

**EXCELSIOR MEDICAL CO., LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023**

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

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Excelsior Medical Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$706,350 thousand and \$591,762 thousand, constituting 3.99% and 3.49% of consolidated total assets as of June 30, 2024 and 2023, respectively, total liabilities amounting to \$50,173 thousand and \$49,594 thousand, constituting 0.73% and 0.77% of consolidated total liabilities as of June 30, 2024 and 2023, respectively, and total comprehensive (loss) income amounting to \$(218) thousand, \$(4,041) thousand, \$(1,051) thousand and \$(1,933) thousand, constituting (0.10)%, (0.82)%, (0.19)% and (0.23)% of consolidated total comprehensive (loss) income for the three months and six months ended June 30, 2024 and 2023, respectively.

Furthermore, as stated in Note (6)(g), the other equity accounted investments of Excelsior Medical Co., Ltd. and its subsidiaries in its investee companies of \$4,283,730 thousand and \$4,027,306 thousand as of June 30, 2024 and 2023, respectively, and its share of comprehensive income of associates and joint ventures accounted for using equity method on these investee companies of \$112,687 thousand, \$81,891 thousand, \$200,703 thousand and \$169,561 thousand for the three months and six months ended June 30, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.



Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Excelsior Medical Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Wu, Tsao-Jen and Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)
August 9, 2024

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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review 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

JUNE 30, 2024 AND 2023

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		June 30, 2024		December 31, 2023		June 30, 2023					June 30, 2024		December 31, 2023		June 30, 2023	
ASSETS		Amount	%	Amount	%	Amount	%		LIABILITIES AND EQUITY		Amount	%	Amount	%	Amount	%
Current assets:									Current liabilities:							
1100	Cash and cash equivalents (Notes (6)(a))	\$ 2,501,343	14	2,614,786	14	2,332,869	14	2100	Short-term borrowings (Note (6)(n))		\$ 1,151,448	7	1,134,887	6	459,326	3
1110	Current financial assets at fair value through profit or loss	220	-	-	-	335	-	2120	Current financial liabilities at fair value through profit or loss		786	-	-	-	1,331	-
	(Note (6)(b))								(Note (6)(b))							
1136	Current financial assets at amortized cost (Note (6)(d))	714,832	4	768,167	4	609,659	4	2130	Current contract liabilities		454,774	3	559,166	3	490,827	3
1151	Notes receivable (Notes (6)(e), (7) and (8))	266,706	1	305,120	2	257,771	1	2150	Notes payable		2,904	-	1,797	-	1,604	-
1152	Other notes receivable (Notes (6)(e), (7) and (8))	287,932	2	317,692	2	227,728	1	2170	Accounts payable (Note (7))		975,062	6	972,929	5	915,295	5
1170	Accounts receivable (Notes (6)(e) and (7))	1,650,927	9	1,656,216	9	1,516,173	9	2200	Other payables (Notes (6)(o) and (7))		3,190,330	18	3,464,888	19	3,640,466	21
1200	Other receivables (Notes (6)(e) and (7))	3,150,381	18	3,535,650	20	3,168,504	19	2230	Current tax liabilities		96,640	-	143,368	1	103,369	1
130X	Inventories (Note (6)(f))	1,146,954	7	1,247,430	7	1,132,345	7	2280	Current lease liabilities (Notes (6)(r) and (7))		75,065	-	69,966	-	75,077	-
1476	Other current financial assets (Note (8))	58,034	-	23,115	-	28,817	-	2399	Other current liabilities, others (Notes (6)(p), (q) and (7))		381,594	2	331,756	3	344,929	2
1479	Other current assets, others	302,650	2	223,654	1	220,468	1				6,328,603	36	6,678,757	37	6,032,224	35
		10,079,979	57	10,691,830	59	9,494,669	56		Non-Current liabilities:							
Non-current assets:								2570	Deferred tax liabilities (Note (6)(u))		230,968	1	235,072	1	247,259	2
1517	Non-current financial assets at fair value through other	599,873	3	716,307	4	818,574	5	2580	Non-current lease liabilities (Notes (6)(r) and (7))		265,798	2	236,829	1	186,075	1
	comprehensive income (Note (6)(c))							2640	Net defined benefit liability (Note (6)(t))		9,085	-	8,880	-	8,391	-
1550	Investments accounted for using equity method (Note (6)(g))	4,286,430	24	3,980,044	22	4,027,306	24	2650	Credit balance of investments accounted for using equity method		2,700	-	581	-	-	-
1600	Property, plant and equipment (Notes (6)(j) and (8))	788,315	5	772,612	4	749,662	4		(Note (6)(g))							
1755	Right-of-use assets (Note (6)(k))	331,026	2	298,694	2	254,652	2	2670	Other non-current liabilities, others (Note (6)(p))		8,075	-	6,847	-	6,844	-
1760	Investment property, net (Notes (6)(l) and (8))	1,102,237	7	1,101,802	6	1,105,403	7				516,626	3	488,209	2	448,569	3
1780	Intangible assets (Note (6)(m))	44,780	-	45,151	-	44,676	-		Total liabilities		6,845,229	39	7,166,966	39	6,480,793	38
1840	Deferred tax assets (Note (6)(u))	130,898	1	136,998	1	151,674	1									
1930	Long-term notes and accounts receivable (Note (6)(e))	72,939	-	57,929	-	51,317	-		Equity attributable to owners of parent (Note (6)(v)):							
1975	Net defined benefit asset (Note (6)(t))	26,575	-	29,333	-	25,087	-	3100	Share capital		1,556,167	9	1,556,167	9	1,482,064	9
1980	Other non-current financial assets (Note (8))	202,411	1	220,905	2	190,322	1	3150	Stock dividend to be distributed		77,808	-	-	-	74,103	1
1990	Other non-current assets, others	24,994	-	28,320	-	33,819	-	3200	Capital surplus		3,382,406	19	3,287,576	18	3,276,372	19
		7,610,478	43	7,388,095	41	7,452,492	44	3300	Retained earnings		3,237,499	19	3,502,602	20	3,088,173	18
								3400	Other equity		390,030	2	266,664	1	368,602	2
									Total equity attributable to owners of parent		8,643,910	49	8,613,009	48	8,289,314	49
								36XX	Non-controlling interests (Notes (6)(i) and (v))		2,201,318	12	2,299,950	13	2,177,054	13
									Total equity		10,845,228	61	10,912,959	61	10,466,368	62
TOTAL ASSETS		\$ 17,690,457	100	18,079,925	100	16,947,161	100		TOTAL LIABILITIES AND EQUITY		\$ 17,690,457	100	18,079,925	100	16,947,161	100

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

		For the three months ended June 30				For the Six Months Ended June 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes (6)(x) and (7))	\$ 2,159,513	100	2,022,413	100	4,201,550	100	4,028,818	100
5000	Operating costs (Notes (6)(f) and (7))	1,737,501	80	1,606,356	79	3,369,605	80	3,207,963	80
	Gross profit from operations	422,012	20	416,057	21	831,945	20	820,855	20
5910	Less: Unrealized profit from sales	22,343	1	20,928	1	45,491	1	43,331	1
5920	Add: Realized profit from sales	25,537	1	21,622	1	50,693	1	44,510	1
		425,206	20	416,751	21	837,147	20	822,034	20
	Operating expenses:								
6100	Selling expenses (Note (7))	164,956	8	155,471	8	310,285	8	305,930	8
6200	Administrative expenses (Note (7))	84,854	4	81,320	4	183,175	4	167,125	4
6300	Research and development expenses	29	-	-	-	44	-	-	-
6450	Expected credit loss (gain) (Note (6)(e))	1,870	-	578	-	4,629	-	(3,129)	-
		251,709	12	237,369	12	498,133	12	469,926	12
	Net operating income	173,497	8	179,382	9	339,014	8	352,108	8
	Non-operating income and expenses:								
7100	Interest income (Note (6)(z))	22,315	1	16,405	1	36,792	1	27,925	1
7010	Other income (Notes (6)(z) and (7))	1,574	-	1,350	-	5,795	-	4,128	-
7020	Other gains and losses (Notes (6)(z) and (7))	3,532	-	2,539	-	10,306	-	32,726	1
7050	Finance costs (Notes (6)(z) and (7))	(5,463)	-	(3,632)	-	(10,533)	-	(6,875)	-
7060	Share of profit of associates and joint ventures accounted for using equity method(Note (6)(g))	112,687	5	81,891	4	200,703	5	169,561	4
		134,645	6	98,553	5	243,063	6	227,465	6
7900	Profit before tax	308,142	14	277,935	14	582,077	14	579,573	14
7950	Less: Tax expense (Note (6)(u))	45,279	2	58,702	3	92,742	2	113,364	3
	Profit	262,863	12	219,233	11	489,335	12	466,209	11
	Other comprehensive income (loss):								
8310	Items that may not be reclassified subsequently to profit or loss:								
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(41,204)	(2)	108,392	5	(116,555)	(3)	167,397	4
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	(41,606)	(2)	130,170	7	11,477	-	208,899	5
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(847)	-	11,146	1	(4,907)	-	10,225	-
	Total items that will not be reclassified subsequently to profit and loss	(81,963)	(4)	227,416	11	(100,171)	(3)	366,071	9
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation	47,343	2	68,769	3	174,767	4	36,059	1
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	(9,747)	-	(20,751)	(1)	(11,942)	-	(37,194)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,015	-	1,293	-	3,462	-	451	-
	Total items that will be reclassified subsequently to profit and loss	36,581	2	46,725	2	159,363	4	(1,586)	-
	Other comprehensive income, net	(45,382)	(2)	274,141	13	59,192	1	364,485	9
8500	Total comprehensive income	\$ 217,481	10	493,374	24	548,527	13	830,694	20
	Profit attributable to:								
8610	Owners of parent	\$ 220,377	10	173,076	9	405,554	10	374,902	9
8620	Non-controlling interests	42,486	2	46,157	2	83,781	2	91,307	2
		\$ 262,863	12	219,233	11	489,335	12	466,209	11
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 200,681	9	390,501	19	528,920	13	655,015	16
8720	Non-controlling interests	16,800	1	102,873	5	19,607	-	175,679	4
		\$ 217,481	10	493,374	24	548,527	13	830,694	20
	Earnings per share (Note (6)(w))								
9750	Basic earnings per share (NT dollars)	\$ 1.42		1.11		2.61		2.41	
9850	Diluted earnings per share (NT dollars)	\$ 1.41		1.11		2.60		2.40	

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

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of parent						Total other equity interest				
	Share capital		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
	Ordinary shares	Stock dividend to be distributed	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
Balance as of January 1, 2023	\$ 1,482,064	-	3,276,440	903,346	142,100	2,298,992	(104,157)	201,647	8,200,432	2,096,877	10,297,309
Profit for the year	-	-	-	-	-	374,902	-	-	374,902	91,307	466,209
Other comprehensive income (loss) for the year	-	-	-	-	-	(302)	1,115	279,300	280,113	84,372	364,485
Total comprehensive income (loss) for the year	-	-	-	-	-	374,600	1,115	279,300	655,015	175,679	830,694
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	71,614	-	(71,614)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(142,100)	142,100	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(540,953)	-	-	(540,953)	-	(540,953)
Stock dividends of ordinary share	-	74,103	-	-	-	(74,103)	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(68)	-	-	(25,094)	-	-	(25,162)	-	(25,162)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(18)	-	-	(18)	-	(18)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(95,502)	(95,502)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	9,303	-	(9,303)	-	-	-
Balance at June 30, 2023	<u>\$ 1,482,064</u>	<u>74,103</u>	<u>3,276,372</u>	<u>974,960</u>	<u>-</u>	<u>2,113,213</u>	<u>(103,042)</u>	<u>471,644</u>	<u>8,289,314</u>	<u>2,177,054</u>	<u>10,466,368</u>
Balance at January 1, 2024	\$ 1,556,167	-	3,287,576	974,960	-	2,527,642	(122,201)	388,865	8,613,009	2,299,950	10,912,959
Profit for the year	-	-	-	-	-	405,554	-	-	405,554	83,781	489,335
Other comprehensive income (loss) for the year	-	-	-	-	-	-	148,636	(25,270)	123,366	(64,174)	59,192
Total comprehensive income (loss) for the year	-	-	-	-	-	405,554	148,636	(25,270)	528,920	19,607	548,527
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	77,322	-	(77,322)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(591,344)	-	-	(591,344)	-	(591,344)
Stock dividends of ordinary share	-	77,808	-	-	-	(77,808)	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	(1,505)	-	-	(1,505)	-	(1,505)
Differences between consideration and carrying amounts of the subsidiaries acquired or disposed	-	-	94,830	-	-	-	-	-	94,830	64,213	159,043
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(182,452)	(182,452)
Balance at June 30, 2024	<u>\$ 1,556,167</u>	<u>77,808</u>	<u>3,382,406</u>	<u>1,052,282</u>	<u>-</u>	<u>2,185,217</u>	<u>26,435</u>	<u>363,595</u>	<u>8,643,910</u>	<u>2,201,318</u>	<u>10,845,228</u>

