - 90 days</u>	<u>Overdue 91 - 120 days</u>	<u>Overdue 121 days and above</u>	<u>Total</u>
<u>June 30, 2024</u>							
Expected loss given default	0.00~1.58%	8.42%	15.63%	45.15%	50.00%	100.00%	
Total book value	<u>\$ 18,454</u>	<u>\$ 5,626</u>	<u>\$ 1,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,217</u>	<u>\$ 40,064</u>
Loss provision	<u>\$ 281</u>	<u>\$ 474</u>	<u>\$ 276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,217</u>	<u>\$ 15,248</u>
		<u>Overdue within 30 days</u>	<u>Overdue 31 - 60 days</u>	<u>Overdue 61 - 90 days</u>	<u>Overdue 91 - 120 days</u>	<u>Overdue 121 days and above</u>	<u>Total</u>
<u>December 31, 2023</u>							
Expected loss given default	0.00~1.58%	8.42%	15.63%	45.15%	50.00%	100%	
Total book value	<u>\$ 17,806</u>	<u>\$ 6,221</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,823</u>	<u>\$ 37,855</u>
Loss provision	<u>\$ 280</u>	<u>\$ 471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,823</u>	<u>\$ 14,574</u>
<u>June 30, 2023</u>							
Expected loss given default	0.00~1.30%	7.71%	14.48%	44.38%	50.00%	100%	
Total book value	<u>\$ 10,128</u>	<u>\$ 3,612</u>	<u>\$ 3,264</u>	<u>\$ 140</u>	<u>\$ 2,262</u>	<u>\$ 12,547</u>	<u>\$ 31,953</u>
Loss provision	<u>\$ 125</u>	<u>\$ 276</u>	<u>\$ 55</u>	<u>\$ 62</u>	<u>\$ 1,131</u>	<u>\$ 12,547</u>	<u>\$ 14,196</u>

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

	<u>2024</u>	<u>2023</u>
January 1	\$ 14,911	\$ 15,442
Provision (reversal) of impairment loss	247 (467)
Exchange rate impact	399 (321)
June 30	<u>\$ 15,557</u>	<u>\$ 14,654</u>

Losses provided (reversed) during the periods January 1 to June 30, 2024 and 2023, included \$247 and \$(467) of impairment losses provided (reversed), respectively, on receivables from contracts with customers.

(3) Liquidity risk

- A. Cash flow projections are made by individual operating entities within the Group, and consolidated by the Group Treasury Department. The Group Treasury Department is responsible for monitoring and predicting liquidity and capital requirements within the Group and ensuring that adequate capital has been sourced to support operational requirements.
- B. As at June 30, 2024, December 31, 2023, and June 30, 2023, the Group had undrawn credit limits of \$231,000, \$232,000, 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.

June 30, 2024

<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)	\$ 27,007	\$ -	\$ -	\$ -
Accounts payable	129,224	-	-	-
Accounts payable - related parties	19,193	-	-	-
Other payables (including related parties)	253,574	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	13,174	13,174	39,521	91,137
Lease liabilities	4,763	4,242	10,474	26,071

December 31, 2023

<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>5 years and above</u>
Short-term loans (including estimated interest)	\$ 27,074	\$ -	\$ -	\$ -
Accounts payable	67,160	-	-	-
Accounts payable - related parties	1,395	-	-	-
Other payables (including related parties)	79,704	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	13,076	13,076	39,229	97,010
Lease liabilities	3,493	3,225	7,471	26,086

June 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>
Accounts payable	53,140	\$ -	\$ -	\$ -
Accounts payable - related parties	16,894	-	-	-
Other payables (including related parties)	242,384	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	13,076	13,076	39,229	103,548
Lease liabilities	4,599	3,036	7,359	26,296

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

- 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 that 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.

- 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.

