Stock Code:4104

EXCELSIOR MEDICAL CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

With Independent Auditors' Report
For the Years Ended December 31, 2020 and 2019

Address: **17F., No.880, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.**
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The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Excelsior Medical Co., Ltd.:

Opinion

We have audited the financial statements of Excelsior Medical Co., Ltd.("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matter that should be disclosed in this report is as follows:

1. Impairment Assessment on Receivables

   Please refer to Note (4)(f) for accounting policies of account receivable allowance provision.

   Description of key audit matter:

   The management of the Company performed its assessment based on the default risk of accounts receivable and the rate of expected loss. Because the assessment of impairment loss of receivables involves critical accounting estimates, which are subject to the judgment of the management, the assessment of the impairment loss of receivables is deemed to be a key audit matter.

How the matter was addressed in our audit:

Our main audit procedures in response to the assessment of the impairment of receivables were assessing the reasonableness of the methodology and assumptions used by the management for the impairment assessment of receivables and whether the methodology was adopted consistently, testing the reasonableness of the information used by the management for assessing the impairment of receivables, reviewing the accuracy of the calculation of the allowance for receivables, and evaluating the adequacy of the Company's disclosure for impairment of receivables.

Other Matter

We did not audit the financial statements of certain subsidiaries, associates and joint ventures, which represented investment in other entities accounted for using the equity method of the Company. Those statements were audited by other auditors, whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities, is based solely on the report of other auditors. The investments in such entities accounted for using the equity method were NT$146,436 thousand and NT$101,609 thousand, constituting 2% and 1% of the total assets at December 31, 2020 and 2019, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT$29,466 thousand and NT$19,784 thousand, constituting 4% and 3% of total profit before tax for the years then ended, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 auditors' report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Tsao-Jen Wu and Wan-Wan Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2021

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUDED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		December 31, 2020		December 31, 2019	
	ASSETS	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note (6)(a))	$ 439,605	5	749,196	9
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	166	-	-	-
1151	Notes receivable (Notes (6)(d))	61,208	1	69,446	1
1170	Accounts receivable (Notes (6)(d))	314,322	4	316,921	4
1180	Accounts receivable due from related parties (Notes (6)(d) and (7))	647,234	8	625,171	7
1200	Other receivables (Notes (6)(d) and (7))	3,806	-	5,492	-
130X	Inventories (Note (6)(e))	580,389	6	536,676	6
1470	Other current assets, others	11,055	-	16,701	-
		2,057,785	24	2,319,603	27
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	286,012	4	305,256	4
1550	Investments accounted for using equity method (Note (6)(f))	5,936,662	69	5,541,076	66
1600	Property, plant and equipment (Notes (6)(h) and (8))	177,053	2	180,050	2
1755	Right-of-use assets (Note (6)(i))	4,704	-	12,886	-
1780	Intangible assets (Note (6)(j))	1,203	-	697	-
1840	Deferred tax assets (Note (6)(p))	83,678	1	64,862	1
1975	Net defined benefit asset (Note (6)(o))	5,599	-	3,184	-
1980	Other non-current financial assets (Note (8))	9,142	-	8,758	-
1990	Other non-current assets, others	7,575	-	8,229	-
		6,511,628	76	6,124,998	73
	TOTAL ASSETS	**$ 8,569,413**	**100**	**8,444,601**	**100**

		December 31, 2020		December 31, 2019	
	LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note (6)(k))	$ -	-	450,000	6
2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	46	-	-	-
2150	Notes payable	396	-	4,784	-
2170	Accounts payable (Note (7))	620,193	8	714,330	9
2200	Other payables (Notes (7))	162,233	2	158,547	2
2230	Current tax liabilities	38,988	-	42,001	-
2280	Current lease liabilities (Note (6)(m))	1,800	-	3,769	-
2399	Other current liabilities, others (Notes (6)(l) and (7))	9,895	-	8,031	-
		833,551	10	1,381,462	17
	Non-Current liabilities:				
2570	Deferred tax liabilities (Note (6)(p))	141,842	2	107,412	1
2580	Non-current lease liabilities (Notes (6)(m))	2,957	-	9,192	-
2670	Other non-current liabilities, others	166	-	194	-
		144,965	2	116,798	1
	Total liabilities	978,516	12	1,498,260	18
	Equity (Note (6)(q)):				
3100	Share capital	1,411,490	16	1,281,490	15
3200	Capital surplus	3,276,107	38	2,816,807	34
3300	Retained earnings	3,017,380	35	2,904,393	34
3400	Other equity	(114,080)	(1)	(56,349)	(1)
	Total equity	7,590,897	88	6,946,341	82
	TOTAL LIABILITIES AND EQUITY	**$ 8,569,413**	**100**	**8,444,601**	**100**

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

		For the Years Ended December 31,			
		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenue (Notes (6)(t) and (7))**	$ 4,199,740	100	3,964,690	100
5000	**Operating costs (Note (6)(e))**	3,514,008	84	3,330,609	84
	Gross profit from operations	685,732	16	634,081	16
5910	Less: Unrealized profit from sales	110,977	3	91,697	2
5920	Add: Realized profit from sales	110,901	3	89,355	2
		685,656	16	631,739	16
	Operating expenses:				
6100	Selling expenses	206,919	5	208,502	5
6200	Administrative expenses	158,015	3	165,637	4
6450	Expected credit loss (gain) (Note (6)(d))	1,608	-	(5,703)	-
		366,542	8	368,436	9
	Net operating income	319,114	8	263,303	7
	Non-operating income and expenses:				
7100	Interest income (Note (6)(v))	1,246	-	4,408	-
7010	Other income (Notes (6)(v) and (7))	6,329	-	3,443	-
7020	Other gains and losses (Notes (6)(v) and (7))	8,456	-	51,115	1
7050	Finance costs (Note (6)(v))	(560)	-	(5,461)	-
7060	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (Note (6)(f))	338,424	8	281,954	7
		353,895	8	335,459	8
7900	**Profit before tax**	673,009	16	598,762	15
7950	**Less: Tax expense (Note (6)(p))**	101,339	2	84,007	2
	Profit	571,670	14	514,755	13
	Other comprehensive income (loss):				
8310	**Items that will not be reclassified subsequently to profit and loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	1,572	-	3,456	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(18,238)	-	9,375	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	50,905	1	39,007	1
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,147	-	(2,836)	-
	Total items that will not be reclassified subsequently to profit and loss	33,092	1	54,674	1
8360	**Items that will be reclassified to profit or loss**				
8361	Exchange differences on translation	(110,137)	(3)	(56,139)	(1)
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(3,356)	-	(1,456)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(22,027)	(1)	(11,228)	-
	Total items that will be reclassified subsequently to profit and loss	(91,466)	(2)	(46,367)	(1)
	Other comprehensive income, net	(58,374)	(1)	8,307	-
8500	**Total comprehensive income for the year**	**$ 513,296**	**13**	**523,062**	**13**
	Earnings per share (Note (6)(s))				
9750	**Basic earnings per share (NT dollars)**	**$**	**4.06**		**4.02**
9850	**Diluted earnings per share (NT dollars)**	**$**	**4.04**		**3.99**

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Share capital		Retained earnings			Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Balance as of January 1, 2019	$ 1,281,490	2,812,704	681,883	262,832	1,792,929	(61,536)	34,907	6,805,209
Profit for the year	-	-	-	-	514,755	-	-	514,755
Other comprehensive income (loss) for the year	-	-	-	-	3,431	(46,367)	51,243	8,307
Total comprehensive income (loss) for the year	-	-	-	-	518,186	(46,367)	51,243	523,062
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	45,156	-	(45,156)	-	-	-
Special reserve reversed	-	-	-	(236,203)	236,203	-	-	-
Cash dividends of ordinary share	-	-	-	-	(384,447)	-	-	(384,447)
Changes in equity of associates and joint ventures accounted for using equity method	-	(176)	-	-	(1,586)	-	-	(1,762)
Changes in ownership interests in subsidiaries	-	957	-	-	-	-	-	957
Employee stock options	-	3,322	-	-	-	-	-	3,322
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	34,596	-	(34,596)	-
Balance as of December 31, 2019	1,281,490	2,816,807	727,039	26,629	2,150,725	(107,903)	51,554	6,946,341
Profit for the year	-	-	-	-	571,670	-	-	571,670
Other comprehensive income (loss) for the year	-	-	-	-	(944)	(91,466)	34,036	(58,374)
Total comprehensive income (loss) for the year	-	-	-	-	570,726	(91,466)	34,036	513,296
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	51,476	-	(51,476)	-	-	-
Special reserve appropriated	-	-	-	29,720	(29,720)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(465,792)	-	-	(465,792)
Changes in equity of associates and joint ventures accounted for using equity method	-	333	-	-	7,490	-	-	7,823
Capital increased by cash	130,000	455,000	-	-	-	-	-	585,000
Changes in ownership interests in subsidiaries	-	3,967	-	-	262	-	-	4,229
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	301	-	(301)	-
Balance as of December 31, 2020	**$ 1,411,490**	**3,276,107**	**778,515**	**56,349**	**2,182,516**	**(199,369)**	**85,289**	**7,590,897**

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31, 2020	2019
Cash flows from operating activities:		
Profit before tax	$ 673,009	598,762
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	23,759	26,206
Amortization expense	2,270	1,813
Expected credit loss (gain)	1,608	(5,703)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	200	(53)
Interest expense	560	5,461
Interest income	(1,246)	(4,408)
Dividend income	(6,329)	(3,443)
Share-based payments	-	3,322
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(338,424)	(281,954)
Reversal of impairment gain on non-financial assets	-	(64)
Unrealized profit from sales	110,977	91,697
Realized profit from sales	(110,901)	(89,355)
Others	400	(50,903)
Total adjustments to reconcile profit	(317,126)	(307,384)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	8,238	10,624
Accounts receivable	991	22,782
Accounts receivable due from related parties	(22,063)	(53,155)
Other receivables	971	(2,021)
Inventories	(60,184)	56,450
Net defined benefit asset	(843)	-
Other current assets	5,646	(6,079)
Total changes in operating assets	(67,244)	28,601
Changes in operating liabilities:		
Notes payable	(4,388)	4,180
Accounts payable	(94,137)	(19,332)
Other payables	4,050	1,181
Other current liabilities	1,864	(1,909)
Net defined benefit liability	-	(745)
Deferred credits	-	(2,740)
Other operating liabilities	(28)	-
Total changes in operating liabilities	(92,639)	(19,365)
Total changes in operating assets and liabilities	(159,883)	9,236
Total adjustments	(477,009)	(298,148)
Cash inflow generated from operations	196,000	300,614
Interest received	1,961	4,597
Income taxes paid	(67,858)	(68,221)
Net cash flows from operating activities	130,103	236,990

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31,	
	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(7,362)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,006	57,295
Acquisition of financial assets at fair value through profit or loss	(320)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	15,200
Acquisition of investments accounted for using equity method	(183,252)	(626,469)
Acquisition of property, plant and equipment	(920)	(1,415)
Acquisition of intangible assets	(1,369)	(196)
(Increase) decrease in other financial assets	(384)	2,103
Increase in other non-current assets	(754)	(2,145)
Dividends received	81,808	107,252
Net cash flows used in investing activities	(104,185)	(455,737)
Cash flows from financing activities:		
Increase in short-term borrowings	-	450,000
Decrease in short-term borrowings	(450,000)	-
Increase in other payables to related parties	-	3,684
Cash dividends paid	(465,792)	(384,447)
Capital increased by cash	585,000	-
Interest paid	(924)	(5,097)
Payment of lease liabilities	(3,793)	(4,572)
Net cash flows (used in) from financing activities	(335,509)	59,568
Net decrease in cash and cash equivalents	(309,591)	(159,179)
Cash and cash equivalents at beginning of period	749,196	908,375
Cash and cash equivalents at end of period	$ **439,605**	**749,196**

(1) Company History

Excelsior Medical Co., Ltd. (the Company) was incorporated on March 15, 1988 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 17F., No.880, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.. The Company engaged primarily in the sale of medical supplies and equipment, medicines and home medical devices.

