Stock Code:4104

EXCELSIOR MEDICAL CO., LTD.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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Representation Letter

The entities that are required to be included in the combined financial statements of Excelsior Medical Co., Ltd. as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements."endorsed by the Financial Supervisory Commission in addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Excelsior Medical Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Excelsior Medical Co., Ltd.
Chairman: Fu Hui-Tung
Date: March 11, 2022

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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Excelsior Medical Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 reports 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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)(g) for accounting policies of account receivable allowance provision.

Description of key audit matter:

The management of the Group 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 Group's disclosure for impairment of receivables.

Other Matter

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiaries, is based solely on the report of other auditors. As of December 31, 2021 and 2020, the total assets of these subsidiaries were NT$446,627 thousand and NT$442,964 thousand, constituting 3% and 3% of consolidated total assets, respectively. The total operating revenues of these subsidiaries for the year ended December 31, 2021 and 2020 were NT$253,352 thousand and NT$252,013 thousand, constituting 4% and 4% of consolidated total operating revenues, respectively. We also did not audit the financial statements of certain associates and joint ventures, which represented investment in other entities accounted for using the equity method of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities, is based solely on the reports of other auditors. As of December 31, 2021 and 2020, the carrying amounts of these investments were NT$550,602 thousand and NT$546,435 thousand, constituting 4% and 4% of consolidated total assets, respectively. The share of comprehensive income of associates and joint ventures accounted for using the equity method for the years ended December 31, 2021 and 2020, amounted to NT$100,402 thousand and NT$107,286 thousand, were constituting 15% and 17% of consolidated total comprehensive income, respectively.

Excelsior Medical Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion with an Other Matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 11, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	ASSETS	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note (6)(a))	$ 3,072,264	20	2,618,464	19
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	-	-	166	-
1136	Current financial assets at amortized cost (Note (6)(d))	682,603	5	774,526	6
1151	Notes receivable (Notes (6)(e), (7) and (8))	256,809	2	220,226	2
1152	Other notes receivable (Notes (6)(e), (7) and (8))	290,515	2	184,942	1
1170	Accounts receivable (Notes (6)(e) and (7))	1,361,094	9	1,225,050	9
1200	Other receivables (Notes (6)(e) and (7))	2,566,629	17	2,309,331	16
130X	Inventories (Note (6)(f))	910,243	6	851,236	6
1476	Other current financial assets (Note (8))	16,793	-	161,639	1
1479	Other current assets, others	150,593	1	156,220	1
		9,307,543	62	8,501,800	61
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	701,541	5	735,437	5
1550	Investments accounted for using equity method (Note (6)(g))	2,629,538	17	2,492,993	18
1600	Property, plant and equipment (Notes (6)(j) and (8))	636,488	4	534,339	4
1755	Right-of-use assets (Note (6)(k))	277,673	2	299,972	2
1760	Investment property, net (Notes (6)(l) and (8))	1,019,102	7	1,005,090	7
1780	Intangible assets (Note (6)(m))	33,004	-	32,653	-
1840	Deferred tax assets (Note (6)(v))	202,413	1	215,485	2
1930	Long-term notes and accounts receivable (Note (6)(e))	17,269	-	12,196	-
1975	Net defined benefit asset (Note (6)(u))	12,021	-	8,614	-
1980	Other non-current financial assets (Note (8))	227,114	2	144,159	1
1990	Other non-current assets, others	41,294	-	21,894	-
		5,797,457	38	5,502,832	39
	TOTAL ASSETS	$ 15,105,000	100	14,004,632	100

	LIABILITIES AND EQUITY	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Note (6)(n))	$ 479,966	3	404,498	3
2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	673	-	46	-
2130	Current contract liabilities	379,224	3	311,978	2
2150	Notes payable	398	-	398	-
2170	Accounts payable (Note (7))	947,132	6	881,868	6
2200	Other payables (Notes (6)(o) and (7))	2,721,225	18	2,001,349	14
2230	Current tax liabilities	63,875	-	63,892	-
2280	Current lease liabilities (Note (6)(s) and (7))	72,244	1	78,369	1
2322	Long-term borrowings, current portion (Note (6)(r))	-	-	4,251	-
2399	Other current liabilities, others (Notes (6)(p), (q) and (7))	290,292	2	273,283	2
		4,955,029	33	4,019,932	28
	Non-Current liabilities:				
2570	Deferred tax liabilities (Note (6)(v))	176,695	1	156,960	1
2580	Non-current lease liabilities (Notes (6)(s) and (7))	209,782	2	225,457	2
2640	Net defined benefit liability (Note (6)(u))	12,474	-	17,248	-
2670	Other non-current liabilities, others (Note (6)(q))	5,308	-	5,331	-
		404,259	3	404,996	3
	Total liabilities	5,359,288	36	4,424,928	31
	Equity attributable to owners of parent (Note (6)(w)):				
3100	Share capital	1,411,490	9	1,411,490	10
3200	Capital surplus	3,276,107	22	3,276,107	24
3300	Retained earnings	3,192,892	21	3,017,380	22
3400	Other equity	(142,100)	(1)	(114,080)	(1)
	Total equity attributable to owners of parent	7,738,389	51	7,590,897	55
36XX	**Non-controlling interests (Notes (6)(i) and (w))**	2,007,323	13	1,988,807	14
	Total equity	9,745,712	64	9,579,704	69
	TOTAL LIABILITIES AND EQUITY	$ 15,105,000	100	14,004,632	100

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

		For the Years Ended December 31,			
		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue (Notes (6)(y) and (7))**	$ 6,573,152	100	6,675,494	100
5000	**Operating costs (Notes (6)(f) and (7))**	5,199,126	79	5,368,920	80
	Gross profit from operations	1,374,026	21	1,306,574	20
5910	Less: Unrealized profit from sales	121,722	2	110,977	2
5920	Add: Realized profit from sales	120,315	2	110,901	2
		1,372,619	21	1,306,498	20
	Operating expenses:				
6100	Selling expenses (Note (7))	509,139	8	495,902	8
6200	Administrative expenses (Note (7))	261,402	4	278,617	4
6450	Expected credit loss (Note (6)(e))	7,052	-	2,909	-
		777,593	12	777,428	12
	Net operating income	595,026	9	529,070	8
	Non-operating income and expenses:				
7100	Interest income (Note (6)(aa))	10,692	-	23,255	-
7010	Other income (Notes (6)(aa) and (7))	24,940	-	32,248	-
7020	Other gains and losses (Notes (6)(aa) and (7))	18,406	-	13,550	-
7050	Finance costs (Notes (6)(aa) and (7))	(8,761)	-	(10,768)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note (6)(g))	233,433	4	242,028	4
		278,710	4	300,313	4
7900	**Profit before tax**	873,736	13	829,383	12
7950	**Less: Tax expense (Note (6)(v))**	151,447	2	160,297	2
	Profit	722,289	11	669,086	10
	Other comprehensive income (loss):				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	5,401	-	681	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6,516	-	47,852	1
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	22,735	-	26,868	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(761)	-	3,756	-
	Total items that will not be reclassified subsequently to profit and loss	35,413	-	71,645	1
8360	**Items that will be reclassified to profit or loss**				
8361	Exchange differences on translation	(118,494)	(2)	(171,023)	(2)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	31,647	1	46,876	1
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(16,272)	-	(24,206)	-
	Total items that will be reclassified subsequently to profit and loss	(70,575)	(1)	(99,941)	(1)
	Other comprehensive income, net	(35,162)	(1)	(28,296)	-
8500	**Total comprehensive income**	**$ 687,127**	**10**	**640,790**	**10**
	Profit attributable to:				
8610	Owners of parent	$ 607,149	9	571,670	9
8620	Non-controlling interests	115,140	2	97,416	1
		$ 722,289	**11**	**669,086**	**10**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 578,655	9	513,296	8
8720	Non-controlling interests	108,472	1	127,494	2
		$ 687,127	**10**	**640,790**	**10**
	Earnings per share (Note (6)(x))				
9750	**Basic earnings per share (NT dollars)**	**$**	**4.30**		**4.06**
9850	**Diluted earnings per share (NT dollars)**	**$**	**4.28**		**4.04**

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of parent									
	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	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2020	$ 1,281,490	2,816,807	727,039	26,629	2,150,725	(107,903)	51,554	6,946,341	1,685,571	8,631,912
Profit for the year	-	-	-	-	571,670	-	-	571,670	97,416	669,086
Other comprehensive income (loss) for the year	-	-	-	-	(944)	(91,466)	34,036	(58,374)	30,078	(28,296)
Total comprehensive income (loss) for the year	-	-	-	-	570,726	(91,466)	34,036	513,296	127,494	640,790
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	51,476	-	(51,476)	-	-	-	-	-
Special reserve reversed	-	-	-	29,720	(29,720)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(465,792)	-	-	(465,792)	-	(465,792)
Changes in equity of associates and joint ventures accounted for using equity method	-	333	-	-	7,490	-	-	7,823	-	7,823
Capital increased by cash	130,000	455,000	-	-	-	-	-	585,000	-	585,000
Changes in ownership interests in subsidiaries	-	3,967	-	-	262	-	-	4,229	-	4,229
Changes in non-controlling interests	-	-	-	-	-	-	-	-	175,742	175,742
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	1,988,807	9,579,704
Profit for the year	-	-	-	-	607,149	-	-	607,149	115,140	722,289
Other comprehensive income (loss) for the year	-	-	-	-	3,617	(61,073)	28,962	(28,494)	(6,668)	(35,162)
Total comprehensive income (loss) for the year	-	-	-	-	610,766	(61,073)	28,962	578,655	108,472	687,127
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	57,878	-	(57,878)	-	-	-	-	-
Special reserve appropriated	-	-	-	57,731	(57,731)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(494,021)	-	-	(494,021)	-	(494,021)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	62,440	-	-	62,440	-	62,440
Changes in ownership interests in subsidiaries	-	-	-	-	418	-	-	418	-	418
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(89,956)	(89,956)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(4,091)	-	4,091	-	-	-
Balance as of December 31, 2021	**$ 1,411,490**	**3,276,107**	**836,393**	**114,080**	**2,242,419**	**(260,442)**	**118,342**	**7,738,389**	**2,007,323**	**9,745,712**

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31,	
	2021	2020
Cash flows from operating activities:		
Profit before tax	$ 873,736	829,383
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	198,633	162,691
Amortization expense	4,321	4,776
Expected credit loss	7,052	2,909
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6,640	200
Interest expense	8,761	10,768
Interest income	(10,692)	(23,255)
Dividend income	(19,320)	(23,231)
Share-based payments	-	4,152
Share of profit of associates and joint ventures accounted for using equity method	(233,433)	(242,028)
(Gain) loss on disposal of property, plan and equipment	(5)	100
Impairment loss on non-financial assets	-	4,282
Unrealized profit from sales	121,722	110,977
Realized profit from sales	(120,315)	(110,901)
Others	(1,804)	71
Total adjustments to reconcile profit	(38,440)	(98,489)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(36,676)	47,359
Accounts receivable	(138,477)	65,028
Other receivables and notes	(363,772)	196,476
Inventories	(121,871)	(36,471)
Net defined benefit asset	(804)	(866)
Other current assets	6,037	(68,221)
Other operating assets	(5,073)	6,182
Total changes in operating assets	(660,636)	209,487
Changes in operating liabilities:		
Contract liabilities	67,246	(8,584)
Notes payable	-	(5,773)
Accounts payable	65,264	(171,239)
Other payables	719,867	191,162
Other current liabilities	17,009	(320)
Net defined benefit liability	(1,976)	(938)
Other operating liabilities	(2,884)	(882)
Total changes in operating liabilities	864,526	3,426
Total changes in operating assets and liabilities	203,890	212,913
Total adjustments	165,450	114,424
Cash inflow generated from operations	1,039,186	943,807
Interest received	8,917	23,111
Income taxes paid	(103,054)	(97,485)
Net cash flows from operating activities	945,049	869,433

