

ONYX Healthcare Inc.
Standalone Financial Statements and Independent Auditor's Report
For 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.
Standalone Financial Statements and Independent Auditor's Report for 2024 and 2023
Table of Contents

Item	Page/Serial No./Index
I. Cover Page	1
II. Table of Contents	2 ~ 3
III. Independent Auditors' Report	4 ~ 10
IV. Standalone Balance Sheet	11 ~ 12
V. Standalone Statement of Comprehensive Income	13
VI. Standalone Statement of Changes in Equity	14
VII. Standalone Cash Flow Statement	15
VIII. Notes to Standalone Financial Statements	16 ~ 68
(I) Company history	16
(II) Financial statement approval date and procedures	16
(III) Application of new standards, amendments and interpretations	16 ~ 17
(IV) Summary of significant accounting policies	17 ~ 26
(V) Major sources of uncertainty for significant accounting judgments, estimates and assumptions	27
(VI) Notes to major accounts	27 ~ 52
(VII) Related party transactions	53 ~ 56
(VIII) Pledged assets	57
(IX) Major contingent liabilities and unrecognized contractual commitments	57
(X) Losses from major disasters	57
(XI) Major post-balance sheet date events	57
(XII) Others	57 ~ 67
(XIII) Other disclosures	67 ~ 68
(XIV) Segment information	68

Item	Page/Serial No./Index
IX. Details of major accounts	
Cash and cash equivalents	Account set 1
Net accounts receivable	Account set 2
Inventory	Account set 3
Change in equity-accounted investments	Account set 4
Change in property, plant and equipment	Note 6(8)
Contractual liabilities	Note 6(21)
Long-term loans	Account set 5
Operating revenues	Account set 6
Operating costs	Account set 7
Manufacturing overhead	Account set 8
Selling expenses	Account set 9
Administrative expenses	Account set 10
R&D expenses	Account set 11
Summary of current employee welfare, depreciation, and amortization by function	Account set 12

Independent Auditor's Report

(114)-Cai-Shen-Bao-Zi No. 24003110

To stakeholders of ONYX Healthcare Inc.:

Audit opinion

We have audited the accompanying standalone balance sheet of ONYX Healthcare Inc. (referred to as "ONYX Healthcare" below) as at December 31, 2024 and 2023, the standalone statement of comprehensive income, standalone statement of changes in equity, and standalone cash flow statement from January 1 to December 31, 2024 and 2023, and notes to standalone financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and audit results of other auditors (please refer to the Other Issues paragraph), all material disclosures of the standalone financial statements mentioned above were prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and presented a fair view of the standalone financial position of ONYX Healthcare as at December 31, 2024 and 2023, and standalone business performance and cash flow for the periods January 1 to December 31, 2024 and 2023.

Basis of audit opinion

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

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment when auditing the 2024 standalone financial statements of ONYX Healthcare. These issues have already been addressed when we audited and formed our opinions on the standalone financial statements. Therefore we do not provide opinions separately for individual issues.

Key audit issues concerning the 2024 standalone financial statements of ONYX Healthcare are as follows:

Existence of sales revenue

Description

Please refer to Note 4(27) for the accounting policy on revenue recognition. For a detailed description of revenue accounts, please refer to Note 6(20) of the standalone financial statements.

The Company and its subsidiaries' (recognized as investment under the equity method) main business is the design, manufacturing and sales of medical computers and peripheral equipment. Because its product project orders are easily affected by the customer's product project cycle, ONYX is necessary to strive to develop new markets and undertake new project orders. Therefore, the operating revenue of each period may be subject to change in market trend. As a result, we have identified the sales revenue mentioned above as one of the key audit issues this year.

Audit procedures

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

1. Assessment and testing of internal control processes on sales transactions to determine whether transactions were carried out according to the company's internal control system during the reporting period.

2. Obtain and verify the above-mentioned revenue, transaction, and related documents on a sample basis, and confirm that the customer has acquired control of the product and assumed the product risk before recognizing the revenue.

Accounting estimates for inventory valuation

Description

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

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

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

Audit procedures

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

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

Other issues - audits by other auditors

Amongst the equity-accounted business investments presented in the standalone financial statements of ONYX Healthcare, some of which had financial statements audited by other CPAs that we did not take part of. Therefore, opinions made in the standalone financial statements mentioned above in regards to such businesses were based on audited reports of other CPAs. As at December 31, 2024 and 2023, balances of the abovementioned equity-accounted investments totaled NT\$649,524 thousand and NT\$629,526 thousand, representing 32% and 31% of total assets, respectively. For the periods from January 1 to December 31, 2024 and 2023, comprehensive income recognized from the abovementioned companies totaled NT\$72,316 thousand and NT\$71,691 thousand, representing 38% and 28% of comprehensive income, respectively.

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

Responsibilities of the management were to prepare and ensure fair presentation of standalone financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of standalone financial statements so that the standalone financial statements are free of material misstatements, whether caused by fraud or error.

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

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

Responsibilities of CPAs in Inspecting Individual Financial Statements

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

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

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

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

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

We have identified the key audit issues after communicating with the governance body regarding the 2024 standalone financial statements of ONYX Healthcare. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

PwC Taiwan
CPA

Chang, Shu-Chiung
Lin, Chun-Yao

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

February 25, 2025

ONYX Healthcare Inc.
Standalone Balance Sheet
As at December 31, 2024 and 2023

Unit: NT\$ thousand

Assets		Note	December 31, 2024		December 31, 2023			
			Amount	%	Amount	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	171,458	8	\$	271,068	13
1110	Financial assets at fair value through profit or loss - current	6(2)		7,255	-		11,389	-
1136	Financial assets at amortized cost - current	6(3) and 8		983	-		31,626	2
1150	Net notes receivable	6(4)		-	-		3	-
1170	Net accounts receivable	6(4)		112,374	6		119,987	6
1180	Accounts receivable - related parties, net	7		103,839	5		54,023	3
1200	Other receivables			1,172	-		1,716	-
130X	Inventory	6(5)		219,797	11		226,869	11
1410	Prepayments			16,983	1		13,908	1
1470	Other current assets	8		481	-		2,235	-
11XX	Total current assets			634,342	31		732,824	36
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)		43,076	2		34,637	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)		151,048	7		68,756	3
1550	Equity-accounted investments	6(8)		817,731	40		786,564	39
1600	Property, plant and equipment	6(8), 7 and 8		340,664	17		347,832	17
1755	Right-of-use assets	6(9)		29,275	2		32,219	2
1780	Intangible assets			1,607	-		3,517	-
1840	Deferred income tax assets	6(25)		13,959	1		13,059	1
1900	Other non-current assets			952	-		952	-
15XX	Total non-current assets			1,398,312	69		1,287,536	64
1XXX	Total assets		\$	2,032,654	100	\$	2,020,360	100

(Continued next page)

ONYX Healthcare Inc.
Standalone Balance Sheet
As at December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and equity			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	6(11)	\$ 80,000	4	\$ 27,000	1
2130	Contractual liabilities - current	6(20)	50,410	3	57,838	3
2170	Accounts payable		53,762	3	65,176	3
2180	Accounts payable - related parties	7	2,069	-	1,091	
2200	Other payables	6(12)	64,382	3	72,561	4
2220	Other payables - related parties	7	2,371	-	2,214	-
2230	Current income tax liabilities		1,685	-	37,883	2
2250	Liability reserves - current	6(15)	6,903	-	7,585	-
2280	Lease liabilities - current		1,827	-	1,985	-
2320	Long-term liabilities due within 1 year or 1 business cycle	6(13)	10,612	1	10,476	1
2399	Other current liabilities - others		1,435	-	3,762	-
21XX	Total current liabilities		275,456	14	287,571	14
Non-current liabilities						
2527	Contractual liabilities - non-current	6(20)	52,011	3	53,301	3
2540	Long-term loans	6(13)	123,947	6	134,499	7
2550	Liability reserves - non-current	6(15)	2,094	-	2,364	-
2570	Deferred income tax liabilities	6(25)	6,286	-	423	-
2580	Lease liabilities - non-current		28,267	1	30,610	1
25XX	Total non-current liabilities		212,605	10	221,197	11
2XXX	Total liabilities		488,061	24	508,768	25
Equity						
	Share capital	6(17)				
3110	Common share capital		386,277	19	335,163	17
	Capital reserves	6(16)(18)				
3200	Capital reserves		717,770	35	708,803	35
	Retained earnings	6(19)				
3310	Legal reserves		176,748	9	151,706	7
3320	Special reserves		30,169	1	33,926	2
3350	Unappropriated earnings		253,936	13	312,163	15
	Other equity items					
3400	Other equity items		(20,307)	(1)	(30,169)	(1)
3XXX	Total equity		1,544,593	76	1,511,592	75
	Major post-balance sheet date events	11				
3X2X	Total liabilities and equity		\$ 2,032,654	100	\$ 2,020,360	100

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

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Standalone Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

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

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	6(20) and 7	\$ 1,101,813	100	\$ 1,248,403	100
5000	Operating costs	6(5)(23) (24) and 7	(757,163)	(69)	(834,466)	(67)
5900	Gross profit		344,650	31	413,937	33
5910	Unrealized gain on sales		(36,429)	(3)	(20,722)	(2)
5920	Realized gain on sales		20,722	2	20,752	2
5950	Net gross profit		328,943	30	413,967	33
	Operating expenses	6(23) (24) and 7				
6100	Selling expenses		(82,057)	(8)	(73,600)	(6)
6200	Administrative expenses		(46,100)	(4)	(50,725)	(4)
6300	R&D expenses		(118,318)	(11)	(79,347)	(6)
6450	Expected credit impairment (loss) reversal gain	12(2)	(1,069)	-	959	-
6000	Total operating expenses		(247,544)	(23)	(202,713)	(16)
6900	Operating profit		81,399	7	211,254	17
	Non-operating income and expenses					
7100	Interest income		5,157	-	2,895	-
7010	Other income	6(21) and 7	12,199	1	6,518	1
7020	Other gains and losses	6(22)	20,310	2	2,684	-
7050	Financial costs		(4,065)	-	(3,513)	-
7070	Share of profits/losses on equity-accounted subsidiaries, associated companies, and joint ventures	6(8)	87,959	8	80,546	6
7000	Total non-operating income and expenses		121,560	11	89,130	7
7900	Pre-tax profit		202,959	18	300,384	24
7950	Income tax expense	6(25)	(22,045)	(2)	(45,122)	(4)
8200	Current net income		<u>\$ 180,914</u>	<u>16</u>	<u>\$ 255,262</u>	<u>20</u>
	Other comprehensive income					
	Items not reclassified into profit or loss					
8316	Unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	6(6)	\$ 3,677	-	(\$ 5,394)	-
8330	Share of other comprehensive income from subsidiaries, equity-accounted associated companies, and joint ventures - not reclassified into profit or loss		(489)	-	3,853	-
8310	Items not reclassified into profit or loss - total		3,188	-	(1,541)	-
	Items likely to be reclassified into profit or loss					
8361	Financial statement translation differences arising from foreign operations		7,082	1	421	-
8380	Share of other comprehensive income from equity-accounted subsidiaries, associated companies, and joint ventures - likely to be reclassified into profit or loss		1,008	-	116	-
8399	Income tax on items that are likely to be reclassified into profit or loss	6(25)	(1,416)	-	(84)	-
8360	Items likely to be reclassified into profit or loss - total		6,674	1	453	-
8300	Other comprehensive income (net)		<u>\$ 9,862</u>	<u>1</u>	<u>(\$ 1,088)</u>	<u>-</u>
8500	Total comprehensive income for the current period		<u>\$ 190,776</u>	<u>17</u>	<u>\$ 254,174</u>	<u>20</u>
	EPS	6(26)				
9750	Basic earnings per share		\$ 4.69		\$ 6.66	
9850	Diluted earnings per share		\$ 4.65		\$ 6.60	