The Company’s shares were traded on the Taipei Exchange (formerly the GreTai Securities Market) from June 8, 2001 to December 30, 2007 and have been traded on the Taiwan Stock Exchange since December 31, 2007.

(2) Financial Statements Authorization Date and Authorization Process

The financial statements were authorized for issue by the Board of Directors on March 12, 2021.

(3) New Standards, Amendments and Interpretations Adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2020:

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”
- Amendments to IAS 1 and IAS 8 “Definition of Material”
- Amendments to IFRS 16 “COVID-19-Related Rent Concessions”

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its financial statements:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform－Phase 2”

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"	The amendments clarify that the ' costs of fulfilling a contract' comprises the costs that relate directly to the contract as follows: ● the incremental costs – e.g. direct labor and materials; and ● an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.	January 1, 2022

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

(4) Summary of Significant Accounting Policies

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations).

(b) Basis of preparation

1. Basis of measurement

The financial statements have been prepared on historical cost basis except for the following material items in the balance sheet:

1) Financial assets at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (or assets) are measured at fair value of plan assets, net of aggregation of the present value of the defined benefit obligation, with a limit based on a defined benefit asset.

2. Functional and presentation currency

The functional currency of each Company operation is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(c) Foreign Currencies

1.Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

2.Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of Current and Non-Current Assets and Liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1.It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

2.It is held primarily for the purpose of trading;

3.It is expected to be realized within twelve months after the reporting period; or

4.The asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1.It is expected to be settled in the normal operating cycle;

2.It is held primarily for the purpose of trading;

3.It is due to be settled within twelve months after the reporting period; or

4.The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1.Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

·it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

·its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

·debt securities that are determined to have low credit risk at the reporting date; and

·other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

·significant financial difficulty of the borrower or issuer;

·a breach of contract such as a default or being past due;

·the lender of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

·it is probable that the borrower will enter bankruptcy or other financial reorganization; or

·the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2.Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in Associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate' s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment in subsidiaries

The subsidiaries in which the Company holds their controlling interest are accounted for using equity method in the parent-company-only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent-company-only financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in the ownership of the subsidiaries are recognized as equity transaction.

(j) Property, Plant, and Equipment

1.Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalized borrowing cost) less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2.Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3.Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	5 years~ 55 years
2) Medical equipment	2 years~ 8 years
3) Other equipment	3 years~ 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or

- the relevant decisions about how and for what purpose the asset is used are predetermined and:

  - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or

  - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(ii) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or

- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

- there is a change of its assessment on whether it will exercise an extension or termination option; or

- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of storage room, and parking space that have a lease of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(l) Intangible Assets

1.Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2.Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3.Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Computer software	3 years
2) Other intangible assets	2 years~ 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(o) Revenue

1.Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company's obligation for the sales of goods components under the standard warranty terms is recognized as a provision for warranty.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Services

The Company provides maintenance and warranty services. Revenue from providing services is recognized in the accounting period in which the services are rendered. Under the IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Company sells the services in separate transactions.

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(p) Employee Benefits

1.Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2.Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

4.Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

5.Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based Payment

The grant date fair value of equity-settled share based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true up for differences between expected and actual outcomes.

The Company set the grant date on which the board of directors authorized the subscription price and the number of new shares to qualified employees.

(r) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(s) Earnings per Share

The Company discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(t) Operating Segments

Please refer to the consolidated financial report of Excelsior Medical Co., Ltd. for the years ended December 31, 2020 and 2019 for the operating segments information.

(5) Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In preparing these financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Accounting policies which influence material judgment and has significant impact on prices recognized in parent-company-only financial statements is as follows:

To identify whether the Company has actual control to investee, please refer to the consolidated financial statements for the year ended December 31, 2020.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

The loss allowance of trade receivable

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note (6)(d).

(6) Explanation of Significant Accounts

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand, demand deposits and checking accounts	$ 439,096	599,296
Time deposits	509	149,900
Cash and cash equivalents in statement of cash flows	**$ 439,605**	**749,196**

The Company interest risk and sensibility analysis of the financial assets and liabilities was disclosed in Note (6)(x).

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2020	December 31, 2019
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward foreign exchange contracts	**$ 166**	**-**
Held-for-trading financial liabilities		
Derivative instruments not used for hedging		
Forward foreign exchange contracts	**$ 46**	**-**

The Company uses derivative financial instruments to hedge the certain foreign exchange and interest risk the Company is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as held-for-trading financial instruments:

Forward foreign exchange contracts:

	December 31, 2020			
	Amount (in thousands)		Currency	Maturity period
Forward foreign exchange contracts purchased	JPY	107,538	JPY to TWD	2021.2~2021.3
Forward foreign exchange contracts purchased	USD	400	USD to TWD	2021.1

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

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

		December 31, 2020	December 31, 2019
Equity investments at fair value through other comprehensive income			
Domestic listed shares	$	30,397	33,961
Foreign listed shares		128,802	122,693
Domestic unlisted shares		126,813	148,602
Total	$	**286,012**	**305,256**

1.Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long term for strategic purposes.

The Company has sold its common stocks designated at fair value through other comprehensive income because of operation strategies for the years ended December 31, 2020 and 2019. The shares sold had a fair value of $1,009 thousand and $57,550 thousand, respectively. The Company realized a gain of $301 thousand and $34,596 thousand, respectively, which is already included in other comprehensive income, and thereafter, was transferred to retained earnings from other equity.

2.For credit risk and market risk, please refer to Note (6)(x).

3.As of December 31, 2020 and 2019, the aforesaid financial assets were not pledged as collateral.

(d) Notes receivable, accounts receivable and other receivables

		December 31, 2020	December 31, 2019
Notes receivable	$	61,208	69,446
Accounts receivable		982,406	955,450
Trade receivables - fair value through other comprehensive income		-	5,884
Other receivables		3,806	5,492
Less: Loss allowance		(20,850)	(19,242)
Net	$	**1,026,570**	**1,017,030**

The Company has assessed a portion of its trade receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,043,167	1.59%	(16,604)
1 to 90 days past due	508	98.62%	(501)
91 to 180 days past due	29	100%	(29)
181 to 365 days past due	-	100%	-
More than 365 days past due	3,716	100%	(3,716)
	$ 1,047,420		**(20,850)**

	December 31, 2019		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,031,482	1.40%	(14,466)
1 to 90 days past due	790	98.23%	(776)
91 to 180 days past due	281	100%	(281)
181 to 365 days past due	191	100%	(191)
More than 365 days past due	3,528	100%	(3,528)
	$ 1,036,272		**(19,242)**

The movement in the allowance for notes and trade receivable was as follows:

	For the Years Ended December 31,	
	2020	**2019**
Balance as of January 1	$ 19,242	24,945
Impairment losses recognized	1,608	-
Impairment losses reversed	-	(5,703)
Balance as of December 31	**$ 20,850**	**19,242**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(e) Inventories

		December 31, 2020	December 31, 2019
Merchandise	$	491,314	452,482
Inventory in-transit		89,075	84,194
Total	$	**580,389**	**536,676**

The details of cost of goods sold were as follows :

		For the Years Ended December 31,	
		2020	2019
Cost of goods sold	$	3,442,305	3,233,974
(Reversal) losses on inventory valuation and obsolescence		(14,610)	1,169
Repair and maintenance costs		83,159	85,089
Others operating costs		3,154	10,377
Total	$	**3,514,008**	**3,330,609**

The factor leading to the net realizable value of inventories is lower than the cost vanished, so that the reversal gain of inventories is recognized due to the increase in net realizable value for the year ended December 31, 2020.

(f) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2020	December 31, 2019
Subsidiaries	$	5,256,868	4,997,154
Associates		679,794	543,922
	$	**5,936,662**	**5,541,076**

1.Subsidiary

Please refer to the consolidated financial statements for the year ended of December 31, 2020.

2.Associates

The Company's financial information for investments accounted for using equity method that are individually insignificant was as follows:

		December 31, 2020	December 31, 2019
Carrying amount of individually insignificant associates' equity	$	**679,794**	**543,922**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

	For the Years Ended December 31, 2020	2019
Attributable to Company:		
Profit	$ 104,828	79,254
Other comprehensive income	29,521	35,198
Total comprehensive income	**$ 134,349**	**114,452**

3.Joint ventures

The Company's financial information for investments in individually insignificant joint venture accounted for using equity method at the reporting date was as follows. These financial information are included in the financial statements.

	December 31, 2019
Individually insignificant joint venture	**$ -**

	For the Years Ended December 31, 2019
Attributable to Company:	
Profit	$ 623
Other comprehensive income	-
Total comprehensive income	**$ 623**

Before August 2019, the Company and the other shareholder held 49% and 51%, respectively, of the joint venture Excelsior Asset Management Co., Ltd. that is not individually significant.

Under the shareholders' agreement, the Company and the other shareholder have the power to appoint two and three, respectively, of the five directors of Excelsior Asset Management Co., Ltd. Significant matters should be decided by more than two-thirds of directors present in the meeting, and the directors present in the meeting should be more than two-thirds of all directors. Therefore, the Company and the other shareholder of the joint venture have joint control over Excelsior Asset Management Co., Ltd., which the Company acquired its entire shares and gained control over it on August 2, 2019.

As of December 31, 2020 and 2019, did not provide any investments accounted for using the equity method as collateral.

(g) Changes in ownership interests in subsidiaries

The Company subscribed the shares issued for cash by its subsidiary Arich Enterprise Co., Ltd. at a percentage different from its existing ownership percentage in April 2020, and a part of shares are available for subscription to employees of Arich Enterprise Co., Ltd.. The changes in ownership interests in subsidiaries were recognized as capital surplus amounting to $3,967 thousand for the year ended December 31, 2020.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

A part of ordinary shares issued for cash by the Company are available for subscription to employees of its subsidiaries. The changes in ownership interests in subsidiaries were recognized as capital surplus amounting to $957 thousand for the year ended December 31, 2019. For relevant information on share-based payment, please refer to Note (6)(r).

(h) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Company for the years ended December 31, 2020 and 2019 were as follows:

	Land	Buildings	Medical equipment	Miscellaneous equipment	Total
Cost or deemed cost:					
Balance as of January 1, 2020	$ 75,758	98,943	71,463	23,068	269,232
Additions	-	543	-	377	920
Disposal and obsolescence	-	(392)	(1,664)	(10,850)	(12,906)
Transfer from inventories	-	-	15,817	726	16,543
Transfer to inventories	-	-	(744)	-	(744)
Transfer to expenses	-	-	-	(400)	(400)
Balance as of December 31, 2020	$ 75,758	99,094	84,872	12,921	272,645
Balance as of January 1, 2019	$ 75,758	98,943	75,944	28,865	279,510
Additions	-	-	361	1,054	1,415
Disposal and obsolescence	-	-	(5,354)	(6,851)	(12,205)
Transfer from inventories	-	-	12,722	-	12,722
Transfer to inventories	-	-	(12,210)	-	(12,210)
Balance as of December 31, 2019	$ 75,758	98,943	71,463	23,068	269,232
Depreciation and impairment losses:					
Balance as of January 1, 2020	$ 4,000	41,652	26,854	16,676	89,182
Depreciation for the period	-	2,109	16,025	1,854	19,988
Disposal and obsolescence	-	(392)	(1,664)	(10,850)	(12,906)
Transfer to inventories	-	-	(672)	-	(672)
Balance as of December 31, 2020	$ 4,000	43,369	40,543	7,680	95,592
Balance as of January 1, 2019	$ 4,000	39,025	29,424	21,236	93,685
Depreciation for the period	-	2,627	14,716	2,291	19,634
Impairment loss reversed	-	-	(64)	-	(64)
Disposal and obsolescence	-	-	(5,354)	(6,851)	(12,205)
Transfer to inventories	-	-	(11,868)	-	(11,868)
Balance as of December 31, 2019	$ 4,000	41,652	26,854	16,676	89,182
Carrying amount:					
Balance as of December 31, 2020	$ 71,758	55,725	44,329	5,241	177,053
Balance as of January 1, 2019	$ 71,758	59,918	46,520	7,629	185,825
Balance as of December 31, 2019	$ 71,758	57,291	44,609	6,392	180,050

As of December 31, 2020 and 2019, the property, plant and equipment of the Company had been pledged as collateral for long-term borrowings. Please refer to Note(8).