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31,	
	2021	2020
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	39,818	1,006
Acquisition of financial assets at amortized cost	(680,170)	(620,951)
Proceeds from disposal of financial assets at amortized cost	764,031	365,699
Acquisition of financial assets at fair value through profit or loss	(11,694)	(320)
Proceeds from disposal of financial assets at fair value through profit or loss	5,847	-
Acquisition of property, plant and equipment	(164,690)	(30,716)
Proceeds from disposal of property, plant and equipment	94	285
Increase in refundable deposits	(79,406)	(3,663)
Decrease in refundable deposits	3,016	61,301
Acquisition of intangible assets	(4,064)	(4,317)
Acquisition of investment properties	(21,695)	(209,877)
Proceeds from disposal of investment property	609	-
Increase in other financial assets	-	(101,376)
Decrease in other financial assets	138,281	-
Increase in other non-current assets	(24,504)	-
Decrease in other non-current assets	-	411
Dividends received	178,652	127,668
Net cash flows (used in) investing activities	144,125	(414,850)
Cash flows from financing activities:		
Increase in short-term borrowings	75,468	-
Decrease in short-term borrowings	-	(808,469)
Repayments of long-term borrowings	(4,055)	(4,448)
Increase in guarantee deposits received	2,876	-
Decrease in guarantee deposits received	(15)	(20)
Payment of lease liabilities	(75,635)	(75,599)
Cash dividends paid	(494,021)	(465,792)
Capital increased by cash	-	585,000
Interest paid	(8,570)	(10,593)
Change in non-controlling interests	(89,956)	176,637
Net cash flows used in financing activities	(593,908)	(603,284)
Effect of exchange rate changes on cash and cash equivalents	(41,466)	(61,611)
Net increase (decrease) in cash and cash equivalents	453,800	(210,312)
Cash and cash equivalents at beginning of period	2,618,464	2,828,776
Cash and cash equivalents at end of period	$ **3,072,264**	**2,618,464**

(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 and its subsidiaries (the Group) 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 consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2022.

(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. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- 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”
- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment－Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated 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 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(4) Summary of Significant Accounting Policies

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations) and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to the IFRSs endorsed by FSC).

(b) Basis of preparation

1. Basis of measurement

The consolidated 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 Group entity is determined based on the primary economic environment in which the entity operates. The consolidated 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.

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

(c) Basis of consolidation

1. Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

2.List of subsidiaries in the consolidated financial statements：

Name of Investor	Name of Subsidiary	Principal Activity	Shareholding 2021.12.31	Shareholding 2020.12.31	Note
The Company	Dynamic Medical Technologies Inc. (“Dynamic”)	Sale, maintenance and lease of laser medical equipment for beauty treatment, and sale of consumables of beauty treatment and cosmetic products	38.50 %	38.50 %	Note 1
〃	Bestsmile Co., Ltd. (“Bestsmile”)	Sale of medical equipment, and medical management consultancy service	98.02 %	98.02 %	
〃	Excelsior Healthcare Co., Limited (Excelsior Healthcare)	Investment business	100.00 %	100.00 %	
〃	Arich Enterprise Co., Ltd. (Arich)	Sale of medicines, and logistics service	40.00 %	40.00 %	Note 1
〃	Excelsior Asset Management Co., Ltd. (“Excelsior Asset”)	Sales of medical equipment, precision instrument and real estate	100.00 %	100.00 %	

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

Name of Investor	Name of Subsidiary	Principal Activity	Shareholding 2021.12.31	Shareholding 2020.12.31	Note
The Company and Excelsior Healthcare	Excelsior Medical (HK) Co., Limited (“Hong Kong Excelsior”)	Investment business	100.00 %	100.00 %	
Dynamic	Dynamic Medical Technologies (Hong Kong) Ltd. (“Hong Kong Dynamic”)	Retail and wholesale of medical equipment, cosmetic health-care products and medical herbs and academic training	100.00 %	100.00 %	
The Company and Dynamic	Excelsior Beauty Co., Ltd. (“Excelsior Beauty”)	Sale of aesthetic medical and cosmetic health-care products	94.91 %	94.91 %	
Hong Kong Dynamic	Guangzhou Dynamic Inc. (“Guangzhou Dynamic”)	Sale and maintenance of medical equipment	100.00 %	100.00 %	
Excelsior Beauty	CYJ International Taiwan Inc. (CYJ Taiwan)	Sales and treatment of hair protecting and conditioning	80.00 %	80.00 %	
Excelsior Healthcare	EG Healthcare, Inc.	Sale and lease of medical equipment, and medical management consultancy service	99.99 %	99.99 %	
〃	Excelsior Investment (Malaysia) Co., Ltd.	Investment business	100.00 %	100.00 %	
Hong Kong Excelsior	SinoExcelsior Investment Inc. ("SinoExcesior Investment")	Medical management consultancy service	100.00 %	100.00 %	
Excelsior Investment (Malaysia) Co., Ltd.	RENAL LABORATORIES SDN. BHD.	Manufacture of medical equipment	70.00 %	70.00 %	
〃	MEDI-CHEM SYSTEMS SDN. BHD.	Sale of medical equipment	70.00 %	70.00 %	
MEDI-CHEM SYSTEMS SDN. BHD.	RENAL MANAGEMENT SDN. BHD.	Lease business	100.00 %	100.00 %	

Note 1: Although the Company holds less than 50% of the shares of Dynamic and Arich, these companies' other equity shares are highly separated. Therefore, the Company still maintains control over Dynamic and Arich, and these companies are included in the consolidated financial statements.

3. Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign Currencies

1.Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities 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 Group 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 Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence 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.

(e) 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 Group 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.

(f) 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 Group’ s cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) 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 Group 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 Group 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)

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

Some trade receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group; therefore, those receivables are measured at FVOCI. However, they are included in the ‘trade receivables’ line item.

On initial recognition of an equity investment that is not held for trading, the Group 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 Group’ 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. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the ‘trade receivables’ line item. On initial recognition, the Group 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 Group 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 receivable, leases receivable, guarantee deposit paid and other financial assets).

The Group 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 Group 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 Group’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 month 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 Group 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 Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group 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 assets 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 charge 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group 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 Group 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 Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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 Group 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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Group 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 Group 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.

(h) 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.

(i) Investment in Associates

Associates are those entities in which the Group 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 consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group 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 Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group'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 Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, Plant, and Equipment

1.Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalization of 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 Group.

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	2 years~ 10 years

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

(l) Leases

At inception of a contract, the Group 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.

(i) As a leasee

The Group 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 Group’s incremental borrowing rate. Generally, the Group 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;
- 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 Group’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 a 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 Group 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 Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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

(ii) As a leasor

When the Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group 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 Group 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 Group applies IFRS15 to allocate the consideration in the contract.

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

(m) 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 Group 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	1 years~ 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.

(n) Impairment of Non-Financial Assets

At each reporting date, the Group 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 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.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group 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.

(p) Revenue

1.Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group 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 Group's main types of revenue are explained below.

1) Sale of goods

The Group 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 Group has objective evidence that all criteria for acceptance have been satisfied.

The Group'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 Group has a right to an amount of consideration that is unconditional.

2) Services

The Group 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 Group sells the services in separate transactions.

3) Financing components

The Group 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 group does not adjust any of the transaction prices for the time value of money.

(q) 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 Group’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 Group, 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 Group 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 Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.Other long-term employee benefits

The Group'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 Group can no longer withdraw the offer of those benefits and when the Group 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 Group 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.

(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 Group 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 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.

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 Group 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.

(s) Earnings per Share

The Group 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

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, 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.

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

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 Group 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 Group 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)(e).

(6) Explanation of Significant Accounts

(a) Cash and cash equivalents

		December 31, 2021	December 31, 2020
Cash on hand, demand deposits and checking accounts	$	2,030,451	1,756,766
Time deposits		1,041,813	861,698
Cash and cash equivalents in consolidated statement of cash flows	**$**	**3,072,264**	**2,618,464**

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

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

		December 31, 2021	December 31, 2020
Mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Forward foreign exchange contracts	**$**	**-**	**166**
Held-for-trading financial liabilities			
Derivative instruments not used for hedging			
Forward foreign exchange contracts	**$**	**673**	**46**

The Group uses derivative financial instruments to hedge the certain foreign exchange and interest risk the Group 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, 2021			
	Amount (in thousands)		Currency	Maturity period
Forward foreign exchange contracts purchased	JPY	257,425	JPY against TWD	2022.01~2022.03
Forward foreign exchange contracts purchased	USD	515	USD against TWD	2022.01

	December 31, 2020			
	Amount (in thousands)		Currency	Maturity period
Foreign exchange forward purchased	JPY	107,538	JPY against TWD	2021.02~2021.03
Foreign exchange forward purchased	USD	400	USD against TWD	2021.01

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

	December 31, 2021	December 31, 2020
Equity investments at fair value through other comprehensive income		
Domestic listed shares	$ 90,528	103,792
Foreign listed shares	152,234	194,205
Domestic unlisted shares	149,478	129,680
Foreign unlisted shares	309,301	307,760
Total	$ 701,541	735,437

1.Equity investments at fair value through other comprehensive income

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

The Group has sold its common stocks designated at fair value through other comprehensive income because of operation strategies for the years ended December 31, 2021 and 2020. The shares sold had a fair value of $40,172 thousand and $1,009 thousand, respectively. The Group realized a gain of $4,091 thousand and $301 thousand, respectively, which was included in other comprehensive income, and thereafter, was transferred to retained earnings from other equity.

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

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

3.As of December 31, 2021 and 2020, the aforesaid financial assets were not pledged as collateral.

(d) Financial assets measured at amortized cost

		December 31, 2021	December 31, 2020
Time deposits with original maturity of more than 3 months	$	**682,603**	**774,526**

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments have been classified as financial assets measured at amortized cost.

The market interest rates of the time deposits with original maturity of more than 3 moths were 0.24%~1.76% and 0.26%~1.76% per annum as of December 31, 2021 and 2020, respectively.

(e) Notes receivable, accounts receivable, lease payment receivable and other receivables

		December 31, 2021	December 31, 2020
Notes receivable	$	261,529	222,994
Other notes receivable		290,515	184,942
Accounts receivable		1,414,587	1,285,872
Trade receivables - fair value through other comprehensive income		9,317	3,603
Lease payment receivable		19,625	14,582
Other receivables		2,572,458	2,312,487
Less: Loss allowance		(75,475)	(72,628)
Unrealized interests income		(240)	(107)
	$	**4,492,316**	**3,951,745**

The Group 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.

Arich Enterprise Co., Ltd. ("Arich") engages in medical logistics services, providing inventory management services, logistics services, customer service and domestic transportation planning services. Arich recognizes the medical logistics service revenue at a percentage of the net profit on its sale of medicines. The inventories for medical logistics services do not belong to Arich. The receivables from customers and the payables to medical companies are classified as other notes receivable, other trade receivables, other notes payable, and other trade payables.

