Medimaging Integrated Solution Inc.
Parent Company Only Financial Reports and Auditors' Report
2023 and 2022
(Stock code 6796)

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Medimaging Integrated Solution Inc.

2023 and 2022 Parent Company Only Financial Reports and Auditors' Report

Contents

Independent Auditors' Report

(2024)Tsai-Sheng-Pao-Tzu No. 23004317

To the Board of Directors and Sharholders of Medimaging Integrated Solution, Inc.

Opinion

We have audited the accompanying parent only financial statements of Medimaging Integrated Solution, Inc., (the "Company") which comprise the parent company only balance sheet as of December 31, 2023, and December 31, 2022, and the parent company only statements of comprehensive income, parent company only statements of changes in equity, and parent company only statements of cash flows for the periods from January 1, 2023, to December 31, 2023, and from January 1, 2022, to December 31, 2022, as well as the notes accompanying the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the ROC auditing standards. With our responsibility under such regulations and standards, we will further explain the responsibility of our audit of the parent company only financial statements. The independent certified public accountants (CPAs) of our accounting office have followed the Norm of Professional Ethics for Certified Public Accountants to remain impartial and independent from the Company and carry out other responsibilities required by the Rules. We believe that we have obtained sufficient and pertinent audit evidence, which provides the basis of our audit opinions.

Key audit item

The key audit item refers to the most crucial element of our professional judgement about the audit conducted for the 2023 parent company only financial statements of the Company. The item has been reflected in our overall audit of the parent company only financial statements and in the process to form our audit opinions; however, we do not express our opinion on the item individually.

A description of the key audit item of the parent company only financial statements of the Compan. in 2023 is hereby provided:

Inventory Evaluation

Explanation

The Companymainly manufactures and sells digital medical imaging diagnostic equipment products. The inventories are measured at the lower of cost and net realizable value; for detailed inventory evaluation policies, please refer to note 4(13) in the parent company only financial statements; for the uncertainties in accounting estimates for inventory evaluation, please refer to note 5(2) in the parent company only financial statements. As of December 31, 2023, the total inventory amount and allowance for inventory evaluation losses were NT$176,904,000 and NT$30,096,000, respectively.

Due to the significant value of the Company's inventory, and the fact that human judgment is often required to determine the net realizable value of inventory exceeding the specified inventory age, outdated inventory, and obsolete inventory, we list inventory evaluation as one of the most important audit matters.

Corresponding Audit Procedures

The audit procedures performed by us are as follows:

1. Evaluate the rationality and consistency of the policy for provision of allowance for inventory valuation losses.

2. Obtain evaluation data on the lower of inventory cost and net realizable value prepared by the management, and verify that the logic of report preparation is consistent with the policy.

3. Sample check individual inventory item numbers for evaluation and verification of the net realizable value.

4. Check the rationality of the provision of allowance for inventory valuation losses.

Responsibility of the management and governance unit for the parent company only financial statements

The responsibility of the management is to prepare the adequately expressed consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain the internal controls required for the preparation of the parent company only financial statements so as to ensure that the consolidated financial statements do not have any material misstatement resulting from fraud or errors.

Unless the management plan is to liquidate the Company or close the business or there are no other practical and feasible measures except liquidation or business closure, the responsibility of the management when preparing the parent company only financial statements includes assessment of the Company's competence in continuing business operation, disclosure of relevant items, and adoption of the business continuation accounting basis.

The governance unit (including the Audit Committee) of the Company is liable to supervise the financial reporting process.

Our responsibility for the audit of parent company only financial statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance as to whether any material misstatement resulting from fraud or errors exists in the overall parent company only financial statements, and issue the audit report. The reasonable assurance referred to here is a high degree of assurance. Nevertheless, the audit executed in accordance with the ROC auditing standards cannot guarantee that a material misstatement existing in the parent company only financial statements will be detected. A misstatement may result from fraud or errors. If the individual amount or compiled amount of a misstatement can be reasonably expected to impact the economic policy made by the user of the parent company only financial statements, it will be regarded as a material factor.

When conducting the audit in accordance with the Standards on Auditing of the Republic of China, we used our professional judgement and maintained a professional level of skepticism about dubious matters. We also executed the following tasks:

1. Recognize and assess the risk of a material misstatement resulting from fraud or errors in parent company only financial statements, design and take the appropriate

coping strategy for the assessed risk, obtain sufficient and pertinent audit evidence as the basis of the audit opinions. Given that fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of failure to detect a material misstatement resulting from fraud is higher than of one resulting from errors.

2. Understand the necessity of obtaining the internal control affiliated with the audit, so as to design the appropriate audit procedure for the current conditions. However, the purpose of this is not to express an opinion on the effectiveness of the Company's internal controls.

3. Assess the propriety of the accounting policy adopted by the management and the rationality of the accounting estimation and relevant disclosures.

4. Determine whether the business continuation accounting basis adopted by the management is proper, and whether the material dubious event or circumstance likely incurred from the competence of the Company's continued business operation has any material uncertainty according to the acquired audit evidence. If we consider material uncertainty existent in such event or circumstance, we shall remind the user of the parent company only financial statements to pay attention to the relevant disclosures of the parent company only financial statements through our audit report, or modify the audit opinion when such disclosures are not applicable. Our conclusion is made according to the audit evidence acquired until the audit report day. However, the development of future events or circumstances is also likely to bring about the Company's incompetence to continue its business operation.

5. Assess the overall representation, structure, and content of the parent company only financial statements (including the relevant notes) and check if the related transactions and events are adequately represented in the parent company only financial statements.

6. Acquire sufficient and pertinent audit evidence from the financial information of individual entities composing the the Company so as to express opinions on the parent company only financial statements. We are responsible for the guidance, supervision, and execution of the parent company's audit cases, and form the parent company only financial statements audit opinions.

The items communicated between us and the governance unit cover the planned audit scope and time and material audit findings (including the significant defects of internal control recognized in the audit process).

We also provide the governance unit with the fact that the personnel of our office who have been required for audit independence have complied with the independence statement stipulated in the Rules of Professional Ethics for Certified Public Accountants and communicated with the governance unit regarding any relations that are likely considered to impact CPA's independence and other items (including relevant protection measures).

According to the items communicated with the governance unit, we have determined the key item of our audit of the Company's 2023 parent company only financial statements, and we have described the item in our audit report. Except for the specific items that are not allowed to be publicly disclosed as prescribed by laws and regulations or under a rare situation, we have decided not to communicate specific matters in our audit report because we have reason to believe that the negative influence of the communication is greater than the positive influence on the public interest.

PwC, Taiwan

CPAs
Tsai-Yen Chiang
Chien-Yu Liu

Financial Supervisory Commission
Approval File No.: Chin-Kuan-Cheng-Shen-Tzu No. 1060025097
Chin-Kuan-Cheng-Shen-Tzu No. 1090350620

March 13, 2024

Medimaging Integrated Solution, Inc.
Parent Company Only Balance Sheet
December 31, 2023 and 2022

In Thousands of New Taiwan Dollars

	Assets	Note	Dec. 31, 2023 Amount	%	Dec. 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 428,621	32	$ 250,592	30
1110	Financial assets measured at fair value through profit or loss－current	6(2)	197	-	-	-
1136	Financial assets measured at amortized cost－current	6(4)	183,817	14	60,000	7
1140	Contract assets－current	6(20)	13,921	1	9,817	1
1170	Accounts receivable- net	6(5)	81,114	6	64,493	8
1180	Accounts receivable- net of the related parties	6(5)&7	167	-	45,759	5
1200	Other receivables		2,055	-	2,727	-
1210	Other receivables－related parties	7	620	-	-	-
130X	Inventories	6(6)	146,808	11	146,565	18
1410	Prepayments		13,012	1	15,849	2
1470	Other current assets		2,358	-	82	-
11XX	**Total current assets**		872,690	65	595,884	71
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income－non-current	6(3)	250	-	250	-
1535	Financial assets measured at amortized cost－non-current	6(4)&8	2,431	-	959	-
1550	Investments accounted for using the equity method	6(7)	51,496	4	28,650	3
1600	Property, plant and equipment	6(8)&8	313,470	24	161,106	19
1755	Right-of-use assets	6(9)	41,059	3	19,755	2
1780	Intangible assets	6(10)	16,957	1	12,137	2
1840	Deferred income tax assets	6(26)	10,471	1	6,511	1
1915	Prepayments for business facilities	6(28)	19,105	1	7,315	1
1990	Other non-current assets－other		9,935	1	4,664	1
15XX	**Total non-current assets**		465,174	35	241,347	29
1XXX	**Total assets**		$ 1,337,864	100	$ 837,231	100

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Medimaging Integrated Solution, Inc.
Parent Company Only Balance Sheet
December 31, 2023 and 2022

In Thousands of New Taiwan Dollars

	Liabilities and Equity	Note	Dec. 31, 2023 Amount	%	Dec. 31, 2022 Amount	%
	Current liabilities					
2130	Contract liabilities－current	6(20)	$ 50,190	4	$ 700	-
2170	Accounts payable		10,261	1	28,331	4
2200	Other payables	6(11)	54,796	4	60,162	7
2230	Current tax liabilities		18,738	2	7,111	1
2250	Provisions－current	6(16)	3,590	-	2,283	-
2280	Lease liabilities－current		2,535	-	1,521	-
2320	Long-term liabilities, current portion	6(13)&8	18,597	1	18,337	2
2399	Other current liabilities－other		1,739	-	479	-
21XX	**Total current liabilities**		160,446	12	118,924	14
	Non-current liabilities					
2530	Corporate bonds payable	6(12)	186,104	14	-	-
2540	Long-term borrowings	6(13)&8	157,686	12	47,283	6
2550	Provisions－non-current	6(16)	1,989	-	1,454	-
2570	Deferred income tax liabilities	6(26)	-	-	2,961	1
2580	Lease liabilities－non-current		39,118	3	18,447	2
2645	deposits received		20	-	12	-
25XX	**Total non-current liabilities**		384,917	29	70,157	9
2XXX	**Total liabilities**		545,363	41	189,081	23
	Equity					
	Share Capital	6(17)				
3110	Common shares – share capital		345,842	26	332,277	40
	Capital surplus	6(18)				
3200	Capital surplus		319,494	24	202,445	24
	Retained earnings	6(19)				
3310	Legal reserve		43,178	3	36,176	4
3320	Special reserve		8,376	1	8,918	1
3350	Undistributed earnings		84,495	6	76,710	9
	Other equity					
3400	Other equity		(8,884)	(1)	(8,376)	(1)
3XXX	**Total equity**		792,501	59	648,150	77
	Material contingent liabilities and unrecognized contractual commitments	9				
	Major subsequent events	11				
3X2X	**Total liabilities and equity**		$ 1,337,864	100	$ 837,231	100

The accompanying notes are an integral part of the parent company only financial statements; please see them together for reference.

Chairman: Chu-Ming Cheng　　Managerial Officer: Chu-Ming Cheng　　Accounting Officer: Shih-Ting Huang

Medimaging Integrated Solution Inc.
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars, except earnings per share)

	Item	Note	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue	6(20)&7	$ 530,570	100	$ 489,038	100
5000	Operating costs	6(6)&7	(224,740)	(42)	(242,979)	(50)
5900	Gross operating profit		305,830	58	246,059	50
5910	Unrealized profit from sales		(3,488)	(1)	(4,691)	(1)
5920	Realized profit from sales		4,691	1	6,540	2
5950	Gross operating profit, net		307,033	58	247,908	51
	Operating expenses	6(24) (25)				
6100	Selling expenses		(37,454)	(7)	(27,077)	(6)
6200	Administrative expenses		(46,184)	(9)	(36,080)	(7)
6300	Research and development expenses		(123,939)	(23)	(121,601)	(25)
6450	Expected credit impairment loss	12(2)	(434)	-	(87)	-
6000	Total operating expenses		(208,011)	(39)	(184,845)	(38)
6900	Operating income		99,022	19	63,063	13
	Non-operating revenue and expenses					
7100	Interest income	6(21)	5,011	1	1,344	-
7010	Other income	7	1,898	-	1,269	-
7020	Other gains and loss	6(22)	(2,308)	-	26,362	6
7050	Financial cost	6(23)	(3,800)	(1)	(1,311)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	(6,849)	(1)	(3,315)	(1)
7000	Total non-operating revenue and expenses		(6,048)	(1)	24,349	5
7900	**Net profit before tax**		92,974	18	87,412	18
7950	Income tax expenses	6(26)	(18,920)	(4)	(17,393)	(4)
8200	**Profit for the period**		$ 74,054	14	$ 70,019	14
	Other comprehensive income					
	Items that may be subsequently reclassified into profit or loss					
8361	Exchange differences resulting from translating the financial statements of a foreign operation	6(7)	($ 508)	-	$ 542	-
8300	**Other comprehensive income (net)**		($ 508)	-	$ 542	-
8500	**Total comprehensive income for the period**		$ 73,546	14	$ 70,561	14
	Basic earnings per share	6(27)				
9750	Basic earnings per share		$ 2.20		$ 2.20	
	Diluted earnings per share	6(27)				
9850	Diluted earnings per share		$ 2.18		$ 2.16	

The accompanying notes are an integral part of the parent company only financial statements; please see them together for reference.