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(i) Right-of-use assets

The Company leases many assets including buildings and other equipment. Information about leases for which the Company as a lessee is presented below:

	Buildings	Other equipment	Total
Cost:			
Balance as of January 1, 2020	$ 16,093	1,440	17,533
Additions	3,612	-	3,612
Write-off	(8,023)	-	(8,023)
Balance as of December 31, 2020	**$ 11,682**	**1,440**	**13,122**
Balance as of January 1, 2019	$ 16,057	1,440	17,497
Additions	36	-	36
Balance as of December 31, 2019	**$ 16,093**	**1,440**	**17,533**
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2020	$ 3,495	1,152	4,647
Depreciation for the year	3,483	288	3,771
Balance as of December 31, 2020	**$ 6,978**	**1,440**	**8,418**
Balance as of January 1, 2019	$ -	-	-
Depreciation for the year	3,495	1,152	4,647
Balance as of December 31, 2019	**$ 3,495**	**1,152**	**4,647**
Carrying amount:			
Balance as of December 31, 2020	**$ 4,704**	**-**	**4,704**
Balance as of January 1, 2019	**$ 16,057**	**1,440**	**17,497**
Balance as of December 31, 2019	**$ 12,598**	**288**	**12,886**

The Company added and modified parts of the lease contract, resulting in a decrease in right of use assets of $4,411 thousand and an increase of $36 thousand to be recognized for the years ended December 31, 2020 and 2019, respectively.

For the years ended December 31, 2020 and 2019, the Company leased storage room and parking space under operating lease, please refer to Note (6)(n).

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(j) Intangible assets

The costs, amortization, and impairment of the Company for the years ended December 31, 2020 and 2019, were as follows:

	Software	Other intangible assets	Total
Cost:			
Balance as of January 1, 2020	$ 2,204	19,442	21,646
Acquisition	1,369	-	1,369
Disposal	-	(1,000)	(1,000)
Balance as of December 31, 2020	**$ 3,573**	**18,442**	**22,015**
Balance as of January 1, 2019	$ 2,008	19,442	21,450
Acquisition	196	-	196
Balance as of December 31, 2019	**$ 2,204**	**19,442**	**21,646**
Amortization and impairment loss:			
Balance as of January 1, 2020	$ 1,537	19,412	20,949
Amortization	833	30	863
Disposal	-	(1,000)	(1,000)
Balance as of December 31, 2020	**$ 2,370**	**18,442**	**20,812**
Balance as of January 1, 2019	$ 849	19,276	20,125
Amortization	688	136	824
Balance as of December 31, 2019	**$ 1,537**	**19,412**	**20,949**
Carrying amount:			
Balance as of December 31, 2020	**$ 1,203**	**-**	**1,203**
Balance as of January 1, 2019	**$ 1,159**	**166**	**1,325**
Balance as of December 31, 2019	**$ 667**	**30**	**697**

1.Amortization

The amortization of intangible assets is included in the following statement of comprehensive income items:

	For the Years Ended December 31, 2020	2019
Operating costs	$ 30	136
Operating expenses	833	688
Total	**$ 863**	**824**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(k) Short-term borrowings

	December 31, 2020	December 31, 2019
Unsecured bank loans	$ -	450,000
Unused short term credit lines	$ 2,400,000	2,350,000
Range of interest rates	-	0.96%~0.98%

Please refer to Note (8) for details of the Company’ s assets pledged as collateral for bank borrowings.

The Company’s interest risk and sensitivity analysis of financial assets and liabilities were disclosed in Note (6)(x).

(l) Provisions

	December 31, 2020	December 31, 2019
Warranties	$ 4,221	3,348

	Warranties
Balance as of January 1, 2020	$ 3,348
Additions	4,644
Provisions reversed or used	(3,771)
Balance as of December 31, 2020	$ 4,221
Balance as of January 1, 2019	$ 2,202
Additions	4,188
Provisions reversed or used	(3,042)
Balance as of December 31, 2019	$ 3,348

The provision for warranty claims represents the present value of management’s best estimate of the future outflow of economic benefits that will be required under the Company’ s obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(m) Lease liabilities

The carrying amount of lease liabilities were as follows:

	December 31, 2020	December 31, 2019
Current	$ 1,800	3,769
Non-current	$ 2,957	9,192

For the maturities analysis, please refer to Note (6)(x).

There were no significant issuances, repurchases and repayments of lease liabilities in 2020.

The Company added and modified parts of the contract, resulting in a decrease in lease liabilities of $4,411 thousand and an increase of $36 thousand for the years ended December 31, 2020 and 2019, respectively.

The amounts recognized in profit or loss were as follows:

	For the Years Ended December 31,	
	2020	2019
Interest on lease liabilities	$ 107	181
Income from sub-leasing right-of-use assets	$ 1,173	311
Expenses relating to short-term leases	$ 905	1,086

The amounts recognized in the statement of cash flows for the Company were as follows:

	For the Years Ended December 31,	
	2020	2019
Total cash outflow for leases	$ 4,805	5,839

1. Building leases

As of December 31, 2020, the Company leases buildings for its office space. The leases of office space typically run for a period of 2 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Company sub-leases some of its right-of-use assets under operating leases; please refer to Note (6)(n).

2. Other leases

The Company leases machinery and other equipment, with lease terms of 3 years. In some cases, the Company has options to extend the lease at the end of the contract term.

The Company also leases storage room and parking space with contract terms of 1 to 3 years. These leases are short-term leases. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(n) Operating leases

Operating leases relate to leasing and subleasing of real estate and leasing of equipment with lease terms between 1 to 5 years. The leasees do not have bargain purchase options to acquire the real estate and equipment at the expiration of the lease periods.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

		December 31, 2020	December 31, 2019
Within 1 year	$	5,069	5,866
1 to 5 years		-	69
	$	**5,069**	**5,935**

(o) Employee benefits

1.Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

		December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$	79,383	77,275
Fair value of plan assets		(84,982)	(80,459)
Net defined benefit (assets) liabilities	**$**	**(5,599)**	**(3,184)**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company’s Bank of Taiwan labor pension reserve account balance amounted to $84,982 thousand as of December 31, 2020. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company were as follows:

	For the Years Ended December 31,	
	2020	2019
Defined benefit obligation as of January 1	$ 77,275	77,693
Current service costs and interest	1,090	1,341
Remeasurement on the net defined benefit obligation		
—Actuarial gains and losses arising from experience adjustments	(2,752)	(3,640)
—Actuarial gains and losses arising from changes in demographic assumptions	629	461
—Actuarial gains and losses arising from changes in financial assumptions	3,141	2,307
Benefit paid	-	(887)
Defined benefit obligation as of December 31	**$ 79,383**	**77,275**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	For the Years Ended December 31,	
	2020	2019
Fair value of plan assets as of January 1	$ 80,459	76,676
Interest income	649	871
Remeasurement on the net defined benefit obligation		
—Return on plan assets (excluding current interest)	2,590	2,584
Contribution paid by the employer	1,284	1,215
Benefits paid	-	(887)
Fair value of plan assets as of December 31	**$ 84,982**	**80,459**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	For the Years Ended December 31,	
	2020	2019
Current service costs	$ 471	467
Net interest of net liabilities for defined benefit obligations	(30)	3
	$ 441	**470**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

	For the Years Ended December 31, 2020	For the Years Ended December 31, 2019
Operating costs and expenses	$ 441	470

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2020	December 31, 2019
Discount rate	0.350%	0.800%
Future salary increasing rate	3.000%	3.000%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $1,284 thousand.

The weighted average lifetime of the defined benefits plans is 12 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences on defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2020		
Discount rate	$ (1,775)	1,837
Future salary increasing rate	1,748	(1,699)
December 31, 2019		
Discount rate	$ (1,803)	1,868
Future salary increasing rate	1,785	(1,733)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of the pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2020 and 2019.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

2.Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $7,096 thousand and $6,867 thousand for the years ended December 31, 2020 and 2019, respectively.

(p) Income taxes

1.Income tax expense

The components of income tax in the years 2020 and 2019 were as follows:

	For the Years Ended December 31, 2020	2019
Current tax expense		
Current period	$ 66,640	72,173
Adjustment for prior periods	(1,795)	(616)
	64,845	71,557
Deferred tax expense		
Origination and reversal of temporary differences	36,494	12,450
Income tax expense from continuing operations	**$ 101,339**	**84,007**

The amount of income tax recognized in other comprehensive income for 2020 and 2019 were as follows:

	For the Years Ended December 31, 2020	2019
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	$ (315)	(691)
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	(1,363)	3,088
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	531	439
	$ (1,147)	**2,836**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation	**$ 22,027**	**11,228**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

Reconciliation of income tax and profit before tax for 2020 and 2019 was as follows:

	For the Years Ended December 31, 2020	2019
Profit before imcome tax	$ 673,009	598,762
Income tax using the Company's statutory tax rate	$ 134,602	119,752
Permanent differences	(31,379)	(40,048)
Tax-exempt income	(297)	(517)
Unrecognized deductible temporary differences	-	(10,000)
Undistributed earnings additional tax	208	15,436
Adjustments for prior periods	(1,795)	(616)
Income tax expense	**$ 101,339**	**84,007**

2.Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 were as follows:

	Deferred sales returns and allowance	Unrealized losses on inventories	Unrealized gains on investment	Others	Total
Deferred tax assets:					
Balance as of January 1, 2020	$ 1,350	9,683	-	53,829	64,862
Recognized in profit or loss	2,672	(2,922)	-	(3,177)	(3,427)
Recognized in other comprehensive income	-	-	-	22,243	22,243
Balance as of December 31, 2020	**$ 4,022**	**6,761**	**-**	**72,895**	**83,678**
Balance as of January 1, 2019	$ 1,612	4,450	-	36,648	42,710
Recognized in profit or loss	(262)	5,233	-	6,205	11,176
Recognized in other comprehensive income	-	-	-	10,976	10,976
Balance as of December 31, 2019	**$ 1,350**	**9,683**	**-**	**53,829**	**64,862**
Deferred tax liabilities:					
Balance as of January 1, 2020	$ -	-	106,425	987	107,412
Recognized in profit and loss	-	-	32,660	407	33,067
Recognized in other comprehensive income	-	-	-	1,363	1,363
Balance as of December 31, 2020	**$ -**	**-**	**139,085**	**2,757**	**141,842**
Balance as of January 1, 2019	$ -	-	82,724	4,150	86,874
Recognized in profit or loss	-	-	23,701	(75)	23,626
Recognized in other comprehensive income	-	-	-	(3,088)	(3,088)
Balance as of December 31, 2019	**$ -**	**-**	**106,425**	**987**	**107,412**

3.Assessment of tax

The Company’ s income tax returns for the year through 2018 were assessed by the Tax Administration.