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

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Standalone Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

		Retained earnings					Other equity items		
							Financial statement translation differences arising from foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	Total
	Note	Common share capital	Capital reserves	Legal reserves	Special reserves	Unappropriated earnings			
<u>2023</u>									
Balance as at January 1, 2023		\$ 332,612	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849)	(\$ 31,077)	\$ 1,391,843
Current net income		-	-	-	-	255,262	-	-	255,262
Other current comprehensive income		-	-	-	-	-	453	(1,541)	(1,088)
Total comprehensive income for the current period		-	-	-	-	255,262	453	(1,541)	254,174
Appropriation and distribution of 2022 earnings:	6(19)								
Provision for legal reserves		-	-	20,296	-	(20,296)	-	-	-
Reversal for special reserve		-	-	-	(15,970)	15,970	-	-	-
Cash dividends		-	-	-	-	(166,307)	-	-	(166,307)
Share-based payment	6(16)(18)	-	3,590	-	-	-	-	-	3,590
Exercise of employee warrants	6(17)(18)	2,551	25,741	-	-	-	-	-	28,292
Reclassification of equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	(4,845)	-	4,845	-
Balance as at December 31, 2023		\$ 335,163	\$ 708,803	\$ 151,706	\$ 33,926	\$ 312,163	(\$ 2,396)	(\$ 27,773)	\$ 1,511,592
<u>2024</u>									
Balance as at January 1, 2024		\$ 335,163	\$ 708,803	\$ 151,706	\$ 33,926	\$ 312,163	(\$ 2,396)	(\$ 27,773)	\$ 1,511,592
Current net income		-	-	-	-	180,914	-	-	180,914
Other current comprehensive income		-	-	-	-	-	6,674	3,188	9,862
Total comprehensive income for the current period		-	-	-	-	180,914	6,674	3,188	190,776
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)
Stock dividends		50,274	-	-	-	(50,274)	-	-	-
Share-based payment	6(16)(18)	-	1,542	-	-	-	-	-	1,542
Exercise of employee warrants	6(17)(18)	840	7,425	-	-	-	-	-	8,265
Balance as at December 31, 2024		\$ 386,277	\$ 717,770	\$ 176,748	\$ 30,169	\$ 253,936	\$ 4,278	(\$ 24,585)	\$ 1,544,593

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

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Standalone Cash Flow Statement
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 202,959	\$ 300,384
Adjustments			
Income, expenses, and losses			
Depreciation	6(8)(9)(23)	15,928	18,465
Amortization	6(23)	2,010	2,476
Expected credit impairment loss (reversal gain)	12(2)	1,069 (	959)
Gain on financial assets at fair value through profit or loss	6(2)(22)	(9,953)	(11,859)
Interest expenses		4,065	3,513
Interest income		(5,157)	(2,895)
Dividend income	6(21)	(6,521)	(408)
Share-based payment - remuneration	6(16)	1,461	3,403
Share of gain from subsidiaries and associated companies accounted using the equity method	6(8)		
		(87,959)	(80,546)
Loss (gain) on lease amendment	6(9)(22)	12 (	5)
Unrealized gains/losses among affiliates		15,707 (	30)
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 (	3)
Accounts receivable		6,544	22,046
Accounts receivable - related parties		(49,816)	44,700
Other receivables		544	1,909
Inventory		7,072	37,175
Prepayments		(3,376)	(2,191)
Other current assets		1,754 (	540)
Net change in liabilities related to operating activities			
Contractual liabilities		(8,718)	(14,717)
Accounts payable		(11,414)	(16,094)
Accounts payable - related parties		978 (	4,766)
Other payables		(7,441)	16,271
Other payables - related parties		157 (	1,200)
Liability reserves		(952)	255
Other current liabilities		(2,326)	678
Cash inflow from operating activities		66,683	315,062
Interests received		5,157	2,895
Dividends received		58,838	49,208
Interests paid		(4,006)	(3,479)
Income tax paid		(54,698)	(47,289)
Net cash inflow from operating activities		71,974	316,397
<u>Cash flow from investing activities</u>			
Disposal of financial assets at fair value through profit or loss		5,595	-
Disposal of financial assets at amortized cost		30,677	-
Acquisition of financial assets at amortized cost		-	(31,626)
Acquisition of financial assets at fair value through other comprehensive income		(78,615)	(71,769)
Acquisition of equity-accounted investments		(3,548)	(14,380)
Acquisition of property, plant, and equipment	6(27)	(6,953)	(67,335)
Acquisition of intangible assets		(101)	(400)
Decrease (increase) in guarantee deposits paid (presented as other non-current assets)		-	1,415
Net cash outflow from investing activities		(52,945)	(184,095)
<u>Cash flow from financing activities</u>			
Net increase in short-term loans	6(28)	53,000	27,000
Repayment of long-term loan	6(28)	(10,416)	(10,311)
Repayment of lease principal	6(28)	(1,906)	(3,949)
Decrease in guarantee deposits received		-	(1,148)
Cash dividends paid	6(19)	(167,582)	(166,307)
Exercise of employee warrants		8,265	28,292
Net cash outflow from financing activities		(118,639)	(126,423)
Increase (decrease) in cash and cash equivalents in current period		(99,610)	5,879
Opening cash and cash equivalents balance	6(1)	271,068	265,189
Closing cash and cash equivalents balance	6(1)	\$ 171,458	\$ 271,068

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

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.
Notes to Standalone Financial Statements
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 is mainly involved in the design, manufacturing, and trading of medical computers and peripherals. AAEON Technology Inc. holds 48.39% equity ownership in the Company, whereas ASUSTeK Computer Inc. is the Company's ultimate parent.

II. Financial statement approval date and procedures

This standalone financial report was passed during the board of directors meeting dated February 25, 2025.

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 Company expects no material financial or performance impact from the above standards and interpretations.

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

The following 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 Company expects no material financial or performance impact from the above standards and interpretations.

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

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

<u>New/amended/modified standards and interpretations</u>	<u>Effective date of IASB announcement</u>
Amendments to IFRS 9 and IFRS 7 regarding "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 regarding "Contracts Involving Natural Electricity"	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 Company 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

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

(I) Statement of compliance

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

(II) Basis of preparation

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

(III) Foreign currency conversion

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

1. Foreign currency transaction and balance

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

2. Currency conversion for foreign operations

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

- (1) Every asset and liability in the balance sheet is converted using the exchange rate as at the balance sheet date;

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

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

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

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

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

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

- (1) Liabilities that are expected to be settled over the normal operating cycle.
- (2) Held mainly for the purpose of trading.
- (3) Liabilities that are due to be settled within 12 months after the balance sheet date.
- (4) Those that do not have the right to defer settlement of the liability for at least twelve months after the reporting period.

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

(V) Cash equivalents

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

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

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

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

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

(VIII) Financial assets carried at cost after amortization

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

(IX) Accounts and notes receivable

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

(X) Impairment of financial assets

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

contain significant financing components have loss reserves measured based on expected credit loss over the remaining duration.

(XI) Removal of financial assets

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

(XII) Lease transaction as a lessor - operating lease

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

(XIII) Inventory

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

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

1. A subsidiary refers to an entity (including a structured entity) in which the Company exercises control. The Company is considered to exercise control if it is exposed or entitled to variable returns generated by the entity and can influence such return.
2. Any unrealized gains/losses arising from transactions between the Company and subsidiaries have been eliminated. The subsidiaries have made the necessary adjustments to align their accounting policies with that of the Company.
3. Share of profits/losses from the associated company after the acquisition is recognized in current profit and loss; share of other comprehensive income after the acquisition is recognized in other comprehensive income. If the share of losses on a subsidiary equals or exceeds the Company's equity ownership, the Company will continue recognizing additional losses at the current shareholding percentage.
4. Associated company refers to an entity in which the Company exercises significant influence but no control, which generally means 20% direct or indirect voting interest or above. The Company accounts for associated companies using the equity method. Value at initial acquisition is accounted for at cost.
5. Share of profits/losses from an associated company after the acquisition is recognized in current profit and loss; share of other comprehensive income after the acquisition is recognized in other comprehensive income. If the Company's share of losses in an associated company equals to or exceeds its equity interest in the associated company

(including any other unsecured receivables), the Company will not recognize the extra losses unless the Company has a legal obligation or constructive obligation to pay, or has paid, liabilities on behalf of the associated company.

6. If an associated company undergoes a change of equity that has no impact on profit and loss, other comprehensive income, and shareholding percentage, the Company will recognize the change of ownership proportionally in "Capital reserve."
7. Unrealized gains arising from transactions between the Company and an associated company are eliminated proportionally based on ownership percentage. Unrealized losses are also eliminated unless there is evidence to suggest impairment in the transferred assets. All associated companies have made the necessary adjustments to align their accounting policies with that of the Company.
8. If the Company disposes of an associated company in a manner that causes it to lose significant influence, all amounts previously recognized in other comprehensive income in relation to the associated company are accounted on the same basis as if the Company had directly disposed of the relevant assets or liabilities. In other words, if gains or losses previously recognized in other comprehensive income are to be reclassified into profit and loss upon disposal of relevant assets or liabilities, such gains or losses shall be reclassified into profit and loss when the Company loses significant influence in the associated company. If the Company still retains significant influence in the associated company, the above amounts previously recognized in other comprehensive income are reclassified proportionally in the manner mentioned above.
9. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, the amount in current profit/loss and other comprehensive income attributable to parent company shareholders should be consistent between standalone and consolidated financial reports; the amount in equity attributable to parent company shareholders should also be consistent between standalone and consolidated financial reports.

(XV) Property, plant and equipment

1. All property, plant and equipment are recorded at cost.
2. Subsequent costs incurred are added to book value or recognized as separate assets only when future economic benefits associated with the costs are likely to be realized by the Company. Such costs can be reliably measured. Book values of replaced components are removed from the balance sheet. All other maintenance expenses are recognized in current profit and loss when incurred.
3. Property, plant and equipment are subsequently measured at cost (except for land, which is not depreciated) and are depreciated on a straight-line basis over their estimated useful lives. Significant compositions of property, plant, and equipment are depreciated separately.
4. The Company reviews the residual value, useful life, and depreciation method of all assets at the end of each financial year. If the residual value or useful life differs from the

previous estimate, or if there is any material change to how an asset's future economic benefit is realized, the difference would be treated as a change in accounting estimate according to IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" from the day the change occurs. The useful lives of various asset categories are explained in Note 6(8).

