

Medimaging Integrated Solution Inc.
2023 Annual General Shareholders' Meeting Minutes

Method of Meeting : Physical AGM

Time : 10:00 a.m., June 15, 2023

Place : 2F, No.1, Industry E. Rd. II, Hsinchu Science Park, Hsinchu City (Science Park Life Hub, Newton Hall)

The Number of Shares of Attendance :

Attending shareholders and proxy represented 21,325,908 shares (including 18,572,898 shares which attended through electronic voting) accounting for 64.16% of 33,233,655 shares, the Company's total outstanding shares.

Directors Present : Chairman : CHENG, CHU-MING

Director : ROAN, YUNG-CHIH

Independent director : CHANG, MING-JYE (Chairman of the Audit Committee), WANG, PAO-CHANG, CHIU, CHIN-TAIN.

Attend : Li, Tien-Yi, CPA

Chairman : CHENG, CHU-MING

Recorder : KO, HUI-YU

1.The number of shareholders' representatives present has reached the statutory requirement, and the chairman called the meeting to order.

2.Chairman's Remarks: Omitted.

3..Report Items

(1). 2022 Business Report

Explanation: Please refer to attachment 1 on page 6-7 of this handbook for 2022 Business Report.

(2). Audit Committee's Review Report on the 2022 Financial Statements

Explanation: Please refer to attachment 2 on page 8 of this handbook for the Audit Committee's Review Report.

(3). Report on 2021 employees' compensation and directors' remuneration

Explanation:

- I . According to Article 20 of the Articles of Association of the Company, “If the Company makes profits in the year, it shall appropriate 10% to 25% for employees' compensation and no more than 3% for directors' remuneration”.
- II . In the year of 2022, the Company proposes to allocate 10% according to Article 20 of the Articles of Association of the Company, which is NTD 9,766,678, as employees' compensation, and the recipients of employees' compensation are limited to full-time employees of the Company. In addition, 0.5% will be allocated as directors' remuneration, which is NTD 488,334. According to the "Regulations Governing the Remuneration of Directors and Managers," the remuneration for directors will be calculated and allocated based on their degree of involvement in the company's operations and their contribution value. The remuneration has been reviewed and approved by the Compensation Committee and the Board of Directors, and all of the above-mentioned compensation and remuneration will be distributed in cash.
- III . The above distributed amount is not different from the estimated amount of recognized expenses for the year 2022.

(4). Amendments to “Corporate Governance Best Practice Principles”

Explanation: In accordance with the revised “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” announced by the competent authority on December 23, 2022, the Company proposes to revise certain articles of “Corporate Governance Best Practice Principles”. Please refer to Attachment 3 on page 9-11 of this handbook for the comparison table of the above amendments.

(5). Amendments to “Sustainable Development Best Practice Principles”

Explanation: In accordance with the revised “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” announced by the competent authority on December 23, 2022, the Company proposes to revise certain articles of “Sustainable Development Best Practice Principles”. Please refer to Attachment 4 on page 12 of this handbook for the comparison table of the above amendments.

4. Proposed Resolutions

(1). (Proposed by the Board)

Proposal: 2022 Business Report and Financial Statements

Explanation:

- I . The Individual and Consolidated Financial Statements of the Company, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, have been audited and issued an unqualified audit report by independent auditors, Mr. Tien-Yi Li and Ms. Chien-Yu Liu, of PwC.
- II . The above Financial Statements and Business Report have been audited and issued a review report by the Audit Committee.
- III . Please refer to Attachment 5 on page 13-32 of this handbook for the Business Report and Financial Statements.

Resolution: It was resolved that the above proposal be approved as proposed. The result is as follows:

Shares represented at the time of voting	Votes in favor	Votes against:	Votes invalid & abstained	% of the total represented share present
21,325,908	21,248,682	4,052	73,174	99.63%
Including electronic voting	18,566,722	4,052	2,124	

(2).(Proposed by the Board)

Proposal: 2022 earnings distribution

Explanation:

- I . The Company's statement of 2022 earnings distribution has been audited by the Audit Committee and determined by the Board of Directors on March 17th, 2023. Please refer to Attachment 6 on page 33 of this handbook.
- II . The amount of cash dividends to be distributed, which is NTD 59,809,779 (NTD 1.8 per share), is calculated according to the proportion and rounded up by the unit of NT\$1 (less than NT\$1 is excluded), and the total amount of the distributive payments less than NT\$1 are included in other income.
- III . In the event the number of outstanding shares is subsequently affected by changes in the Company's capital, resulting in the necessity to revise the shareholder's payout ratio, the Chairman shall be authorized to conduct such revision at its full discretion.
- IV . After approved by the Shareholders' Meeting, the Chairman shall be authorized to determine the ex-dividend related matters.

Resolution: It was resolved that the above proposal be approved as proposed. The result is as follows:

Shares represented at the time of voting	Votes in favor	Votes against:	Votes invalid & abstained	% of the total represented share present
21,325,908	21,249,682	4,052	73,174	99.64%
Including electronic voting	18,567,722	4,052	2,124	

5.Election Matters

(1).(Proposed by the Board)

Proposal: Election of seven directors (including three independent directors)

Explanation:

- I . The term of office of the Company's 6th session of directors (including independent directors) will expire on December 9th, 2023. In accordance with the Company Act and the Company's Articles of Incorporation, the Company proposes to elect the directors of 7th session at the general shareholders' meeting this year. The directors of 6th session are

dismissed when the election is completed.

II. 7 directors (including 3 independent directors) will be re-elected through candidate nomination system for the 7th session of directors according to the Company's Articles of Incorporation, which states directors shall be 5 to 9 persons. The term of three years for newly elected directors is from June 15th, 2023 to June 14th, 2026.