Chairman: Chu-Ming Cheng Managerial Officer: Chu-Ming Cheng Accounting Officer: Shih-Ting Huang

Medimaging Integrated Solution Inc.
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

In Thousands of New Taiwan Dollars

				Retained earnings			Other equity		
	Note	Common shares-share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of a foreign operation	Unrealized profit or loss from financial assets measured at fair value through other comprehensive income	Total equity
2022									
Balance on Jan. 1, 2022		$ 300,062	$ 90,001	$ 29,528	$ 8,606	$ 66,842	($ 6,523)	($ 2,395)	$ 486,121
Profit for the period		-	-	-	-	70,019	-	-	70,019
Other comprehensive income for the period		-	-	-	-	-	542	-	542
Total comprehensive income for the period		-	-	-	-	70,019	542	-	70,561
Appropriation and distribution of retained earnings for 2021	6(19)								
Allocation to legal reserve		-	-	6,648	-	(6,648)	-	-	-
Allocation to special reserve		-	-	-	312	(312)	-	-	-
Cash dividend		-	-	-	-	(53,191)	-	-	(53,191)
Capital increase in cash	6(17)	31,000	110,734	-	-	-	-	-	141,734
Capital increase in cash -Compensation costs reserved for employee stock options	6(15)(18)	-	37	-	-	-	-	-	37
Compensation costs of employee stock options	6(15)(18)	-	458	-	-	-	-	-	458
Exercise of employee stock option	6(15)(17)	1,215	1,215	-	-	-	-	-	2,430
Balance on Dec. 31, 2022		$ 332,277	$ 202,445	$ 36,176	$ 8,918	$ 76,710	($ 5,981)	($ 2,395)	$ 648,150
2023									
Balance on Jan. 1, 2023		$ 332,277	$ 202,445	$ 36,176	$ 8,918	$ 76,710	($ 5,981)	($ 2,395)	$ 648,150
Profit for the period		-	-	-	-	74,054	-	-	74,054
Other comprehensive income for the period		-	-	-	-	-	(508)	-	(508)
Total comprehensive income for the period		-	-	-	-	74,054	(508)	-	73,546
Appropriation and distribution of retained earnings for 2022	6(19)								
Allocation to legal reserve		-	-	7,002	-	(7,002)	-	-	-
Reversal for special reserve		-	-	-	(542)	542	-	-	-
Cash dividend		-	-	-	-	(59,809)	-	-	(59,809)
Generated from the recognition of equity component - equity subscription due to the	6(12)(18)	-	21,811	-	-	-	-	-	21,811

The accompanying notes are an integral part of the parent company only financial statements; please see them together for reference.

Chairman: Chu-Ming Cheng　　Managerial Officer: Chu-Ming Cheng　　Accounting Officer: Shih-Ting Huang

Medimaging Integrated Solution Inc.
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

In Thousands of New Taiwan Dollars

	Note	Common shares-share capital	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Other equity: Exchange differences resulting from translating the financial statements of a foreign operation	Other equity: Unrealized profit or loss from financial assets measured at fair value through other comprehensive income	Total equity
issuance of convertible corporate bonds									
Capital increase in cash	6(17)	12,500	91,170	-	-	-	-	-	103,670
Capital increase in cash -Compensation costs reserved for employee stock options	6(15)(18)	-	2,709	-	-	-	-	-	2,709
Compensation costs of employee stock options	6(15)(18)	-	247	-	-	-	-	-	247
Exercise of employee stock option	6(15)(17)	1,065	1,065	-	-	-	-	-	2,130
Capital surplus-Other	6(18)	-	47	-	-	-	-	-	47
Balance on Dec. 31, 2023		$ 345,842	$ 319,494	$ 43,178	$ 8,376	$ 84,495	($ 6,489)	($ 2,395)	$ 792,501

The accompanying notes are an integral part of the parent company only financial statements; please see them together for reference.

Chairman: Chu-Ming Cheng　　Managerial Officer: Chu-Ming Cheng　　Accounting Officer: Shih-Ting Huang

Medimaging Integrated Solution, Inc.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2023 and 2022

In Thousands of New Taiwan Dollars

	Note	Jan. 1 - Dec. 31, 2023	Jan. 1 - Dec. 31, 2022
Cash flows from operating activities			
Current net profit before tax		$ 92,974	$ 87,412
Adjustments			
Income and expense items			
Depreciation expenses	6(8)(9)(24)	27,715	26,254
Various amortization	6(10)(24)	3,029	2,764
Expected credit impairment loss	12(2)	434	87
Net loss on financial assets measured at fair value through profit or loss		240	-
Remuneration cost for employee stock options	6(15)	2,956	495
Interest income	6(21)	(5,011)	(1,344)
Interest expense	6(23)	3,800	1,311
Losses from lease modification	6(22)	-	25
Share of profit or loss of subsidiaries using the equity method	6(7)	6,849	3,315
Unrealized profit from sales		3,488	4,691
Realized profit from sales		(4,691)	(6,540)
Payable transferred to other income		(211)	-
Changes in operating activities assets and liabilities			
Net changes in operating activities assets			
Contract assets		(4,104)	(1,488)
Notes receivable		-	1
Accounts receivable		(17,055)	648
Accounts receivable- related parties		45,592	28,349
Other receivables		672	(678)
Other receivables- related parties		(620)	-
Inventories		(243)	(17,633)
Prepayments		445	(1,712)
Other current assets		(2,276)	(29)
Long-term prepaid expenses		578	(277)
Net changes in operating activities liabilities			
Contract liabilities		49,490	(1,399)
Notes payable		-	(4,856)
Accounts Payable		(17,860)	9,605
Other payables		(3,028)	3,496
Provisions		1,842	1,030
Other current liabilities		1,260	64
Cash flows from operating activities		186,265	133,591
Interest received		5,011	1,344
Interest paid		(2,520)	(1,311)
Income tax paid		(14,214)	(20,788)
Net cash flows from operating activities		174,542	112,836

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Medimaging Integrated Solution, Inc.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2023 and 2022

In Thousands of New Taiwan Dollars

	Note	Jan. 1 - Dec. 31, 2023	Jan. 1 - Dec. 31, 2022
Cash flows from investing activities			
Acquisition of financial assets measured at amortized cost		($ 125,289)	($ 60,319)
Disposal of financial assets measured at amortized cost		-	10,000
Acquisition of investments accounted for using the equity method		(29,000)	-
Acquisition of property, plant and equipment	6(28)	(191,486)	(48,869)
Acquisition of intangible asset	6(10)	(7,849)	(1,873)
Decreased in refundable deposits		5	-
Increased in other prepayments		(3,462)	(1,573)
Net cash used in investing activities		(357,081)	(102,634)
Cash flows from financing activities			
Increased in short-term borrowings	6(29)	130,000	65,000
Decreased in short-term borrowings	6(29)	(130,000)	(110,000)
Proceeds from issuing corporate bonds	6(29)	205,679	-
Proceeds from long-term borrowings	6(29)	129,000	12,000
Repayments of long-term borrowings	6(29)	(18,337)	(15,811)
Payments of lease liabilities	6(29)	(1,821)	(1,374)
Increased in deposits received	6(29)	8	12
Cash dividend paid	6(19)	(59,808)	(53,191)
Capital increase in cash	6(17)	103,670	141,734
Exercise of employee stock option	6(15)(17)	2,130	2,430
Capital surplus-other	6(18)	47	-
Net cash flows from financing activities		360,568	40,800
Increase in cash and cash equivalents for the period		178,029	51,002
Cash and cash equivalents at the beginning	6(1)	250,592	199,590
Cash and cash equivalents at the end	6(1)	$ 428,621	$ 250,592

The accompanying notes are an integral part of the parent company only financial statements; please see them together for reference.

Chairman: Chu-Ming Cheng Managerial Officer: Chu-Ming Cheng Accounting Officer: Shih-Ting Huang

Medimaging Integrated Solution, Inc.
Notes to Parent Company Only Financial Statements
2023 and 2022

The amounts below are expressed in thousands of New Taiwan Dollars, unless otherwise stated.

I. Company History

Medimaging Integrated Solution Inc. (hereinafter referred to as “the Company”) is established in the Republic of China. The main business of the Company is the design, manufacturing, and sales of digital medical imaging diagnostic equipment and related products and services.

II. Date and procedure for approval of the financial report

This parent company only financial report was approved and issued by the Board of Directors on March 13, 2024.

III. Application of new and revised standards and interpretations

(1) Impact of the new and revised accounting standards of International Financial Reporting Standards recognized and effected by the Financial Supervisory Commission (hereinafter referred to as “the FSC”) that have been adopted

The following table summarizes the new, amended and revised accounting standards of International Financial Reporting Standards and their interpretations recognized and effected by the FSC in 2023:

New, amended and revised accounting standards and their interpretations	Effective date as announced by the IASB
Amendments to IAS 1 - “Disclosure of Accounting Policies”	Jan. 1, 2023
Amendments to IAS 8 - “Definition of Accounting Estimates”	Jan. 1, 2023
Amendments to IAS 12 - “Deferred Income Tax Related to Assets and Liabilities Arising from a Single Transaction”	Jan. 1, 2023
Amendments to IAS 12 - International Tax Reform “Pillar Two Model Rules”	May 23, 2023

The Company has evaluated that the standards and interpretations above have no significant impact on the Company’s financial condition and performance.

(2) Impact of the new and revised accounting standards of International Financial Reporting Standards recognized and effected by the FSC that have not yet been adopted

The following table summarizes the new, amended, and revised accounting standards of International Financial Reporting Standards and their interpretations recognized by the FSC and applicable in 2024:

New, amended and revised accounting standards and their interpretations	Effective date as announced by the IASB
Amendments to IFRS 16 - "Lease liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 - "Classification of Liabilities as Current/Non-current"	January 1, 2024
Amendments to IAS 1 - "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Company has evaluated that the standards and interpretations above have no significant impact on the Company's financial condition and performance.

(3) Impact of the accounting standards of International Financial Reporting Standards that have been released by the International Accounting Standards Board but not yet recognized by the FSC

The following table summarizes the new, amended and revised accounting standards of International Financial Reporting Standards that have been released by the International Accounting Standards Board but not yet recognized by the FSC:

New, amended and revised accounting standards and their interpretations	Effective date as announced by the IASB
Amendments to IFRS 10 and IAS 28 dealing with the sale or contribution of assets between an investor and its associate or joint venture	To be decided by The International Accounting Standards Board
IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Company has evaluated that the standards and interpretations above have no significant impact on the Company's financial condition and performance.

IV. Summary of significant accounting policies

The major accounting policies adopted for preparing the parent company only financial reports are explained as follows. Unless otherwise specified, such policies are consistently applicable during all the reporting periods.

(1) Compliance statement

This parent company only financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

1. Except for the following significant items, the parent company only financial reports were prepared according to the historical cost.

   (1) Financial assets and liabilities measured at fair value through profit or loss (including derivative instruments).

   (2) Financial assets measured at fair value through other comprehensive income.

2. Significant accounting estimates are required to prepare financial reports conforming to the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretation announcements (hereinafter collectively referred to as IFRSs), and the management is also required to make their judgment during the process to apply the Company's accounting policies. Please refer to note 5 for the detailed explanations of the items involving high-degree judgment or complexity, or the ones involving material assumptions and estimations of parent company only financial reports.

(3) Foreign Currency Conversion

The items listed in the financial reports of the Company are measured in the currency of the primary economic environment in which the company operates (i.e., functional currency). This parent company only financial report is presented in the functional currency of the Company, the New Taiwan Dollar.

1. Foreign currency transactions and balances

   (1) Foreign currency transactions are translated into the functional currency at the spot exchange rate on the transaction date or measurement date, and the translation difference arising from such transactions is recognized as current profit or loss.

   (2) The balance of foreign currency monetary assets and liabilities is valued and adjusted based on the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as current profit or loss.

   (3) The balances of non-monetary assets and liabilities in foreign currencies, if measured at fair value through profit or loss, are valued and adjusted based on the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit or loss. For those measured at fair value through other comprehensive income, valuation adjustments are made at the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustments are recognized as other comprehensive income. For those not measured at fair value, they are measured at the historical exchange rate on the initial transaction date.

   (4) All foreign exchange gains and losses are reported in "Other Gains and Losses" of the income statement.

2. Translation of foreign operation

For all Group entities, associates and joint arrangement, whose functional currencies are different from their presentation currencies, their operating results and financial conditions are translated into the presentation currencies in the following ways:

(1) The assets and liabilities expressed on each balance sheet are translated at the closing exchange rate on the balance sheet date,

(2) The income and expenses expressed in each comprehensive income statement are translated at the current average exchange rate, and

(3) All exchange differences arising from translation are recognized as other comprehensive income.

(4) Standards to classify current and non-current assets and liabilities

1. The assets meeting any of the following terms will be listed as current assets.

(1) The assets expected to be realized or intended to be sold or consumed in the normal business cycle.

(2) The assets held mainly for the transaction purpose.

(3) The assets expected to be realized within 12 months after the balance sheet date.

(4) Cash or cash equivalents, but those cash items that will be used to exchange or liquidate the liabilities or have other restrictions over 12 months after the balance sheet date are not included.

The Company classifies all assets that do not meet the conditions above as non-current.

2. The liabilities meeting any of the following terms will be listed as the current liabilities.

(1) The liabilities expected to be liquidated in a normal business cycle.

(2) The liabilities held mainly for the transaction purpose.

(3) The liabilities expected to be settled within 12 months after the balance sheet date.

(4) For those whose repayment period cannot be unconditionally deferred to at least 12 months after the balance sheet date, but where the liabilities may be repaid through the issuance of equity instruments at the discretion of the counterparty, the classification will not be affected.

The Company classifies all liabilities that do not meet the conditions above as non-current.

(5) Cash Equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed cash amounts at any time with minimal risk of value changes. Time deposits that meet such definition and are held for the purpose of meeting short-term cash commitments for operations are classified as cash equivalents.

(6) Financial assets measured at fair value through profit or loss

1. Refers to the financial assets neither measured at amortized cost nor at fair value through other comprehensive income.

2. The Company adopts the trade date for accounting for its financial assets meeting the transaction practice and measured at fair value through profit or loss.

3. When measured at fair value in its initial recognition, the Company shall recognize related transaction costs as profit or loss. The subsequent recognition shall be measured at fair value and the resulting profit or loss shall be recognized as profit or loss.

(7) Financial assets measured at fair value through other comprehensive income

1. Refers to the circumstance where an option of irrevocability was made in the initial recognition and the change in the fair value of the equity instrument investment held not for the transaction purpose should be recognized as other comprehensive income.

2. For the financial assets meeting trade practice and measured at fair value through other comprehensive income, the Company adopts the trade date for accounting.

3. The financial assets are measured at fair value plus the transaction cost in the Company's initial recognition, and, subsequently, measured at fair value.

Changes in the fair value of equity instruments will be recognized as other comprehensive income. At the time of derecognition, the accumulated profit or loss previously recognized as other comprehensive income shall not subsequently be reclassified as profit or loss; instead, it will be transferred to retained earnings. When the right to collect dividends is confirmed, the dividend-related economic effects will be very likely to flow in, and when the dividend amount can be reliably measured, the Company's profit or loss will be recognized as dividend income.

(8) Financial assets measured at amortized cost

1. Refers to assets that simultaneously meet the following terms:

(1) The financial assets are held under the operating model for the purpose of collection of the contract cash flows.

(2) The cash flow of a specific date incurred by the contract clauses of the financial asset in question will be fully used to pay the principal and the interest of the outstanding principal amount.

