

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

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Nine Months Ended September 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 September 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 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 \$792,216 thousand and \$612,557 thousand, constituting 3.61% and 3.48% of consolidated total assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to \$64,466 thousand and \$59,130 thousand, constituting 0.59% and 0.88% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and total comprehensive (loss) income amounting to \$9,898 thousand, \$(7,122) thousand, \$8,847 thousand and \$(9,055) thousand, constituting 4.50%, (2.03)%, 1.15% and (0.77)% of consolidated total comprehensive (loss) income for the three months and six months ended September 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 \$4,215,599 thousand and \$3,958,109 thousand as of September 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 \$53,845 thousand, \$87,490 thousand, \$254,548 thousand and \$257,051 thousand for the three months and six months ended September 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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 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)
November 8, 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.

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2024 AND 2023

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		September 30, 2024		December 31, 2023		September 30, 2023						September 30, 2024		December 31, 2023		September 30, 2023	
ASSETS		Amount	%	Amount	%	Amount	%			LIABILITIES AND EQUITY		Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities:							
1100	Cash and cash equivalents (Notes (6)(a))	\$ 5,935,972	27	2,614,786	14	2,492,160	15	2100		Short-term borrowings (Note (6)(n))		\$ 1,082,201	5	1,134,887	6	942,017	5
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	340	-	-	-	-	-	2120		Current financial liabilities at fair value through profit or loss (Note (6)(b))		342	-	-	-	567	-
1136	Current financial assets at amortized cost (Note (6)(d))	668,670	3	768,167	4	755,749	4	2130		Current contract liabilities		476,620	2	559,166	3	490,449	3
1151	Notes receivable (Notes (6)(e), (7) and (8))	233,293	1	305,120	2	316,528	2	2150		Notes payable		1,312	-	1,797	-	933	-
1152	Other notes receivable (Notes (6)(e), (7) and (8))	228,715	1	317,692	2	288,974	2	2170		Accounts payable (Note (7))		1,042,300	5	972,929	5	1,127,920	7
1170	Accounts receivable (Notes (6)(e) and (7))	1,501,714	7	1,656,216	9	1,553,821	9	2200		Other payables (Notes (6)(o) and (7))		7,109,694	33	3,464,888	19	3,191,920	18
1200	Other receivables (Notes (6)(e) and (7))	3,373,359	15	3,535,650	20	3,201,937	18	2230		Current tax liabilities		53,537	-	143,368	1	97,229	1
130X	Inventories (Note (6)(f))	1,304,896	6	1,247,430	7	1,274,948	7	2280		Current lease liabilities (Notes (6)(r) and (7))		123,109	1	69,966	-	74,887	-
1476	Other current financial assets (Note (8))	245,034	1	23,115	-	21,921	-	2399		Other current liabilities, others (Notes (6)(p), (q) and (7))		320,314	1	331,756	3	317,493	2
1479	Other current assets, others	208,882	1	223,654	1	229,173	1					10,209,429	47	6,678,757	37	6,243,415	36
		13,700,875	62	10,691,830	59	10,135,211	58			Non-Current liabilities:							
	Non-current assets:							2570		Deferred tax liabilities (Note (6)(u))		291,037	1	235,072	1	239,076	1
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	594,270	3	716,307	4	798,760	5	2580		Non-current lease liabilities (Notes (6)(r) and (7))		355,474	2	236,829	1	240,670	1
								2640		Net defined benefit liability (Note (6)(t))		9,246	-	8,880	-	8,888	-
1550	Investments accounted for using equity method (Note (6)(g))	4,216,466	19	3,980,044	22	3,960,251	23	2650		Credit balance of investments accounted for using equity method (Note (6)(g))		867	-	581	-	2,142	-
1600	Property, plant and equipment (Notes (6)(j) and (8))	840,599	4	772,612	4	774,122	4										
1755	Right-of-use assets (Note (6)(k))	467,084	2	298,694	2	308,330	2	2670		Other non-current liabilities, others (Note (6)(p))		12,347	-	6,847	-	6,828	-
1760	Investment property, net (Notes (6)(l) and (8))	1,613,626	7	1,101,802	6	1,103,599	6					668,971	3	488,209	2	497,604	2
1780	Intangible assets (Note (6)(m))	48,330	-	45,151	-	46,335	-			Total liabilities		10,878,400	50	7,166,966	39	6,741,019	38
1840	Deferred tax assets (Note (6)(u))	128,145	1	136,998	1	141,978	1										
1930	Long-term notes and accounts receivable (Note (6)(e))	88,889	1	57,929	-	54,206	-			Equity attributable to owners of parent (Note (6)(v)):							
1975	Net defined benefit asset (Note (6)(t))	26,924	-	29,333	-	25,283	-	3100		Share capital		1,633,975	7	1,556,167	9	1,556,167	9
1980	Other non-current financial assets (Note (8))	205,114	1	220,905	2	206,913	1	3200		Capital surplus		3,382,745	15	3,287,576	18	3,275,698	19
1990	Other non-current assets, others	13,521	-	28,320	-	26,374	-	3300		Retained earnings		3,411,050	16	3,502,602	20	3,315,572	19
		8,242,968	38	7,388,095	41	7,446,151	42	3400		Other equity		348,067	2	266,664	1	417,431	2
										Total equity attributable to owners of parent		8,775,837	40	8,613,009	48	8,564,868	49
								36XX		Non-controlling interests (Notes (6)(i) and (v))		2,289,606	10	2,299,950	13	2,275,475	13
										Total equity		11,065,443	50	10,912,959	61	10,840,343	62
TOTAL ASSETS		\$ 21,943,843	100	18,079,925	100	17,581,362	100			TOTAL LIABILITIES AND EQUITY		\$ 21,943,843	100	18,079,925	100	17,581,362	100