III. The list of nominated candidates for directors and independent directors is approved by the Board of Directors. Please refer to the attachment 7 on page 34-35 of this handbook for candidates' information.

Election result: Seven Directors (including three independent directors) were elected by the shareholders present. The list of the newly elected directors with votes received follows:

ID	Title	Name	Votes received
1	Director	CHENG, CHU-MING	32,895,818
81	Director	CHEN, CHIN-YI	23,256,405
5	Director	LEE, YU-TSUNG	22,749,281
7	Director	ROAN, YUNG-CHIH	21,931,600
B1212*****	Independent director	CHANG, MING-JYE	15,366,773
A1217*****	Independent director	WANG, PAO-CHANG	15,360,054
B1012*****	Independent director	CHIU, CHIN-TAIN	15,352,811

6. Other Proposals

(1). (Proposed by the Board)

Proposal: Release of the restriction of non-compete agreement for newly elected directors

Explanation: According to paragraph 1 of Article 209 of Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval". Please refer to Attachment 8 on page 36 of this handbook for details for release of the restriction of non-compete agreement for new directors.

Resolution: It was resolved that the above proposal be approved as proposed. The result is as follows:

Shares represented at the time of voting	Votes in favor	Votes against:	Votes invalid & abstained	% of the total represented share present
21,325,908	21,238,752	12,762	74,394	99.59%
Including electronic voting	18,556,792	12,762	3,344	

7.Extempore Motions:None.

8.Adjournment

Note: No questions from shareholders for all iteams at this shareholders' meeting.

Attachments 1

Medimaging Integrated Solution Inc.

2022 Business Report

1. 2022 Business Results

(1) Financial results

Unit : NT\$ thousands

	2022	2021	Increases (decreases)	Change %
Operating revenue	502,088	485,871	16,217	3.3%
Gross profit	254,388	255,722	-1,334	-0.5%
Net Operating Income	59,604	86,623	-27,019	-31.2%
Net profit before tax	87,412	80,909	6,503	8.0%
Net profit after tax	70,019	66,481	3,538	5.3%

(2) Budget implementation: The Company did not disclose its financial forecasts of the year of 2022, so it is not necessary to publicly disclose the implementation of the budget.

(3) Financial profitability

Item		2022	2021
Financial structure	Liability to asset ratio (%)	22.97%	32.09%
	Long-term asset to real estate, plant and equipment ratio (%)	446.35%	437.41%
Debt-paying capability	Current ratio (%)	513.05%	337.21%
	Quick ratio (%)	373.84%	240.44%
Profitability	Return on assets (%)	9.14%	10.09%
	Return on equity (%)	12.35%	15.17%
	Net income ratio (%)	13.95%	13.68%
	Basic earnings per share (NTD)	2.2	2.3

(4) Overview of R&D

In 2022, the Company has obtained Taiwan TFDA Class II Medical Device License and US FDA 510(k) for disposable nasopharyngoscope, Taiwan TFDA Class II Medical Device License for disposable flexible video endoscope, and Japan Class II Medical Device License for optical coherence tomography (OCT). The clinical trial for wound care AI software also has been completed, and the Company is currently applying for Taiwan TFDA Class II Medical Device License.

The Company plans to continue investing over 20% of our annual revenue in research and development, aiming to develop innovative digital medical devices in the future.

2. 2023 Business Outlook

(1) Operating guideline

- (i) Focusing on the three major markets of telemedicine, digital healthcare, and minimally invasive diagnosis and treatment, the Company continuously develops intelligent medical equipment and provides innovative medical solutions through a dual-engine model of own-brand and CDMO.
- (ii) Products for telemedicine market: the Company aims at the home care market and develops products from existing professional medical products to household products;
Products for digital healthcare market: the Company expands the platform of existing software to be compatible with different operating systems;
Products for minimally invasive diagnosis and treatment market: the Company continuously develops disposable endoscopes with various functions suitable for different organs.
- (iii) The Company forms cross-industry alliances with domestic telecom companies, medical insurance companies, and health management companies to create new business models for health management and sales through collaborative projects.
- (iv) The Company will expand sales markets in addition to the United States to reduce the risk of market concentration.

(2) Sales Forecast

The Company will take into account past experiences, current operational status, product sales plans, and consider future business environment and market conditions to establish internal operational goals.

(3) Significant Production and Sales Policies

- (i) Strengthen supply chain management, including material delivery times, raw material quality, and procurement prices.
- (ii) Participate in marketing exhibition activities based on product attributes to expand the distributor and CDMO customer base.
- (iii) For component products that are not medical equipment (such as micro camera module), use B2B websites to increase product exposure and reach.

3. Future Development Strategies

The Company specializes in the design, development, and production of digital medical imaging diagnostic devices, operates in a CDMO model and collaborate with international leading companies or sell our products under our own brand, horus SCOPE, through medical channels, and focuses on emerging markets such as remote medicine, digital medicine, and minimally invasive diagnosis and treatment. The Company concentrate on the relevant applications of core technologies and combine hardware modules with AI software to provide innovative medical integration solutions.

4. External Competition, Regulatory Environment, and Overall Business Environment Impact

The global trends for telemedicine, digital healthcare, and minimally invasive treatment are clear. The support of regulations and the inclusion of insurance payments in various countries have gradually formed the entire market mechanism. However, medical institutions' budgets are generally affected by the financial subsidies of governments or crowding out effect of budget due to inflation. As a result, short-term demand may be subject to fluctuations, but long-term demand should remain unaffected.

Despite the uncertainties around the world, the Company will continue to focus on the development of advanced medical devices and solutions to strengthen the Company's competitiveness and technological capabilities, to create market opportunities with customers and suppliers, and to create higher shareholder value to reward shareholders for their long-standing expectations and support.