- 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 by nature:

June 30, 2024	<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	\$ 7,255	\$ -	\$ 42,317	\$ 49,572
Financial assets at fair value through other comprehensive income				
Equity securities	<u>83,918</u>	<u>-</u>	<u>61,200</u>	<u>145,118</u>
	<u>\$ 91,173</u>	<u>\$ -</u>	<u>\$ 103,517</u>	<u>\$ 194,690</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 11,389	\$ -	\$ 34,637	\$ 46,026
Financial assets at fair value through other comprehensive income				
Equity securities	<u>68,756</u>	<u>-</u>	<u>-</u>	<u>68,756</u>
	<u>\$ 80,145</u>	<u>\$ -</u>	<u>\$ 34,637</u>	<u>\$ 114,782</u>
June 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	\$ 12,549	\$ -	\$ 31,597	\$ 44,146
Financial assets at fair value through other comprehensive income				
Equity securities	<u>-</u>	<u>-</u>	<u>2,381</u>	<u>2,381</u>
	<u>\$ 12,549</u>	<u>\$ -</u>	<u>\$ 33,978</u>	<u>\$ 46,527</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.

4. There had been no transfer between level 1 and level 2 input during the periods January 1 to June 30, 2024 and 2023.

5. Changes in level 3 input during the periods January 1 to June 30, 2024 and 2023, are explained below:

	<u>2024</u>	<u>2023</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
January 1	\$ 34,637	\$ 54,492
Purchases in the current period	61,200	-
Recognized through profit or loss (Note)	7,680	4,641
Outward transfer of level 3 input	-	(25,155)
June 30	<u>\$ 103,517</u>	<u>\$ 33,978</u>

Note: Presented as other gains and losses.

6. Transfer to or from level 3 inputs for the period January 1 to June 30, 2024: The outward transfer of level 3 input that occurred in the period January 1 to June 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 a detailed description.
7. The Treasury Department is responsible for validating the fair value of assets that require the use of level 3 fair value input. The department relies on independent sources of information to ensure that the valuation results closely resemble the market condition; it verifies that information is obtained from independent, reliable, and consistent sources; and makes necessary fair value adjustments to ensure that valuation results are reasonable. Furthermore, the Treasury Department has financial instrument fair value evaluation policies and procedures in place and adopts practices to ensure compliance with International Financial Reporting Standards.
8. Quantitative information and sensitivity of significant and unobservable inputs used for level 3 fair value measurement are explained below:

	<u>June 30, 2024</u>				
	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant and unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship between input and fair value</u>
Equity instrument:					
Non-listed shares	\$ 61,200	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	42,317	Net asset value approach	Not applicable	Not applicable	Not applicable

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

<u>June 30, 2023</u>					
	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant and unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship between input 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	31,597	Net asset value approach	Not applicable	Not applicable	Not applicable

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

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

9. The 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:

<u>June 30, 2024</u>					
<u>Recognized in other comprehensive income</u>					
	<u>Input</u>	<u>Variation</u>	<u>Favorable variation</u>	<u>Adverse variation</u>	
Financial assets					
Equity instrument	Discount rate	±0.50%	\$ 4,806	(\$ 4,194)	

XIII. Other disclosures

(I) Information related to significant transactions

Significant transactions undertaken by the Group during the period January 1 to June 30, 2024, 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: None.
9. Derivative transactions: None.
10. Major business dealings between the parent company and subsidiaries and transactions between subsidiaries: Please see Attachment 3.

(II) Information on business investments

Names, locations, and information on investees (excluding Mainland investees): Please see Attachment 4.

(III) Information relating to investments in the Mainland

1. Profile: Please see Attachment 5.
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 6.

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 June 30, 2024</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	\$ 394,829	\$137,724	\$ 42,125	\$ -	\$ 574,678
Income from consolidated subsidiaries	169,556	\$ - 66	\$ - 14,042	\$ - (183,664)	-
	<u>\$ 564,385</u>	<u>\$137,790</u>	<u>\$ 56,167</u>	<u>(\$183,664)</u>	<u>\$ 574,678</u>
Segment profit/loss	<u>\$ 45,592</u>	<u>(\$ 17,582)</u>	<u>\$ 6,843</u>	<u>\$ -</u>	<u>\$ 34,853</u>
Segment profit/loss includes:					
Depreciation and amortization	<u>\$ 9,904</u>	<u>\$ 204</u>	<u>\$ 1,105</u>	<u>\$ -</u>	<u>\$ 11,213</u>