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

		For the three months ended September 30				For the Nine Months Ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes (6)(x) and (7))	\$ 2,059,156	100	2,019,815	100	6,260,706	100	6,048,633	100
5000	Operating costs (Notes (6)(f) and (7))	1,619,592	79	1,617,461	80	4,989,197	80	4,825,424	80
	Gross profit from operations	439,564	21	402,354	20	1,271,509	20	1,223,209	20
5910	Less: Unrealized profit from sales	20,642	1	24,915	1	66,133	1	68,246	1
5920	Add: Realized profit from sales	22,607	1	28,188	1	73,300	1	72,698	1
		441,529	21	405,627	20	1,278,676	20	1,227,661	20
	Operating expenses:								
6100	Selling expenses (Note (7))	156,480	7	159,388	8	466,765	7	465,318	8
6200	Administrative expenses (Note (7))	104,964	5	85,369	4	288,139	5	252,494	4
6300	Research and development expenses	17	-	-	-	61	-	-	-
6450	Expected credit loss (gain) (Note (6)(e))	(8,082)	-	4,551	-	(3,453)	-	1,422	-
		253,379	12	249,308	12	751,512	12	719,234	12
	Net operating income	188,150	9	156,319	8	527,164	8	508,427	8
	Non-operating income and expenses:								
7100	Interest income (Note (6)(z))	19,170	1	17,693	1	55,962	1	45,618	1
7010	Other income (Notes (6)(z) and (7))	15,491	-	13,817	1	21,286	-	17,945	-
7020	Other gains and losses (Notes (6)(z) and (7))	8,084	-	9,818	-	18,390	-	42,544	1
7050	Finance costs (Notes (6)(z) and (7))	(7,236)	-	(4,795)	-	(17,769)	-	(11,670)	-
7060	Share of profit of associates and joint ventures accounted for using equity method(Note (6)(g))	53,845	3	87,490	4	254,548	4	257,051	4
		89,354	4	124,023	6	332,417	5	351,488	6
7900	Profit before tax	277,504	13	280,342	14	859,581	13	859,915	14
7950	Less: Tax expense (Note (6)(u))	53,425	2	57,009	3	146,167	2	170,373	3
	Profit	224,079	11	223,333	11	713,414	11	689,542	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	(17,542)	-	53,055	3	(134,097)	(2)	220,452	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	11,108	-	(39,312)	(2)	22,585	-	169,587	3
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	56,016	3	(10,817)	(1)	51,109	1	(592)	-
	Total items that will not be reclassified subsequently to profit and loss	(62,450)	(3)	24,560	2	(162,621)	(3)	390,631	7
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation	38,884	2	149,063	7	213,651	4	185,122	3
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	18,164	1	(44,290)	(2)	6,222	-	(81,484)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(1,199)	-	2,269	-	2,263	-	2,720	-
	Total items that will be reclassified subsequently to profit and loss	58,247	3	102,504	5	217,610	4	100,918	2
	Other comprehensive income, net	(4,203)	-	127,064	7	54,989	1	491,549	9
8500	Total comprehensive income	\$ 219,876	11	350,397	18	768,403	12	1,181,091	20
	Profit attributable to:								
8610	Owners of parent	\$ 173,551	9	183,318	9	579,105	9	558,220	9
8620	Non-controlling interests	50,528	2	40,015	2	134,309	2	131,322	2
		\$ 224,079	11	223,333	11	713,414	11	689,542	11
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 131,588	7	251,920	13	660,508	10	906,935	15
8720	Non-controlling interests	88,288	4	98,477	5	107,895	2	274,156	5
		\$ 219,876	11	350,397	18	768,403	12	1,181,091	20
	Earnings per share (Note (6)(w))								
9750	Basic earnings per share (NT dollars)	\$ 1.06		1.12		3.54		3.42	
9850	Diluted earnings per share (NT dollars)	\$ 1.06		1.12		3.53		3.40	