CHENG, CHU-MING

Chairman

CHENG, CHU-MING

President

FAN, CHING YI

Chief Accounting Officer

Audit Committee's review report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal of distribution of 2022 earnings. The CPA firm of PwC was retained to audit MiiS 's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and proposal of distribution of 2022 earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of Medimaging Integrated Solution Inc. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

Medimaging Integrated Solution Inc.

Chairman of the Audit Committee: CHANG, MING-JYE

March 17, 2023

Attachments 3

Medimaging Integrated Solution Inc.

Comparison Table for the Corporate Governance Best Practice Principles Before and After Revision

After the revision	Before the revision	Description
<p>Article 3-1 Personnel responsible for corporate governance affairs</p> <p>...</p> <p>It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders' meetings according to laws. 2. Producing minutes of board meetings and shareholders' meetings. 3. Assisting in onboarding and continuous development of directors. 4. Furnishing information required for business execution by directors. 5. Assisting directors with legal compliance. 6. Report to the board of directors <u>the results of its review on whether the qualifications of independent directors in the nomination, election, and tenure of office comply with relevant laws and regulations.</u> 7. <u>Handle matters relating to the change of directors.</u> 	<p>Article 3-1 Personnel responsible for corporate governance affairs</p> <p>...</p> <p>It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders' meetings according to laws. 2. Producing minutes of board meetings and shareholders' meetings. 3. Assisting in onboarding and continuous development of directors. 4. Furnishing information required for business execution by directors. 5. Assisting directors with legal compliance. 6. Other matters set out in the Articles of Incorporation or contracts. 	<p>Paragraphs 6 and 7 are added.</p>

8. Other matters set out in the Articles of Incorporation or contracts.		
Section 3 Corporate Governance Relationships Between the Company and Its <u>Related Parties</u> .	Section 3 Corporate Governance Relationships Between the Company and Its <u>Affiliated Enterprises</u> .	Amend the title of this section.
<p>Article 17 Those who have business dealings with their <u>related parties</u> should be based on the principle of fairness and reasonableness.</p> <p>When the Company and its <u>related parties and shareholder</u> enter into inter-company business transactions <u>or trading</u>, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions <u>and improper transfer of benefit</u> shall be prohibited.</p> <p><u>The written normative content in the preceding item shall include the management procedures for transactions such as the purchase and sale of goods, acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, and relevant major transactions shall be</u></p>	<p>Article 17 Those who have business dealings with their <u>affiliated enterprises</u> should be based on the principle of fairness and reasonableness.</p> <p>When the Company and its <u>affiliated enterprises</u> enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.</p> <p><u>All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.</u></p>	<p>1. Amend the first item.</p> <p>2. Addition of the second item.</p>

submitted to the board of directors for resolution and approval, and to the shareholders' meeting for approval or reporting.		
Article 29 Strengthen and improve the quality of financial reports ... The Company shall <u>refer to the Audit Quality Indexs (AQIs) to</u> evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.	Article 29 Strengthen and improve the quality of financial reports ... The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.	In order to improve the transparency of audit quality, the "Corporate Governance 3.0- Sustainable Development Roadmap" promotes audit quality indicators (AQIs) and encourages the audit committees of listed companies to refer to the AQI information provided by the accounting firm when evaluating the replacement of accounting firms.
Article 29 Implementation and Amendment The principles will come into effect after being approved by the board of directors, and which shall be reported to audit committee and the shareholders' meeting, and the same is true for amendments. The principles were first applied and implemented on March 11, 2021. The first revision was on March 24, 2022.	Article 29 Implementation and Amendment The principles will come into effect after being approved by the board of directors, and which shall be reported to audit committee and the shareholders' meeting, and the same is true for amendments. The principles were first applied and implemented on March 11, 2021. The first revision was on March 24, 2022.	Add revision date.

<p>The second revision was on March 17, 2023.</p>	<p>The second revision was on March 17, 2023.</p>	
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Attachments 4

Medimaging Integrated Solution Inc.

Comparison Table for the Sustainable Development Best Practice Principles Before and After Revision

After the revision	Before the revision	Description
<u>Article 27-1</u> <u>The company should continue to pour resources into cultural and artistic activities or cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development.</u>	N/A	In order to encourage enterprises to support cultural and artistic activities and promote sustainable cultural development, it has been updated.
Article 31 The Principles will be implemented after being approved by the board of directors, and will be submitted to the audit committee and the shareholders' meeting. The same is true for amendments. The Principles was first applied and implemented on March 11, 2021. The first revision was on March 24, 2022. <u>The second revision was on March 17, 2023.</u>	Article 31 The Principles will be implemented after being approved by the board of directors, and will be submitted to the audit committee and the shareholders' meeting. The same is true for amendments. The Principles was first applied and implemented on March 11, 2021. The first revision was on March 24, 2022.	Add revision date.

Attachments 5

Independent Auditors' Report and 2022 Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Medimaging Integrated Solution Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Medimaging Integrated Solution Inc. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Evaluation of inventories

Description

The Group is primarily engaged in manufacturing and selling of equipment related to digital medical imaging diagnosis sets and related application software. Inventories are stated at the lower of cost and net realizable value. Refer to Note 4(12) of the consolidated financial statements for inventory evaluation policies, Note 5(2) for uncertainty of accounting estimates for the details of inventories.