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

The Group 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 were determined as follows:

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 4,448,614	0.60%	(26,621)
1 to 90 days past due	41,494	10.80%	(4,480)
91 to 180 days past due	8,290	21.79%	(1,806)
181 to 365 days past due	18,746	18.47%	(3,462)
More than 365 days past due	40,105	97.51%	(39,106)
	$ 4,557,249		**(75,475)**

	December 31, 2020		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 3,892,987	0.74%	(28,711)
1 to 90 days past due	37,643	5.58%	(2,102)
91 to 180 days past due	11,161	11.77%	(1,314)
181 to 365 days past due	7,185	16.94%	(1,217)
More than 365 days past due	47,650	82.44%	(39,284)
	$ 3,996,626		**(72,628)**

The Group's lease payment receivables were as follows:

	Gross investment in the lease	Unearned finance income	Present value of minimum lease payments receivable
December 31, 2021			
Less than one year	$ 10,062	(1,854)	8,208
Between one and five years	32,258	(5,079)	27,179
	$ 42,320	**(6,933)**	**35,387**
December 31, 2020			
Less than one year	$ 6,549	(753)	5,796
Between one and five years	9,689	(903)	8,786
	$ 16,238	**(1,656)**	**14,582**

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

The Group entered into finance lease arrangements for certain vehicles and equipment. All leases were denominated in New Taiwan dollars. The average term of finance leases entered into was 5 years.

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The average effective interest rate contracted was approximately 3.00%~6.00% and 3.00%~6.00% per annum as of December 31, 2021 and 2020.

The lease payment receivables as of December 31, 2021 and 2020 were neither past due nor impaired.

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

	For the Years Ended December 31,	
	2021	2020
Balance as of January 1	$ 72,628	73,738
Impairment losses recognized	17,933	31,727
Amounts written off	(10,881)	(28,818)
Impairment losses reversed	(2,351)	(3,996)
Effect of movements in exchange rate	(1,854)	(23)
Balance as of December 31	$ **75,475**	**72,628**

As of December 31, 2021 and 2020, the receivables from installment sales were $9,317 thousand and $3,603 thousand, respectively, and the related unrealized interest income were $229 thousand and $107 thousand, respectively.

The Group signed the accounts receivable factoring agreements without recourse with financial institutions. According to the agreements, the Group transfers almost all risks and rewards to debtors, thus is eligible for derecognizing the financial assets. The relevant information of the unexpired accounts receivable at the reporting date were as follows:

December 31, 2021

Purchaser	Amount Derecognized	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Hotai Finance Co., Ltd.	$ **10,500**	-	**10,500**	-	4.27%	None
Chailease Finance Co., Ltd.	$ **11,935**	-	**11,935**	-	2.02%~2.22%	None

December 31, 2020

Purchaser	Amount Derecognized	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Hotai Finance Co., Ltd.	$ **8,840**	-	**8,840**	-	1.25%-3.19%	None
Chailease Finance Co., Ltd.	$ **5,632**	-	**5,632**	-	1.77%-2.02%	None

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

The Group entered into separate trade receivables factoring agreements with financial institutions, Hotai Finance Co., Ltd., and Chailease Finance Co., Ltd. According to the agreements, losses from commercial disputes (such as sales returns and discounts) were borne by the Group, while losses from credit risk were borne by the counterparties.

The Group derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The amounts receivable from the financial institutions were recognized as “other receivables” upon the derecognition of those trade receivables.

(f) Inventories

	December 31, 2021	December 31, 2020
Merchandise	$ 825,120	762,161
Inventory in-transit	85,123	89,075
Total	**$ 910,243**	**851,236**

The details of cost of goods sold were as follows :

	For the Years Ended December 31, 2021	2020
Cost of goods sold	$ 4,641,684	4,920,695
Losses (reversal) on inventory valuation and obsolescence	9,378	(44,175)
Loss on inventory scrapped	2,553	4,795
Repair and maintenance costs	224,804	221,698
Others operating costs	320,707	265,907
Total	**$ 5,199,126**	**5,368,920**

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.

As of December 31, 2021 and 2020, none of the combined company's inventories had been provided with pledge guarantees.

(g) Investments accounted for using equity method

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

	December 31, 2021	December 31, 2020
Associates	**$ 2,629,538**	**2,492,993**

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

1.Associates

Associates which are material to the Group consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2021	December 31, 2020
Asia Best Healthcare	Long-term care and rehabilitation services	Cayman Islands	49.38 %	49.38 %

1) Asia Best Healthcare:

	December 31, 2021	December 31, 2020
Current assets	$ 1,327,188	1,156,129
Non-current assets	3,775,520	3,978,430
Current liabilities	(278,067)	(186,014)
Non-Current liabilities	(2,049,407)	(2,178,146)
Net assets	$ **2,775,234**	**2,770,399**
Net assets attributable to the Group	$ **1,405,198**	**1,404,421**

	For the Years Ended December 31, 2021	2020
Operating revenue	$ **269,440**	**287,505**
Profit	$ 103,173	124,426
Other comprehensive income	38,113	65,634
Total comprehensive income	$ **141,286**	**190,060**
Dividends received	$ **28,205**	**29,974**

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

	December 31, 2021	December 31, 2020
Carrying amount of individually insignificant associates' equity	$ **1,224,340**	**1,088,572**

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

	For the Years Ended December 31, 2021	2020
Attributable to the Group:		
Profit	$ 182,486	180,588
Other comprehensive income	34,604	43,123
Total comprehensive income	**$ 217,090**	**223,711**

None of the combined company's investments using the equity method is provided as a pledge.

(h) Changes in ownership interests in subsidiaries

The Group subscribed the shares issued for cash by its subsidiary Arich 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. The changes in ownership interests in subsidiaries were recognized as capital surplus amounting to $3,967 thousand for the year ended December 31, 2020.

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2021	December 31, 2020
Dynamic	Taiwan	61.50 %	61.50 %
Arich	Taiwan	60.00 %	60.00 %

The summarized financial information below represents amounts before intragroup eliminations were as follows:

1.Collective financial information of Dynamic and its subsidiaries:

	December 31, 2021	December 31, 2020
Current assets	$ 1,642,277	1,537,172
Non-current assets	656,514	605,663
Current liabilities	(657,555)	(555,670)
Non-Current liabilities	(169,313)	(123,968)
Net assets	**$ 1,471,923**	**1,463,197**
Non-controlling interests	**$ 794,105**	**798,341**

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

	For the Years Ended December 31, 2021	2020
Operating revenue	$ **1,028,183**	**1,009,308**
Net income	$ 141,689	116,642
Other comprehensive loss	(25,111)	(7,023)
Total comprehensive income	$ **116,578**	**109,619**
Profit, attributable to non-controlling interests	$ **81,587**	**69,215**
Comprehensive income, attributable to non-controlling interests	$ **66,141**	**65,286**

	For the Years Ended December 31, 2021	2020
Net cash flows from operating activities	$ 277,645	248,551
Net cash flows from investing activities	(92,419)	17,288
Net cash flows from financing activities	(148,680)	(151,443)
Effect of exchange rate changes on cash and cash equivalents	(8,076)	(10,721)
Net increase (decrease) in cash and cash equivalents	$ **28,470**	**103,675**
Dividends paid to non-controlling interests	$ **64,888**	**63,366**

2.Collective financial information of Arich:

	December 31, 2021	December 31, 2020
Current assets	$ 3,840,681	3,399,123
Non-current assets	648,080	548,687
Current liabilities	(2,531,376)	(2,018,533)
Non-Current liabilities	(139,397)	(148,573)
Net assets	$ **1,817,988**	**1,780,704**
Non-controlling interests	$ **1,090,771**	**1,068,400**

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

	For the Years Ended December 31,	
	2021	2020
Operating revenue	$ 945,661	1,251,395
Net income	$ 55,305	47,249
Other comprehensive income	23,758	62,295
Total comprehensive income	$ 79,063	109,544
Profit, attributable to non-controlling interests	$ 33,183	28,421
Comprehensive income, attributable to non-controlling interests	$ 47,438	65,554
Net cash flows from operating activities	$ 336,065	559,557
Net cash flows from investing activities	30,415	(47,868)
Net cash flows from financing activities	(197,666)	(267,786)
Net increase in cash and cash equivalents	$ 168,814	243,903
Dividends paid to non-controlling interests	$ 25,068	26,745

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2021 and 2020 were as follows:

	Land	Buildings	Medical equipment	Miscellaneous equipment	Equipment to be inspected and construction in progress	Total
Cost or deemed cost:						
Balance as of January 1, 2021	$ 145,109	262,343	337,238	295,089	286	1,040,065
Additions	-	994	110,051	27,532	26,113	164,690
Disposal and obsolescence	-	(2,164)	(16,649)	(10,673)	-	(29,486)
Transfer from inventories	-	-	51,800	14,167	-	65,967
Transfer to inventories	-	-	(6,014)	(3,034)	-	(9,048)
Reclassification and others	-	-	17,575	7,769	(21,348)	3,996
Effect of movements in exchange rates	(4,438)	(10,448)	(9,054)	(4,664)	-	(28,604)
Balance as of December 31, 2021	$ 140,671	250,725	484,947	326,186	5,051	1,207,580
Balance as of January 1, 2020	$ 147,595	268,045	328,795	322,307	-	1,066,742
Additions	-	543	18,151	9,431	286	28,411
Disposal and obsolescence	-	(392)	(22,979)	(34,412)	-	(57,783)
Transfer from inventories	-	-	30,891	11,264	-	42,155
Transfer to inventories	-	-	(15,592)	(11,628)	-	(27,220)
Transfer to expense	-	-	-	(400)	-	(400)
Effect of movements in exchange rates	(2,486)	(5,853)	(2,028)	(1,473)	-	(11,840)
Balance as of December 31, 2020	$ 145,109	262,343	337,238	295,089	286	1,040,065

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

		Land	Buildings	Medical equipment	Miscellaneous equipment	Equipment to be inspected and construction in progress	Total
Depreciation and impairment losses:							
Balance as of January 1, 2021	$	4,000	75,596	207,673	218,457	-	505,726
Depreciation for the period		-	4,875	71,055	37,465	-	113,395
Disposal and obsolescence		-	(2,165)	(16,649)	(10,583)	-	(29,397)
Transfer to inventories		-	-	(4,104)	(1,841)	-	(5,945)
Effect of movements in exchange rates		-	(2,114)	(6,513)	(4,060)	-	(12,687)
Balance as of December 31, 2021	$	**4,000**	**76,192**	**251,462**	**239,438**	**-**	**571,092**
Balance as of January 1, 2020	$	4,000	72,017	199,532	230,330	-	505,879
Depreciation for the period		-	4,999	42,756	32,892	-	80,647
Impairment loss recognized (reversed)		-	-	2,567	1,715	-	4,282
Disposal and obsolescence		-	(392)	(22,680)	(34,326)	-	(57,398)
Transfer to inventories		-	-	(12,658)	(10,827)	-	(23,485)
Effect of movements in exchange rates		-	(1,028)	(1,844)	(1,327)	-	(4,199)
Balance as of December 31, 2020	$	**4,000**	**75,596**	**207,673**	**218,457**	**-**	**505,726**
Carrying amount:							
Balance as of December 31, 2021	$	**136,671**	**174,533**	**233,485**	**86,748**	**5,051**	**636,488**
Balance as of January 1, 2020	$	**143,595**	**196,028**	**129,263**	**91,977**	**-**	**560,863**
Balance as of December 31, 2020	$	**141,109**	**186,747**	**129,565**	**76,632**	**286**	**534,339**

As of December 31, 2021 and 2020 the property, plant and equipment of the Group had been pledged as collateral for bank borrowings. Please refer to note(8).