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

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 582,077	579,573
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	127,538	125,430
Amortization expense	2,686	1,572
Expected credit loss (gain)	4,629	(3,129)
Net loss on financial assets or liabilities at fair value through profit or loss	944	933
Interest expense	10,533	6,875
Interest income	(36,792)	(27,925)
Dividend income	(2,657)	(1,382)
Share of profit of associates and joint ventures accounted for using equity method	(200,703)	(169,561)
Gain on disposal of property, plan and equipment	(792)	(20,430)
Gain on disposal of investments	-	(37)
Unrealized profit from sales	45,491	43,331
Realized profit from sales	(50,693)	(44,510)
Others	(53)	(47)
Total adjustments to reconcile profit	(99,869)	(88,880)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	38,334	44,286
Accounts receivable	(3,803)	(98,223)
Other receivables and notes	417,777	(101,921)
Inventories	51,056	(9,338)
Net defined benefit asset	2,758	(712)
Other current assets	(84,320)	(122,068)
Other operating assets	(15,010)	(19,355)
Total changes in operating assets	406,792	(307,331)
Changes in operating liabilities:		
Contract liabilities	(104,392)	5,886
Notes payable	1,107	1,201
Accounts payable	2,133	(85,558)
Other payables	(278,540)	(204,092)
Other current liabilities	(12,386)	17,677
Net defined benefit liability	205	(2,194)
Other operating liabilities	1,205	(699)
Total changes in operating liabilities	(390,668)	(267,779)
Total changes in operating assets and liabilities	16,124	(575,110)
Total adjustments	(83,745)	(663,990)
Cash inflow (outflow) generated from operations	498,332	(84,417)
Interest received	39,524	34,501
Income taxes paid	(134,450)	(97,270)
Net cash flows (used in) from operating activities	403,406	(147,186)

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

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Six Months Ended June 30,	
	2024	2023
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	30,534
Acquisition of financial assets at amortized cost	(412,589)	(483,415)
Proceeds from disposal of financial assets at amortized cost	486,914	574,417
Acquisition of financial assets at fair value through profit or loss	(757)	-
Proceeds from disposal of financial assets at fair value through profit or loss	379	63
Net cash flow from acquisition of subsidiaries	-	(3,860)
Proceeds from capital reduction of investments accounted for using equity method	-	19,538
Acquisition of property, plant and equipment	(44,729)	(37,845)
Proceeds from disposal of property, plant and equipment	1,187	36,407
Increase in refundable deposits	(8,310)	(11,770)
Decrease in refundable deposits	26,109	637
Acquisition of intangible assets	(1,492)	(13,712)
Increase in other financial assets	(34,224)	(11,458)
Decrease in other non-current assets	2,703	715
Net cash flows from investing activities	15,191	100,251
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	16,561	(75,808)
Increase in guarantee deposits received	23	2
Payment of lease liabilities	(36,927)	(46,665)
Increase in other non-current liabilities	62,224	-
Cash dividends paid	(591,344)	-
Disposal of ownership interests in subsidiaries (without losing control)	159,043	-
Interest paid	(10,901)	(6,294)
Change in non-controlling interests	(178,130)	(7,872)
Net cash flows used in financing activities	(579,451)	(136,637)
Effect of exchange rate changes on cash and cash equivalents	47,411	9,446
Net decrease in cash and cash equivalents	(113,443)	(174,126)
Cash and cash equivalents at beginning of period	2,614,786	2,506,995
Cash and cash equivalents at end of period	\$ 2,501,343	2,332,869

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(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 31, 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 August 9, 2024.

(3) New Standards, Amendments and Interpretations Adopted:

- (a) The impact of the IFRS Accounting Standards 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, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

- (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, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none">• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

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

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements :

Name of Investor	Name of Subsidiary	Principal Activity	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
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	33.96 %	38.51 %	38.50 %	Note 1 、 3
”	Excelsior Healthcare Co., Limited (Excelsior Healthcare)	Investment business	100.00 %	100.00 %	100.00 %	

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Name of Investor	Name of Subsidiary	Principal Activity	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Arich Enterprise Co., Ltd. (Arich)	Sale of medicines, and logistics service	40.00 %	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 %	100.00 %	
The Company and Excelsior Healthcare	Excelsior Medical (HK) Co., Limited ("Hong Kong Excelsior")	Investment business	100.00 %	100.00 %	100.00 %	
Dynamic	Dynamic Medical Technologies (Hong Kong) Ltd. ("Hong Kong Dynamic")	Sale of cosmetic health care products	100.00 %	100.00 %	100.00 %	
"	CYJ International Taiwan Inc. (CYJ Taiwan)	Sales of lifestyle beauty products and treatments, and sales of medical beauty products.	60.00 %	60.00 %	10.00 %	Note 4
The Company and Dynamic	Excelsior Beauty Co., Ltd. ("Excelsior Beauty")	Sales of lifestyle beauty products and treatments, and sales of medical beauty products.	94.91 %	94.91 %	94.91 %	
Hong Kong Dynamic	Guangzhou Dynamic Inc. ("Guangzhou Dynamic")	Sale and maintenance of medical equipment	100.00 %	100.00 %	100.00 %	Note 7
Excelsior Beauty	CYJ International Taiwan Inc. (CYJ Taiwan)	Sales of lifestyle beauty products and treatments, and sales of medical beauty products.	- %	- %	80.00 %	Note 4 、 5
Arich Enterprise Co., Ltd.	Arich Best Chain Co., Ltd. (Arich Best Chain)	Logistics business	100.00 %	100.00 %	100.00 %	Note 2 、 7
Excelsior Healthcare	EG Healthcare, Inc.	Sale and lease of medical equipment, and medical management consultancy service	99.99 %	99.99 %	99.99 %	Note 7
"	Excelsior Investment (Malaysia) Co., Ltd	Investment business	100.00 %	100.00 %	100.00 %	"
Hong Kong Excelsior	SinoExcelsior Investment Inc. ("SinoExcelsior Investment")	Sale of medical equipment, and medical management consultancy service	100.00 %	100.00 %	100.00 %	"
Excelsior Investment (Malaysia) Co., Ltd.	Renal Laboratories Sdn. Bhd.	Manufacture of medical equipment	81.90 %	81.90 %	70.00 %	Note 6 、 7
"	Medi-Chem Systems Sdn. Bhd.	Sale of medical equipment	70.00 %	70.00 %	70.00 %	Note 7

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Name of Investor	Name of Subsidiary	Principal Activity	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Medi-Chem Systems Sdn. Bhd.	Renal Management Sdn. Bhd.	Lease business	100.00 %	100.00 %	100.00 %	Note 7

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.

Note 2: Arich Enterprise Co., Ltd. acquired 100% equity of Arich Best Chain Co., Ltd. on April 6, 2023, and it is included in the consolidated financial statements from that date.

Note 3: The Company bought the fractional shares of Dynamic in September, 2023, acquiring 0.01% equity in Dynamic. The Company sold 1,500 thousand shares of Dynamic on May, 20, 2024, the shareholding ratio after the disposal was 33.96%, and the Company still maintains the control over Dynamic.

Note 4: Dynamic Medical Technologies Inc. acquired 50% equity in CYJ International Taiwan Inc. from Excelsior Beauty Co. Ltd. in November 2023, the shareholding ratio after the acquisition is 60%. Therefore, the acquisition did not result in the loss of control over CYJ International Taiwan Inc. The above transaction was an organizational restructuring under common control, and the relevant transfer adopted the book value method.

Note 5: In addition to note 4, the Company disposed 30% of the equity in CYJ International Taiwan Inc., in December 2023, and the counterparties include the Company's related parties.

Note 6: Excelsior Investment (Malaysia) Co., Ltd. increase its capital in Renal Laboratories Sdn. Bhd. by cash and not in proportion to its shareholding on December 15, 2023. After the capital increase, Excelsior Investment (Malaysia) Co., Ltd. held a total of 81.9% of the equity in Renal Laboratories Sdn. Bhd.

Note 7: Non-significant subsidiaries, which were not reviewed by independent auditors.

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as noncurrent.

- 1.It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- 2.It holds the asset primarily for the purpose of trading;
- 3.It expects to realize the asset within twelve months after the reporting period; or
- 4.The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as noncurrent.

- 1.It expects to settle the liability in its normal operating cycle;
- 2.It holds the liability primarily for the purpose of trading;
- 3.The liability is due to be settled within twelve months after the reporting period; or
- 4.It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) Income Taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together pre-tax income for the interim reporting period and the managements best estimate period annual tax rate.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(e) Employee Benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make 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 preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of Significant Accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to Note (6) to the 2023 annual consolidated financial statements.

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(a) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand, demand deposits and checking accounts	\$ 1,876,442	2,041,123	1,782,631
Time deposits	624,901	573,663	550,238
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 2,501,343</u>	<u>2,614,786</u>	<u>2,332,869</u>

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Mandatorily measured at fair value through profit or loss:			
Forward foreign exchange contracts	<u>\$ 220</u>	<u>-</u>	<u>335</u>
Held-for-trading financial liabilities			
Forward foreign exchange contracts	<u>\$ 786</u>	<u>-</u>	<u>1,331</u>

The Group holds derivative financial instruments to hedge certain foreign exchange and interest rate risk exposures arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

Forward foreign exchange contracts:

	June 30, 2024		
	Amount (in thousands)	Currency	Maturity period
Forward foreign exchange contracts purchased	JPY 219,920	JPY to TWD	2024.07~2024.08
Forward foreign exchange contracts purchased	USD 726	USD to TWD	2024.07
	June 30, 2023		
	Amount (in thousands)	Currency	Maturity period
Forward foreign exchange contracts purchased	JPY 171,736	JPY to TWD	2023.07~2023.08
Forward foreign exchange contracts purchased	USD 675	USD to TWD	2023.07

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

	June 30, 2024	December 31, 2023	June 30, 2023
Equity investments at fair value through other comprehensive income			
Domestic listed shares	\$ -	-	75,536
Foreign listed shares	97,199	121,737	223,185
Domestic unlisted shares	157,342	141,832	152,390
Foreign unlisted shares	<u>345,332</u>	<u>452,738</u>	<u>367,463</u>
Total	<u>\$ 599,873</u>	<u>716,307</u>	<u>818,574</u>

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.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of June 30, 2024.

The Group has sold its common stocks designated at fair value through other comprehensive income because of operation strategies for the six months ended June 30, 2023. The shares sold had a fair value of \$35,348 thousand. The Group realized a gain of \$22,619 thousand, which was included in other comprehensive income (equity attributable to owners of parent), and thereafter, was transferred to retained earnings from other equity.

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

3. As of June 30, 2024, December 31, 2023 and June 30, 2023, the aforesaid financial assets were not pledged as collateral.

(d) Financial assets measured at amortized cost

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits with original maturity of more than 3 months	<u>\$ 714,832</u>	<u>768,167</u>	<u>609,659</u>

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 months were 1.29%~5.30%, 1.16%~5.42% and 1.16%~5.20% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 269,681	306,213	265,587
Other notes receivable	287,932	317,692	227,728
Accounts receivable	1,696,744	1,697,200	1,577,245
Receivable installments	1,456	2,265	620
Trade receivables - fair value through other comprehensive income	2,747	3,946	5,626
Lease payment receivable	90,352	74,322	56,765
Other receivables	3,154,625	3,543,882	3,177,477
Less: Loss allowance	(67,748)	(66,679)	(83,254)
Allowance for sales returns	(6,614)	(6,143)	(6,122)
Unrealized interests income	(290)	(91)	(179)
	<u><u>\$ 5,428,885</u></u>	<u><u>5,872,607</u></u>	<u><u>5,221,493</u></u>

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.