(q) Capital and other equity

A resolution was passed by the Board of the Comapny on November 7, 2019, for issuance of 130,000 thousand shares, with a par value of $10 per share. The issuance price is $45. A part of shares are reserved for employees. For relative information, please refer to Note (6)(r). The issuance has been approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C., with January 15, 2020, as the date of capital increase. The related registration procedures were completed, and all issued shares were paid up upon issuance.

1.Share capital

	December 31, 2020	December 31, 2019
Number of shares authorized (in thousands)	200,000	200,000
Shares authorized	$ 2,000,000	2,000,000
Number of shares issued and fully paid (in thousands)	141,149	128,149
Shares issued	$ 1,411,490	1,281,490

A total of 10,000 thousand shares of the Company’ s authorized shares are reserved for the issuance of employee share options, convertible bonds with warrants and preferred shares with warrants.

2.Capital surplus

	December 31, 2020	December 31, 2019
Additional paid-in capital arising from ordinary share	$ 1,822,584	1,367,584
Additional paid-in capital arising from bond conversion	1,072,079	1,072,079
Difference between consideration and carrying amount of subsidiaries acquired or disposed	98,181	98,181
Changes in ownership interest in subsidiaries	238,946	234,979
Changes in equity of associates accounted for using equity method	457	124
Others	43,860	43,860
	$ 3,276,107	2,816,807

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

3.Retained earnings

The Company's article of incorporation stipulates that Company's profit after tax should first be used to offset the prior years' deficits, including unappropriated retained earnings. Of the remaining balance, 10% is to be appropriated as legal reserve, then the special surplus reserve shall be distributed or reversed according to the Laws acts and regulations approved by the Competent authority. The remainder, together with any undistributed retained earnings, including amount of adjusted retained earnings, shall be distributed by the Board of Directors and submitted to the stockholders' meeting for approval. The distribution of dividends, bonus, legal reserve and capital surplus, distributed by way of cash, shall be decided during the Board meeting, approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be submitted in the shareholders' meeting of the Company.

The Company's Articles also stipulate a dividend policy which is as follows: According to the present and future development plans, the investment environment, capital requirements, domestic and overseas competition, and the benefit of shareholders, the Company should distribute dividends and bonuses to shareholders at no less than 20% of the remaining profit (which is the current net profit less losses of previous years, less the adjustment to retained earnings, and less the appropriation of earnings to the legal reserve). Dividends could be distributed in cash or shares, where cash dividends should not be less than 20% of the total dividends distributed.

According to the amendment of the R.O.C. Company Act in January 2012, the Company must retain 10% of its after-tax annual earnings as legal reserve until such retention equals the amount of total capital. When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

Items referred to under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

During the Board meeting on March 20, 2020, and the shareholders' meeting on June 18, 2019, the Board and shareholders approved to distribute the 2019 and 2018 earnings, respectively, as follows:

	For the Years Ended December 31,			
	2019		2018	
	Dividend per share ($)	Amount	Dividend per share ($)	Amount
Dividends distributed to common shareholders				
Cash	$ 3.30	465,792	3.00	384,447

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

During the Board meeting on March 12, 2021, the Board approved the cash dividend to distribution of the 2020 earnings, as follows:

	2020	
	Dividend per share ($)	Amount
Dividends distributed to common shareholders		
Cash	$ 3.50	494,021

4.Other equity interest after tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2020	$ (107,903)	51,554	(56,349)
Exchange differences on translation of foreign financial statement	(88,110)	-	(88,110)
Exchange differences on subsidiaries accounted for using equity method	(3,356)	-	(3,356)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(19,601)	(19,601)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	53,637	53,637
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(301)	(301)
Balance as of December 31, 2020	$ (199,369)	85,289	(114,080)
Balance as of January 1, 2019	$ (61,536)	34,907	(26,629)
Exchange differences on translation of foreign financial statement	(44,911)	-	(44,911)
Exchange differences on subsidiaries accounted for using equity method	(1,456)	-	(1,456)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	12,463	12,463
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	38,780	38,780
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(34,596)	(34,596)
Balance as of December 31, 2019	$ (107,903)	51,554	(56,349)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(r) Share-based payment

As of December 31, 2020, the Company had share-based payment arrangements as follows:

	Equity-settled Cash capital increase reserved for employee subscription
Grant date	2019.12.18
Number of shares granted	1,950,000 shares
Contract term	-
Recipients	Employees of the Company and a part of subsidiaries
Vesting conditions	-

1.Determining the fair value of equity instruments granted

The Company used Black-Scholes Model in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2019 Cash capital increase reserved for employee subscription
Fair value at grant date	$ 8.72
Share price at grant date	53.70
Exercise price	45.00
Expected volatility (%)	9.83 %
Expected life (years)	0.04
Expected dividend	- %
Risk-free interest rate (%)	0.60 %

Expected volatility is based on the weighted average of historical volatility. The Company determined that there were no expected dividends. The risk free rate is determined based on the rate of 1-3 month time deposits of Bank of Taiwan on the date of measurement. Service and non-market performance conditions attached to the transactions are not considered in determining the fair value.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

2.Expenses and liabilities recognized

The Company incurred expenses and liabilities of share-based arrangements in 2020 and 2019, respectively, as follows:

	For the Years Ended December 31,	
	2020	2019
Expenses resulting from cash-settled share-based payment to employees	$ -	3,322

(s) Earnings per share

For the years ended December 31, 2020 and 2019, the basic and diluted earnings per share were calculated as follows:

1.Basic earnings per share

	For the Years Ended December 31,	
	2020	2019
Profit attributable to ordinary shareholders of the Company	$ 571,670	514,755
Weighted average number of ordinary shares (basic)	140,652	128,149

2.Diluted earnings per share

	For the Years Ended December 31,	
	2020	2019
Profit attributable to ordinary shareholders of the Company	$ 571,670	514,755
Weighted average number of ordinary shares (basic)	140,652	128,149
Effect of employee stock compensation	767	729
Weighted average number of ordinary shares (diluted)	141,419	128,878

(t) Revenue from contracts with customers

1.Disaggregation of revenue

	For the Years Ended December 31,	
	2020	2019
Primary geographical markets		
Taiwan	$ 4,199,740	3,964,690
Major products:		
Product revenue		
Medical equipment and Supplies	$ 3,704,153	3,498,818
Medicines	92,137	87,266
Household appliances	119,381	106,011
Other	78,279	62,281
Repair and maintenance revenue	174,018	173,680
Other operating revenue	31,772	36,634
	$ 4,199,740	3,964,690

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(u) Employee compensation and directors' remuneration

In accordance with the Articles of Incorporation, the Company should contribute no less than 1% of the profit as employee compensation and no higher than 5% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficits. The amount of compensation for employees may be paid by shares or cash, and the recipients may include the employees of the Company's affiliated companies. The amount of remuneration to directors may only be paid in cash. Both the employee compensation and directors' remuneration should be approved by the Board of Directors and reported during the shareholders' meeting.

For the years ended December 31, 2020 and 2019, the Company estimated its employee compensation amounting to $36,379 thousand and $32,365 thousand, and directors' remuneration amounting to $18,189 thousand and $16,183 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the compensation to employees and remuneration to directors of each period, multiplied by the percentage specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2020 and 2019. Related information would be available at the Market Observation Post System website. The aforesaid amounts are identical to those stated in parent-company-only financial statements.

(v) Non-operating income and expenses

1.Interest income

The details of interest income were as follows:

	For the Years Ended December 31,	
	2020	2019
Interest income from bank deposits	$ 1,246	4,408

2.Other income

The details of other income were as follows:

	For the Years Ended December 31,	
	2020	2019
Dividend income	$ 6,329	3,443

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

3.Financial costs

The details of financial costs were as follows:

	For the Years Ended December 31, 2020	2019
Interest expenses		
Bank borrowings	$ 453	1,596
Others	107	3,865
	$ 560	**5,461**

4.Other gains and losses

The details of other gains and losses were as follows:

	For the Years Ended December 31, 2020	2019
Gains on disposal of property, plant, and equipment	$ -	51,156
Foreign exchange gains (losses)	941	(3,660)
Net gains or losses on financial assets (liabilities) measured at fair value through profit or loss	(200)	53
Impairment reversal recognized on non-financial assets	-	64
Others	7,715	3,502
Total	**$ 8,456**	**51,115**

(w) Reclassification adjustments of components of other comprehensive income

The details of reclassification of other comprehensive income were as follows:

	For the Years Ended December 31, 2020	2019
Equity instruments at fair value through other comprehensive income		
Net changes in fair value	$ (18,539)	(25,221)
Net changes of fair value reclassified to retained earnings	301	34,596
Net gains or losses recognized in other comprehensive income	**$ (18,238)**	**9,375**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(x) Financial instruments

1. Credit risks

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

To minimize credit risks of receivables, the Company periodically evaluates the customers' financial positions and the possibility of collecting trade receivables. And, the impairment losses are always within the management's expectation. As of December 31, 2020 and 2019, 62.30% and 59.46%, respectively, of notes receivable and accounts receivable were three and two major customers. Thus, credit risk is significantly centralized.

2.Liquidity risks

The following are the contractual maturities of financial liabilities of the Company, excluding the impact of netting arrangements:

		Carrying amount	Contractual cash flow	On Demand or Less than 1 month	1-3 months	3-6 months	6-12 months	1-2 years	More than 2 years
December 31, 2020									
Non-derivative financial liabilities									
Payables	$	782,822	782,822	423,554	329,225	29,845	198	-	-
Lease liabilities		4,757	4,757	303	522	324	651	760	2,197
Derivaive financial liabilities									
Foreign exchange forward contracts:									
Outflows		11,404	11,404	11,404	-	-	-	-	-
Inflows		(11,358)	(11,358)	(11,358)	-	-	-	-	-
	$	**787,625**	**787,625**	**423,903**	**329,747**	**30,169**	**849**	**760**	**2,197**
December 31, 2019									
Non-derivative financial liabilities									
Short-term borrowings	$	450,000	450,000	450,000	-	-	-	-	-
Payables		877,661	877,661	530,948	231,800	103,787	11,126	-	-
Lease liabilities		12,961	12,961	385	771	869	1,744	2,417	6,775
	$	**1,340,622**	**1,340,622**	**981,333**	**232,571**	**104,656**	**12,870**	**2,417**	**6,775**

The Company is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3.Market risks

1) Currency risks

The Company's significant exposure to foreign currency risk of financial assets and liabilities were as follows:

			December 31, 2020	
Functional currency	**Exchange rate**	**Currency**	**Foreign currency (in thousands)**	**Carrying amount (TWD)**
Financial assets				
Monetary items				
TWD	28.480	USD	$ 1,207	34,374
TWD	0.276	JPY	372,050	102,797
TWD	35.020	EUR	990	34,681
Non-Monetary items				
TWD	0.276	JPY	85,949	23,748
TWD	0.026	KRW	3,979,350	105,055
TWD	28.480	USD	116,262	3,311,147
Financial liabilities				
Monetary items				
TWD	0.276	JPY	494,625	136,665
TWD	28.480	USD	1,274	36,290

			December 31, 2019	
Functional currency	**Exchange rate**	**Currency**	**Foreign currency (in thousands)**	**Carrying amount (TWD)**
Financial assets				
Monetary items				
TWD	29.980	USD	$ 6,000	179,867
TWD	0.276	JPY	799,552	220,676
TWD	33.590	EUR	378	12,705
Non-Monetary items				
TWD	0.276	JPY	144,547	39,895
TWD	0.026	KRW	3,160,210	82,798
TWD	29.980	USD	108,795	3,261,674

			December 31, 2019	
Functional currency	**Exchange rate**	**Currency**	**Foreign currency (in thousands)**	**Carrying amount (TWD)**
Financial liabilities				
Monetary items				
TWD	0.276	JPY	431,775	119,170
TWD	29.980	USD	347	10,406
TWD	33.590	EUR	74	2,484

Since the Company has many kinds of currency, the information on foreign exchange gains or losses on monetary items is disclosed by total amount. For the years ended December 31, 2020 and 2019, foreign exchange gains or losses amounted to gains of $941 thousand and losses of $3,660 thousand, respectively.