(k) Right-of-use assets

The Group leases many assets including buildings, machinery and other equipment. Information about leases for which the Group as a lessee was presented below:

		Buildings	Machinery and equipment	Other equipment	Total
Cost:					
Balance as of January 1, 2021	$	451,785	1,065	1,440	454,290
Additions		73,608	-	-	73,608
Write-off		(55,124)	(741)	(1,440)	(57,305)
Effect of movements in exchange rates		(1,410)	-	-	(1,410)
Balance as of December 31, 2021	**$**	**468,859**	**324**	**-**	**469,183**
Balance as of January 1, 2020	$	314,047	1,065	1,440	316,552
Additions		159,298	-	-	159,298
Write-off		(21,421)	-	-	(21,421)
Effect of movements in exchange rates		(139)	-	-	(139)
Balance as of December 31, 2020	**$**	**451,785**	**1,065**	**1,440**	**454,290**

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

	Buildings	Machinery and equipment	Other equipment	Total
Accumulated depreciation and impairment losses:				
Balance as of January 1, 2021	$ 151,966	912	1,440	154,318
Depreciation for the year	78,056	108	-	78,164
Write-off	(37,970)	(741)	(1,440)	(40,151)
Effect of movements in exchange rates	(821)	-	-	(821)
Balance as of December 31, 2021	**$ 191,231**	**279**	**-**	**191,510**
Balance as of January 1, 2020	$ 76,046	383	1,152	77,581
Depreciation for the year	76,717	529	288	77,534
Write-off	(740)	-	-	(740)
Effect of movements in exchange rates	(57)	-	-	(57)
Balance as of December 31, 2020	**$ 151,966**	**912**	**1,440**	**154,318**
Carrying amount:				
Balance as of December 31, 2021	**$ 277,628**	**45**	**-**	**277,673**
Balance as of January 1, 2020	**$ 238,001**	**682**	**288**	**238,971**
Balance as of December 31, 2020	**$ 299,819**	**153**	**-**	**299,972**

The Group added and modified parts of the lease contracts, resulting in an increase in right-of-use assets of $73,608 thousand and $159,298 thousand for the years ended December 31, 2021 and 2020, respectively.

The Group terminated and modified parts of the lease contracts, resulting in a decrease in right-of-use assets of $17,154 thousand and $20,681 thousand for the years ended December 31, 2021 and 2020, respectively.

For the years ended December 31, 2021 and 2020, the Group leases storage room, machinery and parking space under operating lease, please refer to Note (6)(t).

(l) Investment property

Investment properties are the assets hold by the Group. The period of rental investment properties that cannot be terminated originally is 15 years.

	Owned property		
	Land	**Buildings**	**Total**
Cost or deemed cost:			
Balance as of January 1, 2021	$ 843,750	174,673	1,018,423
Addition	-	21,695	21,695
Disposal	-	(743)	(743)
Balance as of December 31, 2021	**$ 843,750**	**195,625**	**1,039,375**

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

	Owned property		
	Land	**Buildings**	**Total**
Balance as of January 1, 2020	$ 688,419	109,032	797,451
Addition	155,331	65,641	220,972
Balance as of December 31, 2020	**$ 843,750**	**174,673**	**1,018,423**
Depreciation and impairment losses:			
Balance as of January 1, 2021	$ -	13,333	13,333
Depreciation for the year	-	7,074	7,074
Disposal	-	(134)	(134)
Balance as of December 31, 2021	**$ -**	**20,273**	**20,273**
Balance as of January 1, 2020	$ -	8,823	8,823
Depreciation for the year	-	4,510	4,510
Balance as of December 31, 2020	**$ -**	**13,333**	**13,333**
Book value:			
Balance as of December 31, 2021	**$ 843,750**	**175,352**	**1,019,102**
Balance as of January 1, 2020	**$ 688,419**	**100,209**	**788,628**
Balance as of December 31, 2020	**$ 843,750**	**161,340**	**1,005,090**
Fair Value:			
Balance as of December 31, 2021			**$ 1,146,306**
Balance as of December 31, 2020			**$ 1,040,810**

The fair value of investment properties was based on a valuation by a qualified independent appraiser. Fair value was measured using comparison approach, income approach and cost approach.

As of December 31, 2021 and 2020, the investment property of the Group had been pledged as collateral for bank borrowings, please refer to Note (8).

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

(m) Intangible assets

The costs, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2021 and 2020, were as follows:

	Goodwill	Software	Other intangible assets	Total
Cost:				
Balance as of January 1, 2021	$ 56,197	15,323	77,703	149,223
Additions	-	1,064	3,000	4,064
Disposals	-	(2,470)	-	(2,470)
Effect of movements in exchange rates	(654)	(214)	-	(868)
Balance as of December 31, 2021	**$ 55,543**	**13,703**	**80,703**	**149,949**
Balance as of January 1, 2020	$ 56,044	13,132	79,335	148,511
Additions	-	4,317	-	4,317
Disposals	-	(2,129)	(1,632)	(3,761)
Effect of movements in exchange rates	153	3	-	156
Balance as of December 31, 2020	**$ 56,197**	**15,323**	**77,703**	**149,223**
Amortization and impairment loss:				
Balance as of January 1, 2021	$ 28,346	11,368	76,856	116,570
Amortization	-	2,136	1,078	3,214
Disposals	-	(2,470)	-	(2,470)
Effect of movements in exchange rates	(190)	(179)	-	(369)
Balance as of December 31, 2021	**$ 28,156**	**10,855**	**77,934**	**116,945**
Balance as of January 1, 2020	$ 27,933	10,831	77,780	116,544
Amortization	-	2,661	708	3,369
Disposals	-	(2,129)	(1,632)	(3,761)
Effect of movements in exchange rates	413	5	-	418
Balance as of December 31, 2020	**$ 28,346**	**11,368**	**76,856**	**116,570**
Book value:				
Balance as of December 31, 2021	**$ 27,387**	**2,848**	**2,769**	**33,004**
Balance as of January 1, 2020	**$ 28,111**	**2,301**	**1,555**	**31,967**
Balance as of December 31, 2020	**$ 27,851**	**3,955**	**847**	**32,653**

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

1.Amortization

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

	For the Years Ended December 31, 2021	For the Years Ended December 31, 2020
Operating costs	$ 1,078	708
Operating expenses	2,136	2,661
Total	**$ 3,214**	**3,369**

(n) Short-term borrowings

	December 31, 2021	December 31, 2020
Secured bank loans	$ 254,616	262,498
Unsecured bank loans	225,350	142,000
Total	**$ 479,966**	**404,498**
Unused short-term credit lines	**$ 4,679,302**	**5,371,723**
Range of interest rates	**0.70%~3.04%**	**0.85%~1.70%**

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

The Group's interest risk and sensitivity analysis of financial assets and liabilities were disclosed in Note (6)(ac).

(o) Other payables

	December 31, 2021	December 31, 2020
Logistics services payable	$ 2,253,633	1,528,734
Others	467,592	472,615
	$ 2,721,225	**2,001,349**

(p) Refund liabilities

	December 31, 2021	December 31, 2020
Refund liabilities	**$ 14,713**	**30,438**

For the medicine selling contract, the Group reduces its revenue by the amount of sales discounts and expected returns, and records it as refund liabilities.

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

(q) Provisions

	December 31, 2021	December 31, 2020
Warranties	$ 25,735	15,104

	Warranties
Balance as of January 1, 2021	$ 15,104
Additions	10,043
Provisions reversed or used	(14,118)
Effect of exchange rate changes	(7)
Balance as of December 31, 2021	$ 11,022
Balance as of January 1, 2020	$ 16,582
Additions	14,773
Provisions reversed or used	(16,234)
Effect of exchange rate changes	(17)
Balance as of December 31, 2020	$ 15,104

Warranties

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 Group'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.

(r) Long-term borrowings

The details were as follows:

	December 31, 2020
Secured bank loans	$ 4,251
Less: current portion	(4,251)
Total	$ -
Range of interest rates	4.45%~5.45%

1.There were no significant issuances, repurchases and repayments of long-term borrowing in 2021 and 2020.

2.Please refer to Note (8) for details of the Group's assets pledged as collateral for bank borrowings.

3.The Group's interest risk and sensitivity analysis of financial assets and liabilities were disclosed in Note (6)(ac).

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

(s) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Current	$ 72,244	78,369
Non-current	$ 209,782	225,457

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

The Group added and modified parts of the lease contract, resulting in an increase in lease liabilities of $73,608 thousand and $159,080 thousand for the years ended December 31, 2021 and 2020, respectively.

The Group terminated and modified parts of the contract, resulting in a decrease in lease liabilities of $17,587 thousand and $20,792 thousand for the years ended December 31, 2021 and 2020, respectively.

The amounts recognized in profit or loss were as follows:

	For the Years Ended December 31,	
	2021	2020
Interest on lease liabilities	$ 2,708	3,305
Income from sub-leasing right-of-use assets	$ 4,927	4,897
Expenses relating to short-term leases	$ 8,981	7,564
COVID-19-related rent concessions	$ 1,372	-

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

	For the Years Ended December 31,	
	2021	2020
Total cash outflow for leases	$ 87,324	86,468

1. Buildings leases

As of December 31, 2021, the Group leases buildings for its office space. The leases of office space typically run for a period of 2 to 10 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 Group sub-leases some of its right-of-use assets under operating leases; please refer to Note (6)(t).

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

2. Other leases

The Group leases machinery and other equipment, with lease terms of 2 to 3 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

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

(t) Operating leases

Operating leases relate to leases and subleases of housing and leases of equipments with lease terms between 1 to 10 years. The leasees does not have bargain purchase options to acquire the leased housing and equipments 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, 2021	December 31, 2020
Within 1 year	$	25,056	28,186
1 to 5 years		56,115	37,327
More than 5 years		19,309	-
	$	**100,480**	**65,513**

(u) 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, 2021	December 31, 2020
Present value of defined benefit obligations	$	101,452	106,766
Fair value of plan assets		(100,999)	(98,132)
Net defined benefit liabilities	**$**	**453**	**8,634**

The Group 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 Group 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.

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

The Group's Bank of Taiwan labor pension reserve account balance amounted to $100,465 thousand as of December 31, 2021. 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.