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:

	June 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 5,385,245	0.43%	(22,970)
1 to 90 days past due	68,670	7.47%	(5,129)
91 to 180 days past due	7,278	11.28%	(821)
181 to 365 days past due	2,924	16.66%	(487)
More than 365 days past due	39,130	97.98%	(38,341)
	<u><u>\$ 5,503,247</u></u>		<u><u>(67,748)</u></u>

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	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 5,749,514	0.31%	(17,629)
1 to 90 days past due	130,177	3.58%	(4,662)
91 to 180 days past due	17,387	13.35%	(2,322)
181 to 365 days past due	3,914	22.64%	(886)
More than 365 days past due	41,902	98.28%	(41,180)
	<u>\$ 5,942,894</u>		<u>(66,679)</u>
	June 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 5,108,994	0.37%	(18,842)
1 to 90 days past due	104,815	7.51%	(7,867)
91 to 180 days past due	8,228	20.04%	(1,649)
181 to 365 days past due	4,835	25.27%	(1,222)
More than 365 days past due	59,214	90.64%	(53,674)
	<u>\$ 5,286,086</u>		<u>(83,254)</u>

The Group's lease payment receivables were as follows:

	Gross investment in the lease	Unearned finance income	Present value of minimum lease payments receivable
June 30, 2024			
Less than one year	\$ 27,299	(4,938)	22,361
Between one and five years	74,728	(6,737)	67,991
	<u>\$ 102,027</u>	<u>(11,675)</u>	<u>90,352</u>
December 31, 2023			
Less than one year	\$ 21,415	(3,983)	17,432
Between one and five years	62,709	(5,819)	56,890
	<u>\$ 84,124</u>	<u>(9,802)</u>	<u>74,322</u>

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	Gross investment in the lease	Unearned finance income	Present value of minimum lease payments receivable
June 30, 2023			
Less than one year	\$ 16,330	(3,074)	13,256
Between one and five years	<u>48,163</u>	<u>(4,654)</u>	<u>43,509</u>
	<u>\$ 64,493</u>	<u>(7,728)</u>	<u>56,765</u>

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 lease payment receivables as of June 30, 2024, December 31, 2023 and June 30, 2023 were neither past due nor impaired.

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

	For the Six Months Ended June 30,	
	2024	2023
Balance as of January 1	\$ 66,679	85,342
Impairment losses recognized	6,124	8,375
Impairment losses reversed	(1,495)	(11,504)
Amounts written off	(3,718)	-
Effect of movements in exchange rate	158	927
Generation from merger	<u>-</u>	<u>114</u>
Balance as of June 30	<u>\$ 67,748</u>	<u>83,254</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the receivables from installment sales were \$4,203 thousand, \$6,211 thousand and \$6,246 thousand, respectively, and the related unrealized interest income were \$290 thousand, \$91 thousand and \$179 thousand, respectively.

(f) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Merchandise	\$ 1,115,465	1,204,706	1,071,509
Inventory in-transit	<u>31,489</u>	<u>42,724</u>	<u>60,836</u>
Total	<u>\$ 1,146,954</u>	<u>1,247,430</u>	<u>1,132,345</u>

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The details of cost of goods sold were as follows :

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of goods sold	\$ 1,528,565	1,407,339	2,933,337	2,831,795
Losses (reversal) on inventory valuation and obsolescence	(659)	979	13,667	5,812
Service cost	56,348	61,810	120,648	117,419
Repair and maintenance costs	33,141	32,089	64,395	61,900
Others operating costs	120,106	104,139	237,558	191,037
Total	\$ 1,737,501	1,606,356	3,369,605	3,207,963

Inventory valuation and obsolescence due to write-down of inventory to net realizable value or slow-moving inventory were recognized as cost of operations for the six months ended June 30, 2024 and 2023. The factor leading to the net realizable value of inventories lower than the cost no longer exists, resulting in an increase in the net realizable value and the recognition of a gain on inventory recoveries for the three months ended June 30, 2024. Inventory valuation and obsolescence due to write-down of inventory to net realizable value or slow-moving inventory were recognized as cost of operations for the three months ended June 30, 2023.

As of June 30, 2024, December 31, 2023 and June 30, 2023, 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Associates	\$ 4,283,730	3,979,463	4,027,306

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		
			June 30, 2024	December 31, 2023	June 30, 2023
Asia Best Healthcare	Long-term care and rehabilitation services	Cayman Islands	48.47 %	48.47 %	49.38 %
Asia Best Life Care Co., Ltd.	Long-term care and rehabilitation services	Taiwan	49.38 %	49.38 %	Note

Note: Asia Best Healthcare Co., Limited with shares in its subsidiaries Asia Best Life Care Co., Ltd. was organizational reorganization on July 3, 2023. After the organizational reorganization, the company hold 49.38% equity of Asia Best Life Care Co., Ltd..

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1) Asia Best Healthcare:

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 959,780	869,569	1,425,988
Non-current assets	2,063,493	2,100,370	3,949,969
Current liabilities	(218,714)	(134,394)	(317,102)
Non-Current liabilities	(1,521,905)	(1,575,735)	(2,027,791)
Net assets	<u>\$ 1,282,654</u>	<u>1,259,810</u>	<u>3,031,064</u>
Net assets attributable to the Group	<u>\$ 625,847</u>	<u>597,534</u>	<u>1,554,930</u>
	For the Three Months Ended June 30,	For the Six Months Ended June 30,	
	2024	2023	2024
Operating revenue	\$ 14,198	28,980	12,322
Profit or Loss	\$ 289	46,866	(1,860)
Other comprehensive income	(6,158)	(39,194)	(11,974)
Total comprehensive income	<u>\$ (5,869)</u>	<u>7,672</u>	<u>(13,834)</u>

2) Asia Best Life Care Co., Ltd.:

	June 30, 2024	December 31, 2023
Current assets	\$ 701,807	620,150
Non-current assets	1,697,425	1,713,493
Current liabilities	(188,173)	(112,827)
Non-Current liabilities	(381,878)	(393,994)
Net assets	<u>\$ 1,829,181</u>	<u>1,826,822</u>
Net assets attributable to the Group	<u>\$ 985,370</u>	<u>958,815</u>
	For the Three Months Ended June 30, 2024	For the Six Months Ended June 30, 2024
Operating revenue	\$ 93,110	181,605
Profit	\$ 22,079	53,779
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 22,079</u>	<u>53,779</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of individually insignificant associates' equity	<u>\$ 2,672,513</u>	<u>2,423,114</u>	<u>2,472,376</u>

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Attributable to the Group				
Profit	\$ 101,645	58,747	175,050	124,322
Other comprehensive income	(48,368)	128,774	5,340	182,063
Total comprehensive income	<u>\$ 53,277</u>	<u>187,521</u>	<u>180,390</u>	<u>306,385</u>

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

2.The unreviewed financial statements of investments accounted for using equity method

Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(h) Acquisition of subsidiary

1.Acquisition of a subsidiary – Arich Best Chain Co., Ltd.

The Company obtained control of the company by acquiring 100% of the shares of Arich Best Chain Co., Ltd. on April 6, 2023.

The main categories of consideration transferred, assets acquired and liabilities assumed on the acquisition date and the amount of goodwill recognized are as follows:

- 1) The following table summarizes the acquisition date fair value of major class of consideration transferred:

Cash	<u>\$ 31,080</u>
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2) Acquisition of identifiable asset and liabilities assumed.

The date of acquisition of identifiable asset and liabilities assumed is as follows:

Cash and cash equivalents	\$ 27,220
Accounts receivable	2,930
Other current financial assets	745
Property, plant and equipment	899
Other non current financial assets	532
Accounts payable	(864)
Other payables	(983)
Other current liabilities	(198)
The fair value of identifiable net assets	<u><u>\$ 30,281</u></u>

3) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred	\$ 31,080
Less: fair value of identifiable net assets	<u>(30,281)</u>
Goodwill	<u><u>\$ 799</u></u>

(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		
		June 30, 2024	December 31, 2023	June 30, 2023
Dynamic	Taiwan	66.04 %	61.49 %	61.50 %
Arich	Taiwan	60.00 %	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:

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 1,870,780	2,092,959	1,777,648
Non-current assets	1,005,855	984,062	1,075,624
Current liabilities	(1,012,378)	(1,079,530)	(956,526)
Non-Current liabilities	<u>(321,178)</u>	<u>(293,560)</u>	<u>(270,097)</u>
Net assets	<u><u>\$ 1,543,079</u></u>	<u><u>1,703,931</u></u>	<u><u>1,626,649</u></u>
Non-controlling interests	<u><u>\$ 934,269</u></u>	<u><u>904,945</u></u>	<u><u>927,750</u></u>

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	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenue	\$ <u>398,450</u>	<u>412,649</u>	<u>801,634</u>	<u>805,930</u>
Net income	\$ 54,532	63,261	106,649	123,403
Other comprehensive (loss) income	74	73,290	(5,599)	118,951
Total comprehensive income	\$ <u>54,606</u>	<u>136,551</u>	<u>101,050</u>	<u>242,354</u>
Profit, attributable to non-controlling interests	\$ <u>30,241</u>	<u>35,353</u>	<u>59,390</u>	<u>69,862</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>30,078</u>	<u>2,593</u>	<u>62,702</u>	<u>10,180</u>
			For the Six Months Ended June 30,	
			2024	2023
Net cash flows from operating activities			\$ 49,445	119,890
Net cash flows from investing activities			51,911	105,572
Net cash flows from financing activities			(198,294)	(100,834)
Effect of exchange rate changes on cash and cash equivalents			(908)	96
Net (decrease) increase in cash and cash equivalents			\$ <u>(97,846)</u>	<u>124,724</u>
Dividends paid to non-controlling interests			\$ <u>136,980</u>	<u>-</u>

2. Collective financial information of Arich and its subsidiaries:

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 4,574,701	4,978,888	4,275,985
Non-current assets	515,058	644,116	551,595
Current liabilities	(3,159,540)	(3,569,524)	(2,897,993)
Non-Current liabilities	(39,823)	(31,034)	(33,060)
Net assets	\$ <u>1,890,396</u>	<u>2,022,446</u>	<u>1,896,527</u>
Non-controlling interests	\$ <u>1,134,215</u>	<u>1,239,600</u>	<u>1,137,894</u>

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	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Operating revenue	\$ <u>317,294</u>	<u>293,087</u>	<u>629,143</u>	<u>556,848</u>
Net income	\$ 20,222	20,366	41,611	37,890
Other comprehensive (loss) income	(45,084)	24,223	(105,077)	25,265
Total comprehensive (loss) income	\$ <u>(24,862)</u>	<u>44,589</u>	<u>(63,466)</u>	<u>63,155</u>
Profit, attributable to non-controlling interests	\$ <u>12,133</u>	<u>12,220</u>	<u>24,966</u>	<u>22,734</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>(14,917)</u>	<u>26,753</u>	<u>(38,080)</u>	<u>37,893</u>
	For the Six Months Ended June 30,			
	2024	2023		
Net cash flows from operating activities	\$ 203,829	(161,382)		
Net cash flows from investing activities	(19,623)	(39,970)		
Net cash flows from financing activities	(173,524)	(20,947)		
Net increase (decrease) in cash and cash equivalents	\$ <u>10,682</u>	<u>(222,299)</u>		
Dividends paid to non-controlling interests	\$ <u>41,150</u>	<u>-</u>		

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended June 30, 2024 and 2023 were as follows:

	Land	Buildings	Medical equipment	Miscellaneous equipment	Leased Improvement	Equipment to be inspected and construction in progress	Total
Carrying amount:							
Balance as of January 1, 2024	\$ <u>133,822</u>	<u>155,620</u>	<u>245,675</u>	<u>203,593</u>	<u>9,355</u>	<u>24,547</u>	<u>772,612</u>
Balance as of June 30, 2024	\$ <u>135,731</u>	<u>156,820</u>	<u>264,948</u>	<u>191,971</u>	<u>13,406</u>	<u>25,439</u>	<u>788,315</u>
Balance as of January 1, 2023	\$ <u>140,184</u>	<u>175,479</u>	<u>240,246</u>	<u>171,413</u>	<u>1,412</u>	<u>31,576</u>	<u>760,310</u>
Balance as of June 30, 2023	\$ <u>133,546</u>	<u>156,619</u>	<u>247,531</u>	<u>159,931</u>	<u>8,868</u>	<u>43,167</u>	<u>749,662</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2024 and 2023. Information on depreciation for the period is discussed in note (12). Please refer to note (6)(j) to the 2023 annual consolidated financial statements for other related information.