2. For the financial assets meeting trade practice and measured at amortized cost, the Company adopts the trade date for accounting.

3. For the financial assets measured at fair value plus the transaction cost in the Company's initial recognition, and, subsequently, recognized as interest income and impairment loss during the circulation period according to the amortization procedure of the effective interest method, when they are derecognized, the profit or loss shall be recognized as profit or loss.

4. The Company has held the time deposits not meeting the terms for cash equivalents. However, since the term is short, its impact on cash discount is not significant. The time deposits are measured at investment amount.

(9) Accounts receivable

1. Refers to the accounts for which, as required by the contract, the right of the consideration amount swapped from merchandise transfer or service revenue can be unconditionally

collected.

2. Since the short-term accounts receivable for unpaid interest do not significantly impact cash discount, the Company measures them in accordance with the amount of the initial invoice.

(10) Impairment of financial assets

For the financial assets measured at amortized cost, the Company considers all the reasonable and evidence information (including perspective information) at each balance sheet day, and measures the allowance for losses according to the 12-month expected credit loss amount for those that do not have significant increase in the credit risk after initial recognition. Conversely, for those that have significant increase in the credit risk after initial recognition, the Company measures the allowance for losses according to the expected credit loss amount in the duration of existence. For the accounts receivable or contract assets not including material financial constitution, the Company measures the allowance for losses according to the expected credit loss in the duration of existence.

(11) Derecognition of Financial Assets

When the contractual right of the Company to receive cash flows from financial assets expires, such financial assets will be derecognized.

(12) Leasing Transactions of Lessors - Operating Leases

The lease income from operating leases, after deducting any incentives given to the lessee, are amortized and recognized as current profit or loss on a straight-line basis during the lease term.

(13) Inventories

Inventories are measured at the lower of cost and net realizable value, and the cost is determined using the weighted average method. The cost of finished products and work in progress includes the cost of raw materials and direct labor, other direct costs, and production related manufacturing expenses (allocated according to normal production capacity), but does not include borrowing costs. When comparing the lower of cost and net realizable value, the item by item comparison method is adopted. Net realizable value refers to the balance obtained by subtracting the estimated cost to be invested until completion and the estimated cost required to complete the sale from the estimated selling price in the normal course of business.

(14) Investment Using Equity Method - Subsidiaries

1. “Subsidiaries” refers to entities (including structured entities) controlled by the Company. When the Company is exposed to variable compensation from participation in the entity or has rights to such variable compensation, and it has the ability to influence such compensation through its power over the entity, the Company has control over the entity.

2. Unrealized gains and losses arising from transactions between the Company and its subsidiaries have been eliminated. The accounting policies of subsidiaries have been adjusted as necessary and are consistent with the policies adopted by the Company.

3. The Company recognizes the profit or loss share of its subsidiaries after acquisition as current-period profit or loss, and it recognizes the other comprehensive profit or loss share after acquisition as other comprehensive profit or loss. If the share of loss recognized by the Company for a subsidiary is equal to or exceeds its equity in the subsidiary, the Company will continue to recognize losses in proportion to its shareholding.

4. According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss during the current period and other comprehensive income presented in parent company only financial reports shall be the same as the allocations of profit or loss during the period or other comprehensive income attributable to the owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

(15) Property, plant and equipment

1. Property, plant, and equipment are recorded based on acquisition costs, and the relevant interest during the construction period is capitalized.

2. Subsequent costs are only included in the asset's carrying amount or recognized as a separate asset when the future economic benefits related to the item are likely to flow into the Company and the cost of the item can be reliably measured. The carrying amount of the reset portion should be derecognized. All other maintenance costs are recognized as current profit or loss when incurred.

3. Property, plant, and equipment are subsequently measured using a cost model. Except for land, which is not depreciated, depreciation is calculated using the straight-line method based on the estimated useful life. If the composition of property, plant, and equipment is significant, the depreciation will be separately recognized.

4. At the end of each fiscal year, the Company reviews the residual value, useful life, and depreciation method of various assets. If the expected residual value and useful life are different from previous estimates, or if there is a significant change in the expected consumption pattern of future economic benefits contained in the assets, it will be treated in accordance with the accounting estimates change provisions of International Accounting Standards No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of change. The useful life of each asset is as follows:

Houses and buildings	5–30 years
Machinery equipment	1–10 years
Office equipment	2–5 years
Other equipment	2–5 years

(16) Lessee's Lease Transactions - Right-of-use Assets/Lease Liabilities

1. Leased assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Company. When the lease agreement belongs to a short-term lease or a lease of a low-value underlying assets, the lease payments are recognized as expenses using the straight-line method during the lease term.

2. Lease liabilities are recognized at the present value of lease payments that have not yet been paid, discounted at the Company's incremental borrowing rate, on the lease commencement date. Lease payments are fixed payments.

   They are subsequently measured using the amortized cost method of the interest approach, and interest expenses are recognized during the lease term. When noncontractual revisions result in changes in the lease term or lease payments, the lease liabilities will be reevaluated and the right-of-use assets will be adjusted for remeasurement.

3. Right-of-use assets are recognized at cost on the lease commencement date, which includes:

   (1) The original measurement amount of lease liabilities.

   (2) Any lease payments made on or before the commencement date.

   (3) The estimated cost of dismantling and removing the subject assets and restoring them to the original locations, or restoring the subject assets to the state required by the terms and conditions of the lease.

   Subsequently, a cost model is adopted for measurement, and depreciation expenses are provided at the earlier of the expiration of the useful life of the right-of-use assets or the lease term. When lease liabilities are revalued, the right-of-use assets will be adjusted for any remeasurement of the lease liabilities.

4. For lease revisions that reduce the lease scope, the lessee will reduce the carrying amount of the right-of-use assets to reflect partial or full termination of the lease, and the difference between it and the remeasured amount of the lease liabilities will be recognized as profit or loss.

(17) Intangible asset

1. Intangible assets are measured at cost minus accumulated amortization and accumulated impairment.

2. Intangible assets with limited useful lives are amortized using the straight-line method, and the useful lives are as follows:

Patents	10–18 years
Trademarks	10 years
Technical authorization	3 years
Computer software	3–6 years

(18) Impairment of non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount is lower than the carrying value, an impairment loss is recognized. The recoverable amount refers to the higher of the fair value of an asset minus the cost of disposal or its use value. When the recognized impairment loss of an asset in previous years does not exist or decreases, the impairment loss shall be reversed, but the increase in asset carrying amount due to the reversal of impairment loss shall not exceed the carrying amount of the asset after deducting depreciation or amortization if no impairment loss is recognized.

(19) Borrowings

Refers to long-term and short-term funds borrowed from banks. At the time of initial recognition, the Company measures the fair value minus transaction costs, and subsequently any difference between the price after deducting transaction costs and the redemption value is recognized as interest expense in profit or loss using the effective interest approach and in accordance with the amortization procedure during the period of circulation.

(20) Accounts Payable

1. Refers to debts incurred due to the purchase of raw materials, goods, or services on credit.

2. They belong to short-term accounts payable with unpaid interest; as the impact of discounting is not significant, the Company measures them based on the original invoice amount.

(21) Convertible Corporate Bonds Payable

The payables of convertible corporate bonds issued by the Company have embedded conversion rights (i.e., the holder has the right to choose to convert them into the Company's common shares, and they can be converted into a fixed number of shares at a fixed amount) and call back rights. At the initial issuance, based on the issuance price, they are classified as financial assets, financial liabilities, or equity in accordance the issuance conditions, and the treatment is as follows:

1. Embedded call back rights: Financial assets measured at fair value through profit or loss are recorded at their net fair value at the time of initial recognition; subsequently, the difference is recognized on the balance sheet date as "financial asset gains or losses measured at fair value through profit or loss" based on the fair value valuation at that time.

2. The main contract of corporate bonds: It is measured at fair value at the time of initial recognition, and the difference between the redemption value and the principal amount is recognized as a discount on the corporate bonds payable; subsequently, the effective interest approach is adopted and it is recognized as profit or loss in accordance with the amortization procedure during the period of circulation as an adjustment for "financial costs".

3. Embedded conversion rights (in compliance with the definition of equity): At the time of initial recognition, the remaining value of the issued amount after deducting the aforementioned "financial assets measured at fair value through profit or loss" and "corporate bonds payable" is recorded as "capital surplus – stock option", and will not be remeasured in the future.

4. Any transaction costs directly attributable to the issuance will be allocated to the components of liabilities and equity in proportion to the original carrying amount of the aforementioned components.

5. When the holder exercises the conversion, the component of the recognized liabilities (including "corporate bonds payable" and "financial assets measured at fair value through profit or loss") will be treated according to the subsequent measurement methods based on their classification, and the carrying value of "capital surplus - stock option" will be added to the carrying value of the liability component above as the issuance cost of the common shares exchanged.

(22) Derecognition of Financial Liabilities

When the obligations stated in the contract are fulfilled, cancelled, or due, the Company shall derecognize them from financial liabilities.

(23) Offsetting of Financial Assets and Liabilities

When there is a legally enforceable right to offset the recognized amount of financial assets and liabilities, and the intention is to deliver on a net basis or simultaneously realize the assets and settle the liabilities, financial assets and liabilities can be offset against each other and expressed on a net basis in the balance sheet.

(24) Non-hedging Derivative Instruments and Embedded Derivative Instruments

1. Non-hedging derivative instruments are initially recognized at fair value on the date of signing the contract, and are recognized as financial assets or liabilities measured at fair value through profit or loss. Subsequently, they are measured at fair value, and the gains or losses are recognized as profit or loss.

2. Financial asset hybrid contracts embedded with derivative instruments are classified as financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost based on the terms of the contract at the time of original recognition.

3. For non-financial asset mixed contracts embedded in derivative instruments, whether the economic characteristics and risks of the embedded derivative instrument and the main contract are closely related based on the terms of the contract at the time of initial recognition is used to determine whether to treat them separately. When closely related, the overall hybrid instrument is treated according to appropriate criteria based on its nature. When not closely related, the derivative instrument is separated from the main contract and treated as a derivative instrument, whereas the main contract is treated based on its nature according to appropriate criteria, or both are designated as financial liabilities measured at fair value through profit or loss at the time of initial recognition.

(25) Provisions

The provisions is recognized when there is a current legal or constructive obligation due to past events, which may require the flow of economic resources to settle the obligation, and the amount of the obligation can be reliably estimated. The measurement of the provisions is based on the best estimated present value of the expenses required to settle the obligation on the balance sheet date; the pre-tax discount rate is adopted to reflect the current market valuation of the time value of money and the specific risk of the liabilities, and the discounted amortization is recognized as interest expense. Future operating losses will not be recognized as provisions.

(26) Employee Benefits

1. Short-term employee benefits

Short term employee benefits are measured at the expected non-discounted amount to be paid, and recognized as expenses when related services are provided.

2. Pension expense

Defined contribution plans

For defined contribution plans, the amount of pension to be contributed is recognized as the current pension cost on the accrual basis. Prepaid provisions are recognized as assets within the scope of refundable cash or reduced future payments.

3. Employee compensation and director remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a difference between the actual distribution amount by the subsequent resolution and the estimated amount, it will be treated as a change in the accounting estimates. If shares are distributed as employees' compensation, the basis for calculating the share number is to evaluate the fair value through evaluation techniques or other means in accordance with the provisions of International Financial Reporting Standards No. 2 "Share-based Payments".

(27) Employee Share-based Payment

The share-based payment agreement for equity settlement is based on the fair value of the equity product given to employees on the date of payment, and is recognized as remuneration costs during the vested period with relative adjustment to equity. The fair value of the equity product must reflect the impact of both vesting and non-vesting conditions of the market price. The recognized remuneration cost is adjusted based on the expected number of rewards that meet the service conditions and non-market price vesting conditions, until the final recognized amount is based on the number obtained on the vesting day.

(28) Income Tax

1. Income tax expenses include current and deferred income taxes. Income tax is recognized as profit or loss, with the exception of income tax related to items that are recognized as other comprehensive income or directly recognized as equity.

2. The Company calculates current income tax based on tax rates that have been enacted or substantively enacted on the balance sheet date in the country where it operates and the taxable income is generated. The management regularly evaluates the status of income tax declarations in accordance with applicable income tax regulations and estimates income tax liabilities based on expected tax payments to tax authorities where applicable. Undistributed earnings are subject to income tax in accordance with the Income Tax Act. Income tax expenses should be recognized based on the actual earnings distributed after the shareholders meeting approves the earnings distribution plan in the year following the year in which the earnings are generated.

3. Deferred income tax is recognized using the balance sheet approach, based on the temporary differences arising from the taxable basis of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If deferred income tax arises from the initial recognition of assets or liabilities in transactions (excluding business mergers) and does not affect accounting profits or taxable income (taxable losses) at the time of the transaction, it is not recognized. If temporary differences arise from investments in subsidiaries, and the Company can control the timing of the reversal of such temporary differences, and such temporary differences are unlikely to be reversed in the foreseeable future, they will not be recognized. The deferred income tax shall be based on the tax rate (and tax act) that has been enacted on the balance sheet date, and is expected to apply when the relevant deferred income tax assets are realized or deferred income tax liabilities are settled.

4. Deferred income tax assets are recognized if temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets

are reevaluated on each balance sheet date.

(29) Share Capital

Common shares are classified as equity. The additional cost directly attributable to the issuance of new shares or share subscription rights is recognized as a price deduction under equity after deducting income tax.

(30) Dividend Distribution

The dividends distributed to shareholders of the company are recognized in the financial report when the company’s shareholders meeting resolves to distribute the dividends. Cash dividends are recognized as liabilities; stock dividends are recognized as stock dividends to be distributed and are converted to common shares on the ex-date of new share issuance.

(31) Revenue Recognition

1. Product sales

(1) The Company manufactures and sells medical products, and the sales revenue is recognized when the control of the product is transferred to the customer. That is, when the product is delivered to the customer, the customer has discretionary power over the sales channel and price of the product, and the Company has no unfulfilled performance obligations that may affect the customer's acceptance of the product. The delivery of the product occurs when the product is transported to the designated location, with the risk of obsolescence and loss transferred to the customer, and the customer accepts the product according to the sales contract, or there is objective evidence that all acceptance criteria have been met.

(2) Accounts receivable are recognized when the goods are delivered to the customer, as the Company has an unconditional right to the contract price from that point on, and the consideration can be collected from the customer over time.