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

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

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

3. Right-of-use assets are recognized at cost on the lease start date. The cost includes:

- (1) Initial measured amount in lease liability; and
- (2) Any direct cost incurred at initiation.

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

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

(XVII) Intangible assets

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

(XVIII) Impairment of non-financial assets

For assets that show signs of impairment on the balance sheet date, the Company first estimates the recoverable amount in such assets. It recognizes impairment losses if the recoverable amount is lower than the carrying amount. The recoverable amount refers to the higher of an asset's fair value net of disposal cost or its utilization value. Impairment losses previously recognized can be reversed if asset impairment no longer exists or has been

reduced. However, the reversal of impairment loss shall not increase the asset's book value above the amount in book value after depreciation/amortization if the impairment loss had not occurred in the first place.

(XIX) Loans

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

(XX) Accounts payable

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

(XXI) Removal of financial liabilities

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

(XXII) Liability reserves

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

(XXIII) Employee benefits

1. Short-term employee benefits

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

2. Pension - Defined contribution plan

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

3. Employees' and directors' remuneration

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

(XXIV) Share-based payment

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

(XXV) Income tax

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

prevailing laws as at the balance sheet date.

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

(XXVI) Dividend distribution

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

(XXVII) Revenue recognition

1. Sales of goods

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

2. Warranty income

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

(XXVIII) Government subsidies

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

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

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

(I) Significant judgments adopted for accounting policies

None.

(II) Significant accounting estimates and assumptions

Valuation of inventory

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

Book value of the Company's inventory as at December 31, 2024 totaled \$219,797.

VI. Notes to major accounts

(I) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Petty cash	\$ 337	\$ 418
Check and current deposit	171,121	255,298
Time deposit	-	15,352
	<u>\$ 171,458</u>	<u>\$ 271,068</u>

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

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

	<u>December 31, 2024</u>	<u>December 31, 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
Valuation adjustment	<u>3,298</u>	<u>1,181</u>
	<u>\$ 7,255</u>	<u>\$ 11,389</u>
Non-current portion:		
Financial assets mandatory to be carried at fair value through profit or loss		
Not listed on TWSE/TPEX or the Emerging Stock Market board	\$ 30,000	\$ 30,000
Valuation adjustment	<u>13,076</u>	<u>4,637</u>
	<u>\$ 43,076</u>	<u>\$ 34,637</u>

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

	<u>2024</u>	<u>2023</u>
Financial assets mandatory to be carried at fair value through profit or loss		
Equity instrument	\$ 9,900	\$ 11,859
Derivatives	<u>53</u>	<u>-</u>
	<u>\$ 9,953</u>	<u>\$ 11,859</u>

2. None of the Company's financial assets at fair value through profit or loss was collateral.

(III) Financial assets carried at cost after amortization

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current portion		
Restricted time deposit	<u>\$ 983</u>	<u>\$ 31,626</u>

1. Without considering the collateral or other credit enhancements held, financial assets measured at amortized cost that best represent the Company held on December 31, 2024 and 2023, the highest credit risk exposure amount was \$983 and \$31,626, respectively.
2. Please refer to Note 8 for the financial assets measured at amortized cost that are provided as collateral.

3. Please refer to Note 12(2) for the credit risk information of financial assets measured at amortized cost. The counterparties of the Company's investment in certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(IV) Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ -	\$ 3
Accounts receivable	\$ 115,293	\$ 121,837
Less: loss provisions	(2,919)	(1,850)
	<u>\$ 112,374</u>	<u>\$ 119,987</u>

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

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Current	\$ 205,277	\$ -	\$ 149,752	\$ 3
Overdue within 30 days	11,586	-	12,419	-
Overdue 31 - 60 days	6	-	12,199	-
Overdue 91 - 120 days	773	-	-	-
Overdue more than 121 days	<u>1,490</u>	<u>-</u>	<u>1,490</u>	<u>-</u>
	<u>\$ 219,132</u>	<u>\$ -</u>	<u>\$ 175,860</u>	<u>\$ 3</u>

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

2. Balances of accounts and notes receivable (including related parties) as at December 31, 2024 and 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 \$242,606 and \$2,809, respectively.
3. In the absence of collaterals and other credit enhancements, maximum credit risk exposure associated with the Company's notes receivable as at December 31, 2024 and 2023, amounted to \$0 and \$3, respectively; maximum credit risk exposure associated with the Company's accounts receivable (including related parties) as at December 31, 2024 and 2023, amounted to \$216,213 and \$174,013, respectively.
4. The Company held no collateral on accounts and notes receivable (including related parties).

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

(V) Inventory

		<u>December 31, 2024</u>	
	<u>Cost</u>	<u>Allowance for obsolescence and devaluation loss</u>	<u>Book value</u>
Raw materials	\$ 120,223	(\$ 8,589)	\$ 111,634
Work-in-progress	21,787	(42)	21,745
Semi-finished goods	71,827	(9,538)	62,289
Finished goods	<u>24,808</u>	<u>(679)</u>	<u>24,129</u>
	<u>\$ 238,645</u>	<u>(\$ 18,848)</u>	<u>\$ 219,797</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>14,074</u>	<u>(1,051)</u>	<u>13,023</u>
	<u>\$ 243,796</u>	<u>(\$ 16,927)</u>	<u>\$ 226,869</u>

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

	<u>2024</u>	<u>2023</u>
Cost of inventory sold	\$ 729,947	\$ 835,415
Obsolescence and devaluation loss (reversal gain) (Note 1)	14,084 (	6,432)
Service and warranty cost	13,135	11,194
Gain on stock-take	(3(	356
Other operating costs (Note 2)	- (	5,355)
	<u>\$ 757,163</u>	<u>\$ 834,466</u>

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

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

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current portion:		
Equity instrument		
TWSE/TPEX listed shares	\$ 89,184	\$ 71,769
Not listed on TWSE/TPEX or the Emerging Stock Market board	<u>100,534</u>	<u>39,334</u>
	189,718	111,103
Valuation adjustment	<u>(38,670)</u>	<u>(42,347)</u>
	<u>\$ 151,048</u>	<u>\$ 68,756</u>

1. The Company chooses to classify the equity instrument investment, which is a strategic investment, as financial assets measured at fair value through other comprehensive gain or loss. The fair value of the investments on December 31, 2024 and 2023 was \$151,048 and \$68,756, respectively.
2. Details of gains or losses on financial assets at fair value through other comprehensive income:

	<u>2024</u>	<u>2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized through other comprehensive income	<u>\$ 3,677</u>	<u>(\$ 5,394)</u>
Cumulative losses reclassified into retained earnings	<u>\$ -</u>	<u>(\$ 4,845)</u>
Dividend income recognized in profit or loss for investments still held at the end of the current period	<u>\$ 5,441</u>	<u>\$ -</u>

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

(VII) Equity-accounted investments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiaries:		
ONXY HEALTHCARE USA,INC. (OHU) \$	90,634	\$ 95,024
ONYX HEALTHCARE EUROPE B.V.(ONI)	35,937	16,373
Onyx Healthcare (Shanghai) Inc. (OCI)	1,146	3,330
iHELPER Inc. (iHELPER)	6,955	7,626
Associated companies:		
Winmate Inc. (Winmate)	649,524	629,526
ProtectLife International Biomedical Inc. (ProtectLife)	33,535	34,685
	<u>\$ 817,731</u>	<u>\$ 786,564</u>

For information relating to the Company's subsidiaries, please refer to Note 4(3) of the 2024 consolidated financial statements.

1. Profile of associated companies:

<u>Name of associated company</u>	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Shareholding</u> <u>%</u>	<u>Amount</u> <u>presented</u>	<u>Shareholding</u> <u>%</u>	<u>Amount</u> <u>presented</u>
Winmate (Note 1)	12.85%	\$649,524	13.08%	\$629,526
ProtectLife International Biomedical Inc. (Note 2)	11.08%	33,535	11.27%	34,685
		<u>\$683,059</u>		<u>\$664,211</u>

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

Note 2: The Company previously held a 6.3% equity interest in ProtectLife, and after subscribing to cash issue on February 9, 2023, shareholding percentage increased to 11.54%. Although shareholding percentage is below 20%, the shares held by the Company and another related party - Fu Li Investment Co., Ltd. (in which the Company shares a common chairperson) aggregate to 20%, and considering that the Company's chairperson serves as a director of ProtectLife, the Company is deemed to exercise significant influence. For this reason, the investment has been accounted for using the equity method since February 9, 2023. In addition, the Company participated in its cash capital increase on August 30, 2024 and July 21, 2023, and the shareholding was 11.08% and 11.27% after the capital increase, respectively.

2. The share of profit and loss from subsidiaries and associates recognized under the equity method is as follows:

	<u>2024</u>	<u>2023</u>
Subsidiaries:		
ONXY HEALTHCARE USA, INC. (OHU) (\$	2,708)	\$ 18,402
ONYX HEALTHCARE EUROPE B.V.(ONI)	26,579	1,779
Onyx Healthcare (Shanghai) Inc. (OCI) (	2,340)	(2,428)
iHELPER Inc. (iHELPER) (	671)	(79)
Associated companies:		
Winmate Inc. (Winmate)	71,797	67,722
ProtectLife International Biomedical Inc. (ProtectLife)	(4,698)	(4,850)
	<u>\$ 87,959</u>	<u>\$ 80,546</u>

3. Summary financial information of significant associated companies:

Balance sheet

	<u>Winmate</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 2,772,215	\$ 2,294,504
Non-current assets	1,948,074	1,586,066
Current liabilities	(867,286)	(795,394)
Non-current liabilities	(497,796)	(19,152)
Total net assets	<u>\$ 3,355,207</u>	<u>\$ 3,066,024</u>
As a percentage of net assets across associated companies	\$ 431,000	\$ 401,036
Goodwill	<u>218,524</u>	<u>228,358</u>
Book value of associated company	<u>\$ 649,524</u>	<u>\$ 629,526</u>

Statement of comprehensive income

	<u>Winmate</u>	
	<u>2024</u>	<u>2023</u>
Income	<u>\$ 3,057,605</u>	<u>\$ 2,598,533</u>
Current net income	\$ 559,453	\$ 505,952
Other comprehensive income (net, after- tax)	<u>5,603</u>	<u>27,340</u>
Total comprehensive income for the current period	<u>\$ 565,056</u>	<u>\$ 533,292</u>
Dividends received from associated companies	<u>\$ 52,317</u>	<u>\$ 48,800</u>

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

Book value of the Company's non-material associated companies as at December 31, 2024 and 2023, totaled \$33,535 and \$34,685, respectively.