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(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	Total
Cost:			
Balance as of January 1, 2024	\$ 468,383	5,873	474,256
Additions	74,245	1,864	76,109
Write-off	(9,787)	-	(9,787)
Effect of movements in exchange rates	104	-	104
Balance as of June 30, 2024	<u><u>\$ 532,945</u></u>	<u><u>7,737</u></u>	<u><u>540,682</u></u>
Balance as of January 1, 2023	\$ 390,768	2,145	392,913
Additions	32,070	4,823	36,893
Write-off	(13,448)	(2,145)	(15,593)
Effect of movements in exchange rates	735	-	735
Balance as of June 30, 2023	<u><u>\$ 410,125</u></u>	<u><u>4,823</u></u>	<u><u>414,948</u></u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2024	\$ 174,057	1,505	175,562
Depreciation for the year	37,699	1,088	38,787
Write-off	(4,727)	-	(4,727)
Effect of movements in exchange rates	34	-	34
Balance as of June 30, 2024	<u><u>\$ 207,063</u></u>	<u><u>2,593</u></u>	<u><u>209,656</u></u>
Balance as of January 1, 2023	\$ 124,916	536	125,452
Depreciation for the year	47,002	687	47,689
Write-off	(12,694)	(626)	(13,320)
Effect of movements in exchange rates	475	-	475
Balance as of June 30, 2023	<u><u>\$ 159,699</u></u>	<u><u>597</u></u>	<u><u>160,296</u></u>
Carrying amount:			
Balance as of January 1, 2024	<u><u>294,326</u></u>	<u><u>4,368</u></u>	<u><u>298,694</u></u>
Balance as of June 30, 2024	<u><u>\$ 325,882</u></u>	<u><u>5,144</u></u>	<u><u>331,026</u></u>
Balance as of January 1, 2023	<u><u>\$ 265,852</u></u>	<u><u>1,609</u></u>	<u><u>267,461</u></u>
Balance as of June 30, 2023	<u><u>\$ 250,426</u></u>	<u><u>4,226</u></u>	<u><u>254,652</u></u>

The Group added and modified parts of the lease contracts, resulting in an increase in right-of-use assets of \$76,109 thousand and \$36,893 thousand as of June 30, 2024 and 2023, respectively.

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The Group terminated and modified parts of the lease contracts, resulting in a decrease in right-of use assets of \$5,060 thousand and \$2,273 thousand for the six months ended June 30, 2024 and 2023, respectively.

For the six months ended June 30, 2024 and 2023, the Group leases storage room, machinery and parking space under operating lease, please refer to Note (6)(s).

(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		Total
	Land	Buildings	
Book value:			
Balance at January 1, 2024	\$ <u>920,080</u>	<u>181,722</u>	<u>1,101,802</u>
Balance as of June 30, 2024	\$ <u>920,080</u>	<u>182,157</u>	<u>1,102,237</u>
Balance as of January 1, 2023	\$ <u>920,080</u>	<u>188,932</u>	<u>1,109,012</u>
Balance as of June 30, 2023	\$ <u>920,080</u>	<u>185,323</u>	<u>1,105,403</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2024 and 2023. Information on depreciation for the period is discussed in note (12). Please refer to note (6)(l) to the 2023 annual consolidated financial statements for other related information.

The fair value of investment property was not significantly different from those disclosed in note (6)(l) to the annual consolidated financial statements for the year ended December 31, 2023.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the investment property of the Group had been pledged as collateral, please refer to Note (8).

(m) Intangible assets

The costs, amortization and impairment of the intangible assets of the Group for the six months ended June 30, 2024 and 2023, were as follows:

	Goodwill	Software	Other	Total
			intangible assets	
Book value:				
Balance as of January 1, 2024	\$ <u>28,245</u>	<u>5,865</u>	<u>11,041</u>	<u>45,151</u>
Balance as of June 30, 2024	\$ <u>28,444</u>	<u>6,107</u>	<u>10,229</u>	<u>44,780</u>
Balance as of January 1, 2023	\$ <u>27,755</u>	<u>1,867</u>	<u>2,000</u>	<u>31,622</u>
Balance as of June 30, 2023	\$ <u>28,216</u>	<u>4,522</u>	<u>11,938</u>	<u>44,676</u>

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There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2024 and 2023. Information on amortization for the period is discussed in note (12). Please refer to note (6)(m) to the 2023 annual consolidated financial statements for other related information.

(n) Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bank loans	\$ 315,000	535,000	370,000
Unsecured bank loans	836,448	599,887	89,326
Total	<u>\$ 1,151,448</u>	<u>1,134,887</u>	<u>459,326</u>
Unused short-term credit lines	<u>\$ 3,656,289</u>	<u>3,547,394</u>	<u>2,789,161</u>
Range of interest rates	<u>1.75%~7.33%</u>	<u>1.74%~7.00%</u>	<u>1.74%~7.95%</u>

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)(ab).

(o) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Logistics services payable	\$ 2,672,678	2,961,439	2,542,476
Dividend Payable	4,322	-	628,583
Others	513,330	503,449	469,407
	<u>\$ 3,190,330</u>	<u>3,464,888</u>	<u>3,640,466</u>

(p) Refund liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Refund liabilities	<u>\$ -</u>	<u>2,535</u>	<u>24,783</u>

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.

(q) Provisions

	June 30, 2024	December 31, 2023	June 30, 2023
Warranties	<u>\$ 17,594</u>	<u>14,922</u>	<u>13,282</u>

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	Warranties
Balance as of January 1, 2024	\$ 14,922
Additions	10,474
Provisions reversed or used	<u>(7,802)</u>
Balance as of June 30, 2024	<u>\$ 17,594</u>
Balance as of January 1, 2023	\$ 13,886
Additions	5,806
Provisions reversed or used	<u>(6,410)</u>
Balance as of June 30, 2023	<u>\$ 13,282</u>

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) **Lease liabilities**

The carrying amounts of lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	<u>\$ 75,065</u>	<u>69,966</u>	<u>75,077</u>
Non-current	<u>\$ 265,798</u>	<u>236,829</u>	<u>186,075</u>

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

The Group added and modified parts of the lease contract, resulting in an increase in lease liabilities of \$76,109 thousand and \$36,893 thousand for the six months ended June 30, 2024 and 2023, respectively.

The Group terminated and modified parts of the contract, resulting in a decrease in lease liabilities of \$5,113 thousand and \$2,321 thousand for the six months ended June 30, 2024 and 2023, respectively.

The amounts recognized in profit or loss were as follows:

	For the Three Months Ended June 30, 2024	2023	For the Six Months Ended June 30, 2024	2023
Interest on lease liabilities	<u>\$ 885</u>	<u>632</u>	<u>1,707</u>	<u>1,292</u>
Income from sub-leasing right-of-use assets	<u>\$ 6,596</u>	<u>17</u>	<u>12,579</u>	<u>34</u>
Expenses relating to short- term leases	<u>\$ 14,436</u>	<u>2,936</u>	<u>28,863</u>	<u>5,703</u>

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

	For the Six Months Ended June 30,	
	2024	2023
Total cash outflow for leases	<u>\$ 67,497</u>	<u>53,660</u>

1. Buildings leases

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)(s).

2. Other leases

The Group leases machinery and other equipment, with lease terms of 2 to 5 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 half year 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.

(s) 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Within 1 year	\$ 48,403	44,309	23,901
1 to 5 years	54,808	63,640	37,148
More than 5 years	7,241	9,654	12,068
	<u>\$ 110,452</u>	<u>117,603</u>	<u>73,117</u>

(t) Employee benefits

1. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Operating costs and expenses	\$ <u>257</u>	<u>439</u>	<u>619</u>	<u>878</u>

2. Defined contribution plans

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three months and the six months ended June 30, 2024 and 2023 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Operating costs and expenses	\$ <u>7,849</u>	<u>7,023</u>	<u>15,279</u>	<u>13,626</u>

3. The foreign Company's pension costs under the local laws were \$674 thousand, \$584 thousand, \$1,547 thousand and \$1,337 thousand for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, respectively.

(u) Income taxes

The components of income tax for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Current tax expense				
Current period	\$ 54,078	53,491	97,745	107,131
Adjustment for prior periods	(8,444)	(3,620)	(8,444)	(3,620)
	<u>45,634</u>	<u>49,871</u>	<u>89,301</u>	<u>103,511</u>
Deferred tax expense				
Current period	(2,411)	9,925	1,385	10,947
Prior period underestimate (overestimate)	2,056	(1,094)	2,056	(1,094)
	<u>(355)</u>	<u>8,831</u>	<u>3,441</u>	<u>9,853</u>
Income tax expense from continuing operations	\$ <u>45,279</u>	<u>58,702</u>	<u>92,742</u>	<u>113,364</u>

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The amounts of income tax recognized in other comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement from defined benefit plans	\$ -	756	-	756
Unrealized (losses) gains on equity instruments at fair value through other comprehensive income	(847)	10,390	(4,907)	9,469
	<u><u>\$ (847)</u></u>	<u><u>11,146</u></u>	<u><u>(4,907)</u></u>	<u><u>10,225</u></u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ <u><u>1,015</u></u>	<u><u>1,293</u></u>	<u><u>3,462</u></u>	<u><u>451</u></u>

The Company's income tax returns for the years through 2022 were assessed by the Tax Administration.

(v) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to June 30, 2024 and 2023. For the related information, please refer to note (6)(v) to the consolidated financial statements for the year ended December 31, 2023.

1.Share capital

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	<u><u>\$ 200,000</u></u>	<u><u>200,000</u></u>	<u><u>200,000</u></u>
Shares authorized	<u><u>\$ 2,000,000</u></u>	<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>
Number of shares issued and fully paid (in thousands)	<u><u>155,617</u></u>	<u><u>155,617</u></u>	<u><u>148,206</u></u>
Shares issued	<u><u>\$ 1,556,167</u></u>	<u><u>1,556,167</u></u>	<u><u>1,482,064</u></u>

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The Company issued 7,781 thousand common shares from the unappropriated earnings of \$77,808 thousand, with the date of capital increase set on September 1, 2024, based on the resolution decided during the shareholders' meeting held on June 21, 2024, and the approval of the Financial Supervisory Commission, R.O.C. on July 30, 2024. All relevant statutory registration procedures have not yet been completed as of the reporting date.

The Company issued 7,410 thousand common shares amounting to \$74,103 thousand, with the date of capital increase set on September 3, 2023, based on the resolution decided during the shareholders' meeting held on June 21, 2023, and the approval of the Financial Supervisory Commission, R.O.C. on July 25, 2023. All relevant statutory registration procedures have been completed as of the reporting date.

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

2.Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
Additional paid-in capital arising from ordinary share	\$ 1,822,584	1,822,584	1,822,584
Additional paid-in capital arising from bond conversion	1,072,079	1,072,079	1,072,079
Difference between consideration and carrying amount of subsidiaries acquired or disposed	193,011	98,181	98,181
Changes in ownership interest in subsidiaries	250,872	250,872	238,938
Changes in equity of associates accounted for using equity method	-	-	730
Others	43,860	43,860	43,860
	<u><u>\$ 3,382,406</u></u>	<u><u>3,287,576</u></u>	<u><u>3,276,372</u></u>

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 and 10% of the rest be set aside 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.