Due to the balances of inventories are significant to the financial statements and the calculation of the net realisable value used in individually obsolete inventories or inventories which are over a certain period involves subjective judgement. Thus, we considered the evaluation of inventories as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of business and accounting policies on the provision of allowance for inventory valuation losses and assessed the reasonableness and consistency.
2. Obtain and verify the logic and information used for valuation of inventory cost and statement of net realisable value is consistent with the Group's policies.
3. Obtain the inventory cost and net realizable value data prepared by the management, and verified a sample of individual inventory items to check the relevant purchase and sale documents and their account records.
4. Verify the reasonableness of allowance for inventory valuation loss.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Medimaging Integrated Solution Inc. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial

- statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Li, Tien-Yi

Chien-Yu Liu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

MEDIMAGING INTEGRATED SOLUTION INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 275,110	33	\$ 224,260	31
1136	Current financial assets at amortised cost	6(3)	60,000	7	10,000	2
1140	Current contract assets	6(18)	11,868	1	8,721	1
1150	Notes receivable, net	6(4)	-	-	1	-
1170	Accounts receivable, net	6(4)	65,229	8	65,228	9
1180	Accounts receivable due from related parties, net	6(4))and7	40,709	5	71,307	10
1200	Other receivables		3,239	-	2,363	-
130X	Current inventories	6(5)	151,644	18	133,287	19
1410	Prepayments		18,261	2	20,425	3
1470	Other current assets		82	-	53	-
11XX	Total current assets		626,142	74	535,645	75
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	250	-	250	-
1535	Non-current financial assets at amortised cost	6(3)and8	959	-	640	-
1600	Property, plant and equipment	6(6)and8	161,166	19	127,340	18
1755	Right-of-use assets	6(7)	21,443	3	16,287	2
1780	Intangible assets	6(8)	12,137	1	13,028	2
1840	Deferred tax assets	6(25)	6,511	1	5,622	1
1915	Prepayments		7,315	1	14,044	2
1990	Other non-current assets		5,490	1	2,982	-
15XX	Total non-current assets		215,271	26	180,193	25
1XXX	Total assets		\$ 841,413	100	\$ 715,838	100

(Continued)

MEDIMAGING INTEGRATED SOLUTION INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(9)	\$ -	-	\$ 45,000	6
2130	Current contract liabilities	6(18)	756	-	5,465	1
2150	Notes payable		-	-	4,856	1
2170	Accounts payable		28,331	4	18,726	3
2200	Other payables	6(10)	62,154	8	54,158	7
2230	Current tax liabilities		7,111	1	12,578	2
2250	Current provisions	6(14)	2,333	-	1,819	-
2280	Current lease liabilities		2,541	-	1,280	-
2320	Long-term liabilities-current portion	6(11)and8	18,337	2	14,548	2
2399	Other current liabilities		479	-	415	-
21XX	Total current liabilities		122,042	15	158,845	22
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(11)and8	47,283	6	54,883	8
2550	Non-current provisions	6(14)	1,454	-	1,051	-
2570	Deferred tax liabilities	6(25)	2,961	-	-	-
2580	Non-current lease liabilities		19,511	2	14,938	2
2670	Other non-current liabilities		12	-	-	-
25XX	Total non-current liabilities		71,221	8	70,872	10
2XXX	Total liabilities		193,263	23	229,717	32
Equity attributable to owners of parent						
	Share capital	6(15)				
3110	Ordinary share		332,277	40	300,062	42
	Capital surplus	6(16)				
3200	Capital surplus		202,445	24	90,001	13
	Retained earnings	6(17)				
3310	Legal reserve		36,176	4	29,528	4
3320	Special reserve		8,918	1	8,606	1
3350	Unappropriated retained earnings		76,710	9	66,842	9
	Other equity interest					
3400	Other equity interest		(8,376)	(1)	(8,918)	(1)
31XX	Total equity attributable to owners of parent		648,150	77	486,121	68
3XXX	Total equity		648,150	77	486,121	68
	Significant contingent liabilities and unrecognized contract commitments	9				
	Subsequent event	11				
3X2X	Total liabilities and equity		\$ 841,413	100	\$ 715,838	100

MEDIMAGING INTEGRATED SOLUTION INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(18)and7	\$ 502,088	100	\$ 485,871	100
5000 Operating costs	6(5)	(247,700)	(49)	(230,149)	(47)
5950 Gross profit		<u>254,388</u>	<u>51</u>	<u>255,722</u>	<u>53</u>
Operating expenses	6(23)and(24)				
6100 Selling expenses		(29,942)	(6)	(24,577)	(5)
6200 Administrative expenses		(38,624)	(8)	(36,951)	(8)
6300 Research and development expenses		(126,131)	(25)	(107,591)	(22)
6450 Impairment loss	12(2)	(87)	-	20	-
6000 Total operating expenses		(194,784)	(39)	(169,099)	(35)
6900 Operating income		<u>59,604</u>	<u>12</u>	<u>86,623</u>	<u>18</u>
Non-operating income and expenses					
7100 Interest income	6(19)	1,405	-	364	-
7010 Other income	6(20)	1,307	-	102	-
7020 Other gains and losses, net	6(21)	26,512	5	(5,147)	(1)
7050 Finance costs, net	6(22)	(1,416)	-	(1,033)	-
7000 Total non-operating income and expenses		<u>27,808</u>	<u>5</u>	<u>(5,714)</u>	<u>(1)</u>
7900 Profit from continuing operations before tax		<u>87,412</u>	<u>17</u>	<u>80,909</u>	<u>17</u>
7950 Tax expense	6(25)	(17,393)	(3)	(14,428)	(3)
8200 Profit		<u>\$ 70,019</u>	<u>14</u>	<u>\$ 66,481</u>	<u>14</u>
Components of other comprehensive income (losses) that will not be reclassified to profit or loss					
8361 Exchange differences on translation		\$ 542	-	(\$ 312)	-
8300 Other comprehensive income, net		<u>\$ 542</u>	<u>-</u>	<u>(\$ 312)</u>	<u>-</u>
8500 Total comprehensive income		<u>\$ 70,561</u>	<u>14</u>	<u>\$ 66,169</u>	<u>14</u>
Basic earnings per share	6(26)				
9750 Basic earnings per share		<u>\$ 2.20</u>		<u>\$ 2.30</u>	
Diluted earnings per share	6(26)				
9850 Diluted earnings per share		<u>\$ 2.16</u>		<u>\$ 2.26</u>	