	<u>2024</u>	<u>2023</u>
Current net loss	(\$ <u>4,698</u>)	(\$ <u>47,750</u>)

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Winmate	\$ <u>1,644,162</u>	\$ <u>1,254,890</u>

(VIII) Property, plant and equipment2024

	<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	\$ 3,423	\$ 20,918	\$ 88,278	\$ 343	\$ 468,614
Accumulated depreciation	<u>- (5,688)</u>	<u>(16,085)</u>	<u>(2,937)</u>	<u>(20,029)</u>	<u>(76,043)</u>	<u>-</u>	<u>(120,782)</u>	
	<u>\$ 267,183</u>	<u>\$ 66,007</u>	<u>\$ 689</u>	<u>\$ 486</u>	<u>\$ 889</u>	<u>\$ 12,235</u>	<u>\$ 343</u>	<u>\$ 347,832</u>
January 1	\$ 267,183	\$ 66,007	\$ 689	\$ 486	\$ 889	\$ 12,235	\$ 343	\$ 347,832
Addition	-	90	1,025	1,555	541	1,666	1,243	6,120
Transfer	-	-	-	-	-	1,586	(1,586)	-
Reclassificati on	-	-	-	-	-	471	-	471
Depreciation	<u>- (5,006)</u>	<u>(548)</u>	<u>(484)</u>	<u>(751)</u>	<u>(6,970)</u>	<u>-</u>	<u>(13,759)</u>	
December 31	<u>\$ 267,183</u>	<u>\$ 61,091</u>	<u>\$ 1,166</u>	<u>\$ 1,557</u>	<u>\$ 679</u>	<u>\$ 8,988</u>	<u>\$ -</u>	<u>\$ 340,664</u>
December 31								
Cost	\$ 267,183	\$ 71,785	\$ 17,575	\$ 4,800	\$ 19,998	\$ 92,361	\$ -	\$ 473,702
Accumulated depreciation	<u>- (10,694)</u>	<u>(16,409)</u>	<u>(3,243)</u>	<u>(19,319)</u>	<u>(83,373)</u>	<u>-</u>	<u>(133,038)</u>	
	<u>\$ 267,183</u>	<u>\$ 61,091</u>	<u>\$ 1,166</u>	<u>\$ 1,557</u>	<u>\$ 679</u>	<u>\$ 8,988</u>	<u>\$ -</u>	<u>\$ 340,664</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	\$ 3,427	\$ 19,555	\$ 80,660	\$ 1,727	\$ 401,027
Accumulated depreciation	<u>- (2,440)</u>	<u>(15,392)</u>	<u>(2,711)</u>	<u>(18,331)</u>	<u>(68,377)</u>	<u>-</u>	<u>(107,251)</u>	
	<u>\$ 229,660</u>	<u>\$ 46,358</u>	<u>\$ 1,808</u>	<u>\$ 716</u>	<u>\$ 1,224</u>	<u>\$ 12,283</u>	<u>\$ 1,727</u>	<u>\$ 293,776</u>
January 1	\$ 229,660	\$ 46,358	\$ 1,808	\$ 716	\$ 1,224	\$ 12,283	\$ 1,727	\$ 293,776
Addition	37,523	13,462	192	93	1,363	3,167	12,502	68,302
Transfer	-	9,435	-	-	-	4,451	(13,886)	-
Depreciation	<u>- (3,248)</u>	<u>(1,311)</u>	<u>(323)</u>	<u>(1,698)</u>	<u>(7,666)</u>	<u>-</u>	<u>(14,246)</u>	
December 31	<u>\$ 267,183</u>	<u>\$ 66,007</u>	<u>\$ 689</u>	<u>\$ 486</u>	<u>\$ 889</u>	<u>\$ 12,235</u>	<u>\$ 343</u>	<u>\$ 347,832</u>
December 31								
Cost	\$ 267,183	\$ 71,695	\$ 16,774	\$ 3,423	\$ 20,918	\$ 88,278	\$ 343	\$ 468,614
Accumulated depreciation	<u>- (5,688)</u>	<u>(16,085)</u>	<u>(2,937)</u>	<u>(20,029)</u>	<u>(76,043)</u>	<u>-</u>	<u>(120,782)</u>	
	<u>\$ 267,183</u>	<u>\$ 66,007</u>	<u>\$ 689</u>	<u>\$ 486</u>	<u>\$ 889</u>	<u>\$ 12,235</u>	<u>\$ 343</u>	<u>\$ 347,832</u>

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

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

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

(IX) Leases - as a lessee

1. The Company leases buildings and office equipment; the duration of the lease agreements usually ranges from 1 to 20 years. Lease contracts were individually negotiated and drafted with different terms and conditions with no additional restriction, except that the leased assets can not be placed as collateral.
2. Lease tenors for buildings do not exceed 12 months.
3. Book value of right-of-use assets and recognized amounts of depreciation expense are presented below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 28,876	\$ 30,975
Office equipment	399	1,244
	<u>\$ 29,275</u>	<u>\$ 32,219</u>

	<u>2024</u>	<u>2023</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Buildings	\$ 1,795	\$ 3,791
Office equipment	374	428
	<u>\$ 2,169</u>	<u>\$ 4,219</u>

4. Amounts of right-of-use assets added in 2024 and 2023 were \$0 and \$2,335, respectively.

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

	<u>2024</u>	<u>2023</u>
<u>Current income/expense accounts affected</u>		
Interest expense on lease liabilities	\$ 574	\$ 632
Expenses on short-term lease agreements	4,906	6,821
Income from sub-leasing of right-of-use assets	-	1,053
Loss (gain) on lease amendment	12	(5)

6. Amounts of cash outflow incurred on leases totaled \$7,386 in 2024 and \$11,402 in 2023, respectively.

(X) Leases - as a lessor

1. The Company leases out its land and buildings. The current lease tenor is from September 2021 to August 2024. However, the some of the leases were prematurely terminated on December 31, 2022. Lease contracts were individually negotiated and drafted with different terms and conditions. To ensure that lease assets are used for the purpose described, lessees are generally prohibited from sub-leasing, lending, or transferring all or part of the leased asset, or in any other way allowing others to make use of the leased asset. Lessees are also prohibited from transferring leases to others.
2. The Company recognized rental income of \$0 and \$1,053 for the years ended December 31, 2024 and 2023, respectively, based on operating lease agreements, of which no variable lease payments were made.
3. See Note 7 for details on the lease of assets to related parties.

(XI) Short-term loans

<u>Nature of loan</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured loan	\$ 30,000	2.10%	None
Secured borrowings	<u>50,000</u>	2.05%	Land and buildings
	<u>\$ 80,000</u>		
<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	<u>\$ 27,000</u>	0.50%	Time deposit

Interest expense recognized in profit or loss was \$762 and \$142 for 2024 and 2023, respectively.

(XII) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salary and bonus payable	\$ 31,982	\$ 32,425
Employee and director remuneration payable	18,050	26,580
Equipment purchase payable	134	967
Other payables	<u>14,216</u>	<u>12,589</u>
	<u>\$ 64,382</u>	<u>\$ 72,561</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>December 31, 2024</u>
Long-term bank borrowings				
Secured borrowings	From May 28, 2021 to May 28, 2036; principal and interest repayable on a monthly basis	1.98%	Land and buildings	\$ 134,559
Less: current portion of long-term loan				(10,612)
				<u>\$ 123,947</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>

(XIV) Pension

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

2. Total pension costs recognized under the above policies amounted to \$6,123 in 2024 and \$5,509 in 2023.

(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	6,626	7,613
Liability reserves used and reversed in the current period	(7,578)	(7,358)
December 31	<u>\$ 8,997</u>	<u>\$ 9,949</u>

Analysis of liability reserves:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current	<u>\$ 6,903</u>	<u>\$ 7,585</u>
Non-current	<u>\$ 2,094</u>	<u>\$ 2,364</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 Company had the following share-based payment arrangements in 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>Quantity of</u> <u>warrants</u> <u>(thousand</u> <u>shares)</u>	<u>Weighted</u> <u>average</u> <u>exercise price</u> <u>(NTD)</u>	<u>2023</u> <u>Quantity of</u> <u>warrants</u> <u>(thousand</u> <u>shares)</u>	<u>Weighted</u> <u>average</u> <u>exercise price</u> <u>(NTD)</u>
Opening balance (January 1) of outstanding warrants	625	\$ 110.50	872	\$ 114.70
Adjustment of warrants	-	-	52	-
Warrants exercised in the current period	(84)	98.40	(255)	111.00
Warrants voided in the current period	(6)	-	(44)	-
Closing balance (December 31) of outstanding warrants	<u>535</u>	94.10	<u>625</u>	110.50
Closing balance (December 31) of exercisable warrants	<u>535</u>		<u>405</u>	

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

			<u>December 31, 2024</u>	
<u>Type of agreement</u>	<u>Issuance date</u>	<u>Maturity date</u>	<u>Shares (thousand shares)</u>	<u>Exercise price (NTD)</u>
Employee warrant program	August 6, 2020	August 6, 2025	535	\$ 94.10

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

4. The Company uses the Black-Scholes options pricing model to estimate the fair value of warrants allocated for share-based payment. 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>2024</u>	<u>2023</u>
Employee warrants	<u>\$ 1,461</u>	<u>\$ 3,403</u>

(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. Registration for the above capital increase was completed in August 2024.
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 \$386,277 of paid-up capital issued in 38,627 thousand shares at a face value of NT\$10 per share as at December 31, 2024. Proceeds from issued shares have been fully collected.
Reconciliation between the opening and closing number of outstanding common shares (in thousand shares) in 2024 and 2023 is explained below:

	<u>2024</u>	<u>2023</u>
January 1	33,516	33,261
Stock dividends	5,027	-
Exercise of employee warrants	<u>84</u>	<u>255</u>
December 31	<u><u>38,627</u></u>	<u><u>33,516</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. The shareholders' meeting passed a resolution on May 27, 2024 to issue employee warrants and later passed on December 18, 2024 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 is set at NT\$110. No new issuance had been made as of February 25, 2025.

(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>Employee</u>		
	<u>Share premium</u>	<u>warrants</u>	<u>Others</u>	<u>Total</u>
January 1	\$689,124	\$ 17,894	\$ 1,785	\$708,803
Exercise of employee warrants	10,398	(2,973)	-	7,425
Increase in employee warrants	-	1,542	-	1,542
Lapsed share option	-	(247)	247	-
December 31	<u>\$699,522</u>	<u>\$ 16,216</u>	<u>\$ 2,032</u>	<u>\$717,770</u>

	<u>2023</u>			
		<u>Employee</u>		
	<u>Share premium</u>	<u>warrants</u>	<u>Others</u>	<u>Total</u>
January 1	\$654,359	\$ 24,885	\$ 228	\$679,472
Exercise of employee warrants	34,765	(9,024)	-	25,741
Increase in employee warrants	-	3,590	-	3,590
Lapsed share option	-	(1,557)	1,557	-
December 31	<u>\$689,124</u>	<u>\$ 17,894</u>	<u>\$ 1,785</u>	<u>\$708,803</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.