2) Sensitivity analysis

The Company' s foreign exchange exposure to foreign currency risk arises from foreign currency exchange fluctuations on cash and cash equivalents, accounts receivables and accounts payables.

Assuming other variables remain the same, a 1% depreciation or appreciation of the TWD against foreign currency for the years ended December 31, 2020 and 2019 would have increased or decreased the net profit after tax by $9 thousand and $2,255 thousand, respectively. The analysis is performed on the same basis for both periods.

3) Interest rate risk

The Company's financial assets and financial liabilities with interest rate exposure risk were noted in the liquidity risk section.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If interest had been 1% higher/lower, other variable remain the same, profit after tax in 2020 and 2019 would have increased/decreased by $3,511 thousand and $4,782 thousand, respectively, and it's mainly because of variable interest rate deposit of the company.

4) Other price risks

Assuming that the analysis is performed on the same basis for both periods, if equity prices had been 1% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2020 and 2019 would have increased/decreased by $2,860 thousand and $3,053 thousand, respectively, as a result of the changes in fair values of financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

4.Fair value information

1) The categories and fair values of financial instruments

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and lease liabilities, disclosure of fair value information is not required:

	December 31, 2020				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Derivative financial assets	$ 166	-	166	-	166
Financial assets at fair value through other comprehensive income					
Domestic listed shares	30,397	30,397	-	-	30,397
Foreign listed shares	128,802	128,802	-	-	128,802
Domestic unlisted shares	126,813	-	-	126,813	126,813
Sub-total	286,012	159,199	-	126,813	286,012
Financial assets at amortized cost					
Cash and cash equivalents	439,605	-	-	-	-
Receivables	1,026,570	-	-	-	-
Other financial assets	9,142	-	-	-	-
Sub-total	1,475,317	-	-	-	-
Total	**$ 1,761,495**	**159,199**	**166**	**126,813**	**286,178**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 46	-	46	-	46
Financial liabilities at amortized cost					
Payables	782,822	-	-	-	-
Lease liabilities	4,757	-	-	-	-
Sub-total	787,579	-	-	-	-
Total	**$ 787,625**	**-**	**46**	**-**	**46**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed shares	$ 33,961	33,961	-	-	33,961
Foreign listed shares	122,693	39,895	-	82,798	122,693
Domestic unlisted shares	148,602	-	-	148,602	148,602
Sub-total	305,256	73,856	-	231,400	305,256
Financial assets at amortized cost					
Cash and cash equivalents	749,196	-	-	-	-
Receivables	1,017,030	-	-	-	-
Other financial assets	8,758	-	-	-	-
Sub-total	1,774,984	-	-	-	-
Total	**$ 2,080,240**	**73,856**	**-**	**231,400**	**305,256**
Financial liabilities at amortized cost					
Short-term borrowings	$ 450,000	-	-	-	-
Payables	877,661	-	-	-	-
Lease liabilities	12,961	-	-	-	-
Total	**$ 1,340,622**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments not measured at fair value

The Company’ s valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

A. Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

B. Financial assets and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimated fair values.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

3) Valuation techniques for financial instruments measured at fair value

The Company considers the financial status, operating analysis, most recent transaction price, non-active market quoted price of related equity instrument, and active-market quoted price of similar instrument, and other information, in determining the input value of its investee companies. Periodically updates of information and input value for the valuation model and any necessary adjustments of fair value are required to ensure that the results of estimation are reasonable.

A.Non-derivative financial instruments

If quoted prices in active markets are available, the prices are established as fair values, such as public quoted company stock.

For the Company' s financial instruments that have no active markets, the measurement of fair values is listed as follows:

Equity instrument that has no quoted price: The method of comparable Listed Company approach is used to estimate the fair value. The main assumption for the method is to determine the fair value by using the transaction price paid for an identical or a similar instrument of an investee.

B.Derivative financial instruments

Derivative financial instruments are measured by using the common valuation models such as discounted cash flow model and Black-Scholes model.

4) Changes in Level 3 fair values

	Fair value through other comprehensive income unquoted equity instruments
Balance as of January 1, 2020	$ 231,400
Total gains and losses recognized	
In other comprehensive income	(33,735)
Reclassification	(70,852)
Balance as of December 31, 2020	**$ 126,813**
Balance as of January 1, 2019	$ 134,974
Total gains and losses recognized	
In other comprehensive income	(19,696)
Reclassification	116,122
Balance as of December 31, 2019	**$ 231,400**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

For the years ended December 31, 2020 and 2019, total gains and losses included in "other gains and losses", and "unrealized gains and losses from financial assets at fair value through other comprehensive income" were as follows:

	For the Years Ended December 31,	
	2020	2019
Total gains and losses recognized		
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	(33,735)	(19,696)

5) Quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure "fair value through other comprehensive income – equity investments without active market".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation techniques	Significant non-observable inputs	The relationship between significant Non-observable inputs and fair value
Financial assets at fair value through other comprehensive income －equity instruments investments without an active market	Comparable Listed Companies Method	· EV/Revenue Value Multiple (2.26 on December 31, 2020) · EV/EBITAValue Multiple (14.95 on December 31, 2019) · P/B Value Multiple (1.13~2.27 and 1.11~2.33 on December 31, 2020 and 2019) · P/E Value Multiple (28.36 on December 31, 2019) · Discount due to Lack of Market liquidity (26.13%~30.00% and 6.45%~30.00% on December 31, 2020 and 2019)	· The estimated fair value would increase (decrease) if the value multiple is higher (lower) and the marketability discount is lower (higher)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

6) Sensitivity analysis for fair values of financial instruments using Level 3 Inputs

The Company's fair value measurement on financial instruments is reasonable. However, the measurement would differ if different valuation models or valuation parameters are used. For financial instruments using Level 3 inputs, if the valuation parameters are changed, the impact on net income or loss and other comprehensive income or loss will be as follows:

			Impact on Fair Value Change on Other Comprehensive income or loss	
	Input	**Variation**	**Favorable Change**	**Unfavorable Change**
December 31, 2020				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	$ 8,126	(8,126)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	11,293	(11,293)
			$ 19,419	(19,419)
December 31, 2019				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	$ 10,638	(10,638)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	9,215	(9,215)
			$ 19,853	(19,853)

(y) Financial risk management

1.Overview

The Company has exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

2.Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The general manager, which reports to the Board of Directors, is responsible for the development of the Company-wide risk management policy and related systems and reports regularly to the Board of Directors.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and changes in operation of the Company. The Company, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company’s Board of Directors oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company’s Board of Directors is assisted in its oversight role by internal audit. The internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

3.Credit risk

Credit risk refers to the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company’s maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from:

1) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

2) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Please refer to Note (13)(a) for the information of guarantees and endorsements as of December 31, 2020.

4.Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

5.Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, and credit spreads will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors and shareholder' s meeting with the supervision of the internal audit department. Information concerning all market risks of the Company was as follows:

1) Currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

2) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The Company pays attention to changes in market interest rates in order to make plans to manage interest rate risk.

3) Other price risk

The Company was exposed to price risk through its investments in listed securities. The Company has appointed a special team to monitor and evaluate the price risk.

(z) Capital Management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(aa) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the year ended December 31, 2020 and 2019, were as follows:

For acquisitions of right-of-use assets by leasing, please refer to note 6(i).

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Non-cash changes: Acquisition	Non-cash changes: Others	December 31, 2020
Short-term borrowings	$ 450,000	(450,000)	-	-	-
Lease liabilities	12,961	(3,793)	3,612	(8,023)	4,757
Total liabilities from financing activities	**$ 462,961**	**(453,793)**	**3,612**	**(8,023)**	**4,757**

	January 1, 2019	Cash flows	Non-cash changes: Acquisition	Non-cash changes: Others	December 31, 2020
Short-term borrowings	$ -	450,000	-	-	450,000
Lease liabilities	17,497	(4,572)	36	-	12,961
Total liabilities from financing activities	**$ 17,497**	**445,428**	**36**	**-**	**462,961**

(7) Related Party Transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Excelsior Investment Co., Ltd.	Entities with significant influence over the Company
Excelsior Group Holdings Co., Ltd.	〃
Dynamic Medical Technologies Inc.	Subsidiary
Dynamic Medical Technologies (Hong Kong) Ltd.	〃
Guangzhou Dynamic Inc.	〃
Excelsior Beauty Co., Ltd.	〃
Arich Enterprise Co., Ltd.	〃
Bestsmile Co., Ltd.	〃
Excelsior Healthcare Co., Ltd.	〃
Excelsior Investment (Malaysia) Co., Ltd.	〃
RENAL LABORATORIES SDN. BHD.	〃
MEDI-CHEM SYSTEMS SDN. BHD.	〃
RENAL MANAGEMENT SDN. BHD.	〃
Excelsior Medical Co., Limited (Hong Kong)	〃

Name of related party	Relationship with the Company
SinoExcelsior Investment Inc.	Subsidiary
EG Healthcare Inc.	〃
Excelsior Asset Management Co., Ltd. (Excelsior Asset)	Joint venture before August 2, 2019
CYJ International Taiwan Inc.	Associate before October 1, 2019
Jiate Excesior Co., Ltd. (Jiate)	Associate
Bestchain Healthtaiwan Co., Ltd. (Bestchain)	〃
Visionfront Corporation	〃
Excelsior Renal Service Co., Limited (ERS)	〃
Asia Best Healthcare Co., Limited (ABH)	〃
Medifly Co., Ltd.	〃
Asia Best Life Care Technology Co., Ltd.	〃
Arich Best Chain Co., Ltd.	〃
Exceed Healthcare Co., Ltd.	〃
Excelsior Long Term Care Corporation Entity	〃
Excelsior Osteology Co., Ltd.	Associate before December 25, 2019
Hung Shun Chen Investment Co., Ltd.	Other related parties
SciVision Biotech Inc.	〃
Excelsior Health Foundation	〃
Triple AI Technology Co., Ltd.	Other related parties before October 19, 2020

(b) Significant transactions with related parties

1.Operating revenue

1) Sales revenue

The amounts of significant sales by the Company to related parties were as follows:

	For the Years Ended December 31,	
	2020	2019
Subsidiaries	$ 52,450	27,749
Associates－Bestchain	1,788,061	1,592,769
Associates－ERS	762,596	726,854
Associates－Others	22,636	22,003
Other related parties	373	39
	$ 2,626,116	2,369,414

The aforementioned transactions, except the sales to Bestchain and ERS that were priced on a cost-plus basis, were conducted on normal commercial terms.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

2) Repair and maintenance revenue

The amounts of significant repair and maintenance revenue by the Company to related parties were as follows:

	For the Years Ended December 31,	
	2020	2019
Subsidiaries	$ 422	242
Associates－ERS	85,521	70,754
Associates－Bestchain	2,589	5,345
	$ 88,532	**76,341**

3) Other operating revenue-rental revenue

The amounts of significant other operating revenue-rental revenue by the Company to related parties were as follows:

	For the Years Ended December 31,	
	2020	2019
Entities with significant influence over the Company	$ 72	72
Subsidiaries	1,331	5,094
Associates－ERS	2,661	2,290
Associates－Others	1,903	2,013
Other related parties	96	47
	$ 6,063	**9,516**

4) Other operating revenue-service revenue

The amounts of significant other operating revenue-service revenue by the Company to related parties were as follows:

	For the Years Ended December 31,	
	2020	2019
Subsidiaries－Dynamic Medical Technologies Inc.	$ 2,516	2,536
Subsidiaries－Others	1,278	2,337
Associates－ERS	7,424	9,512
Associates－ABH	2,296	2,137
Associates－Bestchain	2,135	2,199
Associates－Others	360	112
Other related parties	166	-
	$ 16,175	**18,833**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

2.Purchases from related parties

The amounts of purchases by the Company from related parties were as follows:

	For the Years Ended December 31, 2020	2019
Associates	$ 9,014	6,473

There is no significant difference in terms and conditions of the purchases from associates between those provided to the third parties.