2. Service revenue

The Company provides design and development services for medical equipment and related software. Service revenue is recognized as revenue during the financial reporting period of providing services to customers. The revenue from fixed price contracts is recognized based on the proportion of services actually provided as of the balance sheet date to all services that should be provided, and the completion ratio of services is determined based on the cost already invested. The customer pays the contract price according to the agreed payment schedule; when the services provided by the Company exceed the customer's payable amount, they are recognized as contract assets. If the customer's payable amount exceeds the services provided by the Company, they are recognized as contract liabilities.

(32) Government Subsidies

Government subsidies are recognized at fair value when it is reasonably believed that the enterprise will comply with the conditions attached to the government subsidy, and will receive such subsidy. If the nature of government subsidies is to compensate for the expenses incurred by the Company, the government subsidies will be recognized as current profit or loss on a systematic basis during the period of relevant expenses.

V. Major sources of uncertainty in significant accounting judgments, estimations, and assumptions

When preparing the consolidated financial reports, the Group's management has used their judgment to determine the accounting policies to be adopted and given accounting estimations and assumptions in accordance with the status at the balance sheet date and reasonable expectations for future events. The significant accounting estimations and assumptions made by them may be different from the actual results, and factors such as historical experience will be taken into account for continuous evaluation and adjustment. Such estimation and assumption may result in the risk of significant adjustment of the asset and liability carrying values in the next fiscal year. The significant accounting judgments, estimations, and uncertainty assumptions are explained as follows:

(1) Important judgments adopted by accounting policies

None

(2) Significant accounting estimations and assumptions

Inventory valuation

Given that inventory is calculated according to the lower of cost or net realizable value, the Company requires judgment and estimation to determine the net realizable value of its inventory at the balance sheet date. Due to rapid changes in technology, the Company has evaluated its inventory at the balance sheet date by taking into account the normal wear and tear, obsolescence or no market value, and writing-off of the inventory cost until the net realizable value.

As of December 31, 2023, the Company's inventory carrying amount was $146,808.

VI. Explanation for the major accounting subjects

(1) Cash and cash equivalents

	Dec. 31, 2023	Dec. 31, 2022
Cash on hand and petty cash	$ 220	$ 193
Check deposit and demand deposit	190,981	219,699
Time deposit	237,420	30,700
	$ 428,621	$ 250,592

1. The Company's correspondent banks all have good credit quality and the Company has diversified its credit risk by dealing with several correspondent banks, so default is very unlikely to occur.
2. The Company did not provide cash and cash equivalents for pledge.

(2) Financial assets measured at fair value through profit or loss

Item	Dec. 31, 2023	Dec. 31, 2022
Current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments - Convertible corporate bonds - call back rights (Note 6, (12))	$ 437	$ -
Adjustments	(240)	-
Total	$ 197	$ -

The details of financial assets measured at fair value through profit or loss recognized as profit or (loss) are as follows:

	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	($ 240)	$ -

(3) Financial assets measured at fair value through other comprehensive income

Item	Dec. 31, 2023	Dec. 31, 2022
Non-current item:		
Equity instrument		
Non-TWSE, non-TPEx and non-emerging listed stocks	$ 2,645	$ 2,645
Adjustments	(2,395)	(2,395)
Total	$ 250	$ 250

1. The Company chooses to classify the stock investment in Hukui Biotechnology Corporation, which belongs to a strategic investment, as financial assets measured at fair value through other comprehensive income.
2. The Company did not provide financial assets measured at fair value through other comprehensive income for pledge.

(4) Financial assets measured at amortized cost

Item	Dec. 31, 2023	Dec. 31, 2022
Current item:		
Time deposit–original maturity more than 3 months	$ 183,817	$ 60,000
Non-current item:		
Time deposit– provision of pledge and	$ 2,431	$ 959

guarantees

1. The details of financial assets measured at amortized cost recognized as profit or loss are as follows:

	2023	2022
Interest income	$ 443	$ 267

2. The Company will provide financial assets measured at amortized cost for pledge, see note 8 for the details.

3. Please refer to note 12(2) for detailed information on the credit risk of financial assets measured at amortized cost. The counterparties of the Company's investment in time deposits are financial institutions with good credit quality, and the likelihood of default is very low.

(5) Notes and accounts receivable

	Dec. 31, 2023	Dec. 31, 2022
Accounts receivable	$ 81,562	$ 64,507
Less: Loss allowance	(448)	(14)
	$ 81,114	$ 64,493
Accounts receivable- related parties	$ 167	$ 45,759

1. The aging analysis of accounts receivable is as follows:

	Dec. 31, 2023	Dec. 31, 2022
Not yet overdue	$ 46,023	$ 93,440
30 days or less	30,219	13,865
31–90 days	3,719	2,947
91–180 days	1,121	14
181 days or more	647	-
	$ 81,729	$ 110,266

The above is the account receivable aging schedule made in accordance with the number of the overdue days as the basis.

2. The accounts receivable balance as of December 31, 2023, and December 31, 2022 were generated from customer contracts, and the accounts receivable balance as of January 1, 2022 was $141,000.

3. Without considering other credit enhancements, the most representative credit risk exposure amounts for the Company's accounts receivable as of December 31, 2023, and December 31, 2022 were $81,281 and $110,252, respectively.

4. Please refer to note 12(2) for detailed credit risk information on relevant accounts receivable.

(6) Inventories

Dec. 31, 2023	Cost	Allowance for valuation loss	Carrying value
Raw materials	$ 74,757	($ 16,707)	$ 58,050
Work in progress	59,415	(9,686)	49,729
Finished goods	42,278	(3,421)	38,857
Goods inventory	454	(282)	172
Total	$ 176,904	($ 30,096)	$ 146,808

Dec. 31, 2022	Cost	Allowance for valuation loss	Carrying value
Raw materials	$ 79,889	($ 8,976)	$ 70,913
Work in progress	62,040	(7,062)	54,978
Finished goods	24,582	(4,336)	20,246
Goods inventory	881	(453)	428
Total	$ 167,392	($ 20,827)	$ 146,565

The Company recognizes the inventory costs as expenses for the current period:

	2023	2022
Costs of inventories sold	$ 185,547	$ 225,479
Labor cost	28,725	8,611
Valuation loss	9,269	6,121
Abandonment loss	1,199	2,762
Other	-	6
	$ 224,740	$ 242,979

(7) Investments accounted for using the equity method

	Dec. 31, 2023	Dec. 31, 2022
Medview Investments Limited	$ 22,595	$ 28,650
Aitronics Inc. (note)	28,901	-
	$ 51,496	$ 28,650

Note: The Company examines future operational development strategies and, through a Board resolution, has established a wholly owned subsidiary dedicated to providing customers with intelligent sensing modules and comprehensive solutions. We established a subsidiary for $29,000 in November 2023, and completed its registration on November 20, 2023.

For information about the Company's subsidiaries, please refer to note 4(3) of the consolidated financial statements for 2023.

(8) Property, plant, and equipment

2023

	Houses and buildings	Machinery equipment	Office equipment	Other	Unfinished construction and equipment pending acceptance	Total
Jan. 1						
Cost	$ 111,822	$ 110,955	$ 9,782	$ 16,007	$ 19,409	$ 267,975
Accumulated depreciation	(17,880)	(74,659)	(6,751)	(7,579)	-	(106,869)
	$ 93,942	$ 36,296	$ 3,031	$ 8,428	$ 19,409	$ 161,106
Jan. 1	$ 93,942	$ 36,296	$ 3,031	$ 8,428	$ 19,409	$ 161,106
Increase	29,241	12,463	2,580	206	129,221	173,711
Reclassified	9,409	4,166	-	-	(9,409)	4,166
Depreciation expenses	(7,118)	(14,042)	(1,534)	(2,819)	-	(25,513)
Dec. 31	$ 125,474	$ 38,883	$ 4,077	$ 5,815	$ 139,221	$ 313,470
Dec. 31						
Cost	$ 150,472	$ 124,572	$ 12,362	$ 16,213	$ 139,221	$ 442,840
Accumulated depreciation	(24,998)	(85,689)	(8,285)	(10,398)	-	(129,370)
	$ 125,474	$ 38,883	$ 4,077	$ 5,815	$ 139,221	$ 313,470

1. The capitalized amount of borrowing costs for property, plant, and equipment for this year is $529, with an interest rate of 1.993%.

2. For information on collateral provided with property, plant and equipment, please refer to note 8 for details.

2022

	Houses and buildings	Machinery equipment	Office equipment	Other	Unfinished construction and equipment pending acceptance	Total
Jan. 1						
Cost	$ 87,941	$ 95,670	$ 9,782	$ 16,007	$ -	$ 209,400
Accumulated depreciation	(13,129)	(59,067)	(5,266)	(4,785)	-	(82,247)
	$ 74,812	$ 36,603	$ 4,516	$ 11,222	$ -	$ 127,153
Jan. 1	$ 74,812	$ 36,603	$ 4,516	$ 11,222	$ -	$ 127,153
Increase	-	4,178	-	-	19,409	23,587
Reclassified	23,881	11,107	-	-	-	34,988
Depreciation expenses	(4,751)	(15,592)	(1,485)	(2,794)	-	(24,622)
Dec. 31	$ 93,942	$ 36,296	$ 3,031	$ 8,428	$ 19,409	$ 161,106
Dec. 31						
Cost	$ 111,822	$ 110,955	$ 9,782	$ 16,007	$ 19,409	$ 267,975
Accumulated depreciation	(17,880)	(74,659)	(6,751)	(7,579)	-	(106,869)
	$ 93,942	$ 36,296	$ 3,031	$ 8,428	$ 19,409	$ 161,106

For information on collateral provided with property, plant and equipment, please refer to note 8 for details.

(9) Lease Transactions – Lessee

1. The target assets leased by the Company are land and plants, and the lease period usually ranges from 5 to 19.5 years. Each lease contract is negotiated individually and includes various different terms and conditions. Except that the leased assets may not be used as collateral for loans, there are no other restrictions imposed.

2. The lease period of the machinery and equipment leased by the Company cannot exceed 12 months, and the leased low-value underlying assets are other equipment.

3. The carrying value and recognized depreciation expense information of the right-of-use assets are as follows:

	Carrying amount	
	Dec. 31, 2023	Dec. 31, 2022
Land	$ 40,100	$ 17,838
Houses and buildings	959	1,917
	$ 41,059	$ 19,755

	Depreciation expenses	
	2023	2022
Land	$ 1,243	$ 673
Houses and buildings	959	959
	$ 2,202	$ 1,632

4. The increase in right-of-use assets of the Company in 2023 and 2022 was $23,506 and $5,080, respectively.

5. Information on profit and loss items related to lease contracts is as follows:

	2023	2022
Items affecting current profit and loss		
Interest expense on lease liabilities	$ 510	$ 310
Expenses under short-term lease contracts	$ 293	$ 529
Expenses for lease of low-value assets	$ 89	$ 99
Lease modification losses	$ -	$ 25

6. The total rental cash outflows of the Company in 2023 and 2022 were $2,713 and $2,312, respectively.

7. Options for lease extension and termination

When deciding on the lease period, the Company takes into account all facts and circumstances that may generate economic incentives when exercising the option for lease extension. The lease period will be re-estimated when a significant event occurs that leads to an evaluation of the exercise of the option for lease extension or non-exercise of the option for lease termination.

(10) Intangible assets

2023

	Computer software	Technical authorization	Other	Total
Jan. 1				
Cost	$ 27,525	$ 6,179	$ 6,502	$ 40,206
Accumulated amortization	(24,712)	(885)	(2,472)	(28,069)
	$ 2,813	$ 5,294	$ 4,030	$ 12,137
Jan. 1	$ 2,813	$ 5,294	$ 4,030	$ 12,137
Increase	2,824	-	5,025	7,849
Amortization expense	(1,131)	(1,112)	(786)	(3,029)
Dec. 31	$ 4,506	$ 4,182	$ 8,269	$ 16,957
Dec. 31				
Cost	$ 30,079	$ 6,449	$ 11,527	$ 48,055
Accumulated amortization	(25,573)	(2,267)	(3,258)	(31,098)
	$ 4,506	$ 4,182	$ 8,269	$ 16,957

2022

	Computer software	Technical authorization	Other	Total
Jan. 1				
Cost	$ 27,275	$ 5,884	$ 5,174	$ 38,333
Accumulated amortization	(23,156)	(224)	(1,925)	(25,305)
	$ 4,119	$ 5,660	$ 3,249	$ 13,028
Jan. 1	$ 4,119	$ 5,660	$ 3,249	$ 13,028
Increase	250	295	1,328	1,873
Amortization expense	(1,556)	(661)	(547)	(2,764)
Dec. 31	$ 2,813	$ 5,294	$ 4,030	$ 12,137
Dec. 31				
Cost	$ 27,525	$ 6,179	$ 6,502	$ 40,206
Accumulated amortization	(24,712)	(885)	(2,472)	(28,069)
	$ 2,813	$ 5,294	$ 4,030	$ 12,137

Amortization expense of intangible assets is as follows:

	2023	2022
Production overhead	$ 368	$ 222
Selling expenses	630	-
Administrative expenses	158	382
Research and development expenses	1,873	2,160
	$ 3,029	$ 2,764

(11) Other payables

	Dec. 31, 2023	Dec. 31, 2022
Salaries and bonus payable	$ 23,332	$ 23,510
Employee compensation payable	10,388	9,767
Director remuneration payable	519	488
Processing expense payable	4,060	8,749
Payable on machinery and equipment	1,363	3,711
Other	15,134	13,937
Total	$ 54,796	$ 60,162

(12) Corporate bonds payable

	Dec. 31, 2023	Dec. 31, 2022
Corporate bonds payable	$ 200,000	$ -
Less: Discount on corporate bonds payable	(13,896)	-
	$ 186,104	$ -

1. Domestic convertible corporate bonds issued by the Company

(1) The issuance conditions for the first domestic unsecured convertible corporate bond of the Company are as follows:

A. The Company was approved by the competent authority to raise and issue its first domestic unsecured convertible corporate bond, with a total issuance amount of $200,000,000 and a coupon rate of 0%. The issuance period is 3 years, and the circulation period is from August 25, 2023, to August 25, 2026. Except for bondholders who convert their convertible corporate bond holdings into common shares of the Company in accordance with Article 10 of these Measures, or if the Company redeems them in advance in accordance with Article 18 of these

Measures, or if the Company redeems and cancels them at the securities firm's business premises, the Company shall repay the convertible corporate bond bondholders in cash in one lump sum within 10 business days from the day after the maturity of the convertible corporate bond. This convertible corporate bond was listed for trading on the Taiwan Stock Exchange on August 25, 2023.