	<u>January 1 to June 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	\$ 425,012	\$243,459	\$ 17,345	\$ -	\$ 685,816
Income from consolidated subsidiaries	<u>157,539</u>	<u>-</u>	<u>13,442</u>	<u>(170,981)</u>	<u>-</u>
	<u>\$ 582,551</u>	<u>\$243,459</u>	<u>\$ 30,787</u>	<u>(\$170,981)</u>	<u>\$ 685,816</u>
Segment profit/loss	<u>\$ 79,475</u>	<u>\$ 4,754</u>	<u>(\$ 2,525)</u>	<u>\$ -</u>	<u>\$ 81,704</u>
Segment profit/loss includes:					
Depreciation and amortization	<u>\$ 10,458</u>	<u>\$ 200</u>	<u>\$ 1,324</u>	<u>\$ -</u>	<u>\$ 11,982</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 June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Net income from reporting segments	\$ 28,010	\$ 84,229
Net loss from other reporting segments	<u>6,843</u>	<u>(2,525)</u>
Total across segments	\$ 34,853	\$ 81,704
Gain on financial assets at fair value through profit or loss	9,193	9,979
Other gains and losses	55,696	50,150
Financial costs	<u>(1,595)</u>	<u>(1,436)</u>
Pre-tax profit from continuing operations	<u>\$ 98,147</u>	<u>\$ 140,397</u>

ONYX Healthcare Inc. and Subsidiaries
End-of-period marketable securities holding position (excluding investment in subsidiaries, associated companies and joint ventures)
June 30, 2024

Attachment 1

Unit: NT\$ thousand
(unless specified otherwise)

<u>Company name</u>	<u>Type of security</u>	<u>Name of security (Note 1)</u>	<u>Relationship with the securities issuer (Note 2)</u>	<u>Account category</u>	<u>Shares</u>	<u>End-of-period</u>		<u>Fair value</u>	<u>Remarks (Note 4)</u>
						<u>Book value (Note 3)</u>	<u>Shareholdings percentage</u>		
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through profit or loss - current	223,918	7,255	0.15%	7,255	"
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	42,317	13.04%	42,317	"
ONYX Healthcare Inc.	Shares	MELTEN CONNECTED HEALTHCARE INC.	None	Financial assets at fair value through other comprehensive income - non-current	4,193,548	-	6.61%	-	"
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through other comprehensive income - non-current	2,590,059	83,918	1.79%	83,918	"
ONYX Healthcare Inc.	Shares	Creative Life Science Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	900,000	61,200	4.25%	61,200	"

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

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

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

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

ONYX Healthcare Inc. and Subsidiaries
Sales and purchases with related parties amounting to NT\$100 million or more than 20% of paid-up capital
January 1 to June 30, 2024

Attachment 2

											Unit: NT\$ thousand (unless specified otherwise)
<u>Transaction summary</u>						<u>Distinctive terms of trade and reasons</u> (Note 1)		<u>Notes and accounts receivable</u> (payable)		<u>Remarks</u> (Note 2)	
<u>Name of buyer (seller)</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Purchase (Sale)</u>	<u>Amount</u>	<u>As a percentage to total purchases</u> (sales)	<u>Loan tenor</u>	<u>Unit price</u>	<u>Loan tenor</u>	<u>Balance</u>	<u>As a percentage of total notes and accounts receivable</u> (payable)	
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	Subsidiary	(Sale)	(\$ 92,104)	(16.32%)	90 days after month-end	\$ -	-	\$ 45,126	19.05%	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
Major business dealings between the parent company and subsidiaries and transactions between subsidiaries
January 1 to June 30, 2024

Attachment 3

Unit: NT\$ thousand
(unless specified otherwise)

<u>Serial No.</u> <u>(Note 1)</u>	<u>Name of transacting party</u>	<u>Counterparty</u>	<u>Relationship with the</u> <u>transacting party</u> <u>(Note 2)</u>	<u>Transaction summary</u>			<u>As a percentage of</u> <u>consolidated revenues or total</u> <u>assets</u> <u>(Note 3)</u>
				<u>Account</u>	<u>Amount</u>	<u>Transaction terms</u>	
0	ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	1	Sales	\$ 92,104	90 days after month-end	16.02%

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

(1) 0 for the parent company.