3.Receivables from related parties

Receivables from related parties were as follows:

Accounted for as	Category of related party	December 31, 2020	December 31, 2019
Accounts receivable	Subsidiaries	$ 24,721	14,257
Accounts receivable	Associates－Bestchain	455,219	455,067
Accounts receivable	Associates－ERS	159,022	146,371
Accounts receivable	Associates－Others	8,272	9,476
Other receivables	Subsidiaries	56	130
Other receivables	Associates	420	466
Other receivables	Other related parties	8	-
		$ 647,718	625,767

4.Payables to related parties

Payables to related parties were as follows:

Accounted for as	Category of related party	December 31, 2020	December 31, 2019
Accounts payable	Associates	$ 4,666	1,931
Other payables	Associates	5,187	4,454
Other payables	Subsidiaries	16	3
		$ 9,869	6,388

5.Property transactions

In November 2015, the Company entered into a purchase agreement with Excelsior Asset Management Co., Ltd. regarding the real estate in Xizhi. The transaction of disposal has been completed, resulting in an unrealized profit of $51,898 thousand in January 2016. On August 2, 2019, the Company acquired the remaining 49% shares of Excelsior Asset, wherein it had been reclassified from unrealized to realized profit.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

6.Guarantee

As of December 31, 2020 and 2019, the Company provided its subsidiaries guarantees for loans, with the credit limits of $224,745 thousand and $79,215 thousand, wherein the amounts utilized were $112,564 thousand and $12,998 thousand, respectively.

As of December 31, 2019 and 2018, the Company also provided its associates guarantees for loans, with the credit limits of $661,200 thousand and $761,200 thousand, wherein the amounts utilized were $76,000 thousand and $100,000 thousand, respectively.

As of December 31, 2020 and 2019, the Company provided its subsidiaries guarantees for investment project, with the credit limits of $58,831 thousand and $87,420 thousand, respectively, which were not yet utilized.

7.Lease

1) In 2018, the Company rent the office with Excelsior Renal Service Co., Limited. A four-year lease contract was signed, in which the rental fee is determined based on nearby office rental rates. The total value of the contract was $480 thousand. For the years ended December 31, 2020 and 2019, the Company recognized the amount of $2 thousand and $4 thousand as interest expense. As of December 31, 2020 and 2019, the balance of lease liabilities amounted to $139 thousand and $257 thousand, respectively.

8.Others

	For the Years Ended December 31,	
	2020	2019
Associates and Other related parties		
Fright and warehousing expenses	$ (48,318)	(40,410)

The aforementioned rentals collected or paid quarterly or monthly were based on prevailing market rates.

As of December 31, 2020 and 2019, the Company had received collections in advance from associates for $1,000 thousand and $0 thousand as of 2020, respectively.

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2020 and 2019, no impairment loss was recognized for receivables from related parties.

The outstanding payables to related parties are unsecured.

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the Years Ended December 31,	
	2020	2019
Short-term employee benefits	$ 44,339	41,645
Post-employment benefit	432	432
Share-based payment	-	1,282
	$ 44,771	43,359

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(8) Pledged Assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	December 31, 2020	December 31, 2019
Time deposits	Bank guarantee	$ -	507
Property, plant and equipment	Bank loans	-	101,486
		$ -	**101,993**

(9) Significant Commitments and Contingencies

(a) Unrecognized contractual commitments

1. As of December 31, 2020 and 2019, the unused letters of credit were $33,390 thousand and $53,278 thousand, respectively. The guarantee letters issued by banks for sales contract guarantee were all $36,000 thousands.

2. In January 2007, the Company sold 51% equity interest in Jiate Excelsior to a Hong Kong-based company and entered into a joint venture agreement with the Hong Kong-based company. Pursuant to the agreement, the parties had established a joint venture, Excelsior Renal Service, in Hong Kong, of which 49% is held by Excelsior Healthcare, a subsidiary of the Company, and 51% by the Hong Kong-based company. Excelsior Renal Service had established a branch in Taiwan to engage in the sale and lease of medical supplies and equipment. Pursuant to the agreement, the Hong Kong-based company shall also have a right to purchase all of the Company' s equity interest in Jiate Excelsior and all of Excelsior Healthcare' s equity interest in Excelsior Renal Service from the fifth anniversary of the date of the agreement at a price to be negotiated by the parties.

3. In January 2007, the Company entered into a supply agreement with the Hong Kong-based company mentioned in 2. above. Pursuant to the agreement, the Company shall purchase certain products from the Hong Kong-based company in agreed quantities at agreed prices annually. If the Company fails to purchase the agreed quantities in a year, the Company shall make an additional payment at specified percentages of the values of the under-purchased products.

4. In September 2010, the Company entered into a license agreement with 3-D Matrix, Ltd. ("3DM") for ten years. The agreement may be automatically extended for two years unless otherwise notified by either party at least six months prior to the expiration date of the agreement and may be extended in the same manner thereafter. Pursuant to the agreement, 3DM shall grant the Company an exclusive right to develop, sell and manufacture the products mentioned in the agreement in Taiwan, and the Company shall pay a royalty at an agreed amount and shall pay agreed amounts for purchases of inventories within agreed periods after the approvals relating to the products are obtained from the health authorities.

(10) Losses Due to Major Disasters : None.

(11) Subsequent Events : None.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

(12) Others

(a) The employee benefits, depreciation, depletion and amortization expenses categorized by function were as follows:

By function / By item	For the Years Ended December 31, 2020			For the Years Ended December 31, 2019		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	38,695	155,577	194,272	39,820	168,914	208,734
Labor and health insurance	3,534	11,092	14,626	3,611	10,688	14,299
Pension	2,072	5,465	7,537	2,092	5,245	7,337
Remuneration of directors	-	26,664	26,664	-	24,538	24,538
Others	1,527	5,877	7,404	1,554	5,666	7,220
Depreciation	3,223	20,536	23,759	6,085	20,121	26,206
Amortization	130	2,140	2,270	236	1,577	1,813

For the years ended December 31, 2020 and 2019, the numbers of employees and their benefit expenses were as follows:

	2020	2019
Numbers of employees	206	205
Numbers of directors who were non-employees	8	8
The average employee benefits	$ 1,131	1,206
The average salaries and wages	$ 981	1,060
Average adjustment rate of employee salaries	(7.45)%	9.05 %
Remuneration received by supervisors	$ -	-

The Company's salary and remuneration policy (including directors, managers, and employees) is as follows:

The salary and remuneration of employee was agreed upon by labor and management, was adjusted in accordance with employee's operating status, price level, contributions, abilities, and performance appraisal. The aforesaid salary and compensation shall not lower than the minimum wage approved by central competent authorities.

Wage means the remuneration which a worker receives for his/her services rendered, including wages, salaries and bonuses, allowances and any other regular payments regardless of the name which may be computed on an hourly, daily, monthly and piecework basis, whether payable in cash or in kind. Non-salary are non-regular payments in Article 10 of Enforcement Rules of the Labor Standards Act.

The salary and remuneration which the Company paid to directors and managers shall refer to their participation and contribution to the Company. The aforesaid salary and remuneration includes fixed salary, professional practice fee, pension, remuneration, and any bonus.

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2020:

1. Fund financing to other parties: None.
2. Guarantees and endorsements for other parties:

(Expressed in thousands of New Taiwan dollars)

No.	Endorsement/ guarantee provider	Counter-party: Name	Counter-party: Nature of relationship (Note 2)	Limitation on endorsement /guarantee amount provided to each guaranteed party	Maximum balance for the year	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements	Maximum endorsement guarantee amount allowance (Note 9)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
0	The Company	Excelsior Investment (Malaysia) Co., Ltd. (Note 4)	2	1,518,179	88,091	58,831	-	-	0.78 %	7,590,897	Y		
0	〃	Excelsior Asset Management CO., Ltd. (Note 4)	2	1,518,179	100,000	100,000	100,000	-	1.32 %	7,590,897	Y		
0	〃	EG Healthcare, Inc. (Note 4)	2	1,518,179	59,215	29,305	-	-	0.39 %	7,590,897	Y		
0	〃	Bestsmile Co., Ltd. (Note 4)	2	1,518,179	20,000	10,000	10,000	-	0.13 %	7,590,897	Y		
0	〃	Medi-Chem System Sdn Bhd (Note 4)	2	1,518,179	14,745	14,240	1,282	-	0.19 %	7,590,897	Y		
0	〃	Renal Laboratories Sdn Bhd (Note 4)	2	1,518,179	73,725	71,200	1,282	-	0.94 %	7,590,897	Y		
0	〃	Excelsior Renal Service Co., Limited (Note 3)	1	762,596	-	-	-	-	- %	7,590,897			
0	〃	Bestchain Healthtaiwan Co., Ltd. (Note 3)	1	1,788,061	861,200	661,200	76,000	-	8.71 %	7,590,897			
1	Dynamic Medical Technologies Inc.	Dynamic Medical Technologies (Hong Kong) Ltd. (Note 6)	2	258,186	59,970	54,682	-	-	4.24 %	645,465	Y		
2	Excelsior Beauty Co., Ltd.	Dynamic Medical Technologies Inc. (Note 7)	3	66,377	1,000	-	-	-	- %	165,942		Y	
3	Arich Enterprise Co., Ltd.	Taiwan Shionogi Inc. (Note 5)	1	171,415	-	-	-	-	- %	890,352			

Note 1: the description of number column:
1. 0 is issuer.
2. Investees are listed by name and numbered starting with 1.

Note 2: Relationship with the Company
1. The companies with which it has business relations.
2. Subsidiaries in which the Company directly or indirectly holds more than 50% of its total outstanding common shares.
3. The parent company which directly or indirectly holds more than 50% of its voting rights.
4. Subsidiaries in which the Company directly or indirectly holds more than 90% of its voting rights.
5. Companies in the same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
6. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
7. Companies in the same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 3: For guarantee and endorsement to those companies with business contact, the maximum amount cannot exceed the trading amount between two parties for the current year.

Note 4: The total amount of guarantee and endorsement cannot exceed 20% of the Company's net asset value from the most recent audited or reviewed report.

Note 5: For guarantee and endorsement from Arich to the Company with business contact, the maximum amount cannot exceed the trading amount between two parties for the most recent 24 months.

Note 6: The total amount of guarantee and endorsement cannot exceed 20% of Dynamic's net asset value from the most recent audited or reviewed report.

Note 7: The total amount of guarantee and endorsement cannot exceed 20% of Excelsior Beauty Co., Ltd.'s net asset value from the most recent audited or reviewed report.