B. From 3 months after the issuance date of this convertible corporate bond (November 26, 2023) until the maturity date (August 25, 2026), the holders of this convertible corporate bond may request conversion into the Company's common shares at any time, except during the transfer suspension period in accordance with the Measures or laws. The converted common shares shall be ranked pari passu with the original issued common shares.

C. The conversion price for the initial issuance is set at NT$123 per share, and the conversion price will be adjusted in accordance with Article 11 of the Company's Domestic Unsecured Convertible Corporate Bond Issuance and Conversion Measures.

D. From November 26, 2023, the date 3 months after the issuance date of this convertible corporate bond, until July 16, 2026, 40 days before the maturity of the bond, if the closing price of the Company's common shares exceeds the conversion price by 30% or more for 30 consecutive business days, or if the outstanding balance is less than 10% of the original total face value, the Company may notify bondholders in accordance with the Conversion Measures and redeem all bonds in cash according to the face value of the bonds.

E. In accordance with the Conversion Measures, all convertible corporate bonds redeemed (including those redeemed through securities firms), repaid, or converted by the Company will be cancelled and cannot be sold or issued again. The conversion rights attached to them will also be extinguished.

2. When issuing convertible corporate bonds, the Group separated the conversion rights of equity nature from the various liability components in accordance with International Accounting Standard No. 32 "Financial Instruments: Expressions", and recognized a total of $21,811,000 as "Capital Surplus – Stock Options". The embedded call option is recognized as "financial assets measured at fair value through profit or loss" based on its net amount in accordance with International Financial Reporting Standard No. 9 "Financial Instruments", as it is closely related to the economic characteristics and risks of the main contract's debt commodities. The effective interest rate of the main contract's debt obligations after the separation is 2.7617%.

(13) Long-term borrowings

Nature of borrowings	Borrowing period and repayment method	Interest rate collar	Collateral	Dec. 31, 2023
Long-term bank loan				
Secured loan	From July 24, 2018, to July 24, 2028, with monthly interest payments. In addition, from September 2020 to August 2021, interest payments will be	1.975% ~2.1%	Note 1	$ 23,607

	made without principal repayment, with an interest rate subsidy of 0.81%			
Secured loan	From October 21, 2020, to October 15, 2025, with monthly interest payments.	0.645% ~0.77%	Note 2	2,127
Secured loan	From November 20, 2020, to October 15, 2025, with monthly interest payments.	0.645% ~0.77%	Note 2	4,102
Credit loan	From September 23, 2020, to September 15, 2025, with monthly interest payments.	0.645% ~0.77%	None	10,500
Secured loan	From August 31, 2022, to October 15, 2025, with monthly interest payments.	0.645% ~0.77%	Note 2	6,947
Secured loan	From May 22, 2023, to May 22, 2043, with monthly interest payments.	1.993%	Note 1	18,000
Secured loan	From May 22, 2023, to May 22, 2043, with monthly interest payments.	2.118%	Note 1	4,000
Secured loan	From August 29, 2023, to August 29, 2043, with monthly interest payments.	1.993%	Note 1	79,000
Secured loan	From November 13, 2023, to November 13, 2033, with monthly interest payments. In addition, from November 2023 to October 2024, with an interest rate subsidy of 0.5%	2.095%	Note 1	28,000
				-
				176,283
Less: Long-term borrowings due within 1 year				(18,597)
				$ 157,686

Nature of borrowings	Borrowing period and repayment method	Interest rate collar	Collateral	Dec. 31, 2022
Long-term bank loan				

Secured loan	From July 24, 2018, to July 24, 2028, with monthly interest payments. In addition, from September 2020 to August 2021, interest payments will be made without principal repayment, with an interest rate subsidy of 0.81%	1.35% ~1.975%	Note 1	$	28,757
Secured loan	From October 21, 2020, to October 15, 2025, with monthly interest payments.	0.02% ~0.645%	Note 2		3,287
Secured loan	From November 20, 2020, to October 15, 2025, with monthly interest payments.	0.02% ~0.645%	Note 2		6,339
Credit loan	From September 23, 2020, to September 15, 2025, with monthly interest payments.	0.02% ~0.645%	None		16,500
Secured loan	From August 31, 2022, to October 15, 2025, with monthly interest payments.	0.02% ~0.645%	Note 2		10,737
					-
					65,620
Less: Long-term borrowings due within 1 year				(	18,337)
				$	47,283

Note 1: Unfinished construction and Houses and buildings。

Note 2: Machinery equipment and rental improvements.

Collateral for long-term loans; please refer to note 8 for details.

(14) Pension

1. In accordance with the Labor Pension Act, the Company has established a retirement policy with a defined contribution method that is applicable to employees of R.O.C. nationality. The Company applies the labor pension system stipulated in the Labor Pension Act to employees and pays a monthly pension of 6% of their salary to their personal accounts at the Bureau of Labor Insurance. The payment of employee pension is based on the amount of the employee's personal pension account, and the accumulated income is collected either monthly or in one go.

2. In 2023 and 2022, the pension costs recognized by the Company in accordance with the pension regulations above were $6,928 and $6,010, respectively.

(15) Share-based payments

1. In 2023 and 2022, the share-based payment agreements of the Company were as follows:

Agreement type	Granting Day	Quantity granted	Contract period	Vesting condition
2018 Employee Stock Option Plan	May 1, 2020	310,000 shares	7 years	After 2 years: 30% After 3 years: 30% After 4 years: 40%
2018 Employee Stock Option Plan	July 27, 2020	190,000 shares	7 years	After 2 years: 30% After 3 years: 30% After 4 years: 40%
2022 capital increase in cash reserved for employee stock options	May 18, 2022	465,000 shares	-	Immediate acquisition
2023 capital increase in cash reserved for employee stock options	August 15, 2023	125,000 shares	-	Immediate acquisition

2. The detailed information of the aforementioned share-based payment agreements is as follows:

	2023		2022	
	Quantity of stock option (Thousand shares)	**Weighted average exercise price** (NT$)	**Quantity of stock option** (Thousand shares)	**Weighted average exercise price** (NT$)
Outstanding stock options on January 1	329	$ 20	470	$ 20
Loss of stock options in this period due to resignation	(49)	20	(19)	20
Stock options exercised in this period	(106)	20	(122)	20
Outstanding stock options on December 31	174	20	329	20
Exercisable stock options on December 31	18	20	15	20

3. Until December 31, 2023, and December 31, 2022, the exercise prices of the outstanding quantity of employee stock options for 2018 were $20 and $20, respectively; the weighted average remaining contract periods are 3.41 years and 4.43 years, respectively.
4. The Company uses the Black Scholes option evaluation model to estimate the fair value of stock options for the share-based payment transactions of stock dividends delivered on

the giving day. The relevant information is as follows:

Type of agreement	Giving day	Share price	Exercise price	Expected volatility	Expected lifetime	Expected dividend	No risk rate	Fair value per unit
2018 employee stock options plan	May 1, 2020	-	$20	37.64%	4.25 years	-	0.50%	$4.35
2018 employee stock options plan	July 27, 2020	-	$20	37.64%	4.25 years	-	0.50%	$4.35
2022 capital increase in cash reserved for subscription by employees	May 18, 2022	$42.67	$46	26.49%	0.038 years	-	0.62%	$0.08
2023 capital increase in cash reserved for subscription by employees	Aug 15, 2023	$106.5	$85	47.13%	0.082 years	-	0.965%	$21.67

Note: The expected volatility is based on the sample of closing prices of TWSE and TPEx listed companies in the year prior to the evaluation date. The daily natural logarithmic return rate is calculated based on the restored stock prices during the sample period, with the standard deviation of the daily return rate annualized.

5. The expenses incurred in the transactions of share-based payments are as follows:

	2023	2022
Equity settlement	$ 2,956	$ 495

(16) Provisions

	Warranty	Decommissioning liabilities	Total
Balance on Jan. 1, 2023	$ 3,077	$ 660	$ 3,737
Provisions increased for current period	3,589	-	3,589
Provision used in current period	(1,747)	-	(1,747)
Balance on Dec. 31	$ 4,919	$ 660	$ 5,579

	Warranty	Decommissioning liabilities	Total
Balance on Jan. 1, 2022	$ 2,047	$ 660	$ 2,707
Provisions increased for current period	2,283	-	2,283
Provision used in current period	(1,253)	-	(1,253)
Balance on Dec. 31	$ 3,077	$ 660	$ 3,737

The analysis of provisions is as follows:

	Dec. 31, 2023	Dec. 31, 2022
Current	$ 3,590	$ 2,283
Non-current	$ 1,989	$ 1,454

1. Warranty

   The provision for warranty liabilities by the Company is mainly related to the sales of digital medical imaging diagnostic equipment products, and the provision for warranty liabilities is estimated based on the historical warranty data of the product.

2. Retirement of liabilities

   According to the published policies and applicable contractual or regulatory requirements, the Company is obligated to dismantle, remove, or restore some of the leased factories in the Hsinchu Science Park. Therefore, the present value of the expected costs of dismantling, removing or restoring the location is recognized as a provisions, which the Company expects to incur in the future when the lease is not continued.

(17) Share Capital

On December 31, 2023, the authorized capital of the Company was $500,000, divided into 50,000,000 shares (including 7,500,000 shares for employee stock options), and the paid-in capital was $345,842 at a face value of $10 per share. The payment for the issued shares of the Company has been fully received.

The adjustment to the number of the Company's outstanding common shares at the beginning and end of the period is as follows: (unit: 1000 shares)

	2023	2022
Jan. 1	33,228	30,006
Capital increase in cash	1,250	3,100
Exercise of employee stock option	106	122
Dec. 31	34,584	33,228

1. On March 24, 2022, the Company issued 3,100,000 shares of common shares through capital increase in cash prior to the initial stock listing, with the lowest underwriting price of NT$38.98 per share through a competitive auction. The bidder with the higher bid price had priority in winning the bid, and each winning bidder was obligated to subscribe based on their bid price. The weighted average price of each winning bid and its quantity were NT$47.1. The underwriting price for public subscription was NT$46 per share; the total amount was $144,918, which has been fully paid up. In addition, the $3,184 transaction cost of issuing new shares was recognized as a deduction from the capital surplus from the issuance premium. The ex-date for capital increase was May 30, 2022, and the registration change has been completed.

2. On July 5, 2023, the Company passed a Board resolution to issue new shares through capital increase in cash. The number of shares for the capital increased was 1,250,000, with a face value of NT$10 per share and an issue price of NT$85 per share, totaling $106,250. The total amount has been fully paid up. In addition, the transaction cost of issuing new shares was $2,580, which was recognized as a deduction from the capital surplus from the issuance premium. The ex-date for capital increase was September 13, 2023, and the registration change has been completed.

(18) Capital Surplus

1. According to the provisions of the Company Act, the surplus from issuing shares exceeding the face value and the capital surplus due to donated assets received, in addition to making up for losses, may be used to issue new shares or cash in proportion to shareholders' original holdings when the Company has no accumulated loss. According to the relevant provisions of the Securities and Exchange Act, when the capital surplus above is used for capital replenishment, the total amount shall not exceed 10% of the paid-in capital per year. The Company shall not supplement its capital with capital surplus when the capital surplus is insufficient to make up for capital losses.

2. The changes in capital surplus are as follows:

2023	Premiums of issuance	Employee stock option	Stock option	Change in other capital surplus	Total
Jan. 1	$ 201,553	$ 892	$ -	$ -	$ 202,445
Capital increase in cash	91,170	-	-	-	91,170
Generated from the recognition of equity component – equity subscription due to the issuance of convertible corporate bonds	-	-	21,811		21,811
Capital increase in cash – remuneration cost for retained employee stock options	2,709	-	-	-	2,709
Remuneration cost for employee stock options	-	247	-	-	247
Exercise of employee stock option	1,529	(464)	-	-	1,065
Capital surplus – Other	-	-	-	47	47
Dec. 31	$ 296,961	$ 675	$ 21,811	$ 47	$ 319,494

2022	Premiums of issuance	Employee stock option	Total
Jan. 1	$ 89,039	$ 962	$ 90,001
Capital increase in cash	110,734	-	110,734
Capital increase in cash – remuneration cost for retained employee stock options	37	-	37
Remuneration cost for employee stock options	-	458	458
Exercise of employee stock option	1,743	(528)	1,215
Dec. 31	$ 201,553	$ 892	$ 202,445

(19) Retained Earnings

1. According to the articles of association of the Company, if there is any surplus in the annual final account, in addition to paying all taxes in accordance with the law, the losses of previous years should be compensated first, and then a 10% legal reserve should be set aside until the legal reserve reaches the total capital. Then a special reserve should be set aside or reversed in accordance with laws and regulations or the requirements of the competent authority. If there is still a balance, along with the accumulated undistributed earnings of previous years, the Board of Directors shall prepare a distribution proposal for the resolution of the shareholders' meeting to distribute stock or cash dividends.
2. The dividend policy of the Company is as follows: The policy is in line with current and future development plans, with the investment environment, funding needs, and domestic and international competition taken into account, plus factors such as shareholder interests. Every year, no less than 10% of the distributable earnings will be allocated to distribute shareholder dividends. However, if the cumulative distributable earnings is less than 10% of the paid-in share capital, no dividend may be distributed. The distribution of dividends to shareholders may be done in cash or stock, with cash dividends no less than 10% of the total dividend amount.
3. The legal reserve cannot be used except to make up for the Company's losses and distribute new shares or cash to shareholders in proportion to their original shareholdings. However, for the distribution of new shares or cash, the amount of such reserve must not exceed 25% of the paid-in capital.
4. The Company passed the following earnings distribution proposal for 2023 and 2022 by a Board resolution on March 13, 2024, and a resolution of the shareholders meeting on June 15, 2023, as follows:

	2023		2022	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Legal reserve	$ 7,405		$ 7,002	
Special reserve	508		(542)	
Cash dividend	62,252	$ 1.80	59,809	$ 1.80
	$ 70,165		$ 66,269	

As of March 13, 2024, the aforementioned 2023 earnings distribution proposal is awaiting the resolution of the shareholders meeting.