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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 10% of its after-tax annual earnings as 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 amounts of cash dividends on the 2023 earnings distribution had been approved during the board meeting on March 8, 2024. The amounts of stock dividends on the 2023 earnings distribution had been approved during the shareholders' meeting on June 21, 2024, as follows:

	2023	
	Dividend per share (\$)	Amount
Dividends distributed to common shareholders		
Cash	\$ 3.80	591,344
Share	0.50	<u>77,808</u>
Total		<u>669,152</u>

The amounts of cash dividends on the 2022 earnings distribution had been approved during the board meeting on March 16, 2023. The amounts of stock dividends on the 2022 earnings distribution had been approved during the shareholders' meeting on June 21, 2023, as follows:

	2022	
	Dividend per share (\$)	Amount
Dividends distributed to common shareholders		
Cash	\$ 3.65	540,953
Share	0.50	<u>74,103</u>
Total		<u>615,056</u>

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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, 2024	\$ (122,201)	388,865	266,664
Exchange differences on translation of foreign financial statement	160,578	-	160,578
Exchange differences on associates accounted for using equity method	(11,942)	-	(11,942)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(36,747)	(36,747)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	11,477	11,477
Balance as of June 30, 2024	<u>\$ 26,435</u>	<u>363,595</u>	<u>390,030</u>
Balance as of January 1, 2023	\$ (104,157)	201,647	97,490
Exchange differences on translation of foreign financial statement	38,309	-	38,309
Exchange differences on associates accounted for using equity method	(37,194)	-	(37,194)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	70,401	70,401
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	208,899	208,899
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(9,303)	(9,303)
Balance as of June 30, 2023	<u>\$ (103,042)</u>	<u>471,644</u>	<u>368,602</u>

5. Non-controlling interests after tax

	2024	2023
Balance at January 1	\$ 2,299,950	2,096,877
Shares attributed to non-controlling interests		
Net income	83,781	91,307
Exchange differences on translation of foreign financial statements	10,727	(2,701)
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	(74,901)	87,527
Gains or losses on remeasurements of defined benefit plans	-	(454)
Gains on non-controlling interests from the disposal of subsidiaries	64,213	-
Proceeds from capital reduction of subsidiaries returned to noncontrolling interests	-	(7,872)
Cash dividends of subsidiaries distributed to non controlling interests	(182,452)	(87,630)
Balance at June 30	<u>\$ 2,201,318</u>	<u>2,177,054</u>

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(w) Earnings per share

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the basic and diluted earnings per share were calculated as follows:

1. Basic earnings per share

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Profit attributable to ordinary shareholders of the Company	\$ <u>220,377</u>	<u>173,076</u>	<u>405,554</u>	<u>374,902</u>
Weighted average number of ordinary shares (basic)(retroactive adjustments)	<u>155,617</u>	<u>155,617</u>	<u>155,617</u>	<u>155,617</u>

2. Diluted earnings per share

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Profit attributable to ordinary shareholders of the Company	\$ <u>220,377</u>	<u>173,076</u>	<u>405,554</u>	<u>374,902</u>
Weighted average number of ordinary shares (basic)(retroactive adjustments)	155,617	155,617	155,617	155,617
Effect of employee stock compensation	277	242	474	461
Weighted average number of ordinary shares (diluted)(retroactive adjustments)	<u>155,894</u>	<u>155,859</u>	<u>156,091</u>	<u>156,078</u>

The Company resolved to issue shares free of charge, based on the resolution decided during the shareholders' meeting held on June 21, 2024. As of the approval date of the financial statements, the date of capital increase has not yet been determined. If the distribution of shares free of charge occurred before the financial statements been released, the planned retrospectively adjusted earnings per share would be as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Basic earnings per share	<u>1.35</u>	<u>1.06</u>	<u>2.48</u>	<u>2.29</u>
Diluted earnings per share	<u>1.35</u>	<u>1.06</u>	<u>2.47</u>	<u>2.29</u>

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(x) Revenue from contracts with customers

1. Disaggregation of revenue

	<u>For the Three Months Ended June 30,</u>		<u>For the Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Primary geographical markets:				
Taiwan	\$ 2,052,837	1,943,846	4,002,177	3,870,195
Hong Kong	7,950	8,641	18,794	15,464
Philippines	60,375	42,537	112,257	87,029
Malaysia	18,984	16,960	32,985	31,553
Indonesia	19,367	10,429	35,337	24,577
	<u>\$ 2,159,513</u>	<u>2,022,413</u>	<u>4,201,550</u>	<u>4,028,818</u>
Major products:				
Product revenue				
Medical equipment and Supplies	\$ 1,267,780	1,131,027	2,441,302	2,320,238
Medicines	231,316	209,775	449,525	409,498
Aesthetic medical equipment and Supplies	302,310	306,554	606,676	611,475
Household appliances	39,388	46,930	72,752	85,952
Other	14,069	30,031	23,377	46,426
Service revenue	138,243	139,704	271,127	263,435
Other operating revenue	166,407	158,392	336,791	291,794
	<u>\$ 2,159,513</u>	<u>2,022,413</u>	<u>4,201,550</u>	<u>4,028,818</u>

2. Contract balances

	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
Trade receivables	\$ 5,496,633	5,939,286	5,304,747
Less: allowance for impairment	(67,748)	(66,679)	(83,254)
Total	<u>\$ 5,428,885</u>	<u>5,872,607</u>	<u>5,221,493</u>
Contract liabilities	<u>\$ 454,774</u>	<u>559,166</u>	<u>490,827</u>

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

The amount of revenue recognized for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were \$44,164 thousand, \$103,300 thousand, \$240,752 thousand and \$273,702 thousand, respectively.

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(y) 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 three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the Company estimated its employee compensation amounting to \$13,264 thousand, \$11,428 thousand, \$24,887 thousand and \$24,124 thousand, and directors' remuneration amounting to \$6,632 thousand, \$5,714 thousand, \$12,444 thousand and \$12,062 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 expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2023 and 2022, the compensation to employees which were paid in cash, amounted to \$47,244 thousand and \$42,529 thousand, respectively and directors' remuneration paid in cash, amounted to \$23,622 thousand and \$21,264 thousand, respectively. The information is available on the Market Observation Post System website.

(z) Non-operating income and expenses

1. Interest Income

The details of other income were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 21,186	16,000	34,663	26,691
Interest income from lease payment receivable	1,129	405	2,129	1,234
	<u>\$ 22,315</u>	<u>16,405</u>	<u>36,792</u>	<u>27,925</u>

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2. Other income

The details of other income were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Dividend income	\$ 14	(4)	2,657	1,382
Other income	1,560	1,354	3,138	2,746
	<u>\$ 1,574</u>	<u>1,350</u>	<u>5,795</u>	<u>4,128</u>

3. Financial costs

The details of financial costs were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Interest expense from bank borrowings	\$ 4,577	2,644	8,827	4,831
Others	886	988	1,706	2,044
	<u>\$ 5,463</u>	<u>3,632</u>	<u>10,533</u>	<u>6,875</u>

4. Other gains and losses

The details of other gains and losses were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Gains on disposal of property, plant, and equipment	\$ 792	-	792	20,430
Gains on disposals of investments	-	-	-	37
Foreign exchange gains	1,317	4,137	7,804	6,118
Net gains or losses on financial assets (liabilities) measured at fair value through profit or loss	(1,166)	(1,273)	(944)	(933)
Others	2,589	(325)	2,654	7,074
	<u>\$ 3,532</u>	<u>2,539</u>	<u>10,306</u>	<u>32,726</u>

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(aa) Reclassification adjustments of components of other comprehensive income

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Equity instruments at fair value through other comprehensive income				
Net changes in fair value	\$ (41,204)	100,736	\$ (116,555)	158,094
Net changes of fair value reclassified to retained earnings	-	7,656	-	9,303
Net gains or losses recognized in other comprehensive income	\$ <u>(41,204)</u>	<u>108,392</u>	<u>(116,555)</u>	<u>167,397</u>

(ab) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note (6)(ab) to the consolidated financial statements for the year ended December 31, 2023.

1. 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
June 30, 2024								
Non-derivative financial liabilities								
Short-term borrowings	\$ 1,151,448	1,151,448	311,098	740,350	100,000	-	-	-
Deposits received	4,208	4,208	131	-	-	-	-	4,077
Payables	4,168,296	4,168,296	768,960	3,227,698	85,717	85,911	-	10
Lease liabilities	340,863	340,863	6,719	12,884	19,102	36,360	58,257	207,541
Derivative financial liabilities								
Foreign exchange forward contracts:								
Outflows	45,309	45,309	31,590	13,719	-	-	-	-
Inflows	(44,523)	(44,523)	(30,958)	(13,565)	-	-	-	-
	<u>\$ 5,665,601</u>	<u>5,665,601</u>	<u>1,087,540</u>	<u>3,981,086</u>	<u>204,819</u>	<u>122,271</u>	<u>58,257</u>	<u>211,628</u>
December 31, 2023								
Non-derivative financial liabilities								
Short-term borrowings	\$ 1,134,887	1,134,887	344,537	690,350	-	100,000	-	-
Deposits received	4,185	4,185	-	-	-	-	-	4,185
Payables	4,439,614	4,439,614	788,870	3,514,634	61,337	74,763	-	10
Lease liabilities	306,795	306,795	6,270	11,605	17,568	34,523	59,252	177,577
	<u>\$ 5,885,481</u>	<u>5,885,481</u>	<u>1,139,677</u>	<u>4,216,589</u>	<u>78,905</u>	<u>209,286</u>	<u>59,252</u>	<u>181,772</u>

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	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
June 30, 2023								
Non-derivative financial liabilities								
Short-term borrowings	\$ 459,326	459,326	180,145	279,181	-	-	-	-
Deposits received	4,131	4,131	-	-	-	-	-	4,131
Payables	4,557,365	4,557,365	778,539	3,634,529	71,422	72,865	-	10
Lease liabilities	261,152	261,152	8,026	15,601	23,222	28,229	53,173	132,901
Derivative financial liabilities								
Foreign exchange forward contracts:								
Outflows	38,206	38,206	21,422	16,784	-	-	-	-
Inflows	(36,875)	(36,875)	(20,426)	(16,449)	-	-	-	-
	<u>\$ 5,283,305</u>	<u>5,283,305</u>	<u>967,706</u>	<u>3,929,646</u>	<u>94,644</u>	<u>101,094</u>	<u>53,173</u>	<u>137,042</u>

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

2. Market risks

1) Currency risks

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

Functional currency	Exchange rate	Currency	June 30, 2024	
			Foreign currency (in thousands)	Carrying amount (TWD)
<u>Financial assets</u>				
<u>Monetary items</u>				
TWD	32.450	USD	\$ 5,514	178,934
TWD	0.202	JPY	215,256	43,417
TWD	34.710	EUR	567	19,675
HKD	7.810	USD	9,839	319,292
MYR	4.918	USD	322	10,449
<u>Non-Monetary items</u>				
TWD	0.024	KRW	3,769,125	89,479
USD	0.031	TWD	767,791	767,791
USD	0.137	CNY	31,615	140,551
USD	0.128	HKD	313,854	1,302,651
USD	0.203	MYR	44,740	295,153

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			June 30, 2024	
Functional currency	Exchange rate	Currency	Foreign currency (in thousands)	Carrying amount (TWD)
Financial liabilities				
Monetary items				
TWD	0.202	JPY	320,341	64,613
TWD	32.450	USD	1,001	32,482
PHP	58.595	USD	895	29,043
			December 31, 2023	
Functional currency	Exchange rate	Currency	Foreign currency (in thousands)	Carrying amount (TWD)
Financial assets				
Monetary items				
TWD	30.705	USD	\$ 6,884	211,370
TWD	0.217	JPY	165,137	35,868
TWD	33.980	EUR	732	24,877
HKD	7.815	USD	9,221	283,126
Non-Monetary items				
TWD	0.024	KRW	4,745,750	113,423
USD	0.033	TWD	743,644	743,644
USD	0.141	CNY	31,469	136,245
USD	0.128	HKD	290,295	1,140,927
USD	0.209	MYR	47,801	306,461
Financial liabilities				
Monetary items				
TWD	0.217	JPY	337,035	73,204
TWD	30.705	USD	958	29,414

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			June 30, 2023	
	Exchange		Foreign	Carrying
Functional currency	rate	Currency	currency	amount
			(in thousands)	(TWD)
Financial assets				
Monetary items				
TWD	31.140	USD	\$ 4,721	147,008
TWD	0.215	JPY	190,402	40,937
TWD	33.810	EUR	640	21,641
HKD	7.836	USD	8,843	275,366
Non-Monetary items				
TWD	0.024	KRW	8,952,750	213,075
USD	0.032	TWD	121,091	121,091
USD	0.138	CNY	31,437	138,965
USD	0.128	HKD	293,839	1,167,557
USD	0.205	MYR	29,955	191,223
USD	0.018	PHP	143,278	80,756
Financial liabilities				
Monetary items				
TWD	0.215	JPY	267,640	57,543
TWD	31.140	USD	1,213	37,777
PHP	55.203	USD	664	20,677

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 six months ended June 30, 2024 and 2023, foreign exchange gains or losses amounted to gains of \$7,804 thousand and gains of \$6,118 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 as of June 30, 2024 and 2023 would have increased or decreased the net profit after tax by \$3,755 thousand and \$3,019 thousand, respectively. The analysis is performed on the same basis for both periods.