Note 8: The total amount of guarantee and endorsement cannot exceed the Company's net asset value from the most recent audited or reviewed report, Dynamic, Excelsior Beauty, Hong Kong Excelsior and Arich cannot exceed 50% of their net asset value from the most recent audited or reviewed report.

3. Information regarding securities held at balance sheet date (excluding investment in subsidiaries, associates and joint ventures):

(Expressed in thousands of New Taiwan dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Notes
				Number of shares	Book value	Percentage of shares	Market value	
	Stock							
The Company	SciVision Biotech Inc.	-	Fair value through other comprehensive income	492,650	30,397	0.81 %	30,397	
〃	3-D Matrix, Ltd.	-	〃	297,400	23,747	0.71 %	23,747	
〃	Caregen Co., Ltd	-	〃	55,500	105,055	0.52 %	105,055	
〃	Gie Cheng Co., Ltd.	-	〃	3,795,000	21,138	17.25 %	21,138	
〃	Missioncare Co., Ltd.	-	〃	1,580,526	21,827	1.09 %	21,827	
〃	Missioncare Asset Management Co., Ltd.	-	〃	669,473	6,936	1.05 %	6,936	
〃	Rui Guang Healthcare Co., Ltd.	-	〃	2,423,951	24,021	7.15 %	24,021	
〃	Arcos Bio-Tech Corporation	-	〃	51,014	294	2.71 %	294	
〃	Sunder Biomedical Tech. Co., Ltd.	-	〃	2,279,578	44,247	3.80 %	44,247	
〃	Linkon International Golf & Country Club	-	〃	1	8,350	0.10 %	8,350	
Excelsior Healthcare Co.Limited	Chai Tai Bo Ai Investment Limited	-	〃	10,000	28,026	8.00 %	28,026	
EG Healthcare, Inc.	The Orchard Golf & Country Club	-	〃	1	404	- %	404	
Dynamic Medical Technologies Inc.	SciVision Biotech Inc.	Other related parties	〃	1,189,539	73,395	1.95 %	73,395	
〃	Caregen Co., Ltd.	〃	〃	34,500	65,403	0.32 %	65,403	
	Stock Warrant							
Dynamic Medical Technologies (Hong Kong) Ltd.	Viveve Medical Inc.	-	Financial assets at fair value through profit or loss	250	-	- %	-	
	Stock							
Excelsior Beauty Co., Ltd.	Join Fun Co., Ltd.	-	Fair value through other comprehensive income	263,340	2,867	19.00 %	2,867	
	Stock							
Arich Enterprise Co., Ltd.	National Pharmaceutical Logistics Corp., Ltd.	Board director of investee	〃	-	279,330	17.65 %	279,330	Note

Note : Act as limited company, no outstanding share.

4. Accumulated buying/selling of the same marketable securities for which the amount reaches $300 million or 20% or more of paid-in capital: None.

5. Acquisition of real estate for which the amount reaches $300 million or 20% or more of paid-in capital : None.

6. Disposition of real estate for which the amount reaches $300 million or 20% or more of paid-in capital: None.

7. Buying/selling products with the amount reaches $100 million or 20% or more of paid-in capital:

(Expressed in thousands of New Taiwan dollars)

			Transaction details				Transactions with terms different from others		Account/note receivable (payable)		
Name of company	Name of Counter-party	Relationship	Purchase/ Sale	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/ notes receivable (payable)	Notes
The Company	Excelsior Renal Service Co., Limited	Associates	Sales	(762,596)	(18.16)%	Net 30-60 days	-		159,022	15.24 %	Note 1
〃	Bestchain Healthtaiwan Co., Ltd.	〃	〃	(1,788,061)	(42.58)%	Net 30-90 days	-		455,219	43.62 %	Note 1

Note 1: The unit price of cost of goods sold for the Company is based on cost-plus pricing approach by product that is lower than average; because, the expense of goods sold for related parties is lower than average price as well.

8. Accounts receivable from related parties for which the amount reaches $100 million or 20% or more of paid-in capital:

(Expressed in thousands of New Taiwan dollars)

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivables from related party	Allowances for bad debts
					Amount	Action taken		
The Company	Excelsior Renal Service Co., Limited	Associates	159,022	4.99	-	-	157,085	-
〃	Bestchain Healthtaiwan Co., Ltd.	〃	455,219	3.93	-	-	300,359	-

9. Derivative transactions:

Please refer to Note (6)(b) and (6)(x) for related information.

(b) Information on investees:

For the year ended December 31, 2020, the following is the information of investees (excluding investees in Mainland china):

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	Jiate Excesior Co., Ltd.	New Taipei City	Sale, maintenance and lease of medical equipment, and medical management consultancy service	5,279	5,279	1,607,200	49.00 %	34,939	30,256	14,826	Associate
〃	Bestchain Healthtaiwan Co., Ltd.	New Taipei City	Sale of medical equipment and medicines, interagation of warehousing and information	277,647	277,647	41,150,196	44.68 %	510,099	170,165	75,953	Associate (Note 1)
〃	Arich Enterprise Co., Ltd.	New Taipei City	Sale of medicines, and logistics service	380,856	197,604	29,829,742	40.00 %	710,324	47,249	18,834	Subsidiary (Notes 2)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income	Investment	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value	(loss) of the investee	income (losses)	
The Company	Dynamic Medical Technologies Inc.	New Taipei City	Sale, maintenance and lease of laser medical equipment for beauty treatment, and sale of consumables of beauty treatment and cosmetic products	180,300	180,300	11,550,425	38.50 %	510,182	115,995	44,658	Subsidiary
〃	Excelsior Healthcare Co., Limited	British Virgin Islands	Investment business	1,244,687	1,244,687	39,411,623	100.00 %	1,683,345	114,217	114,217	Subsidiary
〃	Bestsmile Co., Ltd.	New Taipei City	Sale of medical equipment, and medical management consultancy service	32,093	32,093	1,150,874	98.02 %	5,585	(1,009)	(989)	Subsidiary
〃	Visionfront Corporation	New Taipei City	Sale of medical equipment, and medical management consultancy service	44,069	44,069	2,434,870	44.47 %	23,259	(1,328)	(590)	Associate
〃	Sunrise Health Care Company	New Taipei City	Sale of medical equipment, and medical management consultancy service	18,806	18,806	2,085,547	23.97 %	28,064	1,427	342	Associate
〃	Excelsior Medical Co., Limited (Hong Kong)	Hong Kong	Investment business	1,588,746	1,588,746	53,154,741	64.36 %	1,604,550	76,271	49,088	Subsidiary
〃	Excelsior Beauty Co., Ltd.	New Taipei City	Sale of aesthetic medical and cosmetic health-care products	91,984	91,984	11,534,804	41.02 %	136,313	6,719	3,047	Sub-subsidiary
〃	Excelsior Asset Management Co., Ltd.	New Taipei City	Sales of medical equipment, precision instrument and real estate	780,525	780,525	80,398,900	100.00 %	606,569	4,740	4,740	Subsidiary
〃	Medifly Co., Ltd.	Taichung	Sale of medical equipment and medicines	31,899	31,899	3,615,976	28.66 %	83,433	49,889	14,298	Associate
Excelsior Healthcare Co., Limited	EG Healthcare, Inc.	Philippines	Sale and lease of medical equipment, and medical management consultancy service	19,256	19,256	5,293,453	99.99 %	70,349	14,305	-	Sub-subsidiary
〃	Excelsior Renal Service Co., Limited	Hong Kong	Sale, maintenance and lease of medical equipment, and medical management consultancy service	312,505	312,505	73,375,728	49.00 %	399,999	158,817	-	Associate
〃	Excelsior Medical Co., Limited (Hong Kong)	Hong Kong	Investment business	862,529	862,529	29,439,829	35.64 %	888,536	76,271	-	Subsidiary
〃	Excelsior Investment (Malaysia) Co., Ltd	British Virgin Islands	Investment business	166,346	139,467	5,395,436	100.00 %	149,897	(1,295)	-	Sub-subsidiary
Dynamic Medical Technologies Inc.	Dynamic Medical Technologies (Hong Kong) Ltd.	Hong Kong	Sale and maintenance of medical equipment	382,278	382,278	98,777,228	100.00 %	257,027	10,273	-	Subsidiary
〃	Excelsior Beauty Co., Ltd.	New Taipei City	Sale of aesthetic medical and cosmetic health-care products	138,745	138,745	15,154,496	53.89 %	174,001	6,719	-	Subsidiary (Note 1)
〃	Medytox Taiwan Inc.	New Taipei City	Sale of cosmetic health-care products	18,000	18,000	1,800,000	40.00 %	1,192	(1,414)	-	Associate

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
Dynamic Medical Technologies (Hong Kong) Ltd.	Excelsior Beauty Limited of Hong Kong	Hong Kong	Sale of professional weight-loss and cosmetic health-care products	-	25,198	-	- %	-	-	-	Sub-subsidiary (Note 4)
〃	CYJ INTERNATIONAL COMPANY LIMITED	Hong Kong	Sale and treatment of hair regrowth and conditioning	66,547	66,547	2,150,000	50.00 %	9,864	(2,993)	-	Associate
Excelsior Beauty Co., Ltd.	CYJ International Taiwan Inc.	New Taipei City	Sale and treatment of hair protecting and conditioning	97,920	97,920	9,792,000	80.00 %	80,778	(12,254)	-	Sub-subsidiary
Excelsior Medical Co., Limited (Hong Kong)	Asia Best Healthcare Co., Ltd.	Cayman Islands	Long-term care business	1,395,079	1,395,079	338,800	49.38 %	1,404,421	124,426	-	Associate
Excelsior Investment (Malaysia) Co., Ltd	RENAL LABORATORIES SDN. BHD.	Malaysia	Manufacture of medical equipment	136,982	128,572	16,773,586	70.00 %	168,133	1,376	-	Sub-subsidiary
〃	MEDI-CHEM SYSTEMS SDN. BHD.	Malaysia	Sale of medical equipment	25,865	7,397	350,000	70.00 %	39,093	(1,372)	-	Sub-subsidiary
MEDI-CHEM SYSTEMS SDN. BHD.	RENAL MANAGEMENT SDN. BHD.	Malaysia	Lease business	1,315	1,315	200,000	100.00 %	9,154	256	-	Sub-subsidiary

Note 1: Including the adjustment made from the unrealized gain/loss with subsidiaries and associates.
Note 2: Including the amortization listed by the book value of net identified assets.
Note 3: According to the regulations, the Company are required to disclose the share of income/loss of investees.
Note 4: Excelsior Beauty Limited of Hong Kong has liquidation completed in January, 2020.