5. Appropriation of 2024 earnings has been proposed and passed by the board of directors during the meeting held on February 25, 2025; details are as follows:

	<u>2024</u>	
	<u>Amount</u>	<u>Dividends per share (NTD)</u>
Provision for legal reserves	\$ 18,091	
Reversal for special reserve	(9,861)	
Cash dividends	154,523	\$ 4.0

As of February 25, 2025, it has not been resolved by the shareholders' meeting.

(XX) Operating revenues

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	<u>\$ 1,101,813</u>	<u>\$ 1,248,403</u>

1. Breakdown of revenue from contracts with customers

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

	<u>Medical computers</u>	<u>Services and warranty</u>	
<u>2024</u>	<u>Taiwan</u>	<u>Taiwan</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$ 1,075,468</u>	<u>\$ 26,345</u>	<u>\$ 1,101,813</u>
Timing of revenue recognition			
Revenues recognized at a specific time	\$ 1,075,468	\$ -	\$ 1,075,468
Revenues recognized progressively over time	<u>-</u>	<u>26,345</u>	<u>26,345</u>
	<u>\$ 1,075,468</u>	<u>\$ 26,345</u>	<u>\$ 1,101,813</u>

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

2. Contractual liabilities

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contractual liabilities - current:			
Service and sales contract	\$ 44,863	\$ 51,251	\$ 49,143
Warranty contract	<u>5,547</u>	<u>6,587</u>	<u>8,853</u>
	<u>50,410</u>	<u>57,838</u>	<u>57,996</u>
Contractual liabilities - non-current:			
Service and sales contract	38,289	44,848	54,939
Warranty contract	<u>13,722</u>	<u>8,453</u>	<u>12,921</u>
	<u>52,011</u>	<u>53,301</u>	<u>67,860</u>
	<u>\$ 102,421</u>	<u>\$ 111,139</u>	<u>\$ 125,856</u>

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

	<u>2024</u>	<u>2023</u>
Amount in opening contractual liabilities recognized as current income		
Service and sales contract	\$ 46,624	\$ 40,657
Warranty contract	<u>6,587</u>	<u>8,853</u>
	<u>\$ 53,211</u>	<u>\$ 49,510</u>

(3) Long-term contracts not yet fulfilled

The Company had long-term contracts with customers that were unfulfilled (or not fully fulfilled) as at December 31, 2024 and 2023, which had allocated prices of \$102,421 and \$111,139, respectively. The management expects to recognize \$50,410 and \$57,838 of revenues from allocated prices of unfulfilled performance obligations as at December 31, 2024 and 2023, in the following year. In contrast, the remaining contract prices are expected to be recognized as income over 2 to 6 years. The above amounts do not include constraining estimates of variable consideration.

(XXI) Other income

	<u>2024</u>	<u>2023</u>
Dividend income	\$ 6,521	\$ 408
Rental income	-	1,053
Other income	<u>5,678</u>	<u>5,057</u>
	<u>\$ 12,199</u>	<u>\$ 6,518</u>

(XXII) Other gains and losses

	<u>2024</u>	<u>2023</u>
Net gain (loss) on currency exchange	\$ 12,753	(\$ 7,646)
Gain on financial assets at fair value through profit or loss	9,953	11,859
Government grant income	183	196
(Loss) gain on lease amendment	(12)	5
Other losses	<u>(2,567)</u>	<u>(1,730)</u>
	<u>\$ 20,310</u>	<u>\$ 2,684</u>

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

	<u>2024</u>	<u>2023</u>
Employee benefit expenses	\$ 171,077	\$ 173,353
Depreciation on property, plant, and equipment	13,759	14,246
Depreciation on right-of-use assets	2,169	4,219
Amortization	<u>2,010</u>	<u>2,476</u>
	<u>\$ 189,015</u>	<u>\$ 194,294</u>

(XXIV) Employee benefit expenses

	<u>2024</u>	<u>2023</u>
Salary expenses	\$ 151,601	\$ 155,584
Labor/health insurance premium	11,721	10,625
Pension expense	6,123	5,509
Other personnel expenses	<u>1,632</u>	<u>1,635</u>
	<u>\$ 171,077</u>	<u>\$ 173,353</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 \$14,000 and \$22,500, and director remuneration at \$2,400 and \$2,400, for 2024 and 2023, respectively. All above amounts were presented as salary expenses for the respective years.

Amounts for 2024 were estimated based on the current year's profits and the percentages outlined in the Articles of Incorporation. The board of directors has resolved to pay \$14,000 and \$2,400, respectively, in cash.

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 February 25, 2025.

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

3. The Company employed a total of 135 employees in 2024 and 125 employees in 2023; the number of directors without a concurrent role as an employee was 5 in both years.

(XXV) Income tax

1. Income tax expenses

(1) Composition of income tax expense:

	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax on current profit	\$ 20,517	\$ 38,163
Additional tax on unappropriated earnings	263	-
Underestimation of income tax expenses in previous years	(2,282)	57
Total current income tax	18,498	38,220
Deferred income tax:		
Occurrence and reversal of temporary difference	3,547	6,902
Income tax expense	<u>\$ 22,045</u>	<u>\$ 45,122</u>

(2) Income tax on other comprehensive income:

	<u>2024</u>	<u>2023</u>
Translation differences from foreign operations	<u>\$ 1,416</u>	<u>\$ 84</u>

2. Relationship between income tax expense and accounting profit

	<u>2024</u>	<u>2023</u>
Income tax derived by applying the statutory tax rate to pre-tax profit	\$ 40,592	\$ 60,077
Income tax to be adjusted in accordance with the tax law	(28)	16,5(12) 15,0
Underestimation of income tax expenses in previous years	(82)	2,2 57
Additional tax on unappropriated earnings	<u>263</u>	<u>-</u>
	<u>\$ 22,045</u>	<u>\$ 45,122</u>

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

	<u>2024</u>			
	<u>January 1</u>	<u>Recognized through profit and loss</u>	<u>Recognized in other comprehensive income</u>	<u>December 31</u>
Temporary difference:				
- Deferred income tax assets:				
Warranty reserves	\$ 1,990	(\$ 190)	\$ -	\$ 1,800
Allowance for inventory devaluation	3,385	385	-	3,770
Unrealized gross profit	4,145	3,141	-	7,286
Unrealized loss on exchange	1,431	(1,431)	-	-
Translation differences from foreign operations	550	-	(550)	-
Others	<u>1,558</u>	<u>(455)</u>	<u>-</u>	<u>1,103</u>
	13,059	1,450	(550)	13,959
- Deferred income tax liabilities:				
Unrealized gain on exchange	-	(690)	-	(690)
Gain on foreign investments	(423)	(4,307)	-	(4,730)
Translation differences from foreign operations	<u>-</u>	<u>-</u>	<u>(866)</u>	<u>(866)</u>
Subtotal	<u>(423)</u>	<u>(4,997)</u>	<u>(866)</u>	<u>(6,286)</u>
	<u>\$12,636</u>	<u>(\$ 3,547)</u>	<u>(\$ 1,416)</u>	<u>\$ 7,673</u>

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

4. The Company's profit-seeking enterprise business income tax returns have been certified by the tax authority up to 2022.

(XXVI) EPS

	<u>2024</u>		
	Amount	Weighted average	Earnings
	after tax	outstanding shares	per share
		(thousand shares)	(NTD)
<u>Basic earnings per share</u>			
Current net income	<u>\$180,914</u>	<u>38,571</u>	<u>\$ 4.69</u>
<u>Diluted earnings per share</u>			
Current net income	\$180,914	38,571	
Dilutive effect of potential common shares			
Employee warrants	-	249	
Employee remuneration	<u>-</u>	<u>114</u>	
Current net income plus effect of potential common shares	<u>\$180,914</u>	<u>38,934</u>	<u>\$ 4.65</u>
	<u>2023</u>		
	Amount	Retrospective	Earnings
	after tax	adjustment to	per share
		outstanding shares	(NTD)
		(thousand shares)	
<u>Basic earnings per share</u>			
Current net income	<u>\$255,262</u>	<u>38,354</u>	<u>\$ 6.66</u>
<u>Diluted earnings per share</u>			
Current net income	\$255,262	38,354	
Dilutive effect of potential common shares			
Employee warrants	-	177	
Employee remuneration	<u>-</u>	<u>167</u>	
Current net income plus effect of potential common shares	<u>\$255,262</u>	<u>38,698</u>	<u>\$ 6.60</u>

Note: The outstanding shares mentioned above have been adjusted retrospectively for the capitalization of unappropriated earnings in 2023.

(XXVII) Supplementary cash flow information

Investing activities involving partial cash outlay:

	<u>2024</u>	<u>2023</u>
Purchase of property, plant, and equipment	\$ 6,120	\$ 68,302
Plus: equipment proceeds payable at the beginning of the period	967	-
Less: Equipment proceeds payable at the end of the period	(134)	(967)
Cash paid during the current period	<u>\$ 6,953</u>	<u>\$ 67,335</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	\$ 32,595	\$ 204,570
Net increase in short-term loans	53,000	-	-	53,000
Repayment of long-term loan	-	(10,416)	-	(10,416)
Repayment of lease principal	-	-	(1,906)	(1,906)
Other changes without cash effect	-	-	(595)	(595)
December 31	<u>\$ 80,000</u>	<u>\$ 134,559</u>	<u>\$ 30,094</u>	<u>\$ 244,653</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	\$ 34,525	\$ 189,811
Net increase in short-term loans	27,000	-	-	27,000
Repayment of long-term loan	-	(10,311)	-	(10,311)
Repayment of lease principal	-	-	(3,949)	(3,949)
Other changes without cash effect	-	-	2,019	2,019
December 31	<u>\$ 27,000</u>	<u>\$ 144,975</u>	<u>\$ 32,595</u>	<u>\$ 204,570</u>

VII. Related party transactions

(I) Parent company and ultimate controller

The Company (incorporated in the Republic of China) has 48.39% of its shares controlled by AAEON Technology Inc. AAEON Technology Inc. is the parent company, whereas ASUSTeK Computer Inc. is the ultimate controller of the Company.