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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 increase or decrease by \$11,979 thousand and \$11,720 thousand for the six months ended June 30, 2024 and 2023, respectively. The changes are mainly due to floating rate bank deposits and borrowings of the Group.

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 six months ended June 30, 2024 and 2023 would have increased/decreased by \$5,999 thousand and \$8,186 thousand, respectively, as a result of the changes in fair values of financial assets at fair value through other comprehensive income.

3. 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:

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	June 30, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 220	-	220	-	220
Financial assets at fair value through other comprehensive income					
Foreign listed shares	97,199	97,199	-	-	97,199
Domestic unlisted shares	157,342	-	-	157,342	157,342
Foreign unlisted shares	345,332	-	-	345,332	345,332
Sub-total	599,873	97,199	-	502,674	599,873
Financial assets at amortized cost					
Cash and cash equivalents	2,501,343	-	-	-	-
Time deposits with original maturity of more than 3 months	714,832	-	-	-	-
Receivables	5,428,885	-	-	-	-
Guarantee deposit paid	164,911	-	-	-	-
Other financial assets	95,534	-	-	-	-
Sub-total	8,905,505	-	-	-	-
Total	\$ 9,505,598	97,199	220	502,674	600,093
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 786	-	786	-	786
Financial liabilities at amortized cost					
Short-term and long-term borrowings	1,151,448	-	-	-	-
Payables	4,168,296	-	-	-	-
Deposits received	4,208	-	-	-	-
Lease liabilities	340,863	-	-	-	-
Sub-total	5,664,815	-	-	-	-
Total	\$ 5,665,601	-	786	-	786

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	December 31, 2023				
	<u>Book value</u>	<u>Fair value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through other comprehensive income					
Foreign listed shares	\$ 121,737	121,737	-	-	121,737
Domestic unlisted shares	141,832	-	-	141,832	141,832
Foreign unlisted shares	<u>452,738</u>	<u>-</u>	<u>-</u>	<u>452,738</u>	<u>452,738</u>
Sub-total	<u>716,307</u>	<u>121,737</u>	<u>-</u>	<u>594,570</u>	<u>716,307</u>
Financial assets at amortized cost					
Cash and cash equivalents	2,614,786	-	-	-	-
Time deposits with original maturity of more than 3 months	768,167	-	-	-	-
Receivables	5,872,607	-	-	-	-
Guarantee deposit paid	183,405	-	-	-	-
Other financial assets	<u>60,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	<u>9,499,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 10,215,887</u></u>	<u><u>121,737</u></u>	<u><u>-</u></u>	<u><u>594,570</u></u>	<u><u>716,307</u></u>
Financial liabilities at amortized cost					
Short-term and long-term borrowings	\$ 1,134,887	-	-	-	-
Payables	4,439,614	-	-	-	-
Deposits received	4,185	-	-	-	-
Lease liabilities	<u>306,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 5,885,481</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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	June 30, 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 335	-	335	-	335
Financial assets at fair value through other comprehensive income					
Domestic listed shares	75,536	75,536	-	-	75,536
Foreign listed shares	223,185	223,185	-	-	223,185
Domestic unlisted shares	152,390	-	-	152,390	152,390
Foreign unlisted shares	367,463	-	-	367,463	367,463
Sub-total	818,574	298,721	-	519,853	818,574
Financial assets at amortized cost					
Cash and cash equivalents	2,332,869	-	-	-	-
Time deposits with original maturity of more than 3 months	606,659	-	-	-	-
Receivables	5,221,493	-	-	-	-
Guarantee deposit paid	153,734	-	-	-	-
Other financial assets	219,139	-	-	-	-
Sub-total	8,533,894	-	-	-	-
Total	\$ 9,352,803	298,721	335	519,853	818,909
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 1,331	-	1,331	-	1,331
Financial liabilities at amortized cost					
Short-term and long-term borrowings	459,326	-	-	-	-
Payables	4,557,365	-	-	-	-
Deposits received	4,131	-	-	-	-
Lease liabilities	261,152	-	-	-	-
Sub-total	5,281,974	-	-	-	-
Total	\$ 5,283,305	-	1,331	-	1,331

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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 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.

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.

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4) Changes in level 3 of the fair value

	Fair value through other comprehensive income <u>unquoted equity instruments</u>
Balance as of January 1, 2024	\$ 594,570
Total gains and losses recognized	
In other comprehensive income	(92,017)
Reclassification and effect of movements in exchange rates	<u>121</u>
Balance as of June 30, 2024	<u><u>\$ 502,674</u></u>
Balance as of January 1, 2023	\$ 478,937
Total gains and losses recognized	
In other comprehensive income	40,835
Reclassification and effect of movements in exchange rates	<u>81</u>
Balance as of June 30, 2023	<u><u>\$ 519,853</u></u>

For the six months ended June 30, 2024 and 2023, 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:

	<u>For the Three Months Ended June 30,</u>		<u>For the Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
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”				
\$	(36,974)	32,306	(92,017)	40,835

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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	<ul style="list-style-type: none"> · EV/Revenue Value Multiple (3.2, 2.10~2.38 and 3.07 as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.) · P/B Value Multiple (1~3.49, 1.83~3.23 and 1.04~3.63 as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.) · P/E Value Multiple (21.23 and 24.95 as of June 30, 2024 and December 31, 2023, respectively.) · Discount due to Lack of Market liquidity (10%~22.3%, 13.37%~30.00% and 17.06%~30.00% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.) 	<ul style="list-style-type: none"> · The estimated fair value would increase (decrease) if the value multiple is higher (lower) and the marketability discount is lower (higher)

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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
June 30, 2024				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	\$ 24,513	(24,513)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	32,496	(32,496)
			<u>\$ 57,009</u>	<u>(57,009)</u>
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	\$ 18,167	(18,167)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	35,557	(35,557)
			<u>53,724</u>	<u>(53,724)</u>
June 30, 2023				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	\$ 25,164	(25,164)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	34,112	(34,112)
			<u>\$ 59,276</u>	<u>(59,276)</u>

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(ac) Financial risk management

There were no significant differences of the Group's financial risk management and policies with those disclosed in Note (6)(ac) of the consolidated financial statements for the year ended December 31, 2023.

(ad) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note (6)(ad) to the consolidated financial statement for the year ended December 31, 2023 for further details.

(ae) 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 six months ended June 30, 2024 and 2023, 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:

			Non-cash changes			
				Foreign exchange movement	Others	
	January 1, 2024	Cash flows	Acquisition			June 30, 2024
Short-term borrowings	\$ 1,134,887	16,561	-	-	-	1,151,448
Lease liabilities	306,795	(36,927)	76,109	(1)	(5,113)	340,863
Total liabilities from financing activities	<u>\$ 1,441,682</u>	<u>(20,366)</u>	<u>76,109</u>	<u>(1)</u>	<u>(5,113)</u>	<u>1,492,311</u>

			Non-cash changes			
				Foreign exchange movement	Others	
	January 1, 2023	Cash flows	Acquisition			June 30, 2023
Short-term borrowings	\$ 535,134	(75,808)	-	-	-	459,326
Lease liabilities	272,916	(46,665)	36,893	329	(2,321)	261,152
Total liabilities from financing activities	<u>\$ 808,050</u>	<u>(122,473)</u>	<u>36,893</u>	<u>329</u>	<u>(2,321)</u>	<u>720,478</u>

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(7) Related Party Transactions

(a) Names of related parties and their relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Arich Best Chain Co., Ltd.(Arich Best Chain)	Subsidiary (Note 1)
Excelsior Investment Co., Ltd.	Entities with significant influence over the Group
Excelsior Group Holdings Co., Ltd.	"
Shiuan Huei Investment Co., Ltd.	"
Bestchain Healthtaiwan Co., Ltd. (Bestchain)	Associate
Excelsior Renal Service Co., Limited (ERS)	"
Asia Best Healthcare Co., Limited (ABH)	"
Medifly Co., Ltd.	"
Asia Best Life Care Co., Ltd. (Former name: Asia Best Life Care Technology Co., Ltd.)	"
Excelsior Long Term Care Corporation Entity	"
Medytox Taiwan Inc.	"
Touce Biotech Co., Ltd.	"
Bestsmile Co., Ltd.	"
Exceed Healthcare Co., Ltd.	"
Anxin Nice Care Co., Ltd.	"
NephroCare Limited	"
Cardinal Medical Services Ltd.	"
Visionfront Corporation	Associate (Note 2)
CYJ INTERNATIONAL COMPANY LIMITED (CYJ)	Associate (Note 3)
Excelsior Health Foundation	Other related parties
SciVision Biotech Inc.	Other related parties(Other related parties before June, 2023)

Note 1: Other related parties until April 2023, the Group acquired 100% equity in Arich Best Chain Co., Ltd. ,in April 2023.

Note 2: Visionfront Corporation and Bestchain were merged and dissolved with January 30, 2023, as the merger dissolution date.

Note 3: CYJ INTERNATIONAL COMPANY LIMITED was dissolved by resolution of the shareholders' meeting on May 13, 2024.

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(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 Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Associate—Bestchain	\$ 657,844	584,383	1,251,991	1,200,898
Associate—ERS	194,778	175,422	374,484	361,946
Associate—Others	63,429	54,557	128,010	121,453
Other related parties	37	33	37	33
	<u>\$ 916,088</u>	<u>814,395</u>	<u>1,754,522</u>	<u>1,684,330</u>

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 Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Associate—ERS	\$ 24,786	23,771	48,838	46,791
Associate—Bestchain	455	154	1,688	481
	<u>\$ 25,241</u>	<u>23,925</u>	<u>50,526</u>	<u>47,272</u>

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 Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Entities with significant influence over the Group	\$ 18	18	36	36
Associate—ABH	4,200	4,200	8,400	8,399
Associate—ERS	1,522	1,209	2,212	2,417
Associate—Others	1,048	476	1,555	948
Other related parties	15	15	31	29
	<u>\$ 6,803</u>	<u>5,918</u>	<u>12,234</u>	<u>11,829</u>

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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 Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Associate	\$ 3,760	3,937	7,503	7,395
Other related parties	72	72	143	143
	<u>\$ 3,832</u>	<u>4,009</u>	<u>7,646</u>	<u>7,538</u>

2. Purchases from related parties

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Associate	\$ 45,009	59,538	85,398	105,301
Other related parties	-	22,100	-	22,100
	<u>\$ 45,009</u>	<u>81,638</u>	<u>85,398</u>	<u>127,401</u>

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

3. Receivables from related parties

Receivables from related parties were as follows:

Accounted for as	Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	Associate	\$ 25	434	269
Other notes receivable	Associate	1,052	237	697
Accounts receivable	Associate—Bestchain	693,242	762,025	656,501
Accounts receivable	Associate—ERS	151,846	153,784	146,943
Accounts receivable	Associate—Others	50,625	41,301	49,441
Accounts receivable	Other related parties	198	8	5
Other receivables	Associate	6,975	9,146	4,928
		<u>\$ 903,963</u>	<u>966,935</u>	<u>858,784</u>

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4. Payables to related parties

Payables to related parties were as follows:

Accounted for as	Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable	Associate	\$ 11,820	8,820	8,583
Other payables	Associate	14,166	14,006	10,792
		<u>\$ 25,986</u>	<u>22,826</u>	<u>19,375</u>

5. Prepayments

Prepayments to related parties were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Associate	\$ <u>57,164</u>	<u>24,324</u>	<u>13,116</u>

6. Temporary receipts

Temporarily receipts to related parties were as follow :

	June 30, 2024	December 31, 2023	June 30, 2023
Entities with significant influence over the Group—Shiuan Huei Investment Co., Ltd.	\$ 8,677	-	-
Entities with significant influence over the Group—Excelsior Group Holdings Co., Ltd.	13,015	-	-
Associate—Bestchain	10,846	-	-
	<u>\$ 32,538</u>	<u>-</u>	<u>-</u>

The Company temporarily receive to related parties were CYJ Taiwan received amount for conducting a cash capital increase, with the date set on July 1, 2024.