(c) Information on investment in Mainland China:

1. Information on investment in Mainland China:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of the investee	Main Businesses and products	Total amount of pain-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Current investment gains and losses	Carrying Amount	Accumulated Inward Remittance of Earnings
					Out-flow	Inflow						
Excelsior Healthcare (Shanghai) Corporation (Note 3)	Sale and lease of medical equipment, and medical management consultancy service	-	(2)	30,240	-	-	30,240	-	- %	-	-	-
Shanghai Lintech Medicare Co. (Note 4)	Sale and maintenance of medical equipment	-	(2)	29,213	-	-	29,213	-	- %	-	-	-
Pacific Beijing Bo-Ai Medical Management Consulting Co., Ltd.	Investment business and medical management consultancy service	84,187	(2)	80,327	-	-	80,327	(55,283)	7.80 %	-	28,026	-
SinoExcelsior Investment Inc. (Note 5)	Investment business, sale and lease of medical equipment, and medical management consultancy service	291,579	(2)	947,845	-	-	947,845	4,374	100.00 %	4,374	130,872	-
Guangzhou Dynamic Inc. (Note 6)	Sale and maintenance of medical equipment	44,346	(2)	119,574	-	-	119,574	678	100.00 %	678	12,161	-

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS OTHERWISE SPECIFIED)

Name of the investee	Main Businesses and products	Total amount of pain-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Current investment gains and losses	Carrying Amount	Accumulated Inward Remittance of Earnings
					Out-flow	Inflow						
Beijing Dynamic Inc. (Note 7)	Sale and maintenance of medical equipment	-	(2)	34,424	-	-	34,424	-	- %	-	-	-
National Pharmaceutical Logistics Corp., Ltd.	Medical logistics	370,493	(3)	66,603	-	-	66,603	152,384	17.65 %	-	279,330	49,732

2. Limitation on investment in Mainland China:

Company	Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment(Note 8)
The Company	1,087,625	1,289,640	4,554,538
Dynamic Medical Technologies Inc.	153,998	153,998	774,558
Arich Enterprise Co., Ltd.	66,603	66,603	1,068,422

Note 1: Investments in Mainland China are differentiated by the following four methods:
(1) Direct investment in Mainland China with remittance through a third region.
(2) Indirect investment in Mainland China through an existing investee company in a third region.
(3) Other methods (i.e. entrusted Investment)

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:
(1) If the corporation is in the set-up phase, notes are required.
(2) Recognition basis of investment gains or losses is determined by the following three types, and related notes are required.
1) Financial statements of the investee company were audited and certified by an international firm in cooperation with an R.O.C. accounting firm.
2) Financial statements of the investee company were audited and certified by the external accountant of the parent company.
3) Others

Note 3: The liquidation procedure of Excelsior Healthcare (Shanghai) Corporation was completed in March 2016, and the investment had remitted to Excelsior Healthcare Co., Limited in the third place. As of December 31, 2020, the accumulated amount of investment from Taiwan has not been repatriated yet.

Note 4: The disposal of Shanghai Lintech Medicare Co. was completed in December 2015. As of December 31, 2020, the original investment amount of $29,213 thousand from Taiwan has not been repatriated yet.

Note 5: The current investment outflow is not included the direct investment amount of $207,380 thousand through the third region.

Note 6: Guangzhou Dynamic Inc. reduced capital to cover losses amounting to $75,252 thousand in Apirl 2020.

Note 7: The liquidation procedure of Beijing Dynamic Inc. was completed in November 2018, and the investment had remitted to Dynamic Medical Technologies (Hong Kong) Ltd. in the third place. As of December 31, 2020, the accumulated amount of investment from Taiwan has not been repatriated yet.

Note 8: (1)The upper limit on investment of the Company and Dynamic Medical Technologies Inc. is the 60% of net value.
(2)The upper limit on investment of Arich Enterprise Co., Ltd. is the higher of $80,000 thousand or 60% of net value.

Note 9: All amounts listed are disclosed in NTD.

3. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information of significant transactions”.

(d) Major shareholders:

Shareholding / Shareholder’s Name	Shares	Percentage
Excelsior Investment Co., Ltd.	15,773,454	11.17 %
Excelsior Group Holdings Co., Ltd.	14,914,833	10.56 %
Bestchain Healthtaiwan Co., Ltd. (Bestchain)	13,865,245	9.82 %

(14) Segment Information

Please refer the consolidated financial statements for the year ended December 31, 2020.

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Item	Description			Amount
Cash	Petty cash			$ 67
Cash in bank	Checking accounts			171
	Demand deposits			289,481
	Foreign deposits			
	USD	418	thousand	11,895
	JPY	372,050	thousand	102,797
	EUR	990	thousand	34,681
	CNY	1	thousand	4
				149,377
	Time deposits			509
	Subtotal			149,886
Total				**$ 439,605**

STATEMENT OF NOTES RECEIVABLE

Client Name	Description	Amount	Note
Youlin Industrial Ltd.		$ 7,992	
Grant River Co., Ltd.		5,823	
Other		47,393	The year-end balance of each client does not exceed 5% of the account balance.
Total		**$ 61,208**	

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Related Parties:			
Bestchain Healthtaiwan Co., Ltd.	Payment for goods	$ 455,219	
Excelsior Renal Service Co., Limited	〃	159,022	
Other	〃	32,993	The year-end balance of each client does not exceed 5% of the account balance.
Subtotal		647,234	
Non-related Parties:			
Ikko Corporation	〃	19,474	
Chung Shan Medical University Hospital	〃	18,561	
Hi-Clearance Inc.	〃	18,496	
Other	〃	278,641	The year-end balance of each client does not exceed 5% of the account balance.
Subtotal		335,172	
Total		982,406	
Less: Allowance for Impairment		(20,850)	
Net Amount		**$ 961,556**	

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF OTHER RECEIVABLES

DECEMBER 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Related Parties:			
Excelsior Renal Service Co., Limited	Advances paid for related parties	$ 272	
Asia Best Healthcare Co., Limited	〃	134	
Other		78	
	Subtotal	484	
Non-related Parties:			
	Interest receivable	5	
	Other	3,317	
	Subtotal	3,322	
Total		**$ 3,806**	

STATEMENT OF INVENTORIES

Item	Amount		Note
	Cost	Net realized value	
Merchandise	$ 491,314	565,022	
Inventory in-transit	89,075	111,620	
Total	**$ 580,389**	**676,642**	

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF CHANES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance			
Name of financial instrument	**Shares**	**Fair value**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Fair value**	**Collateral**	**Note**
SciVision Biotech Inc.	473,000	$ 33,961	23,650	-	4,000	3,564	492,650	30,397	None	
3-D Matrix, Ltd.	302,400	39,895	-	-	5,000	16,148	297,400	23,747	〃	
Caregen Co., Ltd.	55,000	82,798	-	22,257	-	-	55,000	105,055	〃	
Subtotal		156,654		22,257		19,712		159,199		
Unlisted Stock										
Gie Cheng Co., Ltd.	3,795,000	30,056	-	-	-	8,918	3,795,000	21,138	〃	
Missioncare Co., Ltd.	1,580,526	19,172	-	2,655	-	-	1,580,526	21,827	〃	
Missioncare Asset Management Co., Ltd.	669,473	6,969	-	-	-	33	669,473	6,936	〃	
Rui Guang Healthcare Co., Ltd.	2,423,951	27,197	-	-	-	3,176	2,423,951	24,021	〃	
Arcos Bio Tech Corporation	51,014	549	-	-	-	255	51,014	294	〃	
Sunder Biomedical Tech. Co., Ltd.	2,279,578	56,534	-	-	-	12,287	2,279,578	44,247	〃	
Linkon International Golf & Country Club	1	8,125	-	225	-	-	1	8,350	〃	
Subtotal		148,602		2,880		24,669		126,813		
Total		**$ 305,256**		**25,137**		**44,381**		**286,012**		

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF CHANGES INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance			Market value or net assets value			
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership	Amount	Unit price	Total amount	Collateral	Note
Listed companies													
Dynamic Medical Technologies Inc.	11,550,425	$ 506,633	-	45,600	-	42,051	11,550,425	38.50 %	510,182	49.10	567,126	None	
Arich Enterprise Co., Ltd.	17,612,921	496,938	12,216,821	231,546	-	18,160	29,829,742	40.00 %	710,324	25.10	748,727	"	
Unlisted companies													
Jiate Excesior Co., Ltd.	1,607,200	20,685	-	14,826	-	572	1,607,200	49.00 %	34,939	-	34,979	"	
Bestchain Healthtaiwan Co., Ltd.	35,708,258	397,779	5,441,938	112,320	-	-	41,150,196	44.68 %	510,099	-	536,523	"	
Excelsior Healthcare Co., Limited	39,411,623	1,626,378	-	114,483	-	57,516	39,411,623	100.00 %	1,683,345	-	1,706,597	"	
Bestsmile Co., Ltd.	1,150,874	6,574	-	-	-	989	1,150,874	98.02 %	5,585	-	5,585	"	
Visionfront Corporation	2,434,870	23,849	-	-	-	590	2,434,870	44.47 %	23,259	-	23,259	"	
Sunrise Health Care Company	2,085,547	27,703	-	361	-	-	2,085,547	23.97 %	28,064	-	28,064	"	
Excelsior Medical Co., Limited (Hong Kong)	53,154,741	1,612,294	-	49,201	-	56,945	53,154,741	64.36 %	1,604,550	-	1,604,550	"	
Excelsior Beauty Co., Ltd.	11,534,804	146,508	-	3,047	-	13,242	11,534,804	41.02 %	136,313	-	136,134	"	
Excelsior Asset Management Co., Ltd.	80,000,000	601,829	398,900	4,740	-	-	80,398,900	100.00 %	606,569	-	814,492	"	
Medifly Co., Ltd.	3,228,550	73,906	387,426	15,338	-	5,811	3,615,976	28.66 %	83,433	-	83,580	"	
Total		$ 5,541,076		591,462		195,876			5,936,662		6,289,616		

Note: Net assets value of unlisted companies was according to the report issued by the investee or the audit report of the investee.

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE

December 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Related Parties:			
Medifly Co., Ltd.		$ 3,942	
Bestchain Healthtaiwan Co., Ltd.		724	
Subtotal		4,666	
Non-related Parties:			
Medtronic (Taiwan) Ltd.		160,884	
Asahi Kasei Kuraray Medical Co., Ltd.		128,377	
Chi Sheng Pharma & Biotech Co., Ltd.		57,208	
Sunder Biomedical Tech. Co., Ltd.		41,525	
Other		227,533	The year-end balance of each client does not exceed 5% of the account balance.
Subtotal		615,527	
Total		**$ 620,193**	

STATEMENT OF OTHER PAYABLES

Item	Description	Amount
Other payables	Employee wages and bonuses payable	$ 67,514
	Salaries and bonuses payable	28,729
	Remuneration payable of directors	18,189
	Compensated absence payable	8,959
	Insurance payable	3,235
	Professional fees payable	2,448
	Other	33,159
Total		**$ 162,233**

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Item	Quantity	Amount	Note
Sales revenue			
Surgical supplies	2,379,034 pieces	$ 1,475,340	
Artificial kidneys, blood tubing sets, lumbar puncture needles	11,207,111 pieces /pairs	1,068,129	
Erythropoietin, liquid medicines, powder medicines	4,328,042 doses/buckets/ packs	753,510	
Blood bags	589,363 bags	178,281	
Medical supplies	3,551,612 packs/pieces	123,450	
Medical equipment	1,054 sets	105,443	
Medicines	1,808,498 pills	92,137	
Household appliances	37,652 sets	119,381	
Other		78,279	
Subtotal		3,993,950	
Repair and maintenance revenue		174,018	
Other operating revenue		31,772	
Net		**$ 4,199,740**	

EXCELSIOR MEDICAL CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Cost of Goods Sold	
Inventory, January 1	$ 585,241
Add: Purchase	3,483,370
Transfer to inventory	72
Other	4,509
Less: transfer to property, plant and equipment	(16,543)
Inventory, December 31	(614,344)
Cost of Goods Sold	3,442,305
Repair and maintenance costs	83,159
Other operating costs	3,154
Reversal on invnetory valuation and obsolescence	(14,610)
Operating costs	**$ 3,514,008**

EXCELSIOR MEDICAL CO., LTD.

STATEMENT OF SELLING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary and wages expense		$ 62,096	
Freight expense		49,065	
Depreciation expense		13,759	
Entertainment expense		11,590	
Other		70,409	The year-end balance of each account does not exceed 5% of the account balance.
		$ 206,919	

STATEMENT OF ADMINISTRATIVE EXPENSES

Item	Description	Amount	Note
Salary and wages expense		$ 120,235	
Other		37,780	The year-end balance of each account does not exceed 5% of the account balance.
		$ 158,015	