(20) Operating revenue

	2023	2022
Income from contracts with clients	$ 530,570	$ 489,038

1. Further divisions of the income from the contracts with clients

The Company's incomes is further dividend into the following main products:

2023	Digital medical diagnostic equipment products	Income from technical service	Other	Total
Income from contracts with external clients	$ 298,759	$ 183,338	$ 48,473	$ 530,570
Income recognition point of time				
Income recognized at a single point in time	$ 298,759	$ -	$ 48,473	$ 347,232
Income recognized gradually over time	-	183,338	-	183,338
	$ 298,759	$ 183,338	$ 48,473	$ 530,570

2022	Digital medical diagnostic equipment products	Income from technical service	Other	Total
Income from contracts with external clients	$ 417,949	$ 16,223	$ 54,866	$ 489,038
Income recognition point of time				
Income recognized at a single point in time	$ 417,949	$ -	$ 54,866	$ 472,815
Income recognized gradually over time	-	16,223	-	16,223
	$ 417,949	$ 16,223	$ 54,866	$ 489,038

2.Contract assets and contract liabilities

The Company recognizes the contract assets and contract liabilities related to income from contracts with clients as follows:

	Dec. 31, 2023	Dec. 31, 2022	Jan. 1, 2022
Contract assets	$ 13,921	$ 9,817	$ 8,329
Contract liabilities	$ 50,190	$ 700	$ 2,099

The amounts of revenue recognized for the beginning contract liabilities in 2023 and 2022 are $632 and $1,144, respectively.

(21) Interest income

	2023	2022
Interest income from bank deposits	$ 4,564	$ 1,075
Interest income from financial assets measured at amortized cost	443	267
Other interest income	4	2
	$ 5,011	$ 1,344

(22) Other gains and loss

	2023	2022
Losses from lease modification	$ -	($ 25)
Foreign exchange gains (loss), net	(2,053)	26,542
Gains (losses) on financial assets and liabilities measured at fair value through profit or loss	(240)	-
Miscellaneous disbursements	(15)	(155)
	($ 2,308)	$ 26,362

(23) Financial costs

	2023	2022
Interest expense from bank loan	$ 1,491	$ 1,001
Interest expense from lease liabilities	510	310
Interest from corporate bonds	1,799	-
	$ 3,800	$ 1,311

(24) Additional information on the nature of fees

	2023	2022
Employee benefits expenses	$ 179,621	$ 158,438
Property, plant, and equipment and depreciation expense of right-of-use assets	27,715	26,254
Amortization expense from intangible assets	3,029	2,764
	$ 210,365	$ 187,456

(25) Employee benefits expenses

	2023	2022
Salary expenses	$ 149,320	$ 133,510
Share-based payments	2,956	495
Expenses of labor and health insurances	12,549	10,984
Pension expense	6,928	6,010
Directors' remuneration	611	532
Other personnel expenses	7,257	6,907
	$ 179,621	$ 158,438

1. According to the Company's articles of association, if there is any profit in the current year, the Company shall contribute 10% to 25% as employees' remuneration, and no

more than 3% as directors' remuneration. However, when the Company still has a cumulative loss, the amount to be compensated must be reserved in advance. Employees' remuneration may be in the form of stock or cash, and its recipients may include employees of affiliated companies who meet certain conditions.

2. The Company's estimated employee remuneration amounts for 2023 and 2022 are $10,388 and $9,767, respectively, and the estimated amounts of directors' remuneration are $519 and $488, respectively. The aforementioned amounts are recognized as the salary expense account.

   Based on the profit situation for 2023, the employees' remuneration and the directors' remuneration are estimated to account for 10% and 0.5%, respectively.

   The employees' remuneration and the directors' remuneration for 2023 and 2022, determined by Board resolution, are consistent with the amounts recognized in the financial reports for 2023 and 2022.

   The information about the employees' remuneration and the directors' remuneration of the Company is available on the Market Observation Post System.

(26) Income tax

1. Components of income tax expense:

	2023	2022
Current income tax:		
Income tax payable current period	$ 27,230	$ 16,132
Over (under)-estimated income tax from previous years	(1,389)	(811)
Total current income tax	25,841	15,321
Deferred income tax:		
Initially incurring and reversal from temporary difference	(6,921)	2,072
Income tax expenses	$ 18,920	$ 17,393

2. The relationship between income tax expense and accounting profit.

	2023	2022
Income tax calculated at statutory tax rates on net profit before tax	$ 18,595	$ 17,482
The income tax impact of items unable to be recognized in accordance with tax regulations	364	58
Changes in deferred income tax liabilities resulting from unrecognized temporary differences	1,350	664
Overestimated income tax from previous years	(1,389)	(811)
Income tax expenses	$ 18,920	$ 17,393

3. The amounts of each deferred income tax asset or liability arising from temporary differences are as follows:

	Jan. 1, 2023	Recognized as profit and loss	Dec. 31
Deferred income tax assets:			
Temporary difference:			
Losses on reduction of inventory to market	$ 4,166	$ 1,854	$ 6,020
Unrealized profit from sales	938	(241)	697
Unrealized foreign exchange losses	-	1,837	1,837
Other	1,407	510	1,917
	$ 6,511	$ 3,960	$ 10,471
Deferred income tax liabilities:			
Temporary difference:			
Unrealized exchange gains	($ 2,961)	$ 2,961	$ -
	$ 3,550	$ 6,921	$ 10,471

	Jan. 1, 2022	Recognized as profit and loss	Dec. 31
Deferred income tax assets:			
Temporary difference:			
Losses on reduction of inventory to market	$ 2,942	$ 1,224	$ 4,166
Unrealized profit from sales	1,308	(370)	938
Other	1,372	35	1,407
	$ 5,622	$ 889	$ 6,511
Deferred income tax liabilities:			
Temporary difference:			
Unrealized exchange gains	$ -	($ 2,961)	($ 2,961)
	$ 5,622	($ 2,072)	$ 3,550

4. The Company has not recognized deferred income tax liabilities for temporary differences related to investments in certain subsidiaries. The temporary differences in deferred income tax liabilities not recognized as of December 31, 2023, and December 31, 2022, were $0 and $5,201, respectively.

5. The Company's profit-seeking business income tax has been approved by the tax collection agency until the year of 2021.

(27) Earnings per share

2023	Amount after tax	Weighted average outstanding shares (thousand)	EPS (NT$)
Basic earnings per share			
Net profit for current period attributable to common shareholders	$ 74,054	33,659	$ 2.20
Diluted earnings per share			
Net profit for current period attributable to common shareholders	74,054	33,659	
Influence of potentially dilutive common stock			
Employees compensation	-	123	
Employee stock options	-	228	
Net profit of current period and influence of potential common shares attributable to common shareholders	$ 74,054	34,010	$ 2.18

2022	Amount after tax	Weighted average outstanding shares (thousand)	EPS (NT$)
Basic earnings per share			
Net profit for current period attributable to common shareholders	$ 70,019	31,897	$ 2.20
Diluted earnings per share			
Net profit for current period attributable to common shareholders	70,019	31,897	
Influence of potentially dilutive common stock			
Employees compensation	-	168	
Employee stock options	-	283	
Net profit of current period and influence of potential common shares attributable to common shareholders	$ 70,019	32,348	$ 2.16

When calculating the diluted earnings per share for January 1 to December 31, 2023, the Company did not include convertible corporate bonds in the calculation due to their anti-dilution effect.

(28) Supplemental Information on Cash Flow

Investment activities with only partial cash payments:

	2023	2022
Purchase of property, plant, and equipment	$ 177,877	$ 58,575
Plus: beginning payable on machinery and equipment	3,711	734
Plus: ending prepayments for machinery and equipment	19,105	7,315
Less: ending payable on machinery and equipment	(1,363)	(3,711)
Less: beginning prepayments for machinery and equipment	(7,315)	(14,044)
Less: interest capitalization	(529)	-
Cash paid in current period	$ 191,486	$ 48,869

(29) Changes in liabilities arising from financing activities

2023

	Long-term borrowings	Lease liabilities	Deposits received	Corporate bonds payable	Total of liabilities arising from financing activities
Jan. 1	$ 65,620	$ 19,968	$ 12	$ -	$ 85,600
Changes in cash flows from financing activities	110,663	(1,821)	8	205,679	314,529
Interest expense	-	510	-	-	510
Interest paid	-	(510)	-	-	(510)
Changes from other non-cash items	-	23,506	-	(19,575)	3,931
Dec. 31	$ 176,283	$ 41,653	$ 20	$ 186,104	$ 404,060

2022

	Long-term borrowings	Lease liabilities	Deposits received	Corporate bonds payable	Total of liabilities arising from financing activities
Jan. 1	$ 45,000	$ 69,431	$ 16,218	$ -	$ 130,649
Changes in cash flows from financing activities	(45,000)	(3,811)	(1,374)	12	(50,173)
Interest expense	-	-	310	-	310
Interest paid	-	-	(310)	-	(310)
Changes from other non-cash items	-	-	5,124	-	5,124
Dec. 31	$ -	$ 65,620	$ 19,968	$ 12	$ 85,600

VII. Transaction items of related parties

(1) Name and related to related parties

Name and related to related parties	Name and related to related parties
Medview Investments Limited	The subsidiary is directly held by the Company with 100% ownership.
Medimaging Integrated Solution Inc. (Dongguan)	The subsidiary is indirectly held by the Company with 100% ownership.
Welch Allyn, Inc. of USA	Entities with significant influence over the Company (note)
Hill-Rom Services Pte Ltd.	Same parent company as Welch Allyn, Inc. of USA (Note)
Welch Allyn Australia Pty Ltd.	A subsidiary of Welch Allyn, Inc. of USA (Note)
Aitronics Inc.	The subsidiary is directly held by the Company with 100% ownership.

Note : Welch Allyn, Inc. of USA is no longer a corporate director of the Company after the reelection on June 15, 2023; since then, it is no longer a related party of the Company.

(2) Important transactions between the Company and related parties

1.Operating revenue

	2023	2022
Selling goods:		
Welch Allyn, Inc. of USA	$ 74,723	$ 196,806
Hill-Rom Services Pte Ltd.	139	-
Medimaging Integrated Solution Inc. (Dongguan)	2,957	12,193
Sub-total	77,819	208,999
Other operating revenue:		
Welch Allyn, Inc. of USA	4,963	24,484
Welch Allyn Australia Pty Ltd	-	26
Medimaging Integrated Solution Inc. (Dongguan)	9,826	2,121
Sub-total	14,789	26,631
Total	$ 92,608	$ 235,630

There is no significant difference between the transaction price and payment terms of product sales for non-related parties. The prices of technical service revenue and other operating revenue are determined through negotiation between both parties, and there is no significant difference in payment terms for non-related parties.

2.Non-operating revenue

	Dec. 31, 2023	Dec. 31, 2022
Non-operating revenue:		
Aitronics Inc.	$ 19	$ -

3. Purchase

	2023	2022
Purchase of goods:		
Medimaging Integrated Solution Inc. (Dongguan)	$ -	$ 57

The transaction prices and payment terms for purchasing goods are not significantly different from those of unrelated parties.

4. The amount of accounts receivable due from related parties

	Dec. 31, 2023	Dec. 31, 2022
Accounts receivable:		
Welch Allyn, Inc. of USA	$ -	$ 40,709
Medimaging Integrated Solution Inc. (Dongguan)	167	5,050
Total	$ 167	$ 45,759

5.Other receivables

	Dec. 31, 2023	Dec. 31, 2022
Other receivables:		
Aitronics Inc.	$ 620	$ -

(3) Information on remuneration of major management executives

	2023	2022
Short-term employee benefits	$ 18,955	$ 21,279
Post-employment benefits	549	704
Share-based payments	512	26
Sum-total	$ 20,016	$ 22,009

VIII. Pledged assets

The assets pledged by the Company are as follows:

Assets items	Carrying value Dec. 31, 2023	Carrying value Dec. 31, 2022	Purpose of guarantee
Time deposit (Listed as "financial assets measured at amortized cost – non-current)	$ 2,431	$ 959	Lease security deposit to Science Park Bureau
Unfinished construction and houses and buildings	221,822	53,635	Long-term borrowings
Machinery equipment and lease improvement	21,885	28,489	Long-term borrowings
	$ 246,138	$ 83,083	

IX. Significant contingent liabilities and unrecognized contractual commitments

Capital expenditures contracted but not yet incurred:

	Dec. 31, 2023	Dec. 31, 2022
Property, plant, and equipment	$ 31,382	$ 106,764
Intangible assets	2,435	3,840
Sum-total	$ 33,817	$ 110,604

X. Major disaster losses

None

XI. Major subsequent events

1. On January 5, 2024, the Company passed a Board resolution to acquire 100% equity of Lian Chan Precision Co., Ltd. for NT$66 million.
2. Please refer to note 6 (19) for details.

XII. Other

(1) Capital Management

The capital management objectives of the Company are to ensure the continued operation of the Company, maintain the optimal capital structure to reduce capital costs, and provide compensation to shareholders. In order to maintain a sound capital base, the Company will consider the necessary working capital, capital expenditures, and dividend expenditures for the future period. Through financial analysis, the Company will examine its capital structure to achieve the capital management goals.

(2) Financial Instrument

1. Types of financial instruments

	Dec. 31, 2023	Dec. 31, 2022
Financial assets		
Financial assets measured at fair value through profit or loss	$ 197	$ -
Financial assets measured at fair value through other comprehensive income		
Investment in designated equity instruments	250	250
Financial assets measured at amortized cost		
Cash and cash equivalents	428,621	250,592
Financial assets measured at amortized cost	186,248	60,959
Accounts receivable(Including related parties)	81,281	110,252
Other receivables(Including related parties)	2,675	2,727
refundable deposits	145	150
	$ 699,417	$ 424,930

	Dec. 31, 2023	Dec. 31, 2022
Financial liabilities		
Financial liabilities measured at amortized cost		
Accounts Payable	$ 10,261	$ 28,331
Other payables	54,796	60,162
Corporate bonds payable	186,104	-
Long-term borrowings (Including due within one year)	176,283	65,620
deposits received	20	12
	$ 427,464	$ 154,125
Lease liabilities	$ 41,653	$ 19,968

2. Risk management policy

(1) The daily operations of the Company are affected by multiple financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risks, and liquidity risks. The overall risk management policy of the Company focuses on unpredictable events in the financial market and seeks to mitigate potential adverse effects on the Company's financial condition and performance.

(2) Risk management work is carried out by the financial and accounting unit of the Company in accordance with the policies approved by the Board of Directors. The financial and accounting unit of the Company are responsible for identifying, evaluating, and avoiding financial risks through close cooperation with the Company's operating unit.