7. Property transactions

1) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties are summarized as follows:

	For the three months ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Associate—Asia Best Life Care Co., Ltd.	\$ -	2,495	-	2,495

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2) Disposals of property, plant and equipment

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

For the Three Months Ended June 30,				
		2024	2023	
Category of related party	Disposal price	Gains (losses) from disposal	Disposal price	Gains (losses) from disposal
Associates	\$ 88	40	-	-

For the Six Months Ended June 30,				
		2024	2023	
Category of related party	Disposal price	Gains (losses) from disposal	Disposal price	Gains (losses) from disposal
Associates	\$ 88	40	-	-

3) Acquisitions of financial assets

The acquisitions of financial assets from related parties are summarized as follows:

		For the Three Months Ended June 30,		
		2023		
Relationship	Account	Number of shares	Purpose	Acquisition price
Associate—Bestchain	Investments accounted for using equity method	3,000,000	Ordinary shares of Arich Best Chain	\$ 31,080

		For the Six Months Ended June 30,		
		2023		
Relationship	Account	Number of shares	Purpose	Acquisition price
Associate—Bestchain	Investments accounted for using equity method	1,512,341	Ordinary shares of Bestsmile	\$ 24,213
Associate—Bestchain	Investments accounted for using equity method	3,000,000	Ordinary shares of Arich Best Chain	31,080
				\$ 55,293

Note: Arich Enterprise Co., Ltd. purchased 3,000 thousand ordinary shares of Arich Best Chain Co., Ltd., at a total price of \$31,080 thousand, from the Group's associates on April 6, 2023.

4) Disposals of financial assets

The disposals of financial assets to related parties are summarized as follows:

		For the Three Months Ended June 30,							
		2024				2023			
Relationship	Account	Number of shares	Purpose	Disposal price	Gain (loss) on disposal	Number of shares	Purpose	Disposal price	Gain (loss) on disposal
Associate—Bestchain	Investments accounted for using equity method	1,500,000	Ordinary shares of Dynamic	\$ 159,043	-	-		-	-

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		For the Six Months Ended June 30,							
		2024				2023			
Relationship	Account	Number of shares	Purpose	Disposal price	Gain (loss) on disposal	Number of shares	Purpose	Disposal price	Gain (loss) on disposal
Associate—Bestchain	Investments accounted for using equity method	1,500,000	Ordinary shares of Dynamic	\$ 159,043	-	-		-	-
Associate—Bestchain	Investments accounted for using equity method	-		-	-	2,434,870	Ordinary shares of Visionfront Corporation	24,213	2,836
				\$ 159,043	-	-		24,213	2,836

Note: Bestchain Healthtaiwan Co., Ltd. absorbed and merged with Visionfront Corporation. After the merger, Visionfront Corporation was the extinguished company, and Bestchain Healthtaiwan Co., Ltd. was the surviving company. Therefore, the number of shares of Visionfront Corporation held by the Company was exchanged for shares of Bestchain Healthtaiwan Co., Ltd. on January 30, 2023.

8. Guarantee

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group provided associates guarantees for loans. The credit limit of the guarantees were \$800,000 thousand, \$700,000 thousand and \$500,000 thousand, and the amount utilized were \$350,000 thousand, \$150,000 thousand and \$0, respectively.

9. Others

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
<u>Associates and Other related parties</u>				
Other revenue	\$ 984	(242)	1,572	863
Cost of goods sold	(1,123)	(1,145)	(2,211)	(2,235)
Repair and maintenance costs	(1,334)	(775)	(2,937)	(1,561)
Fright and warehousing expense	(12,883)	(10,970)	(24,723)	(21,735)
Rent expense	(448)	(674)	(908)	(1,317)
Other expense	(6,549)	(6,835)	(12,508)	(13,800)
	<u>\$ (21,353)</u>	<u>(20,641)</u>	<u>(41,715)</u>	<u>(39,785)</u>

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

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had received collections in advance from associates for \$116 thousand, \$327 thousand and \$296 thousand, respectively.

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(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the Three Months Ended June 30,</u>		<u>For the Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 22,046	21,677	45,131	46,333
Post-employment benefit	394	347	780	827
	<u>\$ 22,440</u>	<u>22,024</u>	<u>45,911</u>	<u>47,160</u>

(8) Pledged Assets

The carrying amount of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
Current deposits and time deposits	Bank loans, bank guarantee and credit card document receiving service guarantee	\$ 94,165	60,941	65,403
Notes receivable and other notes receivable	Guarantee of short-term loan or strengthening credit	256,179	190,717	104,038
Property, plant and equipment	Bank loans	88,974	87,295	87,763
Investment property	"	844,754	990,178	848,613
Refundable deposits (Recognized in other non current financial assets)	Guarantee for sales performace, deposits and lease deposits, ect.	164,911	183,405	153,734
		<u>\$ 1,448,983</u>	<u>1,512,536</u>	<u>1,259,551</u>

(9) Significant Commitments and Contingencies

(a) Unrecognized contractual commitments

1. As of June 30, 2024, December 31, 2023 and June 30, 2023, the unused letters of credit were \$36,425 thousand, \$103,442 thousand and \$98,340 thousand, respectively. The guarantee letters issued by banks for sales contract guarantee and purchase bid of hospital were \$601,173 thousand, \$621,308 thousand and \$357,867 thousand, respectively.
2. In April 2022, the Company entered into a supply agreement with the Hong Kong-based company. Pursuant to the agreement, the Company shall purchase certain products from the Hong Kong-based company in agreed quantities at agreed prices annually.

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(10) Losses due to Major Disasters : None.

(11) Subsequent Events

On April 24, 2024, CYJ International Taiwan Inc. resolved by its Board of Directors to conduct a cash capital increase by issuing 12,759,960 new shares, amounting to \$127,600 thousand. The date of capital increase was July 1, 2024, and 12,759,960 new shares were issued at NT\$10 per share. All statutory registration procedures have been completed on July 17, 2024.

(12) Other

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

By function		For the Three Months Ended June 30, 2024			For the Three Months Ended June 30, 2023		
By item		Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits							
Salary		70,904	123,914	194,818	68,377	116,652	185,029
Labor and health insurance		6,541	9,379	15,920	5,985	8,524	14,509
Pension		3,351	5,429	8,780	3,056	4,990	8,046
Others		2,278	6,240	8,518	3,107	4,534	7,641
Depreciation		52,657	12,903	65,560	50,336	13,027	63,363
Amortization		290	1,066	1,356	255	528	783

By function		For the Six Months Ended June 30, 2024			For the Six Months Ended June 30, 2023		
By item		Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits							
Salary		138,354	246,851	385,205	125,469	239,261	364,730
Labor and health insurance		13,271	19,876	33,147	11,771	18,171	29,942
Pension		6,533	10,912	17,445	5,836	10,005	15,841
Others		5,235	11,343	16,578	6,217	9,200	15,417
Depreciation		102,518	25,020	127,538	100,490	24,940	125,430
Amortization		583	2,103	2,686	554	1,018	1,572

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(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 six months ended June 30, 2024:

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

(Expressed in thousands of New Taiwan dollars)

No.	Endorsement/ guarantee provider	Counter-party		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/guar antee to net equity per latest financial statements	Maximum endorsement guarantee amount allowance (Note 7)	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 Asset Management CO., Ltd. (Note 4)	2	1,728,782	990,000	570,000	75,350	-	6.59 %	8,643,910	Y	N	N
0	"	EG Healthcare, Inc. (Note 4)	2	1,728,782	120,280	120,280	11,076	-	1.39 %	8,643,910	Y	N	N
0	"	Renal Laboratories Sdn. Bhd. (Note 4)	2	1,728,782	81,363	81,125	-	-	0.94 %	8,643,910	Y	N	N
0	"	Medi-Chem System Sdn. Bhd. (Note 4)	2	1,728,782	16,272	16,225	-	-	0.19 %	8,643,910	Y	N	N
0	"	Excelsior Renal Service Co., Limited (Note 3)	1	736,106	-	-	-	-	- %	8,643,910	N	N	N
0	"	Bestchain Healthtaiwan Co., Ltd. (Note 3)	1	2,519,118	800,000	800,000	350,000	-	9.26 %	8,643,910	N	N	N
1	Dynamic Medical Technologies Inc.	CYJ International Taiwan Inc.(Note 5)	2	281,133	100,000	100,000	100,000	-	7.11 %	702,832	Y	N	N
2	Arich Best Chain Co., Ltd.	Arich Enterprise Co., Ltd. (Note 6)	3	9,085	-	-	-	-	- %	15,142	N	Y	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: 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 6: The total amount of guarantee and endorsement cannot exceed 30% of Arich Best Chain's net asset value from the most recent audited or reviewed report.

Note 7: The total amount of guarantee and endorsement cannot exceed the Company's net asset value from the most recent audited or review report: Dynamic and Arich Best Chain cannot exceed 50% of their net asset value from the most recent audited or reviewed report.

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

(Expressed in thousands of New Taiwan dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Notes
				Number of shares	Book value	Percentage of shares	Market value	
	Stock							
The Company	3-D Matrix, Ltd.	-	Fair value through other comprehensive income	273,400	7,720	0.34 %	7,720	
"	Gie Cheng Co., Ltd.	-	"	3,795,000	34,648	17.25 %	34,648	
"	Rui Guang Healthcare Co., Ltd.	-	"	2,423,951	50,879	7.15 %	50,879	
"	Sunder Biomedical Tech. Co., Ltd.	-	"	2,279,578	57,605	3.80 %	57,605	
"	Linkon International Golf & Country Club	-	"	1	11,350	0.10 %	11,350	
Excelsior Healthcare Co. Limited	Chai Tai Bo Ai Investment Limited	-	"	10,000	-	8.00 %	-	
EG Healthcare, Inc.	The Orchard Golf & Country Club	-	"	1	1,942	- %	1,942	
Dynamic Medical Technologies Inc.	Caregen Co., Ltd.	-	"	172,500	89,479	0.32 %	89,479	
Excelsior Beauty Co., Ltd.	Join Fun Co., Ltd.	-	"	263,340	2,860	19.00 %	2,860	
Arich Enterprise Co., Ltd.	National Pharmaceutical Logistics Corp., Ltd.	Board director of investee	"	-	343,390	17.65 %	343,390	

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				Transactions with terms different from others		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/ notes receivable (payable)	
The Company	Excelsior Renal Service Co., Limited	Associates	Sales	(374,484)	(14.93)%	Net 30-60 days	-		151,846	11.36 %	Note 1
"	Bestchain Healthtaiwan Co., Ltd.	"	"	(1,251,227)	(49.90)%	Net 30-90 days	-		692,672	51.84 %	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.

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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	151,846	4.90	-	-	71,604	-
"	Bestchain Healthtaiwan Co., Ltd.	"	692,672	3.44	-	-	-	-

9. Derivative transactions: None.

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 2024			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
0	The Company	EG Healthcare, Inc.	1	Sales	45,951	Usual terms and conditions	1.09 %
"	"	"	1	Account Receivable	25,921	The same as the term for other general trading partners	0.62 %
1	Dynamic Medical Technologies Inc.	Excelsior Beauty Co., Ltd.	3	Sales	18,627	Base on cost-plus pricing	0.44 %
"	"	"	3	Other Receivable	45,759	The same as the term for other general trading partners	1.09 %
"	"	CYJ International Taiwan Inc.	3	Sales	40,833	Base on cost-plus pricing	0.97 %
"	"	"	3	Temporary payments	65,076	Note 4	1.55 %
"	"	"	3	Account Receivable	26,946	The same as the term for other general trading partners	0.64 %

Note 1: The numbers denote the following:

- 0 represents the Company.
- Subsidiaries are listed by names and numbered starting with 1.