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

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

(1) Parent to subsidiary.

(2) Subsidiary to parent.

(3) Subsidiary to subsidiary.

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

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

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

ONYX Healthcare Inc. and Subsidiaries
Names, locations and information on investees (excluding Mainland investees)
January 1 to June 30, 2024

Attachment 4

Unit: NT\$ thousand
(unless specified otherwise)

<u>Name of investor</u>	<u>Name of investee (Notes 1 and 2)</u>	<u>Location</u>	<u>Main business activities</u>	<u>Sum of initial investment</u>		<u>Period-end holding position</u>			<u>Current period profit/loss of the investee (Note 2(2))</u>
				<u>End of current period</u>	<u>End of previous year</u>	<u>Shares</u>	<u>Percentage (%)</u>	<u>Book value</u>	
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	USA	Sale of medical computers and peripherals	\$ 64,900	\$ 61,410	200,000	100	\$ 75,566	(\$ 17,430)
ONYX Healthcare Inc.	ONYX HEALTHCARE EUROPE B.V.	The Netherlands	Marketing support, maintenance, and sales of medical computers and peripherals	3,471	3,398	100,000	100	14,055	6,453
ONYX Healthcare Inc.	iHELPER Inc.	Taiwan	Research, development, and sale of medical robots	16,560	16,560	1,656,000	46	6,983	-
ONYX Healthcare Inc.	Winmate Inc.	Taiwan	Tendering, quotation, and distribution of LCD equipment and modules	568,585	568,585	10,244,000	13	618,269	269,697
ONYX Healthcare Inc.	ProtectLife International Biomedical Inc.	Taiwan	Production and wholesaling of medical equipment, consumables, and related products	44,380	44,380	2,188,000	11	32,033	(20,761)

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 denominated in foreign currencies shall be converted into NTD using either the average exchange rate from January 1 to June 30, 2024 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc. and Subsidiaries
Mainland investments - profile
January 1 to June 30, 2024

Attachment 5

Unit: NT\$ thousand
(unless specified otherwise)

<u>Name of Mainland investee</u>	<u>Main business activities</u>	<u>Paid-up capital</u>	<u>Method of investment (Note 1)</u>	<u>Opening cumulative balance of investment capital invested from Taiwan</u>	<u>Investment capital contributed or recovered during the current period</u>		<u>Closing cumulative balance of investment capital invested from Taiwan</u>	<u>Current period profit/loss of the investee</u>	<u>The Company's direct or indirect holding percentage (%)</u>	<u>Investment gains (losses) recognized in the current period (Note 2(2)(C.))</u>	<u>Closing investment book value</u>
					<u>Invested</u>	<u>Recovered</u>					
Onyx Healthcare (Shanghai) Inc.	Sale of medical computers and peripherals	\$ 71,390	1	\$ 71,390	\$ -	\$ -	\$ 71,390	(\$ 1,238)	100	(\$ 1,238)	\$ 2,218

<u>Company name</u>	<u>Closing cumulative balance of investment capital transferred from Taiwan into Mainland China</u>	<u>Investment limit authorized by the Investment Commission, Ministry of Economic Affairs</u>	<u>Limits authorized by the Investment Commission, Ministry of Economic Affairs, for investing in Mainland China</u>
ONYX Healthcare Inc.	\$ 71,390	\$ 71,390	\$ 873,404

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

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

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

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

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

Note 4: Amounts denominated in foreign currencies shall be converted into NTD using either the average exchange rate from January 1 to June 30, 2024 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc. and Subsidiaries
Information on major shareholders
June 30, 2024

Attachment 6

<u>Name of major shareholder</u>	<u>Number of shares held</u>	<u>Shareholding</u>	<u>Shareholding percentage (%)</u>
AAEON Technology Inc.	16,257,179		48.49
Chuang, Yung-Shun	2,745,068		8.18
ASUSTeK Computer Inc.	1,694,112		5.05

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

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

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