(II) Name and relationship of related parties

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

<u>Name of related party</u>	<u>Relationship with the Company</u>
Machvision Inc.	Other related party - the Company's Chairman concurrently serves as director in the entity
Spark Technologies Inc.	Other related party - the Company's Chairman is the spouse to the chairman of the entity
LYDS Technologies Inc.	Other related party - the Company's Chairman is the spouse to the chairman of the entity
AAEON Foundation	Other related party - the Company's Chairman is the spouse to the chairman of the foundation

(III) Major transactions with related parties

1. Operating revenues

	<u>2024</u>	<u>2023</u>
Sales of goods:		
Parent company	\$ 5	\$ 240
Affiliated subsidiary of the same group	7,788	1,713
Subsidiary		
ONYX HEALTHCARE USA, INC.	179,488	279,658
ONYX HEALTHCARE EUROPE B.V.	143,672	29,205
Associated company	156	141
Other related parties	4,798	4,323
	<u>\$ 335,907</u>	<u>\$ 315,280</u>

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

2. Purchases

	<u>2024</u>	<u>2023</u>
Purchase of merchandise:		
Parent company		
AAEON Technology Inc.	\$ 23,460	\$ 43,837
Affiliated subsidiary of the same group	184	205
Subsidiary	839	867
Associated company	3,653	8,407
Other related parties	13,934	16,580
	<u>\$ 42,070</u>	<u>\$ 69,896</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>2024</u>	<u>2023</u>
Parent company	\$ 4,248	\$ 4,436
Affiliated subsidiary of the same group	4	14
Subsidiary	28,018	26,828
Associated company	104	380
Other related parties	<u>5,376</u>	<u>4,118</u>
	<u>\$ 37,750</u>	<u>\$ 35,776</u>

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

4. Other operating costs

	<u>2024</u>	<u>2023</u>
Parent company	<u>\$ -</u>	<u>(\$ 5,355)</u>

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

5. Rental income (presented as other income)

	<u>2024</u>	<u>2023</u>
Parent company		
AAEON Technology Inc.	\$ -	\$ 477
Other related parties		
LYDS Technologies Inc.	<u>-</u>	<u>576</u>
	<u>\$ -</u>	<u>\$ 1,053</u>

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

6. Related party receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
Parent company	\$ -	\$ 9
Affiliated subsidiary of the same group	1,588	108
Subsidiary		
ONYX HEALTHCARE USA, INC.	59,188	44,742
ONYX HEALTHCARE EUROPE B.V.	42,953	8,533
Affiliated enterprises	110	-
Other related parties	<u>-</u>	<u>631</u>
	<u>\$ 103,839</u>	<u>\$ 54,023</u>

7. Related party payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable:		
Parent company	\$ 25	\$ 8
Associated company	282	-
Other related parties	<u>1,762</u>	<u>1,083</u>
	<u>\$ 2,069</u>	<u>\$ 1,091</u>
Other payables:		
Parent company	\$ 316	\$ 224
Subsidiary	2,045	1,990
Associated company	<u>10</u>	<u>-</u>
	<u>\$ 2,371</u>	<u>\$ 2,214</u>

8. Property transaction

(1) Acquisition of property, plant, and equipment

	<u>2024</u>	<u>2023</u>
Parent company	<u>\$ -</u>	<u>\$ 2,639</u>

(2) Acquisition of financial assets

In August 2024, the Company subscribed to the cash issue of associated company - ProtectLife International Biomedical Inc. (presented as equity-accounted investment on the balance sheet) for a sum of \$3,548 and acquired 355 thousand shares.

(IV) Compensation for key management

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 16,066	\$ 14,666
Retirement benefits	360	363
Share-based payment	<u>802</u>	<u>1,482</u>
	<u>\$ 17,228</u>	<u>\$ 16,511</u>

VIII. Pledged assets

The Company had placed the following assets as collaterals:

<u>Assets</u>	<u>Book value</u>		<u>Purpose of security</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Time deposits (statement of financial assets at amortized cost - current)	<u>\$ 983</u>	<u>\$ 31,626</u>	Guarantee of short-term borrowings and forward exchange contract
Guarantee deposits paid (presented as other non-current assets)	<u>\$ 952</u>	<u>\$ 952</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>	Short and long term loans
Buildings (listed under property, plant and equipment)	<u>\$ 43,105</u>	<u>\$ 44,731</u>	Short and long term loans

IX. Major contingent liabilities and unrecognized contractual commitments

(I) Contingencies

None.

(II) Commitments

None.

X. Losses from major disasters

None.

XI. Major post-balance sheet date events

Appropriation of 2024 earnings has been proposed and passed by the board of directors during the meeting held on February 25, 2025; please see Note 6(19) for details.

XII. Others

(I) Capital management

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

(II) Financial instruments

1. Types of financial instrument

	<u>December 31, 2024</u>	<u>December 31, 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>\$ 50,331</u>	<u>\$ 46,026</u>
Financial assets at fair value through other comprehensive income		
Voluntarily designated as an investment in an equity instrument	<u>\$ 151,048</u>	<u>\$ 68,756</u>
Financial assets carried at cost after amortization		
Cash and cash equivalents	\$ 171,458	\$ 271,068
Financial assets carried at cost after amortization	983	31,626
Notes receivable	-	3
Accounts receivable	112,374	119,987
Accounts receivable - related parties	103,839	54,023
Other receivables	1,172	1,716
Guarantee deposits paid (presented as other non-current assets)	<u>952</u>	<u>952</u>
	<u>\$ 390,778</u>	<u>\$ 479,375</u>
<u>Financial liabilities</u>		
Financial liabilities carried at cost after amortization		
Short-term loans	\$ 80,000	\$ 27,000
Accounts payable	53,762	65,176
Accounts payable - related parties	2,069	1,091
Other payables	64,382	72,561
Other payables - related parties	2,371	2,214
Long-term loans (including those due within one year)	<u>134,559</u>	<u>144,975</u>
	<u>\$ 337,143</u>	<u>\$ 313,017</u>
Lease liabilities	<u>\$ 30,094</u>	<u>\$ 32,595</u>

2. Risk management policy

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

3. Characteristics and level of significant financial risks

(1) Market risk

Exchange rate risk

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

December 31, 2024

	<u>Foreign currency</u> <u>(thousand</u> <u>dollars)</u>		<u>Exchange rate</u>	<u>Book value (NTD)</u>
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	5,339	32.79	\$ 175,043
<u>Non-monetary items</u>				
USD:NTD		2,764	32.79	90,634
RMB:NTD		256	4.48	1,146
EUR:NTD		1,053	34.14	35,937
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		826	32.79	27,085

December 31, 2023

	<u>Foreign currency</u> <u>(thousand</u> <u>dollars)</u>	<u>Exchange rate</u>	<u>Book value (NTD)</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 9,981	30.71	\$ 306,460
<u>Non-monetary items</u>			
USD:NTD	3,094	30.71	95,024
RMB:NTD	769	4.33	3,330
EUR:NTD	482	33.98	16,373
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1,112	30.71	34,158

- D. Total gain (loss) on exchange (realized and unrealized) recognized by the Company for monetary items susceptible to significant exchange rate fluctuation in 2024 and 2023 amounted to \$12,753 and (\$7,646), respectively.
- E. The following is an analysis of risk exposures to various foreign currencies and impacts of significant exchange rate fluctuations:

		<u>2024</u> <u>Sensitivity analysis</u>		<u>Effect on other</u> <u>Effect on profit comprehensive</u> <u>and loss</u> <u>income</u>	
		<u>Variation</u>			
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	1,750	\$	-
<u>Non-monetary items</u>					
USD:NTD	1%		-		906
RMB:NTD	1%		-		11
EUR:NTD	1%		-		359
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%		271		-

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

Price risk

- A. Equity instruments held by the Company that is exposed to price risks have been presented as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To better manage price risks on equity instruments, the Company has implemented concentration limits and diversified its investment portfolio accordingly.
- B. The Company mainly invests in equity instruments issued by local companies. Prices of these equity instruments are affected by the uncertainty associated with the future value of the underlying investment. A 1% rise/fall in the price of equity instruments would increase/decrease gain or loss on equity instruments at fair value through profit or loss, and hence net income, by \$503 and \$460 in 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 \$1,510 and \$688, respectively.

Cash flow and fair value risk of interest rate

- A. The Company's exposure to interest rate risk arises mainly from short-term and long-term loans borrowed at a floating interest rate, which gives rise to the risk of cash flow change due to the interest rate. This risk is partially offset by cash and cash equivalents held at a floating interest rate. The Company's floating rate borrowings in 2024 and 2023 were denominated in NTD.
- B. If interest rates on NTD borrowings had increased or decreased by 1%, with all other factors remaining constant, net income would have decreased or increased by \$1,716 and \$1,376 in 2024 and 2023, respectively. This is mainly due to the change in interest expense as a result of variable-rate borrowings.

(2) Credit risk

- A. Credit risk refers to the possibility of losses suffered by the Company due to its customers or financial instrument counterparties becoming unable to fulfill contractual obligations. These risk events mostly involve the counterparties being unable to settle and pay accounts receivable according to the prescribed terms.
- B. The Company has developed credit risk management practices. According to the Company's internal credit policy, all departments are required to perform credit risk management and analysis on every new customer before establishing payment and delivery terms. The Company adopts an internal risk management system that assesses credit quality by considering customers' financial position, previous conduct, and other relevant factors. The board of directors sets individual counterparty risk limits based on internal or external assessments. Uses of credit limit are monitored on a regular basis.
- C. The Company adopts the assumptions stated in IFRS 9 and treats a contract to be in default if payment is overdue for more than 120 days.
- D. The Company has adopted the following assumptions mentioned in IFRS 9 to provide the basis for identifying any significant increase in the credit risk of a financial instrument held on hand after initial recognition:
A financial asset is considered to have exhibited a significant increase in credit risk after initial recognition when contractual payment (according to the terms of the underlying contract) becomes past due for more than 30 days.
- E. The Company distinguishes notes and accounts receivable (including related parties) by customers' characteristics, and adopts a simplified approach along with the use of provision matrix and loss given default to estimate expected credit loss.
- F. Financial assets that are rationally deemed unrecoverable after exhausting collection efforts are charged off. In which case, however, the Company will continue taking legal actions to secure debt entitlement. The Company had no charged-off debt with ongoing collection activities as at December 31, 2024 and 2023.
- G. (1) Customers of good credit background and insured accounts receivable are subject to loss given a default of 0.2%. As at December 31, 2024 and 2023, the Company had outstanding accounts receivable of \$77,804 and \$115,115 and had made bad debt provisions of \$156 and \$230, respectively.
(2) The Company takes into account multiple considerations, including the Monitoring Indicator published by National Development Council, future prospects, historical and current information etc. to determine loss given default, which is used for estimating loss provisions on notes and accounts receivable (including related parties) from customers under normal credit conditions. Provision matrix as at December 31, 2024 and 2023, is as follows:

		<u>Overdue</u> <u>within 30</u>	<u>Overdue 31</u>	<u>Overdue 61</u>	<u>Overdue 91 -</u>	<u>Overdue more</u>	
	<u>Current</u>	<u>days</u>	<u>- 60 days</u>	<u>- 90 days</u>	<u>120 days</u>	<u>than 121 days</u>	<u>Total</u>
<u>December 31, 2024</u>							
Expected loss							
given default	0.00~1.37%	7.20%	13.00%	38.56%	50.00%	100%	
Total book							
value	<u>\$131,783</u>	<u>\$ 7,317</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 732</u>	<u>\$ 1,490</u>	<u>\$141,328</u>
Loss provision	<u>\$ 383</u>	<u>\$ 523</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 366</u>	<u>\$ 1,490</u>	<u>\$ 2,763</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 more than 121 days</u>	<u>Total</u>
	<u>Current</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>\$57,933</u>	<u>\$ 1,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$60,748</u>
Loss provision	<u>\$ 72</u>	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 1,620</u>

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	\$ 1,850	\$ 2,809
Provision (reversal) of impairment loss	<u>1,069</u>	<u>(959)</u>
December 31	<u>\$ 2,919</u>	<u>\$ 1,850</u>

Of loss reversals in 2024 and 2023, the provision (reversal) of impairment losses on receivables arising from customer contracts was \$1,069 and (\$959), respectively.