2) Movements in present value of the defined benefit obligations

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

	For the Years Ended December 31,	
	2021	2020
Defined benefit obligations as of January 1	$ 106,766	100,419
Current service costs and interest	4,424	4,174
Remeasurements on the net defined benefit obligation		
－Actuarial gains and losses arising from experience adjustments	(5,545)	(2,713)
－Actuarial gains and losses arising from changes in demographic assumptions	4,789	814
－Actuarial gains and losses arising from changes in financial assumptions	(3,288)	4,065
Exchange differences on foreign plans	(247)	7
Benefit paid	(2,567)	-
Other adjustments	(2,880)	-
Defined benefit obligations as of December 31	**$ 101,452**	**106,766**

3) Movements of defined benefit plan assets

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

	For the Years Ended December 31,	
	2021	2020
Fair value of plan assets as of January 1	$ 98,132	89,300
Interest income	347	732
Remeasurement on the net defined benefit obilgation		
－Return on plan assets (excluding current interest)	1,357	2,847
Contribution paid by the employer	3,738	5,256
Exchange differences on foreign plans	(8)	(3)
Benefits paid	(2,567)	-
Fair value of plan assets as of December 31	**$ 100,999**	**98,132**

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

4) Expenses recognized in profit or loss

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

	For the Years Ended December 31,	
	2021	**2020**
Current service costs	$ 4,073	3,416
Net interest of net liabilities for defined benefit obligations	4	26
	$ 4,077	**3,442**
Operating costs and expenses	**$ 4,077**	**3,442**

5) Actuarial assumptions

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

	December 31, 2021	December 31, 2020
Discount rate	0.750%	0.350%
Future salary increasing rate	2.125%~3.750%	2.125%~3.750%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $2,145 thousand.

The weighted average lifetime of the defined benefits plans is 10~13 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% and EG Healthcare Increased 1.00%	**Decreased 0.25% and EG Healthcare Decreased 1.00%**
December 31, 2021		
Discount rate	$ (2,095)	2,163
Future salary increasing rate	2,067	(2,013)
December 31, 2020		
Discount rate	$ (2,336)	2,378
Future salary increasing rate	2,303	(2,239)

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

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 2021 and 2020.

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 $21,585 thousand and $19,980 thousand for the years ended December 31, 2021 and 2020, respectively.

The foreign Company’s pension costs under the local laws were $2,245 thousand and $2,208 thousand for the years ended December 31, 2021 and 2020, respectively.

(v) Income taxes

1.Income tax expense

The components of income tax in the years 2021 and 2020 were as follows:

	For the Years Ended December 31, 2021	2020
Current tax expense		
Current period	$ 101,070	95,616
Adjustment for prior periods	1,213	(1,675)
	102,283	93,941
Deferred tax expense		
Origination and reversal of temporary differences	52,088	65,716
Adjustment for prior periods	(2,630)	491
Change in unrecognized deductible temporary differences	(294)	149
	49,164	66,356
Income tax expense from continuing operations	**$ 151,447**	**160,297**

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

The amount of income tax recognized in other comprehensive income for 2021 and 2020 were as follows:

	For the Years Ended December 31, 2021	2020
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	$ (959)	394
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	1,720	(4,150)
	$ 761	**(3,756)**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation	**$ 16,272**	**24,206**

Reconciliation of income tax and profit before tax for 2021 and 2020 were as follows:

	For the Years Ended December 31, 2021	2020
Profit before income tax	$ 873,736	829,383
Income tax using the Group’s domestic tax rate	$ 197,510	186,929
Adjustment in tax rate	-	(858)
Permanent differences	(39,847)	(29,548)
Tax-exempt income	(290)	(317)
Unrecognized deductible temporary differences	(721)	(4,319)
Unrecognized unused loss carryforwards	(3,788)	7,370
Adjustments for prior periods-current tax expense	1,213	(1,675)
Adjustments for prior periods-deferred tax expense	(2,630)	491
Effect of foreign income tax	-	1,212
Undistributed earnings additional tax	-	1,012
Income tax expense	**$ 151,447**	**160,297**

2.Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	$ 21,464	20,594
Tax losses	76,924	85,311
	$ 98,388	**105,905**

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

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Deferred sales returns and allowance	Unrealized losses on inventories	Unrealized gains on investment	Loss carry-forwards	Others	Total
Deferred tax assets:						
Balance as of January 1, 2021	$ 11,273	22,745	23,313	43,983	114,171	215,485
Recognized in profit or loss	(946)	896	(17,774)	(11,486)	1,568	(27,742)
Recognized in other comprehensive income	-	-	-	-	15,317	15,317
Effect of movements in exchange rates	-	(74)	-	(4)	(569)	(647)
Balance as of December 31, 2021	**$ 10,327**	**23,567**	**5,539**	**32,493**	**130,487**	**202,413**
Balance as of January 1, 2020	$ 7,183	31,289	25,368	59,520	96,568	219,928
Recognized in profit or loss	4,090	(8,416)	(2,055)	(15,462)	(6,615)	(28,458)
Recognized in other comprehensive income	-	-	-	-	24,222	24,222
Effect of movements in exchange rates	-	(128)	-	(75)	(4)	(207)
Balance as of December 31, 2020	**$ 11,273**	**22,745**	**23,313**	**43,983**	**114,171**	**215,485**
Deferred tax liabilities:						
Balance as of January 1, 2021	$ -	-	139,085	-	17,875	156,960
Recognized in profit and loss	-	-	33,332	-	(11,910)	21,422
Recognized in other comprehensive income	-	-	-	-	(1,716)	(1,716)
Recognized directly in equity	-	-	-	-	223	223
Effect of movements in exchange rates	-	-	-	-	(194)	(194)
Balance as of December 31, 2021	**$ -**	**-**	**172,417**	**-**	**4,278**	**176,695**
Balance as of January 1, 2020	$ -	-	106,425	-	9,305	115,730
Recognized in profit or loss	-	-	32,660	-	5,238	37,898
Recognized in other comprehensive income	-	-	-	-	3,772	3,772
Effect of movements in exchange rates	-	-	-	-	(440)	(440)
Balance as of December 31, 2020	**$ -**	**-**	**139,085**	**-**	**17,875**	**156,960**

3.As of December 31, 2021, the Group's unused prior-years loss carryforwards and the expiry years of the loss carryforwards were as follows:

Year of loss	Unused tax loss	Year of expiry
2014	$ 7,842	2024
2015	27,333	2020~2025
2016	15,091	2021~2026
2017	75,453	2022~2027
2018	119,259	2023~2028
2019	174,462	2024~2029
2020	33,165	2025~2030
2021	862	2031
	$ 453,467	

4.Assessment of tax

The Company's income tax returns for the years through 2019 were assessed by the Tax Administration.

(w) Capital and other equity

1.Share capital

	December 31, 2021	December 31, 2020
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**	**141,149**
Shares issued	**$ 1,411,490**	**1,411,490**

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.

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

2.Capital surplus

	December 31, 2021	December 31, 2020
Additional paid-in capital arising from ordinary share	$ 1,822,584	1,822,584
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	238,946
Changes in equity of associates accounted for using equity method	457	457
Others	43,860	43,860
	$ 3,276,107	**3,276,107**

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 adjustment of 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.

The Company recognize and reverse special reserve according to the regulation of Financial Supervisory Commission.

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

During the Board meeting on March 12, 2021, and the Board meeting on March 20, 2020, the Board approved to distribute the 2020 and 2019 earnings, respectively, as follows:

	2020		2019	
	Dividend per share ($)	Amount	Dividend per share ($)	Amount
Dividends distributed to common shareholders				
Cash	$ 3.50	**494,021**	3.30	**465,792**

The amount of cash dividends on the appropriations of earnings for 2021, and the amount of shares dividends of appropriation of earnings for 2021, had been approved and proprosed, respectively during the Board meeting on March 11, 2022, as follows:

	2021	
	Dividend per share ($)	Amount
Dividends distributed to common shareholders:		
Cash	$ 3.50	494,021
Share	0.50	70,575
Total		**$ 564,596**

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, 2021	$ (199,369)	85,289	(114,080)
Exchange differences on translation of foreign financial statement	(92,720)	-	(92,720)
Exchange differences on associates accounted for using equity method	31,647	-	31,647
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	6,761	6,761
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	22,201	22,201
Disposal of investments in equity instrunents designated at fair value through other comprehensive income	-	4,091	4,091
Balance as of December 31, 2021	**$ (260,442)**	**118,342**	**(142,100)**
Balance as of January 1, 2020	$ (107,903)	51,554	(56,349)
Exchange differences on translation of foreign financial statement	(138,342)	-	(138,342)
Exchange differences on associates accounted for using equity method	46,876	-	46,876
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	4,723	4,723
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	29,313	29,313
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)**

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

5.Non-controlling interests after tax

	For the Years Ended December 31, 2021	2020
Balance, beginning of year	$ 1,988,807	1,685,571
Shares attributed to non-controlling interests		
Net income	115,140	97,416
Exchange differences on translation of foreign financial statements	(9,502)	(8,475)
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	1,476	38,979
Gains or losses on remeasurements of defined benefit plans	1,358	(426)
Shares issued for cash by subsidiaries / others	-	269,259
Cash dividends of subsidiaries distributed to non-controlling interests	(89,956)	(90,111)
Non-controlling interests of acquiring subsidiaries	-	(3,406)
Balance, end of year	**$ 2,007,323**	**1,988,807**

(x) Earnings per share

For the years ended December 31, 2021 and 2020, the basic and diluted earnings per share were calculated as follows:

1.Basic earnings per share

	For the Years Ended December 31, 2021	2020
Profit attributable to ordinary shareholders of the Company	**$ 607,149**	**571,670**
Weighted average number of ordinary shares (basic)	**141,149**	**140,652**

2.Diluted earnings per share

	For the Years Ended December 31, 2021	2020
Profit attributable to ordinary shareholders of the Company	**$ 607,149**	**571,670**
Weighted average number of ordinary shares (basic)	141,149	140,652
Effect of employee stock compensation	796	767
Weighted average number of ordinary shares (diluted)	**141,945**	**141,419**

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

(y) Revenue from contracts with customers

1.Disaggregation of revenue

	For the Years Ended December 31,	
	2021	**2020**
Primary geographical markets:		
Taiwan	$ 6,273,083	6,351,482
Hong Kong	46,695	71,858
China	-	130
Philippines	148,917	136,218
Malaysia	104,457	115,806
	$ 6,573,152	**6,675,494**
Major products:		
Product revenue		
Medical equipment and Supplies	$ 3,947,348	3,833,073
Medicines	720,218	1,108,050
Aesthetic medical equipment and Supplies	790,900	799,957
Household appliances	160,457	119,381
Other	74,440	78,279
Repair and maintenance revenue	380,318	359,575
Other operating revenue	499,471	377,179
	$ 6,573,152	**6,675,494**

2.Contract balances

	December 31, 2021	**December 31, 2020**	**January 1, 2020**
Trade receivables	$ 4,567,791	4,024,373	4,024,373
Less: allowance for impairment	(75,475)	(72,628)	(72,628)
Total	**$ 4,492,316**	**3,951,745**	**3,951,745**
Contract liabilities	**$ 379,224**	**311,978**	**320,562**

For details on trade receivables and allowance for impairment, please refer to note (6)(d).

The amount of revenue recognized for the years ended December 31, 2021 and 2020 that was included in the contract liability balance at the beginning of the period were $229,005 thousand and $225,979 thousand, respectively.

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

(z) 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, 2021 and 2020, the Company estimated its employee compensation amounting to $38,706 thousand and $36,379 thousand, and directors' remuneration amounting to $19,353 thousand and $18,189 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 2021 and 2020. 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.