3. Nature and degree of significant financial risks

(1) Market risks

Exchange rate risk

A. The Company operates across borders and is therefore subject to exchange rate risks arising from transactions in currencies different from the functional currencies of the Company, mainly in the US Dollar and Chinese Yuan. The related exchange rate risk comes from future commercial transactions and assets and liabilities already recognized.

B. The management of the Company has established policies to manage exchange rate risks relative to its functional currency, and the financial and accounting unit hedges the overall exchange rate risk. Exchange rate risk arises when future commercial transactions and assets or liabilities already recognized are denominated in foreign currencies other than the entity's functional currency.

C. The business conducted by the Company involves several nonfunctional currencies (the Company's functional currency is New Taiwan Dollars), and the information on foreign currency assets and liabilities with significant exchange rate fluctuations due to the impact of exchange rate fluctuations is as follows:

	Dec. 31, 2023		
	Foreign currency (In Thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 8,005	30.705	$ 245,799
RMB: NTD	5,235	4.327	22,651
Financial liabilities			
Monetary items			
USD: NTD	$ 184	30.705	$ 5,648

	Dec. 31, 2022		
	Foreign currency (In Thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 8,143	30.710	$ 250,072
RMB: NTD	4,999	4.408	22,037
Financial liabilities			
Monetary items			
USD: NTD	$ 255	30.710	$ 7,817

D. The summarized amounts of all recognized exchange gains (losses) (including realized and unrealized) for the monetary items of the Company in 2023 and 2022 due to significant exchange rate fluctuations are ($2,053) and $26,542, respectively.

E. The Company's foreign currency market risk analysis due to significant exchange rate fluctuations is as follows:

In 2023 and 2022, when the exchange rates of the US Dollar and Chinese Yuan against the New Taiwan Dollar increased or decreased by 1% respectively, assuming all other factors remained unchanged, the net profit before tax for 2023 and 2022 would decrease or increase by $2,626 and $2,643, respectively.

Price risk

The Company's equity instruments exposed to the price risk are financial assets held and measured at fair value through other comprehensive income. To manage the price risk of equity instrument investments, the Company has diversified its investment portfolio based on the limits set by the Company.

(2) Credit risk

A. The credit risk of the Company is the risk of financial losses caused by the inability of customers or financial instrument counterparties to fulfill contractual obligations. The risk is mainly from the counterparties' inability to settle accounts receivable to be paid according to payment terms, and contractual cash flows from debt instrument investments classified as measured at amortized cost.

B. The Company establishes credit risk management from a group perspective. According to the internal credit policy, before setting payment and delivery terms and conditions with a new customer, each operating entity within the Company will evaluate the customer's credit quality by considering their financial condition, past experience, and other factors.

C. The Company adopts IFRS 9 to provide a prerequisite assumption that a breach of contract shall be deemed to have occurred when the payment terms of the contract are overdue for more than 90 days.

D. The Company adopts IFRS 9 to provide the following premise assumption: when the contract payment is overdue for more than 30 days according to the agreed payment terms, it is considered that the credit risk of the financial asset has significantly increased since its initial recognition.

E. The indicators used by the Company to determine the credit impairment of debt instrument investments are as follows:

(A) The issuer is facing significant financial difficulties, or the likelihood of entering bankruptcy or other financial restructuring increases significantly.

(B) The issuer's financial difficulties have led to the disappearance of the active market for the financial asset;

(C) The issuer delays or fails to pay the interest or principal;

(D) Adverse changes in national or regional economic conditions which may lead to the issuer's default.

F. The Company will adopt a simplified approach to estimate expected credit losses based on the preparation matrix for customer accounts receivable.

G. After the recovery process, the Company will offset the amount of financial assets that cannot be reasonably expected to be recovered, but will continue to pursue legal proceedings to protect the rights of creditors.

H. The Company adjusts the loss rate established based on historical and current information for a specific period based on a forward-looking examination of the future, in order to estimate the loss allowance for accounts receivable. The preparation matrix for December 31, 2023, and December 31, 2022, is as follows:

Dec. 31, 2023	Expected loss rate	Total carrying value	Loss allowance
Not yet overdue	0–0.01%	$ 46,023	$ -
Overdue 1-30 days	0–0.01%	30,219	-
Overdue 31 - 90 days	0–0.01%	3,719	-
Overdue 91-180 days	0–0.20%	1,121	168
Overdue 181 days or more	1.30%–100%	647	280
Total		$ 81,729	$ 448

Dec. 31, 2022	Expected loss rate	Total carrying value	Loss allowance
Not yet overdue	0–0.01%	$ 93,440	$ -
Overdue 1-30 days	0–0.01%	13,865	-
Overdue 31 - 90 days	0–0.01%	2,947	-
Overdue 91-180 days	0–0.01%	14	14
Overdue 181 days or more	0.01%–100%	-	-
Total		$ 110,266	$ 14

I. The statement of the change of the allowance for losses of accounts receivable simplified by the Company is follows:

	2023
Jan. 1	$ 14
Recognized in current period	434
Dec. 31	$ 448

	2022
Jan. 1	$ 1,663
Recognized in impairment loss	87

The amount written off due to irrecoverability	(1,736)
Dec. 31	$ 14

(3) Liquidity risk

A. The cash flow forecast is executed by various operating entities within the Company and summarized by the Company's Finance and Accounting Department. The Finance and Accounting Department monitors the forecast of working capital demand to ensure that it has sufficient funds to meet operational needs and maintains sufficient unused loan commitments at all times.

B. The remaining cash held will be invested in interest bearing demand deposits, time deposits, money market deposits, and securities, with the selected instruments having appropriate maturity dates or sufficient liquidity to meet the forecast above and maintain sufficient funding movement levels.

C. The details of the unused loan amount of the Company are as follows:

	Dec. 31, 2023	Dec. 31, 2022
Floating rate		
Due within one year	$ 144,606	$ 144,607
Due beyond one year	$ 20,000	$ 41,200

D. The following table shows the non-derivative financial liabilities of the Company, grouped by maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. The cash flow amounts disclosed in the table below are undiscounted amounts.

Non-derivative financial liabilities:

Dec. 31, 2023	Due within one year	1 - 2 years	2 - 5 years	Over 5 years
Accounts Payable	$ 10,261	$ -	$ -	$ -
Other payables	54,796	-	-	-
Corporate bonds payable	-	-	200,000	-
Long-term borrowings (including those due within 1 year)	21,286	21,647	48,279	110,143
Lease liabilities	3,323	2,433	7,177	37,404

Non-derivative financial liabilities:

Dec. 31, 2022	Due within one year	1 - 2 years	2 - 5 years	Over 5 years
Accounts Payable	$ 28,331	$ -	$ -	$ -
Other payables	60,162	-	-	-
Long-term borrowings (including those due	19,042	18,855	26,587	3,019

within 1 year)				
Lease liabilities	1,852	1,852	2,887	17,330

E. The Company did not expect that the cash flow occurrence time in the maturity date analysis would be significantly brought forward, or that the actual amount would be significantly different.

(3) Fair value information:

1. The inputs for the evaluation techniques used to measure the fair value of financial and non-financial instruments are split into different levels, as defined below:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

   Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

   Level 3: Unobservable inputs for the asset or liability. The Company's investment in equity instruments without active market is included in Level 3.

2. Financial instruments not measured at fair value

   Except those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable, other receivables, long-term borrowings, accounts payable, and other payables are reasonable approximations of fair value:

Dec. 31, 2023		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	$ 186,104	$ -	$ 186,104	$ -

   Dec. 31, 2022: None

3. Financial and non-financial instruments measured at fair value, and information related to the basic classification of the Company according to the nature, characteristics, risk, and level of fair value are stated as follows:

Dec. 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 250	$ 250

Financial assets measured at fair value through profit or loss				
Derivative instruments	-	-	197	197
Total	$ -	$ -	$ 447	$ 447

Dec. 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 250	$ 250

4. The methods and assumptions used by the Company to measure fair value are as follows:

(1) Except for financial instruments with active markets, the fair value of other financial instruments is obtained through evaluation techniques or reference to counterparty quotes. For the fair value obtained through evaluation techniques, reference can be made to the current fair value of other financial instruments with similar substantive conditions and characteristics, the discounted cash flow method, or other evaluation techniques including using market information available on the consolidated balance sheet date to calculate the model.

(2) When evaluating non-standardized and less complex financial instruments, such as debt instruments without active markets, interest rate exchange contracts, exchange contracts and options, the Company adopts evaluation techniques widely used by market participants. The parameters used in the evaluation model of such financial instruments are usually market observable information.

5. The following table shows the changes in Level 3 in 2023 and 2022:

	2023		2022
	Non-derivative equity instruments:	Derivative instruments	Non-derivative equity instruments:
Jan. 1	$ 250	$ -	$ 250
Increased in current period	-	437	-
Loss recognized as profit and loss	-	(240)	-
Dec. 31	$ 250	$ 197	$ 250

6. There were no transfers from the Level 3 in 2023 and 2022.

7. The evaluation process for fair value classification in Level 3 by the Company, conducted by the finance and accounting department, which independently references net worth per

share; uses independent source data to make the evaluation results close to market conditions; confirms that the data source is independent, reliable, and consistent with other resources; and represents executable prices in order to ensure that the evaluation results are reasonable.

8. The quantitative information on significant unobservable input values and sensitivity analysis of significant unobservable input value changes in the evaluation model used for fair value measurement items belonging to Level 3 are as follows:

	Fair value on December 31, 2023	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-TWSE and non-TPEx listed stocks	$ 250	Net asset value approach	N/A	N/A	N/A
Derivative instruments:					
Financial assets measured at fair value through profit or loss – convertible corporate bond redemption rights	197	Binary tree of convertible bond evaluation model	Stock price volatility	41.79%	The higher the volatility, the higher the fair value.

	Fair value on December 31, 2022	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-TWSE and non-TPEx listed stocks	$ 250	Net asset value approach	N/A	N/A	N/A

XIII. Additional disclosed items

(1) Information on significant transactions

1. Lending funds to others: None

2. Providing endorsements or guarantees for others: None

3. Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to a control in a joint venture): please refer to appendix 1.

4. Aggregate purchases or sales of the same securities reaching at least NT$300 million or 20% of paid-in capital: None

5. Acquisition of real estate reaching at least NT$300 million or 20% of paid-in capital: please refer to appendix 2.

6. Disposal of real estate reaching at least NT$300 million or 20% of paid-in capital: None

7. Purchases or sales of goods from or to related parties reaching at least NT$100 million or 20% of paid-in capital: please refer to appendix 3.

8. Accounts receivable from related parties reaching at least NT$100 million or 20% of paid-in capital: None

9. Trading in derivative instruments: None

10. The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: please refer to appendix 4.

(2) Information on re-investees

Name, location and related information of the investees (excluded investees in China): please refer to appendix 5.

(3) Information on investments in the Mainland Area

1. Basic information: please refer to appendix 6.
2. Significant transactions with re-investee companies in the Mainland Area, either directly or indirectly through a third area: please refer to appendix 7.

(4) Information on major shareholders

Information on major shareholders: please refer to appendix 8.

XIV. Segment information

Not applicable

Medimaging Integrated Solution Inc.
Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to a control in a joint venture)

December 31, 2023

Appendix 1

In Thousands of New Taiwan Dollars

(Unless otherwise stated)

				Ending of the period				
Name of this Company	Type and name of securities	Relation with securities issuer	Item listed on book	Number of shares	Carrying amount	Shareholding ratio	Fair value	Remarks
Medimaging Integrated Solution Inc.	Shares, Hukui Biotechnology Corporation	None	Financial assets measured at fair value through other comprehensive income-non-current	26,667	$ 250	0.71%	$ 250	

Medimaging Integrated Solution Inc.

Acquisition of real estate reaching at least NT$300 million or 20% of paid-in capital

January 1 to December 31, 2023

Appendix 2

In Thousands of New Taiwan Dollars

(Unless otherwise stated)

							If the transaction involves a related party, the data transferred previously.						
Company acquiring the property	Property name	Occurrence date	Transaction amount	Consideration	Counterparty	Related party as the owner	Owner	Relation with the issuer	Transfer date	Amount	Reference for process setting	Acquisition purpose and status of use	Other agreements
Medimaging Integrated Solution Inc.	House and building	November 23, 2022 (transaction signing date)	$100,000	$100,000	Standard Chartered Bank	No	N/A	N/A	N/A	N/A	Reference to nearby market trends and professional valuation reports	To meet the future development needs of the Company	No

Medimaging Integrated Solution Inc.
Purchases or sales of goods from or to related parties reaching at least NT$100 million or 20% of paid-in capital
January 1 to December 31, 2023

Appendix 3

In Thousands of New Taiwan Dollars

(Unless otherwise stated)

Company of purchase (sales)	Name of transactor	Relation	Transaction Condition				Difference condition & reason for transaction terms & general transaction		Note and Accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Ratio of total purchase (selling)	Credit given period	Unit price	Credit given period	Balance	Ratio of total note and Accounts receivable (payable)	
Medimaging Integrated Solution Inc.	Welch Allyn, Inc. of USA	Have significant influence on the company	Sales	$ 74,723	13.91%	Open account 30 days	Not applicable	Not applicable	$ -	0.0%	Note 1

Note 1: The Company's other operating revenue from Welch Allyn, Inc. of USA for 2023 was $4,963

Note 2: Welch Allyn, Inc. of USA is no longer a corporate director of the Company after the reelection on June 15, 2023; since then, it is no longer a related party of the Company.

Medimaging Integrated Solution Inc.

The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them

January 1 to December 31, 2023

Appendix 4

In Thousands of New Taiwan Dollars

(Unless otherwise stated)

No. (Note 1)	Name of transactor	Transacted with	Relation to transactor (note 2)	Transaction status: Subject	Transaction status: Amount	Transaction status: Transaction term	Transaction status: Ratio (%) of consolidated total operating revenue or total assets (note 3)
0	Medimaging Integrated Solution Inc.	Medimaging Integrated Solution Inc. (Dongguan)	1	Selling revenue	$ 2,957	Payment on the 25th of each month.	0.6%
0	Medimaging Integrated Solution Inc.	Medimaging Integrated Solution Inc. (Dongguan)	1	Other operating revenue	9,826	Payment on the 25th of each month.	1.8%
0	Medimaging Integrated Solution Inc.	Medimaging Integrated Solution Inc. (Dongguan)	1	Accounts receivable	167	Payment on the 25th of each month.	0.0%
0	Medimaging Integrated Solution Inc.	Aitronics Inc.	1	Other receivables-related party-Other	620	Payment on the 25th of each month.	0.0%
0	Medimaging Integrated Solution Inc.	Aitronics Inc.	1	Rent income	19	Payment on the 25th of each month.	0.0%

Note 1: The transactions between the parent company and its subsidiaries should be indicated in the number column respectively, and numbered as follows:

(1). Put “0” for the parent company.