(3) Liquidity risk

- A. Cash flow projections are made by individual departments within the Company and consolidated by the Treasury Department. The Treasury Department is responsible for monitoring and predicting liquidity and capital requirements within the Company and ensuring that adequate capital has been sourced to support operational requirements.
- B. As at December 31, 2024 and 2023, the Company had undrawn credit limits of \$144,000 and \$232,000, respectively.
- C. Non-derivative financial liabilities are presented in the chart below. The Company analyzes them based on their remaining timespan from the balance sheet date until contract maturity. The amount of contractual cash flow shown in the table below are not discounted.

December 31, 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)	\$80,150	\$ -	\$ -	\$ -
Accounts payable	53,762	-	-	-
Accounts payable - related parties	2,069	-	-	-
Other payables	64,382	-	-	-
Other payables - related parties	2,371	-	-	-
Long-term borrowings (including current portion maturing in one year and estimated interest)	13,174	13,174	39,521	84,550
Lease liabilities	2,367	2,340	6,471	23,668

Building sales price + unsold floor price (PwC calculation)	PwC calculation of building cost allocation costs	Attributable	Building PwC verification consistency check
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D. The Company does not expect cash flows in the maturity analysis to occur at an earlier time, or in amounts that differ significantly.

(III) Fair value information

- 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, 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.

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

- (1) The Company assets by nature:

December 31, 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	\$ -	\$ 43,076	\$ 50,331
Financial assets at fair value through other comprehensive income				
Equity securities	<u>89,848</u>	<u>-</u>	<u>61,200</u>	<u>151,048</u>
	<u>\$ 97,103</u>	<u>\$ -</u>	<u>\$104,276</u>	<u>\$201,379</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>

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

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

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

- B. Except for financial instruments traded in active markets, as described above, fair values of all other financial instruments were obtained either by applying valuation techniques or by referring to counterparties' quotations.
- C. For the valuation of non-standardized financial instruments of low complexity, the Company adopts valuation techniques commonly used among market participants. Valuation models for this type of financial instrument often use observable market information as the parameter.
- D. Derivatives are valued using valuation models that are commonly accepted among market users, such as the discounted cash flow approach. Forward exchange contracts are usually valued using the prevailing forward exchange rate.
- E. Results generated from the valuation model are approximations of the estimate. The valuation technique may not reflect all relevant factors associated with the holding of financial and non-financial instruments. For this reason, estimates generated from the valuation model are adjusted using additional parameters, such as modeling risks or liquidity risks. Judging by the Company's fair value assessment modeling policies and control procedures, the management is confident that they ensure a fair presentation for the fair values of financial and non-financial instruments shown on the balance sheet. All valuation adjustments made were appropriate and necessary. All price information and parameters used in the valuation process have been thoroughly assessed and adjusted appropriately according to the prevailing market conditions.

4. There had been no transfer between level 1 and level 2 input in 2024 or 2023.

5. Changes of level 3 input in 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 and loss (Note 1)	8,439	7,681
Recognized in other comprehensive income (Note 2)	-	(2,381)
Outward transfer of level 3 input	-	(25,155)
December 31	<u>\$ 104,276</u>	<u>\$ 34,637</u>

Note 1: Presented as other gains and losses.

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

6. Transfer to or from level 3 inputs for 2024: The outward transfer of level 3 input that occurred in 2023 was due ProtectLife shares, both of 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>Fair value as of</u>		<u>Significant</u>	<u>Range</u>	<u>Relationship</u>
	<u>December 31,</u>	<u>Valuation</u>	<u>and</u>	<u>(weighted</u>	<u>between input</u>
	<u>2024</u>	<u>technique</u>	<u>unobservable</u>	<u>average)</u>	<u>and fair value</u>
			<u>input</u>		
Equity instrument:					
Non-listed shares	\$ 61,200	Discounted cash flow method	Note 1	Not applicable	Note 2
Shares of joint venture companies	43,076	Net asset value approach	Not applicable	Not applicable	Not applicable

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

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

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

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

			<u>December 31, 2024</u> <u>Recognized in other comprehensive</u> <u>income</u>	
	<u>Input</u>	<u>Variation</u>	<u>Favorable variation</u>	<u>Adverse variation</u>
Financial assets				
Equity instrument	Discount rate	±0.25%	<u>\$ 2,574</u>	<u>(\$ 2,394)</u>

XIII. Other disclosures

(I) Information related to significant transactions

Significant transactions undertaken by the Company in 2024, as defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers, are explained below; disclosures concerning investees have been prepared based upon investees' audited financial statements for the corresponding period; transactions with subsidiaries have been eliminated while preparing the consolidated financial report, and are disclosed below solely for reference.

1. Loans to external parties: None.
2. Endorsement/guarantee to external parties: None.
3. End-of-period holding position of marketable securities (excluding investment in subsidiaries, associated companies, and joint ventures): Please refer to Attachment 1.
4. Cumulative purchase or sale of the same marketable securities amounting to NT\$300 million or more than 20% of the paid-up capital: 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

Not applicable.

ONYX Healthcare Inc.
End-of-period marketable securities holding position (excluding investment in subsidiaries, associated companies and joint ventures)
December 31, 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 Book value (Note 3)</u>	<u>Shareholdings percentage</u>	<u>Fair value</u>	<u>Remarks (Note 4)</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	None
ONYX Healthcare Inc.	Shares	Taiwan Star Venture Capital Investment Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	3,000,000	43,076	13.04%	43,076	None
ONYX Healthcare Inc.	Shares	MELTEN CONNECTED HEALTHCARE INC.	None	Financial assets at fair value through other comprehensive income - non-current	4,193,548	-	6.61%	-	None
ONYX Healthcare Inc.	Shares	Top Union Electronics Corp.	None	Financial assets at fair value through other comprehensive income - non-current	2,773,082	89,848	1.91%	89,848	None
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	4.09%	61,200	None

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

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

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

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

ONYX Healthcare Inc.
Sales and purchases with related parties amounting to NT\$100 million or more than 20% of paid-up capital
January 1 to December 31, 2024

Attachment 2

											Unit: NT\$ thousand (unless specified otherwise)
<u>Transaction summary</u>											
											<u>Distinctive terms of trade and reasons (Note 1)</u>
											<u>Notes and accounts receivable (payable)</u>
											<u>As a percentage of total notes and accounts receivable (payable)</u>
<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 (sales)</u>	<u>Loan tenor</u>	<u>Unit price</u>	<u>Loan tenor</u>	<u>Balance</u>		<u>Remarks (Note 2)</u>
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	Subsidiary	(Sale)	(\$ 179,488)	(16.29%)	90 days after month-end	\$ -	-	\$ 59,188	27.37%	None
ONYX Healthcare Inc.	ONYX HEALTHCARE EUROPE B.V.	Subsidiary	(Sale)	(143,672)	(13.04%)	90 days after month-end	-	-	42,953	19.87%	None

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

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

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

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

ONYX Healthcare Inc.
Major business dealings between the parent company and subsidiaries and transactions between subsidiaries
January 1 to December 31, 2024

Attachment 3

Unit: NT\$ thousand
(unless specified otherwise)

			<u>Transaction summary</u>					
<u>Serial No.</u>	<u>Name of transacting party</u>	<u>Counterparty</u>	<u>Relationship with the transacting party</u>	<u>Account</u>	<u>Amount</u>	<u>Transaction terms</u>	<u>As a percentage of consolidated revenues or total assets</u>	
<u>(Note 1)</u>			<u>(Note 2)</u>				<u>(Note 3)</u>	
0	ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	1	Sales	\$ 179,488	90 days after month-end		14.46%
0	ONYX Healthcare Inc.	ONYX HEALTHCARE EUROPE B.V.	1	Sales	143,672	90 days after month-end		11.57%
0	ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	1	Accounts receivable	5918800.00%	90 days after month-end		2.81%

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

(1) 0 for the parent company.

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

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

(1) Parent to subsidiary.

(2) Subsidiary to parent.

(3) Subsidiary to subsidiary.

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

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

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

ONYX Healthcare Inc.
Names, locations and information on investees (excluding Mainland investees)
January 1 to December 31, 2024

Attachment 4

Unit: NT\$ thousand
(unless specified otherwise)

Name of investor	Name of investee (Notes 1 and 2)	Location	Main business activities	Sum of initial investment		Period-end holding position			Current period profit/loss of the investee (Note 2(2))	Investment gains/losses recognized in the current period (Note 2(3))	Remarks
				End of current period	End of previous year	Shares	Percentage (%)	Book value			
ONYX Healthcare Inc.	ONYX HEALTHCARE USA, INC.	USA	Sale of medical computers and peripherals	\$ 65,570	\$ 61,410	200,000	100	\$ 90,634	(\$ 2,708)	(\$ 2,708)	None
ONYX Healthcare Inc.	ONYX HEALTHCARE EUROPE B.V.	The Netherlands	Marketing support, maintenance, and sales of medical computers and peripherals	3,414	3,398	100,000	100	35,937	26,579	26,579	None
ONYX Healthcare Inc.	iHELPER Inc.	Taiwan	Research, development, and sale of medical robots	16,560	16,560	1,656,000	46	6,955	(65)	(671)	None
ONYX Healthcare Inc.	Winmate Inc.	Taiwan	Tendering, quotation, and distribution of LCD equipment and modules	568,585	568,585	10,244,000	13	649,524	559,453	71,797	None
ONYX Healthcare Inc.	ProtectLife International Biomedical Inc.	Taiwan	Production and wholesaling of medical equipment, consumables, and related products	47,928	44,380	2,324,000	11	33,535	(43,972)	(4,698)	None

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

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

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

Note 3: Amounts denominated in foreign currencies shall be converted into NTD using either the average exchange rate from January 1 to December 31, 2024 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc.
Mainland investments - profile
January 1 to December 31, 2024

Attachment 5

Unit: NT\$ thousand
(unless specified otherwise)

Name of Mainland investee	Main business activities	Paid-up capital	Method of investment (Note 1)	Investment capital contributed or recovered during the current period		Closing cumulative balance of investment capital invested from Taiwan	Current period profit/loss of the investee	The Company's direct or indirect holding percentage (%)	Investment gains (losses) recognized in the current period (Note 2(2)B.)	Closing investment book value	Investment gains recovered to date	Remarks
				Opening cumulative balance of investment capital invested from Taiwan	Invested							
Onyx Healthcare (Shanghai) Inc.	Sale of medical computers and peripherals	\$ 72,127	1	\$ 72,127	\$ -	\$ -	\$ 72,127	(\$ 2,340)	100(\$ 2,340)	\$ 1,146	\$ -	None
Company name	Closing cumulative balance of investment capital transferred from Taiwan into Mainland China		Investment limit authorized by the Investment Commission, Ministry of Economic Affairs, for investing in Mainland China		Limits authorized by the Investment Commission, Ministry of Economic Affairs, for investing in Mainland China							
ONYX Healthcare Inc.	\$	72,127	\$	72,127	\$	931,655						

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

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

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

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

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

Note 4: Amounts denominated in foreign currencies shall be converted into NTD using either the average exchange rate from January 1 to December 31, 2024 for profit or loss items or the exchange rate at the end of the reporting period for all other items.