MEDIMAGING INTEGRATED SOLUTION INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent company							
		Retained earnings				Other equity interest			
						Undistributed earnings	Financial statements translation differences of foreign operations	Unrealised income (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Notes		Common shares	Capital surplus	Legal reserve	Special reserve				
<u>2021</u>									
		\$ 225,128	\$ 85,763	\$ 24,115	\$ 9,282	\$ 54,626	(\$ 6,211)	(\$ 2,395)	\$ 390,308
		-	-	-	-	66,481	-	-	66,481
		-	-	-	-	-	(312)	-	(312)
		-	-	-	-	66,481	(312)	-	66,169
Distribution of 2020 earnings	6(17)								
		-	-	5,413	-	(5,413)	-	-	-
		-	-	-	(676)	676	-	-	-
		-	-	-	-	(13,507)	-	-	(13,507)
		36,021	-	-	-	(36,021)	-	-	-
Capital increase from capital surplus	6(16)	22,513	(22,513)	-	-	-	-	-	-
Cash from capital surplus	6(16)	-	(22,513)	-	-	-	-	-	(22,513)
Issue of shares	6(15)	16,200	48,600	-	-	-	-	-	64,800
Share-based payments-Issue of shares	6(13)and(16)	-	55	-	-	-	-	-	55
Share-based payments-stock option	6(13)and(16)	-	609	-	-	-	-	-	609
Employees' compensation transferred to common shares	6(13)and(15)	200	-	-	-	-	-	-	200
Balance at December 31, 2021		\$ 300,062	\$ 90,001	\$ 29,528	\$ 8,606	\$ 66,842	(\$ 6,523)	(\$ 2,395)	\$ 486,121
<u>2022</u>									
		\$ 300,062	\$ 90,001	\$ 29,528	\$ 8,606	\$ 66,842	(\$ 6,523)	(\$ 2,395)	\$ 486,121
		-	-	-	-	70,019	-	-	70,019
		-	-	-	-	-	542	-	542
		-	-	-	-	70,019	542	-	70,561
Distribution of 2021 earnings	6(17)								
		-	-	6,648	-	(6,648)	-	-	-
		-	-	-	312	(312)	-	-	-
		-	-	-	-	(53,191)	-	-	(53,191)
Issue of shares	6(15)	31,000	110,734	-	-	-	-	-	141,734
Share-based payments-Issue of shares	6(13)and(16)	-	37	-	-	-	-	-	37
Share-based payments-stock option	6(13)and(16)	-	458	-	-	-	-	-	458
Employees' compensation transferred to common shares	6(13)and(15)	1,215	1,215	-	-	-	-	-	2,430
Balance at December 31, 2022		\$ 332,277	\$ 202,445	\$ 36,176	\$ 8,918	\$ 76,710	(\$ 5,981)	(\$ 2,395)	\$ 648,150

MEDIMAGING INTEGRATED SOLUTION INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
<u>Cash flows from (used in) operating activities</u>			
Profit (loss) before tax		\$ 87,412	\$ 80,909
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(23)	27,304	30,381
Amortization expense	6(8)and(23)	2,764	2,628
Expected credit loss (gain)	12(2)	87 (	20)
Share-based payments	6(13)	495	664
Interest income	6(19)	(1,405 ) (	364)
Interest expense	6(22)	1,416	1,033
Gains arising from lease modifications	6(21)	(58)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(3,147 ) (	6,849)
Notes receivable		1	25,003
Accounts receivable		(90 ) (	31,585)
Accounts receivable due from related parties		30,598 (	3,925)
Other receivable		(872)	423
Inventories		(18,192 ) (	32,223)
Prepayments		(346 ) (	11,224)
Other current assets		(29)	1,407
Other operating assets		108 (	26)
Changes in operating liabilities			
Contract liabilities		(4,769)	4,125
Notes payable		(4,856)	4,856
Accounts payable		9,605 (	3,091)
Other payable		6,077 (	2,599)
Other payable to related parties		(2)	-
Provisions		914	32
Other current liabilities		64	129
Cash inflow generated from operations		133,079	59,684
Interest received		1,405	364
Interest paid		(1,416 ) (	1,024)
Income taxes paid		(20,788 ) (	13,072)
Net cash flows from operating activities		112,280	45,952

(Continued)

MEDIMAGING INTEGRATED SOLUTION INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
<u>Cash flows from(used in) investing activities</u>			
Acquisition of financial assets at amortised cost		(\$ 60,319)	(\$ 15,888)
Proceeds from disposal of financial assets at amortised cost		10,000	26,710
Acquisition of property, plant and equipment	6(27)	(20,610)	(13,832)
Acquisition of intangible assets	6(8)	(1,873)	(4,531)
Increase in prepayments for business facilities		(29,318)	(12,461)
Increase in refundable deposits		-	(6)
Increase in other non-current assets		-	183
Net cash flows used in investing activities		(102,120)	(19,825)
<u>Cash flows from (used in) financing activities</u>			
Increase in short-term loans	6(28)	65,000	90,000
Decrease in short-term loans	6(28)	(110,000)	(82,000)
Proceeds from long-term debt	6(28)	12,000	-
Repayments of long-term debt	6(28)	(15,811)	(11,114)
Payments of lease liabilities	6(28)	(1,815)	(2,175)
Increase in guarantee deposits received	6(28)	12	-
Cash dividends paid	6(17)	(53,191)	(36,020)
Proceeds from issuing shares	6(15)	141,734	64,800
Exercise of employee share options	6(13)and(15)	2,430	200
Net cash flows from financing activities		40,359	23,691
Effect of exchange rate changes on cash and cash equivalents		331	(19)
Net increase in cash and cash equivalents		50,850	49,799
Cash and cash equivalents at beginning of period	6(1)	224,260	174,461
Cash and cash equivalents at end of period	6(1)	\$ 275,110	\$ 224,260