(aa) Non-operating income and expenses

1.Interest Income

The details of other income were as follows:

	For the Years Ended December 31,	
	2021	2020
Interest income from bank deposits	$ 8,777	22,052
Interest income from lease payment receivable	1,421	1,158
Other interest income	494	45
	$ 10,692	**23,255**

2.Other income

The details of other income were as follows:

	For the Years Ended December 31,	
	2021	2020
Dividend income	$ 19,320	23,231
Other income	5,620	9,017
	$ 24,940	**32,248**

(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,	
	2021	**2020**
Interest expenses		
Bank borrowings	$ 3,651	7,439
Others	5,110	3,329
	$ 8,761	**10,768**

4.Other gains and losses

The details of other gains and losses were as follows:

	For the Years Ended December 31,	
	2021	**2020**
(Losses) gains on disposal of property, plant, and equipment	$ (5)	(100)
Foreign exchange (losses) gains	(948)	935
Net gains or losses on financial assets (liabilities) measured at fair value through profit or loss	(6,640)	(200)
Others	25,999	12,915
	$ 18,406	**13,550**

(ab) 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,	
	2021	**2020**
Equity instruments at fair value through other comprehensive income		
Net changes in fair value	$ 10,607	47,551
Net changes of fair value reclassified to retained earnings	(4,091)	301
Net gains or losses recognized in other comprehensive income	**$ 6,516**	**47,852**

(ac) Financial instruments

1. Credit risks

1) Credit risk exposure

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

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

2) Concentration of credit risk

To minimize credit risks of receivables, the Group 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, 2021 and 2020, 45% and 43%, respectively, of notes receivable and accounts receivable were two customers. Thus, credit risk is significantly centralized.

2.Liquidity risks

The following are the contractual maturities of financial liabilities of the Group, 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, 2021								
Non-derivative financial liabilities								
Long-term and short-term borrowings	$ 479,966	479,966	9,616	435,350	35,000	-	-	-
Payables	3,668,755	3,668,755	3,305,175	270,169	38,980	54,421	-	10
Lease liabilities	282,026	282,026	6,494	12,214	18,369	35,166	65,194	144,589
Derivative financial liabilities								
Foreign exchange forward contracts:								
Outflows	76,813	76,813	45,716	31,097	-	-	-	-
Inflows	(76,140)	(76,140)	(45,187)	(30,953)	-	-	-	-
	$ 4,431,420	4,431,420	3,321,814	717,877	92,349	89,587	65,194	144,599
December 31, 2020								
Non-derivative financial liabilities								
Long-term and short-term borrowings	$ 408,749	408,749	235,706	170,917	2,126	-	-	-
Payables	2,883,615	2,883,615	765,588	397,987	1,648,940	70,911	189	-
Lease liabilities	303,826	303,826	6,827	13,230	19,556	38,756	67,863	157,594
Derivative financial liabilities								
Foreign exchange forward contract								
Outflows	11,404	11,404	11,404	-	-	-	-	-
Inflows	(11,358)	(11,358)	(11,358)	-	-	-	-	-
	$ 3,596,236	3,596,236	1,008,167	582,134	1,670,622	109,667	68,052	157,594

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

			December 31, 2021	
Functional currency	**Exchange rate**	**Currency**	**Foreign currency (in thousands)**	**Carrying amount (TWD)**
Financial assets				
Monetary items				
TWD	27.680	USD	$ 4,086	113,101
TWD	31.320	EUR	1,816	56,877
HKD	7.799	USD	8,420	233,066
Non-Monetary items				
TWD	0.024	KRW	4,931,441	115,889
USD	0.157	CNY	30,650	133,115
USD	0.128	HKD	116,273	412,602
USD	0.230	MYR	25,902	164,614
Financial liabilities				
Monetary items				
TWD	0.241	JPY	285,780	68,730
TWD	31.320	EUR	295	9,239
TWD	27.680	USD	1,769	48,966

			December 31, 2020	
Functional currency	**Exchange rate**	**Currency**	**Foreign currency (in thousands)**	**Carrying amount (TWD)**
Financial assets				
Monetary items				
TWD	28.480	USD	$ 4,320	123,033
TWD	0.276	JPY	372,050	102,797
HKD	7.754	USD	9,377	267,257
Non-Monetary items				
TWD	0.026	KRW	6,453,000	170,458
USD	0.154	CNY	29,897	130,872
USD	0.129	HKD	108,875	399,999
USD	0.238	MYR	22,077	149,897
Financial liabilities				
Monetary items				
TWD	0.276	JPY	494,625	136,665

Since the Group 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, 2021 and 2020, foreign exchange gains or losses amounted to gains of $948 thousand and losses of $935 thousand, respectively.

2) Sensitivity analysis

The Group'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, 2021 and 2020 would have increased or decreased the net profit after tax by $2,331 thousand and $2,721 thousand, respectively. The analysis is performed on the same basis for both periods.

3) Interest rate risk

The Group'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 the interest rate increases or decreases by 1%, assuming that all other variables remain constant, the Group's profit will decrease or increase by $20,310 thousand and $7,609 thousand for the years ended December 31, 2021 and 2020, respectively. The changes are mainly due to floating rate bank deposits and borrowings of the Group.

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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, 2021 and 2020 would have increased/decreased by $7,015 thousand and $7,354 thousand, respectively, as a result of the changes in fair values of financial assets at fair value through other comprehensive income.

4.Fair value information

1) The categories and fair values of financial instruments

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group'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, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed shares	$ 90,528	90,528	-	-	90,528
Foreign listed shares	152,234	152,234	-	-	152,234
Domestic unlisted shares	149,478	-	-	149,478	149,478
Foreign unlisted shares	309,301	-	-	309,301	309,301
Sub-total	701,541	242,762	-	458,779	701,541
Financial assets at amortized cost					
Cash and cash equivalents	3,072,264	-	-	-	-
Time deposits with original maturity of more than 3 months	682,603	-	-	-	-
Receivables	4,493,316	-	-	-	-
Other financial assets	243,907	-	-	-	-
Sub-total	8,492,090	-	-	-	-
Total	**$ 9,193,631**	**242,762**	**-**	**458,779**	**701,541**

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	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 673	-	673	-	673
Financial liabilities at amortized cost					
Short-term and long-term borrowings	479,966	-	-	-	-
Payables	3,668,755	-	-	-	-
Lease liabilities	282,026	-	-	-	-
Sub-total	4,430,747	-	-	-	-
Total	**$ 4,431,420**	**-**	**673**	**-**	**673**

	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	103,792	103,792	-	-	103,792
Foreign listed shares	194,205	194,205	-	-	194,205
Domestic unlisted shares	129,680	-	-	129,680	129,680
Foreign unlisted shares	307,760	-	-	307,760	307,760
Sub-total	735,437	297,997	-	437,440	735,437
Financial assets at amortized cost					
Cash and cash equivalents	2,618,464	-	-	-	-
Time deposits with original maturity of more than 3 months	774,526	-	-	-	-
Receivables	3,951,745	-	-	-	-
Other financial assets	305,798	-	-	-	-
Sub-total	7,650,533	-	-	-	-
Total	**$ 8,386,136**	**297,997**	**166**	**437,440**	**735,603**

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	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 46	-	46	-	46
Financial liabilities at amortized cost					
Short-term and long-term borrowings	408,749	-	-	-	-
Payables	2,883,615	-	-	-	-
Lease liabilities	303,826	-	-	-	-
Sub-total	3,596,190	-	-	-	-
Total	**$ 3,596,236**	**-**	**46**	**-**	**46**

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

The Group'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.

3) Valuation techniques for financial instruments measured at fair value

The Group 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.

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For the Group'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 of the fair value

	Fair value through other comprehensive income
	unquoted equity instruments
Balance as of January 1, 2021	$ 437,440
Total gains and losses recognized	
In other comprehensive income	40,716
Reclassification and effect of movements in exchange rates	(18,781)
Disposal	(596)
Balance as of December 31, 2021	**$ 458,779**
Balance as of January 1, 2020	$ 534,887
Total gains and losses recognized	
In other comprehensive income	18,942
Reclassification and effect of movements in exchange rates	(116,389)
Balance as of December 31, 2020	**$ 437,440**

For the years ended December 31, 2021 and 2020, 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, 2021	2020
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"	$ 40,716	18,942

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

The Group’ s financial instruments that use Level 3 inputs to measure fair value include “ financial assets at 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/EBITOA Value Multiple (8 on December 31, 2021) EV/Revenue Value Multiple (2.22 and 1.94~2.26 on December 31, 2021 and 2020) · P/B Value Multiple (1.14~4.74 and 1.13~3.98 on December 31, 2021 and 2020) · Discount due to Lack of Market liquidity (15.36%~30.00% and 21.53%~30.00% on December 31, 2021 amd 2020)	· 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 Group' 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, 2021				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	$ 24,204	(24,204)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	32,288	(32,288)
			$ 56,492	(56,492)
December 31, 2020				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	$ 22,973	(22,973)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	30,951	(30,951)
			$ 53,924	(53,924)

(ad) Financial risk management

1.Overview

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

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group'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 consolidated financial statements.

2.Risk management framework

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

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, 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 Group. The Group, 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 Group’s Board of Directors oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group’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 Group. As at the end of the reporting period, the Group’s maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

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

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

In order to minimize credit risk, the management of the Group 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 Group 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 for subsidiaries as of December 31, 2021.

4.Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’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 Group’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 Group'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 Group 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 Group was as follows:

1) Currency risk

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

2) Interest rate risk

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

3) Other price risk

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

(ae) Capital Management

The Group'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 Group 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 Group 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.

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

The Group's investing and financing activities which did not affect the current cash flow in the year ended December 31, 2021 and 2020, were as follows:

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

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Non-cash changes			December 31, 2021
			Acquisition	Foreign exchange movement	Others	
Short-term and long-term borrowings	$ 408,749	71,413	-	(196)	-	479,966
Lease liabilities	303,826	(75,635)	73,608	(815)	(18,958)	282,026
Total liabilities from financing activities	**$ 712,575**	**(4,222)**	**73,608**	**(1,011)**	**(18,958)**	**761,992**

	January 1, 2020	Cash flows	Non-cash changes			December 31, 2020
			Acquisition	Foreign exchange movement	Others	
Short-term borrowings	$ 1,221,666	(812,917)	-	-	-	408,749
Lease liabilities	241,209	(75,599)	159,080	(72)	(20,792)	303,826
Total liabilities from financing activities	**$ 1,462,875**	**(888,516)**	**159,080**	**(72)**	**(20,792)**	**712,575**

(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 consolidated financial statements.