ONYX Healthcare Inc.
Information on major shareholders
December 31, 2024

Attachment 6

		<u>Shareholding</u>	
	<u>Name of major shareholder</u>	<u>Number of shares held</u>	<u>Shareholding percentage (%)</u>
AAEON Technology Inc.		18,694,156	48.39
Chuang, Yung-Shun		3,156,558	8.17
ASUSTeK Computer Inc.		1,948,062	5.04

Note 1: Information on major shareholders, as presented in this chart, was taken from records of Taiwan Depository & Clearing Corporation as at the final business day of the reported quarter; and included parties holding book-entry common and preferred shares (including treasury stock) for aggregate ownership of 5% and above. Share capital reported in the Company's financial statements may differ from the number of shares delivered via book entry due to different basis of preparation/calculation.

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

ONYX Healthcare Inc.
Cash and cash equivalents
December 31, 2024

Account set 1

Unit: NT\$ thousand

Item	Summary	Amount	Remarks
Petty cash		\$ 337	
Demand deposit - NTD		92,366	
USD	USD 1,826 thousand; exchange rate: 32.79	59,858	
EUR	EUR 553 thousand; exchange rate: 34.14	18,865	
JPY	JPY 153 thousand; exchange rate: 0.21	32	
		<u>\$ 171,458</u>	

ONYX Healthcare Inc.
Net accounts receivable
December 31, 2024

Account set 2

Unit: NT\$ thousand

Customer name	Summary	Amount	Remarks
Customer A		\$ 48,596	
Customer B		15,057	
Customer C		14,204	
Customer D		9,317	
Customer E		6,901	
Others		21,218	No single customer represented more than 5% of this account balance
		115,293	
Less: loss provisions	(	2,919)	
		<u>\$ 112,374</u>	

ONYX Healthcare Inc.
Inventory
December 31, 2024

Account set 3

Unit: NT\$ thousand

Item	Summary	Amount Cost	Net realizable value	Remarks
Raw materials		\$ 120,223	\$ 111,634	Measured at replacement original cost
Work-in-progress		21,787	21,745	Measured at net realizable value
Semi-finished goods		71,827	62,289	Measured at net realizable value
Finished goods		<u>24,808</u>	<u>29,751</u>	Measured at net realizable value
		238,645	<u>\$ 225,419</u>	
Less: Allowance for obsolescence and devaluation loss		<u>(18,848)</u>		
		<u>\$ 219,797</u>		

ONYX Healthcare Inc.
Change in equity-accounted investments
January 1 to December 31, 2024

Account set 4

Unit: NT\$ thousand

	<u>Opening balance</u>		<u>Current period increase</u>		<u>Current period decrease</u>		<u>Closing balance</u>			<u>Market price or net equity</u>		<u>Collateralized or pledged</u>	<u>Remarks</u>
	<u>Shares</u>	<u>Book value</u>	<u>Shares</u>	<u>Amount</u> <u>(Note 1)</u>	<u>Shares</u>	<u>Amount</u> <u>(Note 2)</u>	<u>Shares</u>	<u>Proportion</u>	<u>Amount</u>	<u>Unit price (\$)</u>	<u>Total price</u>		
OHU	200,000	\$ 95,024	-	7,392	-	(11,782)	200,000	100%	\$ 90,634	\$ -	\$ -	None	
ONI	100,000	16,373	-	26,578	-	(7,014)	100,000	100%	35,937	-	-	None	
OCI	-	3,330	-	156	-	(2,340)	-	100%	1,146	-	-	None	
iHelper	1,656,000	7,626	-	-	-	(671)	1,656,000	46%	6,955	-	-	None	
Winmate	10,244,000	629,526	-	72,805	-	(52,807)	10,244,000	13%	649,524	160.50	1,644,162	None	
ProtectLife International	2,188,000	<u>34,685</u>	354,800	<u>3,548</u>	(218,800)	<u>(4,698)</u>	2,324,000	11%	<u>33,535</u>	-	-	None	
		<u>\$786,564</u>		<u>\$110,479</u>		<u>(\$79,312)</u>			<u>\$817,731</u>				

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

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

ONYX Healthcare Inc.
Long-term loans
December 31, 2024

Account set 5

Unit: NT\$ thousand

<u>Lender</u>	<u>Summary</u>	<u>Amount borrowed</u>	<u>Contract duration</u>	<u>Interest rate</u>	<u>Collateral or security</u>
Mega International Commercial Bank	Secured borrowings	\$ 134,559	May 28, 2021 to May 28, 2036	1.98%	Land and buildings
	Less: current portion of long-term loan	(10,612)			
		<u>\$ 123,947</u>			

ONYX Healthcare Inc.
Operating revenues
January 1, 2024 to December 31, 2024

Account set 6

Unit: NT\$ thousand

<u>Item</u>	<u>Quantity (pieces)</u>	<u>Amount</u>	<u>Remarks</u>
Sales revenue			
- Medical computers	37,455	\$ 980,259	
- Others	61,399	105,890	
		1,086,149	
Less: sales return		(6,046)	
Sales discount		(4,635)	
Net sales revenue		1,075,468	
Services and warranty income		26,345	
		<u>\$ 1,101,813</u>	

ONYX Healthcare Inc.
Operating costs
January 1, 2024 to December 31, 2024

Account set 7

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>
Opening raw materials	\$ 142,640
Plus: Raw materials purchased in the current period	386,588
Less: Closing raw materials	(120,223)
Sale of raw materials	(17,723)
Scrapping of raw materials	(7,697)
Loss on stock-take of raw materials	(2)
Raw materials used and reclassified to expenses	(1,731)
Director raw materials	381,852
Direct labor	10,636
Manufacturing overhead	66,681
Manufacturing cost	459,169
Opening balance of work-in-progress and semi-finished goods	87,082
Plus: Semi-finished goods purchased	240,562
Gain on stock-take of work-in-progress	5
Less: Closing work-in-progress and semi-finished goods	(93,614)
Sale of semi-finished goods	(38,222)
Scrapping of work-in-progress	(4,339)
Requisition of work-in-progress and reclassification of work-in-progress to expense accounts	(5,910)
Cost of finished goods	644,733
Opening balance of finished goods	14,074
Plus: Finished goods purchased	48,533
Less: Closing balance of finished goods	(24,808)
Scrapping of finished goods	(127)
Reclassification of finished goods to expenses	(8,403)
Production/selling cost	674,002
Cost of raw materials and semi-finished goods sold	55,945
Cost of inventory sold	729,947
Inventory obsolescence and devaluation loss	14,084
Warranty cost	9,812
Service cost	3,323
Gain on stock-take	(3)
Operating costs	<u>\$ 757,163</u>

ONYX Healthcare Inc.
Manufacturing overhead
January 1, 2024 to December 31, 2024

Account set 8

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expenses	\$ 38,396	
Depreciation	12,804	
Sundry purchases	5,380	
Insurance premium	5,197	
Lease expenses	3,866	
Other manufacturing overhead	1,038	No single item represented more than 5% of this account balance
	<u>\$ 66,681</u>	

ONYX Healthcare Inc.
Selling expenses
January 1, 2024 to December 31, 2024

Account set 9

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expenses	\$ 26,115	
Service charges	28,095	
Advertising expenses	15,919	
Other expenses	11,928	No single item represented more than 5% of this account balance
	<u>\$ 82,057</u>	

ONYX Healthcare Inc.
Administrative expenses
January 1, 2024 to December 31, 2024

Account set 10

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expenses	\$ 26,898	
Professional service expenses	4,411	
Insurance premium	3,592	
Other expenses	11,199	No single item represented more than 5% of this account balance
	<u>\$ 46,100</u>	

ONYX Healthcare Inc.
R&D expenses
January 1, 2024 to December 31, 2024

Account set 11

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Salary expenses	\$ 49,556	
R&D budget	26,995	
Testing expenses	25,326	
Other expenses	16,441	No single item represented more than 5% of this account balance
	<u>\$ 118,318</u>	

ONYX Healthcare Inc.
Summary of current employee welfare, depreciation, and amortization by function
January 1, 2024 to December 31, 2024

Account set 12

Unit: NT\$ thousand

	<u>2024</u>			<u>2023</u>		
<u>Item</u>	<u>Presented as</u> <u>operating cost</u>	<u>Presented as</u> <u>operating expense</u>	<u>Total</u>	<u>Presented as</u> <u>operating cost</u>	<u>Presented as</u> <u>operating expense</u>	<u>Total</u>
Employee benefit expenses						
Salary expenses	\$ 49,032	\$ 98,483	\$ 147,515	\$ 52,894	\$ 98,670	\$ 151,564
Labor/health insurance premium	4,485	7,236	11,721	4,310	6,315	10,625
Pension expense	2,085	4,038	6,123	2,005	3,504	5,509
Directors' compensation	-	4,086	4,086	-	4,020	4,020
Other employee benefit expenses	709	923	1,632	720	915	1,635
	<u>\$ 56,311</u>	<u>\$ 114,766</u>	<u>\$ 171,077</u>	<u>\$ 59,929</u>	<u>\$ 113,424</u>	<u>\$ 173,353</u>
Depreciation	<u>\$ 12,804</u>	<u>\$ 3,124</u>	<u>\$ 15,928</u>	<u>\$ 13,604</u>	<u>\$ 4,861</u>	<u>\$ 18,465</u>
Amortization	<u>\$ -</u>	<u>\$ 2,010</u>	<u>\$ 2,010</u>	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ 2,476</u>

1. Total employee count was 135 in 2024 and 125 in 2023; the number of directors without a concurrent role as an employee was 5 in both years.
2. The Company is required to make the mandatory disclosures below given that its shares are listed for trading on Taipei Exchange (TPEX):
 - (1) Average employee benefit expense was reported at \$1,285 for 2024 and \$1,411 for 2023.
 - (2) Average employee salary expense was reported at \$1,135 for 2024 and \$1,263 for 2023.
 - (3) Change in average employee salary expenses was calculated at (10.13%).
 - (4) The Company has assembled an Audit Committee. Therefore no compensation was recognized for supervisors in 2024 and 2023.

ONYX Healthcare Inc.
Summary of current employee welfare, depreciation, and amortization by function (continued)
January 1, 2024 to December 31, 2024

Account set 12

Unit: NT\$ thousand

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