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Medimaging Integrated Solution Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Medimaging Integrated Solution Inc. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Evaluation of inventories

Description

The Company is primarily engaged in manufacturing and selling of equipment related to digital medical imaging diagnosis sets and related application software. Inventories are stated at the lower of cost and net realizable value. Refer to Note 4(11) of the parent company only financial statements for inventory evaluation policies, Note 5(2) for uncertainty of accounting estimates for the details of inventories.

Due to the balances of inventories are significant to the financial statements and the calculation of the net realisable value used in individually obsolete inventories or inventories which are over a certain period involves subjective judgement. Thus, we considered the evaluation of inventories as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of business and accounting policies on the provision of allowance for inventory valuation losses and assessed the reasonableness and consistency.
2. Obtain and verify the logic and information used for valuation of inventory cost and statement of net realisable value is consistent with the Group's policies.
3. Obtain the inventory cost and net realizable value data prepared by the management, and verified a sample of individual inventory items to check the relevant purchase and sale documents and their account records.
4. Verify the reasonableness of allowance for inventory valuation loss.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the

entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the e parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Li, Tien-Yi

Chien-Yu Liu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

MEDIMAGING INTEGRATED SOLUTION INC
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	250,592	30	\$	199,590	28
1136	Current financial assets at amortised cost	6(3)		60,000	7		10,000	2
1140	Current contract assets	6(19)		9,817	1		8,329	1
1150	Notes receivable, net	6(4)		-	-		1	-
1170	Accounts receivable, net	6(4)		64,493	8		65,228	9
1180	Accounts receivable due from related parties, net	6(4)and7		45,759	5		74,108	11
1200	Other receivables			2,727	-		2,049	-
130X	Current inventories	6(5)		146,565	18		128,932	18
1410	Prepayments			15,849	2		15,161	2
1470	Other current assets			82	-		53	-
11XX	Total current assets			595,884	71		503,451	71
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		250	-		250	-
1535	Non-current financial assets at amortised cost	6(3)and8		959	-		640	-
1550	Investments accounted for under equity method	6(6)		28,650	3		29,574	4
1600	Property, plant and equipment	6(7)and8		161,106	19		127,153	18
1755	Right-of-use assets	8(8)		19,755	2		16,287	2
1780	Intangible assets	6(9)		12,137	2		13,028	2
1840	Deferred tax assets	6(25)		6,511	1		5,622	1
1915	Prepayments			7,315	1		14,044	2
1990	Other non-current assets			4,664	1		1,790	-
15XX	Total non-current assets			241,347	29		208,388	29
1XXX	Total assets		\$	837,231	100	\$	711,839	100

(Continued)

MEDIMAGING INTEGRATED SOLUTION INC
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(10)	\$ -	-	\$ 45,000	6
2130	Current contract liabilities	6(19)	700	-	2,099	-
2150	Notes payable		-	-	4,856	1
2170	Accounts payable		28,331	4	18,726	3
2200	Other payables	6(11)	60,162	7	53,688	8
2230	Current tax liabilities		7,111	1	12,578	2
2250	Current provisions	6(15)	2,283	-	1,656	-
2280	Current lease liabilities		1,521	-	1,280	-
2320	Long-term liabilities-current portion	6(12)	18,337	2	14,548	2
2399	Other current liabilities		479	-	415	-
21XX	Total current liabilities		118,924	14	154,846	22
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(12)and8	47,283	6	54,883	8
2550	Non-current provisions	6(15)	1,454	-	1,051	-
2570	Deferred tax liabilities	6(25)	2,961	1	-	-
2580	Non-current lease liabilities		18,447	2	14,938	2
2645	Other non-current liabilities		12	-	-	-
25XX	Total non-current liabilities		70,157	9	70,872	10
2XXX	Total liabilities		189,081	23	225,718	32
Equity						
	Share capital	6(16)				
3110	Ordinary share		332,277	40	300,062	42
	Capital surplus	6(17)				
3200	Capital surplus		202,445	24	90,001	13
	Retained earnings	6(18)				
3310	Legal reserve		36,176	4	29,528	4
3320	Special reserve		8,918	1	8,606	1
3350	Unappropriated retained earnings		76,710	9	66,842	9
	Other equity interest					
3400	Other equity interest		(8,376)	(1)	(8,918)	(1)
3XXX	Total equity		648,150	77	486,121	68
	Significant contingent liabilities and unrecognized contract commitments	9				
	Subsequent event	11				
3X2X	Total liabilities and equity		\$ 837,231	100	\$ 711,839	100