Name of related party	Relationship with the Group
Excelsior Investment Co., Ltd.	Entities with significant influence over the Group
Excelsior Group Holdings Co., Ltd.	〃
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.	〃
Excelsior Long Term Care Corporation Entity	〃

Name of related party	Relationship with the Group
CYJ INTERNATIONAL COMPANY LIMITED (CYJ)	Associate
Medytox Taiwan Inc.	〃
Arich Best Chain Co., Ltd.(Arich Best Chain)	〃
Exceed Healthcare Co., Ltd.	〃
SciVision Biotech Inc.	Other related parties
Excelsior Health Foundation	〃
Caregen Co., Ltd.	〃
RENAL HEALTHCARE SDN. BHD.	〃
Triple AI Technology Co., Ltd.	Other related parties before May 31, 2021
Arcos Bio-Tech Corporation	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 Group to related parties were as follows:

	For the Years Ended December 31,	
	2021	2020
Associates - Bestchain	$ 1,948,018	1,789,712
Associates - ERS	777,052	762,596
Associates - Others	24,830	23,688
Other related parties	-	373
	$ 2,749,900	**2,576,369**

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

2) Repair and maintenance revenue

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

	For the Years Ended December 31,	
	2021	2020
Associates - ERS	$ 89,352	85,521
Associates	1,539	2,589
	$ 90,891	**88,110**

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

3) Other operating revenue-rental revenue

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

	For the Years Ended December 31, 2021	2020
Entities with significant influence over the Group	$ 72	72
Associates - ABH	13,003	12,720
Associates - ERS	4,526	4,704
Associates - Others	1,102	950
Other related parties	40	96
	$ 18,743	**18,542**

4) Other operating revenue-service revenue

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

	For the Years Ended December 31, 2021	2020
Associates	$ 12,801	13,041
Other related parties	132	166
	$ 12,933	**13,207**

2.Purchases from related parties

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

	For the Years Ended December 31, 2021	2020
Associates	$ 33,580	9,059
Other related parties	86,990	108,825
	$ 120,570	**117,884**

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

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

3.Receivables from related parties

Receivables from related parties were as follows:

Accounted for as	Category of related party	December 31, 2021	December 31, 2020
Notes receivable	Associates	$ 51	34
Other notes receivable	Associates	793	362
Accounts receivable	Associates - Bestchain	562,895	455,825
Accounts receivable	Associates - ERS	161,552	159,022
Accounts receivable	Associates - Others	9,030	8,970
Other receivables	Associates	2,566	2,682
Other receivables	Other related parties	2	8
		$ 736,889	**626,903**

4.Payables to related parties

Payables to related parties were as follows:

Accounted for as	Category of related party	December 31, 2021	December 31, 2020
Accounts payable	Associates	$ 20,904	4,674
Accounts payable	Other related parties	81	10,968
Other payables	Associates	12,643	10,460
		$ 33,628	**26,102**

5.Property transactions

1) Disposals of property, plant and equipment

The disposals of property, plant and equipment to related parties were summarized as follows:

	For the Years Ended December 31,			
	2021		2020	
Category of related party	Disposal price	Gains (losses) from disposal	Disposal price	Gains (losses) from disposal
Associates	**$ 95**	**95**	**95**	**95**

6.Guarantee

As of December 31, 2021 and 2020, the Group provided associates guarantees for loans. The credit limit of the guarantees were $800,000 thousand and $661,200 thousand, respectively, and the amount utilized were $0 thousand and $76,000 thousand, respectively.

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

7.Lease

1) In 2018, the Group 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, 2021 and 2020, the Group recognized the amount of $1 thousand and $2 thousand as interest expense. As of December 31, 2021 and 2020, the balance of lease liabilities amounted to $20 thousand and $139 thousand, respectively.

2) In 2019, the Group rent the staff dormitory with RENAL HEALTHCARE SDN. BHD. A three-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 $484 thousand. For the years ended December 31, 2021 and 2020 the Group recognized the amount of $4 thousands and $12 thousand as interest expense. As of December 31, 2021 and 2020, the balance of lease liabilities amounted to $0 thousand and $158 thousand, respectively.

8.Others

	For the Years Ended December 31,	
	2021	2020
Associates and Other related parties		
Other revenue-rental revenue	$ 54	-
Other revenue	3,394	4,717
Cost of goods sold	(288)	(381)
Repair and maintenance costs	(3,392)	-
Fright and warehousing expense	(49,182)	(48,318)
Rent expense	(830)	(1,043)
Other expense	(25,761)	(19,109)
	$ (76,005)	**(64,134)**

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

As of December 31, 2021 and 2020, the Group had received collections in advance from associates for $220 thousand and $1,000 thousand, respectively.

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized for receivables from related parties.

The outstanding payables to related parties are unsecured.

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

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the Years Ended December 31, 2021	2020
Short-term employee benefits	$ 74,255	80,052
Post-employment benefit	1,425	1,462
Share-based payment	-	978
	$ 75,680	82,492

(8) Pledged Assets

The carrying amount of pledged assets were as follows:

Pledged assets	Object	December 31, 2021	December 31, 2020
Current deposits and time deposits	Bank loans, bank guarantee and credit card document receiving service guarantee	$ 53,702	181,570
Notes receivable and other notes receivable	Guarantee of short-term loan or strengthening credit	200,171	173,612
Property, plant and equipment	Bank loans	89,859	97,822
Investment property	〃	1,002,235	929,196
		$ 1,345,967	1,382,200

(9) Significant Commitments and Contingencies

(a) Unrecognized contractual commitments

1. As of December 31, 2021 and 2020, the unused letters of credit were $0 thousand and $82,607 thousand, respectively. The guarantee letters issued by banks for sales contract guarantee and purchase bid of hospital were $544,488 thousand and $544,488 thousand, respectively.

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.

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

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 month 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.

(12) Other

(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, 2021			For the Years Ended December 31, 2020		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	184,320	352,519	536,839	173,453	365,401	538,854
Labor and health insurance	17,246	29,296	46,542	14,585	26,373	40,958
Pension	9,579	18,328	27,907	8,202	17,428	25,630
Others	11,380	17,992	29,372	9,845	13,450	23,295
Depreciation	144,881	53,752	198,633	111,561	51,130	162,691
Amortization	1,178	3,143	4,321	807	3,969	4,776

(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 Group for the year ended December 31, 2021:

1. Fund financing to other parties:

(Expressed in thousands of New Taiwan dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short -term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limitation on fund financing
													Name	Value		
1	SinoExcelsior Investment Inc.	Excelsior Healthcare Co., Limited	Other receivables-Related parties	Yes	2,085	2,085	-	1.00%	2	-	Operating Capital	-	None	-	53,246	53,246

Note 1: The numbers denote the following:
1. 0 is issuer.
2. Investees are listed by names and numbered starting with 1.

Note 2: Purpose of fund financing for the borrower:
1. For those companies with business contact, please fill in 1.
2. For those companies with short-term financing needs, please fill in 2.

Note 3: Maximum limitation on fund financing:
1. The lender's each and total fund financial amount cannot exceed 40% of its net asset value that from the most recent reviewed report.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

2. Guarantees and endorsements for other parties:

(Expressed in thousands of New Taiwan dollars)

No.	Endorsement/ guarantee provider	Counter-party		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
		Name	Nature of relationship (Note 2)										
0	The Company	Excelsior Medical (HK) Co., Limited (Note 4)	2	1,547,678	770,280	770,280	-	-	9.95 %	7,738,389	Y	N	N
0	〃	Excelsior Investment (Malaysia) Co., Ltd. (Note 4)	2	1,547,678	58,831	31,140	-	-	0.40 %	7,738,389	Y	N	N
0	〃	Excelsior Asset Management CO., Ltd. (Note 4)	2	1,547,678	990,000	990,000	75,350	-	12.79 %	7,738,389	Y	N	N
0	〃	EG Healthcare, Inc. (Note 4)	2	1,547,678	29,305	26,765	9,635	-	0.35 %	7,738,389	Y	N	N
0	〃	Bestsmile Co., Ltd. (Note 4)	2	1,547,678	20,000	20,000	10,000	-	0.26 %	7,738,389	Y	N	N
0	〃	Medi-Chem System Sdn. Bhd. (Note 4)	2	1,547,678	14,268	13,840	-	-	0.18 %	7,738,389	Y	N	N

No.	Endorsement/ guarantee provider	Counter-party		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
		Name	Nature of relationship (Note 2)										
0	The Company	Renal Laboratories Sdn. Bhd. (Note 4)	2	1,547,678	71,338	69,200	-	-	0.89 %	7,738,389	Y	N	N
0	〃	Excelsior Renal Service Co., Limited (Note 3)	1	762,596	-	-	-	-	- %	7,738,389	N	N	N
0	〃	Bestchain Healthtaiwan Co., Ltd. (Note 3)	1	1,788,061	800,000	800,000	-	-	10.34 %	7,738,389	N	N	N
1	Dynamic Medical Technologies Inc.	Dynamic Medical Technologies (Hong Kong) Ltd. (Note 6)	2	256,808	54,682	-	-	-	- %	642,021	Y	N	N
2	Excelsior Beauty Co., Ltd.	Dynamic Medical Technologies Inc. (Note 7)	3	71,307	500	100	-	-	0.03 %	178,268	N	Y	N
3	Arich Enterprise Co., Ltd.	Taiwan Shionogi Inc. (Note 5)	1	169,779	-	-	-	-	- %	908,994	N	N	N

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 review report: Dynamic, Excelsior Beauty and Arich cannot exceed 50% of their net asset value from the most recent audited or reviewed report.

Note 9: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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				Peak Holding Percentage	Notes
				Number of shares	Book value	Percentage of shares	Market value		
	Stock								
The Company	SciVision Biotech Inc.	-	Fair value through other comprehensive income	534,525	26,512	0.81 %	26,512	0.81 %	
〃	3-D Matrix, Ltd.	-	〃	288,400	36,345	0.53 %	36,345	0.71 %	
〃	Caregen Co., Ltd	-	〃	39,657	61,974	0.37 %	61,974	0.52 %	
〃	Gie Cheng Co., Ltd.	-	〃	3,795,000	34,497	17.25 %	34,497	17.25 %	
〃	Missioncare Co., Ltd.	-	〃	1,580,526	21,068	1.09 %	21,068	1.09 %	
〃	Rui Guang Healthcare Co., Ltd.	-	〃	2,423,951	27,027	7.15 %	27,027	7.15 %	
〃	Sunder Biomedical Tech. Co., Ltd.	-	〃	2,279,578	54,756	3.80 %	54,756	3.80 %	
	Linkon International Golf & Country Club			1	9,300	0.10 %	9,300	0.10 %	

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance: Number of shares	Ending balance: Book value	Ending balance: Percentage of shares	Ending balance: Market value	Peak Holding Percentage	Notes
Excelsior Healthcare Co.Limited	Chai Tai Bo Ai Investment Limited	-	Fair value through other comprehensive income	10,000	8,086	8.00	8,086	8.00	
EG Healthcare, Inc.	The Orchard Golf & Country Club	-	〃	1	368	- %	368	- %	
Dynamic Medical Technologies Inc.	SciVision Biotech Inc.	Other related parties	〃	1,290,649	64,016	1.95 %	64,016	1.95 %	
〃	Caregen Co., Ltd.	〃	〃	34,500	53,915	0.32 %	53,915	0.32 %	
	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	2,830	19.00	2,830	19.00	
Arich Enterprise Co., Ltd.	National Pharmaceutical Logistics Corp., Ltd.	Board director of investee	〃	-	300,847	17.65 %	300,847	17.65 %	

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)

Name of company	Name of Counter-party	Relationship	Transaction details: Purchase/ Sale	Transaction details: Amount	Transaction details: Percentage of total purchases/ sales	Transaction details: Credit period	Transactions with terms different from others: Unit price	Transactions with terms different from others: Credit period	Account/note receivable (payable): Balance	Account/note receivable (payable): Percentage of total accounts/ notes receivable (payable)	Notes
The Company	Excelsior Renal Service Co., Limited	Associates	Sales	(776,954)	(17.77)%	Net 30-60 days	-		161,552	13.72 %	Note 1
〃	Bestchain Healthtaiwan Co., Ltd.	〃	〃	(1,946,276)	(44.50)%	Net 30-90 days	-		562,276	47.77 %	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.
Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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	161,552	4.85	-	-	151,090	-
〃	Bestchain Healthtaiwan Co., Ltd.	〃	562,276	3.83	-	-	181,917	-

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

9. Derivative transactions:

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

10. Business relationships and significant inter-company transactions:

Number	Name of the company	Name of the counter-party	Existing relationship with the counter-party	Transaction details during 2021			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
0	The Company	EG Healthcare Inc.	1	Account Receivable	28,016	The same as the term for other general trading partners	0.19 %
〃	〃	〃	1	Sales	54,400	Usual terms and conditions	0.83 %
1	Dynamic Medical Technologies Inc.	Dynamic Medical Technologies (Hong Kong) Ltd.	3	Account Receivable	1,674	The same as the term for other general trading partners	0.01 %
〃			3	Sales	44,781	Usual terms and conditions	0.68 %

Note 1: The numbers denote the following:
1. 0 represents the Company.
2. Subsidiaries are listed by names and numbered starting with 1.