(2). Put the serial No. starting from 1 for the subsidiaries by company category.

Note 2: The relationships with transaction counterparties cover the following three categories, in which only the relationship category No. is required to be filled in the column. (If it is the same transaction between the parent company and any of the subsidiaries or between the subsidiaries, no repetitive disclosure is required. For example, for the transaction between the parent company and its subsidiary, if the parent company already disclosed it, the subsidiary is not required to repeatedly disclose it; for the transaction between subsidiaries, if one of the subsidiaries already disclosed it, the other subsidiary is not required to repeatedly disclose it).

(1). Parent company vs. subsidiaries

(2). Subsidiaries vs. parent company

(3). Subsidiary vs. subsidiary

Note 3: For calculation of the ratio of the transaction amount to total consolidated operating income or total assets, those that fall in asset or liability accounts should be calculated according to the ratio of the ending balance to the total consolidated assets. On the other hand, those that fall in profit or loss accounts should be calculated according to the ratio of the mid-term accumulated amount to total consolidated operating revenue.

Medimaging Integrated Solution Inc.
Name, location, and related information of the investees (excluding investees in China)
January 1 to December 31, 2023

Appendix 5

In Thousands of New Taiwan Dollars

(Unless otherwise stated)

				Original investment amount		Holding at the end of the period					
Investing company	Investee	Location	Business items	End of period for current period	End for last period	Number of shares	Ratio	Carrying amount	Investee's profit /loss of current period	Investment profit/loss recognized current period	Remarks
Medimaging Integrated Solution Inc.	Medview Investments Limited	Samoa	General investment business	$ 34,120	$ 34,120	1,100,000	100%	$ 22,595	($ 6,750)	($ 5,547)	
Medimaging Integrated Solution Inc.	Aitronics Inc.	Taiwan	Sales of micro imaging modules and image processing systems	29,000	-	2,900,000	100%	28,901	(99)	(99)	

Medimaging Integrated Solution Inc.

Information on investments in the Mainland Area－Basic information

January 1 to December 31, 2023

Appendix 6

In Thousands of New Taiwan Dollars

(Unless otherwise stated)

Company name of invested company in China	Business items	Paid-in capital	Investment method (note 1)	Cumulative investment amounts remitted out from Taiwan at the beginning of the period	Investment amount from outward or inward for current period: Outward	Investment amount from outward or inward for current period: Inward	Cumulative investment amounts remitted out from Taiwan at the end of the period	Profit / loss for the current period of investee company	Holding ratio of the Company after direct or indirect investments	Investment profit/ loss recognized for current period (note 2)	End-of-period investment carrying amount	Repatriated investment income as for this period	Remarks
Medimaging Integrated Solution Inc. (Dongguan)	Selling digital medical imaging diagnostic equipment	$ 34,120	(2)	$ 34,120	$ -	$ -	$ 34,120	($ 6,750)	100%	($ 6,750)	$ 26,083	$ -	

Note 1: Investments cover the following three categories, in which the investment category No. should be filled in accordingly;

(1). Direct investment in mainland China

(2). Re-investment in the companies in mainland China through third region re-investment: Medview Investments Ltd.

(3). Other methods

Note 2: The financial reports audited and certified by the certified public accountant of its parent company in Taiwan.

Company's name	Cumulative investment amounts remitted out from Taiwan to China at the end of the period	Investment amount approved by Investment Commission, MOEA	Amount limited and approved by Investment Commission, MOEA for investment in China (note 3)
Medimaging Integrated Solution Inc.	$ 34,120	$ 34,120	$ 475,500

Note 3: According to the Investment Commission's "Principles for Review of Investment or Technical Cooperation in Mainland China", the limit for investment in mainland China is 60% of the net asset value.

Medimaging Integrated Solution Inc.

Information on investments in the Mainland Area—significant transactions with re-investee companies in the Mainland Area, either directly or indirectly through a third area

January 1 to December 31, 2023

Appendix 7

In Thousands of New Taiwan Dollars

(Unless otherwise stated)

Investee company in Mainland China	Sales or (purchases) of goods		Property transaction		Accounts receivable (payable)		Note endorsement/ guarantee or collateral provided		Capital financing				Other
	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	Maximum balance	Ending balance	Interest rate collar	Current interest	
Medimaging Integrated Solution Inc. (Dongguan)	$ 12,783	2.4%	$ -	-	$ 167	0.2%	$ -	-	$ -	$ -	-	$ -	$ -

Medimaging Integrated Solution Inc.
Information on major shareholders
December 31, 2023

Appendix 8

Major shareholders	Shares holding	Shares Shareholding ratio
Chu-Ming Cheng	5,896,291	17.04%
Welch Allyn, Inc.	4,977,908	14.39%
Aier Eye Hospital Group Company Limited (Hong Kong)	2,085,893	6.03%

Medimaging Integrated Solution Inc.

Statement of cash and cash equivalents

December 31, 2023

Statement 1 In Thousands of Taiwan Dollars

Item	Summary			Amount
Cash on hand and petty cash				$ 220
Cash in Banks				
Demand deposit-NTD				137,396
-Foreign currencies	USD	1,039,000	Exchange rate 30.705	31,893
	RMB	5,013,000	Exchange rate 4.327	21,692
				190,981
Cash equivalents				
Time deposit-NTD	Maturity date: January 2024			
	Interest rate: 1.10%~1.16%			114,600
Time deposit- Foreign currencies	USD	4,000,000	Exchange rate 30.705	122,820
	Maturity date: January 2024			
	Interest rate: 5.3%			237,420
	Total			$ 428,621

Medimaging Integrated Solution Inc.
Statement of accounts receivable
December 31, 2023

Statement 2

In Thousands of New Taiwan Dollars

Name of client	Summary	Amount	Remarks
General client:			
1285		$ 23,783	
1157		13,359	
0006		10,969	
1238		9,070	
1002		8,404	
Other		15,977	Each individual customer's balance does not exceed 5% of the balance in this account.
		81,562	The amount in the account for over 1 year is $14.
Less: Loss allowance		(448)	
Sub-total		81,114	
Related parties:			
Medimaging Integrated Solution Inc. (Dongguan)		167	
Sub-total		167	The amount in the account for over 1 year is $0.
Total		$ 81,281	

Medimaging Integrated Solution Inc.
Statement of inventories
December 31, 2023

Statement 3

In Thousands of New Taiwan Dollars

Item	Summary	Amount Cost	Net realizable value	Remarks
Raw materials		$ 74,757	$ 71,854	
Work in progress		59,415	91,950	
Finished goods		42,278	53,293	
Goods inventory		454	172	
		176,904	$ 217,269	
Less: Allowance for Inventory Valuation and Obsolescence Losses		(30,096)		
		$ 146,808		

Note: For the method of determining the net realizable value, please refer to the explanation in section 4(13), Inventories, for details.

Medimaging Integrated Solution Inc.

Statement of changes in investments accounted for using the equity method

January 1, 2023 to December 31, 2023

Statement 4

In Thousands of New Taiwan Dollars

Name	Balance at the beginning Number of shares (1000 shares)	Amount	Increase (decrease) in this period (note) Number of shares	Amount	Investment profit or loss	Balance in the ending Number of shares (1000 shares)	Shareholding ratio	Amount	Market value or Net of equity Unit (NT$)	Total	Collateral provided or status of pledge	Remarks
Medview Investments Limited.	1,100	$ 28,650	-	$ 695	($ 6,750)	1,100	100%	$ 22,595	20.54	$ 22,595	None	
Aitronics Inc.	-	-	2,900	29,000	(99)	2,900	100%	28,901	9.97	28,901	None	
		$ 28,650		$ 29,695	($ 6,849)			$ 51,496		$ 51,496		

Note: This is the exchange difference between unrealized gains and losses on sales and the exchange differences on translation.

Medimaging Integrated Solution Inc.
Statements of operating revenue
January 1, 2023 to December 31, 2023

Statement 5

In Thousands of New Taiwan Dollars

Item	Quantity		Amount		Remarks
Digital medical imaging diagnostic equipment products	13,785	Set	$	299,473	
Income from technical service				183,338	
Other operating revenue				48,488	
				531,299	
Less: sales returns and discount			(	729)	
			$	530,570	

Medimaging Integrated Solution Inc.
Statement of operating costs
January 1, 2023 to December 31, 2023

Statement 6 In Thousands of New Taiwan Dollars

Item	Amount
Goods inventory in the beginning	$ 881
Plus: Purchase of raw materials in this period	2,838
Less: Listed to expenses	(121)
Less: Goods inventory in the ending	(454)
Purchasing and sales costs	3,144
Raw materials in the beginning	79,889
Plus: Purchase of raw materials in this period	100,208
Less: Raw materials in the ending	(74,757)
Listed to expenses	(3,859)
Abandonment of raw material	(318)
Sale of raw material	(6,828)
Consumption of raw material in this period	94,335
Direct labor	9,880
Production overheads	63,759
Manufacturing costs	167,974
Plus: Work in progress in the beginning	62,040
Work in progress purchased in this period	15,624
Less: Work in progress in the ending	(59,415)
Listed to expenses	(6,111)
Abandonment of work in progress	(745)
Sold of work in progress	(7,562)
Cost of finished goods	171,805
Plus: Finished goods in the beginning	24,582
Finished goods purchased in this period	12,961
Less: Finished goods in the ending	(42,278)
Listed to expenses	(7,858)
Abandonment of finished goods	(135)
Cost of products sold	159,077
Other operating cost	
Sale of raw material and material	6,828
Labor cost	28,725
Losses on reduction of inventory to market	9,269
Abandonment loss of inventories	1,199
Work in progress sold	7,562
Other	8,936
Total operating cost	$ 224,740

Medimaging Integrated Solution Inc.
Statement of production overhead and operating expense
January 1, 2023 to December 31, 2023

Statement 7

In Thousands of New Taiwan Dollars

Item	Summary Amount		Remarks
Production overheads:			
Salary expense	$	22,253	
Processing expense		19,717	
Depreciation		8,662	
Other		13,127	The amount of each individual item does not exceed 5% of the amount in the account.
	$	63,759	
Selling expenses:			
Salary expense	$	16,677	
Advertisement expense		6,240	
Traveling expense		3,387	
Packaging supplies expense		2,186	
Freight		2,140	
Other		6,824	The amount of each individual item does not exceed 5% of the amount in the account.
	$	37,454	
Administrative expenses:			
Salary expense	$	25,761	
Labor expense		5,466	
Other personnel expenses		2,345	
Other		12,612	The amount of each individual item does not exceed 5% of the amount in the account.
	$	46,184	
R&D expense:			
Salary expense	$	78,704	
Depreciation		16,434	
Research materials expense		13,234	
Other personnel expenses		7,317	
Insurance expense		6,921	
Other		1,329	The amount of each individual item does not exceed 5% of the amount in the account.
	$	123,939	
Expected credit impairment loss	$	434	

Medimaging Integrated Solution Inc.

Summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function

January 1, 2023 to December 31, 2023

Statement 8

In Thousands of New Taiwan Dollars

Nature \ Function	2023 Belonging to operating costs	2023 Belonging to operating expense	2023 Total	2022 Belonging to operating costs	2022 Belonging to operating expense	2022 Total
Employee benefits expenses						
Salary expenses	$ 31,134	$ 121,142	$ 152,276	$ 24,923	$ 109,082	$ 134,005
Expenses of labor and health insurances	2,945	9,604	12,549	2,331	8,653	10,984
Pension expense	1,458	5,470	6,928	1,124	4,886	6,010
Directors' remuneration	-	611	611	-	532	532
Other personnel expenses	2,366	4,891	7,257	1,929	4,978	6,907
Depreciation expenses	8,662	19,053	27,715	9,841	16,413	26,254
Amortization expense	368	2,661	3,029	222	2,542	2,764

Medimaging Integrated Solution Inc.

Summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function

January 1, 2023 to December 31, 2023

Statement 8

In Thousands of New Taiwan Dollars

1. The number of employees in this year and the previous year was 162 and 141, respectively, with 5 directors who did not concurrently serve as employees in both years.
2. Companies whose stocks have been listed on the TWSE or TPEx should additionally disclose the following information:
   (1) The average employee benefit expenses for this year were NT$1,140,000 ([total employee benefit expenses for this year - total directors' remuneration]/[number of employees for this year - number of directors who do not concurrently serve as employees]).
   The average employee benefit expenses for the previous year were NT$1,161,000 ([total employee benefit expenses for the previous year - total directors' remuneration]/[number of employees in the previous year - number of directors who did not concurrently serve as employees]).
   (2) The average employee salary expense for this year were NT$970,000 (total salary expense for this year/[number of employees this year – number of directors who do not concurrently serve as employees]).
   The average employee salary expense for the previous year was NT$985,000 (total salary expense for the previous year/[number of employees in the previous year - number of directors who did not concurrently serve as employees]).
   (3) The average employee salary expense adjustment was 2% ([average employee salary expense for this year - average employee salary expense for the previous year]/average employee salary expense for the previous year).
   (4) The remuneration for supervisors this year was $0, and the remuneration for supervisors in the previous year is $0 (as the Company has established an Audit Committee, there is no remuneration for supervisors).
   (5) The Company's salary policy is as follows:
      A. According to the articles of association of the Company, if there is any profit for the year, the Company shall allocate 10% to 25% as employees' remuneration, and no more than 3% as directors' remuneration.
      B. The overall salary and compensation level of employees is determined based on industry standards, as well as personal academic history and work performance.
      C. A Salary and Remuneration Committee has been established to effectively measure the overall salary and remuneration of the Company's directors and managers.
      D. Directors and Managers: The Company refers to the industry's standard salary level and examines its reasonableness relative to personal performance, company operating performance, and future risks. The performance evaluation and salary and remuneration policies, systems, standards, and structures of directors and managers are regularly evaluated and submitted to the Board of Directors for resolution after being reviewed by the Salary and Remuneration Committee.