MEDIMAGING INTEGRATED SOLUTION INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19)and7		\$ 489,038	100	\$ 481,050	100
5000 Operating costs	6(5)and7		(242,979)	(50)	(230,160)	(48)
5900 Gross profit			246,059	50	250,890	52
5910 Unrealized profit from sales			(4,691)	(1)	(6,540)	(1)
5920 Realized profit from sales			6,540	2	6,034	1
5950 Net operating margin			247,908	51	250,384	52
Operating expenses	6(23) (24)					
6100 Selling expenses			(27,077)	(6)	(20,538)	(4)
6200 Administrative expenses			(36,080)	(7)	(33,084)	(7)
6300 Research and development expenses			(121,601)	(25)	(105,572)	(22)
6450 Impairment loss	12(2)		(87)	-	20	-
6000 Total operating expenses			(184,845)	(38)	(159,174)	(33)
6900 Operating income			63,063	13	91,210	19
Non-operating income and expenses						
7100 Interest income	6(20)		1,344	-	280	-
7010 Other income			1,269	-	96	-
7020 Other gains and losses, net	6(21)		26,362	6	(5,067)	(1)
7050 Finance costs, net	6(22)		(1,311)	-	(1,005)	-
7070 Share of profit of associates and joint ventures accounted for under equity method	6(6)		(3,315)	(1)	(4,605)	(1)
7000 Total non-operating income and expenses			24,349	5	(10,301)	(2)
7900 Profit from continuing operations before tax			87,412	18	80,909	17
7950 Tax expense	6(25)		(17,393)	(4)	(14,428)	(3)
8200 Profit			\$ 70,019	14	\$ 66,481	14
Components of other comprehensive income (losses) that will not be reclassified to profit or loss						
8361 Exchange differences on translation	6(6)		\$ 542	-	(\$ 312)	-
8300 Other comprehensive income, net			\$ 542	-	(\$ 312)	-
8500 Total comprehensive income			\$ 70,561	14	\$ 66,169	14
Basic earnings per share	6(26)					
9750 Basic earnings per share			\$ 2.20		\$ 2.30	
Diluted earnings per share	6(26)					
9850 Diluted earnings per share			\$ 2.16		\$ 2.26	

MEDIMAGING INTEGRATED SOLUTION INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent company							
		Retained earnings				Other equity interest			
Notes		Common shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Financial statements translation differences of foreign operations	Unrealised income (losses) from financial assets measured at fair value through other comprehensive income	Total equity
<u>2021</u>									
Balance at January 1, 2021		\$ 225,128	\$ 85,763	\$ 24,115	\$ 9,282	\$ 54,626	(\$ 6,211)	(\$ 2,395)	\$ 390,308
Net income for the year		-	-	-	-	66,481	-	-	66,481
Other comprehensive income for the year		-	-	-	-	-	(312)	-	(312)
Total comprehensive income		-	-	-	-	66,481	(312)	-	66,169
Distribution of 2020 earnings		6(18)							
Legal reserve		-	-	5,413	-	(5,413)	-	-	-
Reversal of special reserve		-	-	-	(676)	676	-	-	-
Cash dividends		-	-	-	-	(13,507)	-	-	(13,507)
Capital increase from earnings		36,021	-	-	-	(36,021)	-	-	-
Capital increase from capital surplus		6(17) 22,513	(22,513)	-	-	-	-	-	-
Cash from capital surplus		6(17) -	(22,513)	-	-	-	-	-	(22,513)
Issue of shares		6(16) 16,200	48,600	-	-	-	-	-	64,800
Share-based payments-Issue of shares		6(14)and(17) -	55	-	-	-	-	-	55
Share-based payments-stock option		6(14)and(17) -	609	-	-	-	-	-	609
Employees' compensation transferred to common shares		6(14)and(16) 200	-	-	-	-	-	-	200
Balance at December 31, 2021		\$ 300,062	\$ 90,001	\$ 29,528	\$ 8,606	\$ 66,842	(\$ 6,523)	(\$ 2,395)	\$ 486,121
<u>2022</u>									
Balance at January 1, 2022		\$ 300,062	\$ 90,001	\$ 29,528	\$ 8,606	\$ 66,842	(\$ 6,523)	(\$ 2,395)	\$ 486,121
Net income for the period		-	-	-	-	70,019	-	-	70,019
Other comprehensive income for the year		-	-	-	-	-	542	-	542
Total comprehensive income		-	-	-	-	70,019	542	-	70,561
Distribution of 2021 earnings		6(18)							
Legal reserve		-	-	6,648	-	(6,648)	-	-	-
Special reserve		-	-	-	312	(312)	-	-	-
Cash dividends		-	-	-	-	(53,191)	-	-	(53,191)
Issue of shares		6(16) 31,000	110,734	-	-	-	-	-	141,734
Share-based payments-Issue of shares		6(14)and(17) -	37	-	-	-	-	-	37
Share-based payments-stock option		6(14)and(17) -	458	-	-	-	-	-	458
Employees' compensation transferred to common shares		6(14)and(16) 1,215	1,215	-	-	-	-	-	2,430
Balance at December 31, 2022		\$ 332,277	\$ 202,445	\$ 36,176	\$ 8,918	\$ 76,710	(\$ 5,981)	(\$ 2,395)	\$ 648,150

MEDIMAGING INTEGRATED SOLUTION INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>Cash flows from (used in) operating activities</u>			
Profit (loss) before tax		\$ 87,412	\$ 80,909
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(23)	26,254	28,165
Amortization expense	6(9)and(23)	2,764	2,628
Expected credit loss (gain)	12(2)	87 (	20)
Share-based payments	6(14)	495	664
Interest income	6(20)	(1,344 ) (	280)
Interest expense	6(22)	1,311	1,004
Losses arising from lease modifications	6(21)	25	-
Share of loss (gain) of Subsidiaries accounted for under equity method	6(6)	3,315	4,605
Unrealized profit from sales		4,691	6,540
Realized profit from sales		(6,540 ) (	6,034)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(1,488 ) (	6,457)
Notes receivable		1 (	1)
Accounts receivable		648 (	31,584)
Accounts receivable due from related parties		28,349	14,269
Other receivable		(678)	425
Prepayments		(17,633 ) (	32,144)
Prepayments		(3,285 ) (	6,671)
Other current assets		(29)	1,407
Long-term prepayments		(276 ) (	31)
Changes in operating liabilities			
Contract liabilities		(1,399)	1,468
Notes payable		(4,856)	4,856
Accounts payable		9,605 (	3,091)
Other payable		4,557 (	2,251)
Other payable to related parties		(2)	-
Provisions		1,029	573
Other current liabilities		64	129
Cash inflow generated from operations		133,077	59,078
Interest received		1,344	280
Interest paid		(1,311 ) (	996)
Income taxes paid		(20,788 ) (	13,072)
Net cash flows from operating activities		112,322	45,290