Note 2: Relationship with the listed companies:
1. The Company to subsidiary
2. Subsidiary to the Company
3. Subsidiary to subsidiary

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated assets; if categorized as income or loss, the calculation is compared with the consolidated income or loss.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(b) Information on investees:

For the year ended December 31, 2021, 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			Peak	Net income	Investment	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value	Holding Percentage	(loss) of the investee	income (losses)	
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 %	19,853	49.00 %	(402)	(197)	Associates
〃	Bestchain Healthtaiwan Co., Ltd.	New Taipei City	Sale of medical equipment and medicines, interagation of warehousing and information	277,647	277,647	45,265,215	44.68 %	640,758	44.68 %	182,840	81,616	Associates (Note 1)
〃	Arich Enterprise Co., Ltd.	New Taipei City	Sale of medicines, and logistics service	380,856	380,856	29,829,742	40.00 %	725,159	40.00 %	55,305	22,043	Subsidiary (Notes 2、4)
〃	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 %	507,317	38.50 %	123,206	47,224	Subsidiary (Note 4)
〃	Excelsior Healthcare Co., Limited	British Virgin Islands	Investment business	1,244,687	1,244,687	39,411,623	100.00 %	1,753,523	100.00 %	130,678	130,678	Subsidiary (Notes 4)
〃	Bestsmile Co., Ltd.	New Taipei City	Sale of medical equipment, and medical management consultancy service	32,093	32,093	1,150,874	98.02 %	1,971	98.02 %	(3,688)	(3,614)	Subsidiary (Note 4)
〃	Visionfront Corporation	New Taipei City	Sale of medical equipment, and medical management consultancy service	44,069	44,069	2,434,870	44.47 %	22,870	44.47 %	(875)	(389)	Associates
〃	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 %	28,300	23.97 %	988	237	Associates
〃	Excelsior Medical (HK) Co., Limited	Hong Kong	Investment business	1,588,746	1,588,746	53,154,741	64.36 %	1,608,764	64.36 %	55,904	35,980	Subsidiary (Note 4)
〃	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 %	146,523	41.02 %	30,874	12,762	Sub-subsidiary (Note 4)
〃	Excelsior Asset Management Co., Ltd.	New Taipei City	Sales of medical equipment, precision instrument and real estate	780,525	780,525	80,825,500	100.00 %	622,866	100.00 %	16,297	16,297	Subsidiary (Note 4)
〃	Medifly Co., Ltd.	Taichung	Sale of medical equipment and medicines	31,899	31,899	3,615,976	28.66 %	89,847	28.66 %	50,414	14,448	Associates

(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			Peak	Net income	Investment	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value	Holding Percentage	(loss) of the investee	income (losses)	
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 %	76,000	99.99 %	11,958	-	Sub-subsidiary (Note 4)
〃	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 %	412,602	49.00 %	175,336	-	Associates
〃	Excelsior Medical (HK) Co., Limited	Hong Kong	Investment business	862,529	862,529	29,439,829	35.64 %	890,869	35.64 %	55,904	-	Subsidiary (Note 4)
〃	Excelsior Investment (Malaysia) Co., Ltd	British Virgin Islands	Investment business	192,814	166,346	6,341,416	100.00 %	164,614	100.00 %	391	-	Sub-subsidiary (Note 4)
Dynamic Medical Technologies Inc.	Dynamic Medical Technologies (Hong Kong) Ltd.	Hong Kong	Sale and maintenance of medical equipment	382,278	382,278	79,021,783	100.00 %	262,171	100.00 %	12,416	-	Subsidiary (Note 4、5)
〃	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 %	186,103	53.89 %	30,874	-	Subsidiary (Note 1、4)
〃	Medytox Taiwan Inc.	New Taipei City	Sale of cosmetic health-care products	18,000	18,000	1,800,000	40.00 %	12	40.00 %	4,546	-	Associates
Dynamic Medical Technologies (Hong Kong) Ltd.	CYJ INTERNATIONAL COMPANY LIMITED	Hong Kong	Sale and treatment of hair regrowth and conditioning	66,547	66,547	2,150,000	50.00 %	11,882	50.00 %	4,072	-	Associates
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 %	97,679	80.00 %	21,254	-	Sub-subsidiary (Note 4)
Excelsior Medical (HK) Co., Limited	Asia Best Healthcare Co., Ltd.	Cayman Islands	Long-term care business	1,395,079	1,395,079	338,800	49.38 %	1,405,198	49.38 %	103,173	-	Associates
Excelsior Investment (Malaysia) Co., Ltd	RENAL LABORATORIES SDN. BHD.	Malaysia	Manufacture of medical equipment	145,264	136,982	16,773,586	70.00 %	159,207	70.00 %	2,672	-	Sub-subsidiary (Note 4)
〃	MEDI-CHEM SYSTEMS SDN. BHD.	Malaysia	Sale of medical equipment	44,052	25,865	350,000	70.00 %	35,771	70.00 %	(391)	-	Sub-subsidiary (Note 4)
MEDI-CHEM SYSTEMS SDN. BHD.	RENAL MANAGEMENT SDN. BHD.	Malaysia	Lease business	1,315	1,315	200,000	100.00 %	8,656	100.00 %	90	-	Sub-subsidiary (Note 4)

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: The aforementioned inter-company transaction has been eliminated in the consolidated financial statement.
Note 5: Dynamic Medical Technologies (Hong Kong) Ltd. has capital reduction by cash to offset company losses of $76,445 thousands and cancelled 19,755,455 shares of common stock in February 2021.

(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 Out-flow	Investment flows Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Peak Holding Percentage	Current investment gains and losses	Carrying Amount	Accumulated Inward Remittance of Earnings
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	(19,281)	7.80 %	7.80 %	-	8,086	-
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	3,228	100.00 %	100.00 %	3,228	133,115	-
Guangzhou Dynamic Inc. (Note 6)	Sale and maintenance of medical equipment	44,346	(2)	119,574	-	-	119,574	(1,015)	100.00 %	100.00 %	(1,015)	11,053	-
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	156,671	17.65 %	17.65 %	-	300,847	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	4,643,033
Dynamic	153,998	153,998	770,425
Arich	66,603	66,603	1,090,792

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, 2021, 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, 2021, 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.

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

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, 2021, 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 is the 60% of net value.
(2)The upper limit on investment of Arich is the higher of $80,000 thousand or 60% of net value.
Note 9: All amounts listed are disclosed in NTD.
Note 10: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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

(a) General information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of company. Specifically, the Group’s reportable segments were as follows:

1.Excelsior segment - the Company.

2.Dynamic segment - Dynamic, Hong Kong Dynamic, Excelsior Beauty, Guangzhou Dynamic, and CYJ International Taiwan Inc..

3.Arich segment - Arich.

4.Other segment - Bestsmile, Excelsior Healthcare, EG Healthcare, Excelsior Investment (Malaysia), RENAL LABORATORIES SDN. BHD., MEDI-CHEM SYSTEMS SDN. BHD., RENAL MANAGEMENT SDN. BHD., Excelsior Asset, Hong Kong Excelsior and SinoExcelsior Investment.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

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

The operating segment accounting policies are similar to those described in Note (4) "significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis.

The Group's operating segment information and reconciliation are as follows:

For the Years Ended December 31, 2021	Excelsior segment	Dynamic segment	Arich segment	Others	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	$ 4,306,026	1,024,576	945,600	296,950	-	6,573,152
Inter-segment revenue	67,168	3,607	61	26,638	(97,474)	-
Interest revenue	624	4,008	855	6,192	(987)	10,692
Total	**$ 4,373,818**	**1,032,191**	**946,516**	**329,780**	**(98,461)**	**6,583,844**
Interest expense	$ 572	872	4,502	3,397	(582)	8,761
Depreciation and amortization	28,469	96,193	41,829	46,463	(10,000)	202,954
Reportable segment profit (loss)	**$ 716,069**	**173,821**	**68,115**	**177,296**	**(261,565)**	**873,736**

For the Years Ended December 31, 2020	Excelsior segment	Dynamic segment	Arich segment	Others	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	$ 4,141,741	1,008,324	1,251,363	274,066	-	6,675,494
Inter-segment revenue	57,999	984	32	17,095	(76,110)	-
Interest revenue	1,246	6,439	406	15,164	-	23,255
Total	**$ 4,200,986**	**1,015,747**	**1,251,801**	**306,325**	**(76,110)**	**6,698,749**
Interest expense	$ 560	1,010	6,558	2,871	(231)	10,768
Depreciation and amortization	26,029	80,474	34,720	29,636	(3,392)	167,467
Reportable segment profit (loss)	**$ 673,009**	**148,690**	**62,717**	**178,277**	**(233,310)**	**829,383**

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

(c) Product and service information

Revenue from the external customers of the Group was as follows:

	For the Years Ended December 31,	
Name of products and services	**2021**	**2020**
Product revenue		
Medical equipment and supplies	$ 3,947,348	3,833,073
Medicines	720,218	1,108,050
Aesthetic medical equipment and supplies	790,900	799,957
Household appliances	160,457	119,381
Others	74,440	78,279
Repair and maintenance revenue	380,318	359,575
Rental revenue	54,534	33,230
Other operating revenue	444,937	343,949
Total	**$ 6,573,152**	**6,675,494**

(d) Geographical information

	For the Years Ended December 31,	
By region	**2021**	**2020**
Revenue from external customers:		
Taiwan	$ 6,273,083	6,351,482
Hong Kong	46,695	71,858
China	-	130
Philippines	148,917	136,218
Malaysia	104,457	115,806
Total	**$ 6,573,152**	**6,675,494**

By region	**December 31, 2021**	**December 31, 2020**
Non-current assets：		
Taiwan	$ 1,763,581	1,630,565
Hong Kong	232	1,615
China	7	87
Philippines	32,102	31,705
Malaysia	201,362	219,402
British Virgin Islands	10,277	10,574
Total	**$ 2,007,561**	**1,893,948**

Non-current assets include property, plant and equipment, right-of-use assets, investment properties, intangible assets, and other assets, but do not include financial instruments, deferred tax assets, pension assets, and rights from insurance contracts.

(e) Revenue from main customers

	For the Years Ended December 31,	
	2021	2020
Bestchain	$ 1,952,623	1,795,253
Excelsior Renal Service	878,400	860,245
	$ 2,831,023	**2,655,498**