Note 2: Relationship with the listed companies:

- The Company to subsidiary
- Subsidiary to the Company
- 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: Temporary payments were CYJ Taiwan prepaid amount for conducting a cash capital increase, with the date set on July 1, 2024.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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(b) Information on investees:

For the six months ended June 30, 2024, the following is the information of investees (excluding investees in Mainland china):

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

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	Bestchain Healthtaiwan Co., Ltd.	New Taipei City	Sale of medical equipment and medicines, interagation of warehousing and information	299,024	299,024	50,674,854	44.71 %	1,056,389	179,003	79,989	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 %	754,038	41,611	16,645	Subsidiary (Notes 2)
"	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	116,099	180,312	11,206,690	33.96 %	488,441	97,867	36,524	Subsidiary
"	Excelsior Healthcare Co., Limited	British Virgin Islands	Investment business	898,782	898,782	28,695,856	100.00 %	1,871,368	69,276	69,276	Subsidiary
"	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 %	28,987	47	19	Associates
"	Excelsior Medical (HK) Co., Limited	Hong Kong	Investment business	963,137	963,137	33,807,013	64.36 %	1,344,623	53,928	34,708	Subsidiary
"	Excelsior Beauty Co., Ltd.	New Taipei City	Sales of lifestyle beauty products and treatments, and sales of medical beauty products	28,543	28,543	5,190,662	41.02 %	83,083	26,170	10,752	Sub-subsiidiary (Note 4、6)
"	Excelsior Asset Management Co., Ltd.	New Taipei City	Sales of medical equipment, precision instrument and real estate	780,525	780,525	83,916,300	100.00 %	667,364	8,750	8,750	Subsidiary
"	Medifly Co., Ltd.	Taichung	Sale of medical equipment and medicines	31,899	31,899	3,615,976	28.66 %	98,394	18,001	5,159	Associates
"	Asia Best Life Care Co., Ltd.	New Taipei City	Long-term care business	953,836	953,836	84,633,340	49.38 %	985,370	53,779	26,555	Associates
Excelsior Healthcare Co., Limited	EG Healthcare, Inc.	Philippines	Sale and lease of medical equipment, and medical management consultancy service	19,256	19,256	9,427,489	99.99 %	76,873	2,831	-	Sub-subsiidiary
"	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 %	481,584	88,708	-	Associates
"	Excelsior Medical (HK) Co., Limited	Hong Kong	Investment business	516,071	516,071	18,724,062	35.64 %	744,599	53,928	-	Subsidiary
"	Excelsior Investment (Malaysia) Co., Ltd	British Virgin Islands	Investment business	343,026	343,026	11,171,271	100.00 %	295,153	(2,245)	-	Sub-subsiidiary

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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
Dynamic Medical Technologies Inc.	Dynamic Medical Technologies (Hong Kong) Ltd.	Hong Kong	Sale of cosmetic health-care products	382,278	382,278	79,021,783	100.00 %	329,298	6,010	-	Sub-subsidiary
"	Excelsior Beauty Co., Ltd.	New Taipei City	Sales of lifestyle beauty products and treatments, and sales of medical beauty products	55,395	55,395	6,819,523	53.89 %	101,182	26,170	-	Sub-subsidiary (Note 1、6)
"	Medytox Taiwan Inc.	New Taipei City	Sale of cosmetic health-care products	18,000	18,000	1,800,000	40.00 %	(2,700)	(9,811)	-	Associates
"	TOUCE BIOTECH Co., Ltd		Sale of cosmetic health-care products	45,000	45,000	420,000	35.00 %	46,849	2,571	-	Associates
"	CYJ International Taiwan Inc.	New Taipei City	Sales of lifestyle beauty products and treatments, and sales of medical beauty products	90,633	90,633	7,344,008	60.00 %	56,555	(8,147)	-	Sub-subsidiary (Note 5)
Dynamic Medical Technologies (Hong Kong) Ltd.	CYJ INTERNATIONAL COMPANY LIMITED	Hong Kong	Sale and treatment of hair regrowth and conditioning	-	66,547	-	- %	-	288	-	Associates (Note 9)
Arich Enterprise Co., Ltd.	Arich Best Chain Co., Ltd.	New Taipei City	Logistics Business	31,080	31,080	3,000,000	100.00 %	30,768	(236)	-	Sub-subsidiary (Note 7)
Excelsior Medical (HK) Co., Limited	Asia Best Healthcare Co., Ltd.	Cayman Islands	Long-term care business	458,902	458,902	129,492	48.47 %	625,847	(1,860)	-	Associates
"	Cardinal Medical Services Ltd.	British Virgin Islands	Sale of medical equipment, and medical management consultancy service	106,121	106,121	9,800	49.00 %	141,943	22,642	-	Associates
"	NephroCare Limited	Hong Kong	Sale of medical equipment, and medical management consultancy service	688,755	688,755	151,801,588	49.00 %	821,067	72,170	-	Associates
Excelsior Investment (Malaysia) Co., Ltd	Renal Laboratories Sdn. Bhd.	Malaysia	Manufacture of medical equipment	288,387	288,387	32,523,586	81.90 %	254,353	(1,683)	-	Sub-subsidiary
"	Medi-Chem Systems Sdn. Bhd.	Malaysia	Sale of medical equipment	44,052	44,052	350,000	70.00 %	35,232	(514)	-	Sub-subsidiary
Medi-Chem Systems Sdn. Bhd.	Renal Management Sdn. Bhd.	Malaysia	Lease business	1,315	1,315	200,000	100.00 %	8,305	58	-	Sub-subsidiary

Note 1: Including the adjustment made from the unrealized gain/loss with subsidiaries and associates.

Note 2: Including the amortization listed by the book value of net identified assets.

Note 3: According to the regulations, the Company are required to disclose the share of income/loss of investees.

Note 4: Excelsior Beauty Co., Ltd., disposed of 30% equity in CYJ International Taiwan Inc. in December 2023.

Note 5: Dynamic Medical Technologies Inc. acquired 10% equity of CYJ International Taiwan Inc. from CYJ INTERNATIONAL COMPANY LIMITED, the associate, in November 2022 ; Dynamic Medical Technologies Inc. acquired 50% equity in CYJ International Taiwan Inc. from Excelsior Beauty Co. Ltd. in November 2023, the shareholding ratio after the acquisition is 60%.

Note 6: Excelsior Beauty Co., Ltd., has completed the registration of changes in capital reduction in May 2023, and is therefore included in the consolidated financial statements from that date.

Note 7: Arich Enterprise Co., Ltd. acquired 100% equity of the company on April 6, 2023.

Note 8: On July 3, 2023, Asia Best Healthcare Co., Ltd. used the shares of its subsidiary Asia Best Life Care Co., Ltd. as the consideration for the organizational restructuring, after the organizational restructuring the Company held 49.38% of the equity in Asia Best Life Care Co., Ltd. In addition, on November 8, 2023, the Company purchased all the equity in Asia Best Life Care Co. from Excelsior Medical (HK) Co., and the relevant procedures have been completed.

Note 9: CYJ INTERNATIONAL COMPANY LIMITED was dissolved by resolution of the shareholders' meeting on May 13, 2024.

Note 10: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

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(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, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Current investment gains and losses	Carrying Amount	Accumulated Inward Remittance of Earnings
					Out-flow	Inflow						
Excelsior Healthcare (Shanghai) Corporation (Note 3)	Sale and lease of medical equipment, and medical management consultancy service	-	(2)	30,240	-	-	30,240	-	-	-	-	-
Shanghai Lintech Medicare Co. (Note 4)	Sale and maintenance of medical equipment	-	(2)	29,213	-	-	29,213	-	-	-	-	-
Pacific Beijing Bo-Ai Medical Management Consulting Co., Ltd.	Investment business and medical management consultancy service	84,187	(2)	84,187	-	-	80,327	(26,063)	7.80 %	-	-	-
SinoExcelsior Investment Inc. (Note 5)	Sale of medical equipment, and medical management consultancy service	291,579	(2)	947,845	-	-	947,845	702	100.00 %	702	140,551	-
Guangzhou Dynamic Inc.	Sale and maintenance of medical equipment	44,346	(2)	119,574	-	-	119,574	(580)	100.00 %	(580)	8,616	-
Beijing Dynamic Inc. (Note 6)	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	13,279	17.65 %	-	343,390	83,293

2. Limitation on investment in Mainland China:

Company	Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
The Company	1,087,625	1,289,640	5,186,346
Dynamic Medical Technologies Inc.	153,998	153,998	843,398
Arich Enterprise Co., Ltd.	66,603	66,603	1,134,237

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 June 30, 2024, 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 June 30, 2024, 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: 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 June 30, 2024, the accumulated amount of investment from Taiwan has not been repatriated yet.

Note 7: (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 8: All amounts listed are disclosed in NTD.

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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:

Shareholder's Name	Shareholding	Shares	Percentage
Excelsior Investment Co., Ltd.		17,390,232	11.17 %
Excelsior Group Holdings Co., Ltd.		16,455,934	10.57 %
Bestchain Healthtaiwan Co., Ltd.		15,286,432	9.82 %

(14) Segment 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:

- (a) Excelsior segment - the Company.
- (b) Dynamic segment - Dynamic, Hong Kong Dynamic, Excelsior Beauty, Guangzhou Dynamic, and CYJ International Taiwan Inc..
- (c) Arich segment - Arich , and Arich Best Chain.
- (d) 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.

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

For the Three Months Ended June 30, 2024	Excelsiro segment	Dynamic segment	Arich segment	Others	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	\$ 1,333,046	398,337	317,285	110,845	-	2,159,513
Inter-segment revenue	30,827	113	9	13,786	(44,735)	-
Total	\$ 1,363,873	398,450	317,294	124,631	(44,735)	2,159,513
Reportable segment profit (loss)	\$ 247,894	67,053	24,392	60,431	(91,628)	308,142
For the Three Months Ended June 30, 2023						
Revenue						
Revenue from external customers	\$ 1,223,308	412,604	293,078	93,423	-	2,022,413
Inter-segment revenue	18,647	45	9	2,826	(21,527)	-
Total	\$ 1,241,955	412,649	293,087	96,249	(21,527)	2,022,413
Reportable segment profit (loss)	\$ 211,426	77,476	25,358	70,203	(106,528)	277,935

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For the Six Months Ended June 30, 2024	Excelsiro segment	Dynamic segment	Arich segment	Others	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	\$ 2,573,493	798,848	629,128	200,081	-	4,201,550
Inter-segment revenue	<u>51,992</u>	<u>2,786</u>	<u>15</u>	<u>27,416</u>	<u>(82,209)</u>	<u>-</u>
Total	<u>\$ 2,625,485</u>	<u>801,634</u>	<u>629,143</u>	<u>227,497</u>	<u>(82,209)</u>	<u>4,201,550</u>
Reportable segment profit (loss)	<u>\$ 460,393</u>	<u>132,504</u>	<u>50,426</u>	<u>115,392</u>	<u>(176,638)</u>	<u>582,077</u>
For the Six Months Ended June 30, 2023						
Revenue						
Revenue from external customers	\$ 2,505,033	803,305	556,833	163,647	-	4,028,818
Inter-segment revenue	<u>33,099</u>	<u>2,625</u>	<u>15</u>	<u>29,158</u>	<u>(64,897)</u>	<u>-</u>
Total	<u>\$ 2,538,132</u>	<u>805,930</u>	<u>556,848</u>	<u>192,805</u>	<u>(64,897)</u>	<u>4,028,818</u>
Reportable segment profit (loss)	<u>\$ 447,102</u>	<u>152,327</u>	<u>47,051</u>	<u>145,930</u>	<u>(212,837)</u>	<u>579,573</u>