(Continued)

MEDIMAGING INTEGRATED SOLUTION INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>Cash flows from(used in) investing activities</u>			
Acquisition of financial assets at amortised cost		(\$ 60,319)	(\$ 15,888)
Proceeds from disposal of financial assets at amortised cost		10,000	26,710
Acquisition of property, plant and equipment	6(27)	(20,610)	(13,817)
Acquisition of intangible assets	6(9)	(1,873)	(4,531)
Increase in prepayments for business facilities		(29,318)	(12,462)
Increase in refundable deposits		-	(6)
other non-current assets		-	183
Net cash flows used in investing activities		(102,120)	(19,811)
<u>Cash flows from (used in) financing activities</u>			
Increase in short-term loans	6(28)	65,000	90,000
Decrease in short-term loans	6(28)	(110,000)	(82,000)
Proceeds from long-term debt	6(28)	12,000	-
Repayments of long-term debt	6(28)	(15,811)	(11,114)
Payments of lease liabilities	6(28)	(1,374)	(1,259)
Increase in guarantee deposits received	6(28)	12	-
Cash dividends paid	6(18)	(53,191)	(36,020)
Proceeds from issuing shares	6(16)	141,734	64,800
Exercise of employee share options	6(14)and(16)	2,430	200
Net cash flows from financing activities		40,800	24,607
Net increase in cash and cash equivalents		51,002	50,086
Cash and cash equivalents at beginning of period	6(1)	199,590	149,504
Cash and cash equivalents at end of period	6(1)	\$ 250,592	\$ 199,590

Attachments 6

Medimaging Integrated Solution Inc.

2022 Earnings Distribution Table

Unit: NT\$

Items	Amount	Note
Earnings in 2021 available for distribution	6,690,541	
Plus : Net Income of 2022	70,019,399	
Less : Legal reserve appropriated (10%)	(7,001,940)	
Plus : Reversal of special reserve	542,561	
Retained earnings available for distribution as of December 31, 2022	70,250,561	
Distribution Item:		
Cash Dividends to Common Share Holders	(59,809,779)	NT\$ 1.8 per share (note1)
Subtotal	(59,809,779)	
Unappropriated retained earnings	10,440,782	
Note :		

Note1: The cash dividends to common share holders will be rounded down to NT\$1 (any amount under NT\$1 will be discarded), and the remaining fraction will be incorporated into other revenues of the Company.

CHENG, CHU-MING
Chairman

CHENG, CHU-MING
President

FAN, CHING-YI
Chief Accounting Officer

Attachments 7

Medimaging Integrated Solution Inc.
Directors and Independent Directors Candidates List

No.	Type	Name	Education	Major Education and Experience (Including Current Position)	Shares Held	Explanation of reasons for independent directors serving three terms
1	Director	CHENG, CHU-MING	Ph.D in Department of Photonics, National Chiao Tung University	Chairman&CEO, MiiS Director, Medimaging Integrated Solution Inc.(Dongguan) Legal representative, Medview Investments Limited Senior Director, Young Optics Inc.	5,569,659	N/A
2	Director	ROAN, YUNG-CHIH	Master Degree in Physics, FU Jen Catholic University	Partner, OMS Tech Product Line manager, Oerlikon Optics Sales manager, Materion Optics Asia	468,483	N/A
3	Director	LEE, YU-TSUNG	Master Degree in Physics, National Sun Yat-sen University	Executive VP, MiiS Director, MiiS R&D Manager, Young Optics Inc.	476,640	N/A

4	Director	CHEN, CHIN-YI	Major in EMBA at National Taiwan University Master Degree in Applied Languages, Ming Chuan University	ExecutiveVP,MiiS Director, Medimaging Integrated Solution Inc.(Dongguan) Sales Manager, Young Optics Inc.	212,630	N/A
5	Independent Director	CHANG, MING-JYE	MBA, Rutgers, The State University of New Jersey	Independent Director,MiiS GM,Mega Securities	0	No
6	Independent Director	WANG, PAO-CHANG	MBA, National Taiwan University	Independent Director,MiiS VP,KPMG CFO, Amazing Microelectronic Corp.	0	No
7	Independent Director	CHIU, CHIN-TAIN	Ph.D in Bussiness Administration,National Chengchi University. MBA, Sloan School of Management,MIT	Independent Director,MiiS Independent Director, 3D GLOBAL BIOTECH INC. Supervisor,Sino-Indonesia Cultural and Economic Association Director,Chiu Shi-De Enterprise Co., Ltd. HSBC Senior Vice President/Head of Corporate Banking Division/Head of Taipei Branch	0	No

Attachments 8

Medimaging Integrated Solution Inc.

List to remove the restriction of non-compete agreement of newly elected directors

Category	Candidate Name	Company Name and Concurrent Position
Directors	ROAN, YUNG-CHIH	Partner,OMS Tech
Independent Director	CHIU, CHIN-TAIN	Independent Director,3D GLOBAL BIOTECH INC.