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

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 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	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	-	-	-	-	558,220	-	-	558,220	131,322	689,542
Other comprehensive income (loss) for the year	-	-	-	-	(302)	95,752	253,265	348,715	142,834	491,549
Total comprehensive income (loss) for the year	-	-	-	-	557,918	95,752	253,265	906,935	274,156	1,181,091
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	-	(798)	-	-	(786)	-	-	(1,584)	-	(1,584)
Changes in ownership interests in subsidiaries	-	56	-	-	(18)	-	-	38	-	38
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(95,558)	(95,558)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	29,076	-	(29,076)	-	-	-
Balance at September 30, 2023	<u>\$ 1,556,167</u>	<u>3,275,698</u>	<u>974,960</u>	<u>-</u>	<u>2,340,612</u>	<u>(8,405)</u>	<u>425,836</u>	<u>8,564,868</u>	<u>2,275,475</u>	<u>10,840,343</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	-	-	-	-	579,105	-	-	579,105	134,309	713,414
Other comprehensive income (loss) for the year	-	-	-	-	-	137,548	(56,145)	81,403	(26,414)	54,989
Total comprehensive income (loss) for the year	-	-	-	-	579,105	137,548	(56,145)	660,508	107,895	768,403
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 equity of associates and joint ventures accounted for using equity method	-	339	-	-	-	-	-	339	-	339
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 September 30, 2024	<u>\$ 1,633,975</u>	<u>3,382,745</u>	<u>1,052,282</u>	<u>-</u>	<u>2,358,768</u>	<u>15,347</u>	<u>332,720</u>	<u>8,775,837</u>	<u>2,289,606</u>	<u>11,065,443</u>

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

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 859,581	859,915
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	210,479	192,730
Amortization expense	4,205	2,884
Expected credit (gain) loss	(3,453)	1,422
Net loss on financial assets or liabilities at fair value through profit or loss	(2,215)	444
Interest expense	17,769	11,670
Interest income	(55,962)	(45,618)
Dividend income	(16,821)	(13,549)
Share of profit of associates and joint ventures accounted for using equity method	(254,548)	(257,051)
Gain on disposal of property, plan and equipment	(763)	(20,430)
Gain on disposal of investments	-	(37)
Unrealized profit from sales	66,133	68,246
Realized profit from sales	(73,300)	(72,698)
Others	(74)	(47)
Total adjustments to reconcile profit	(108,550)	(132,034)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	71,711	(14,227)
Accounts receivable	159,623	(135,873)
Other receivables and notes	262,756	(204,788)
Inventories	(135,800)	(160,847)
Net defined benefit asset	2,409	(908)
Other current assets	(78,987)	(135,427)
Other operating assets	(30,960)	(22,244)
Total changes in operating assets	250,752	(674,314)
Changes in operating liabilities:		
Contract liabilities	(82,546)	5,508
Notes payable	(485)	530
Accounts payable	69,371	127,067
Other payables	3,461,983	(24,213)
Other current liabilities	(11,442)	(9,759)
Net defined benefit liability	366	(2,002)
Other operating liabilities	1,309	(771)
Total changes in operating liabilities	3,438,556	96,360
Total changes in operating assets and liabilities	3,689,308	(577,954)
Total adjustments	3,580,758	(709,988)
Cash inflow generated from operations	4,440,339	149,927
Interest received	55,982	48,011
Income taxes paid	(222,304)	(150,578)
Net cash flows from operating activities	4,274,017	47,360

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

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Nine Months Ended September 30,	
	2024	2023
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	108,434
Acquisition of financial assets at amortized cost	(409,515)	(643,117)
Proceeds from disposal of financial assets at amortized cost	524,340	592,047
Acquisition of financial assets at fair value through profit or loss	(2,218)	-
Proceeds from disposal of financial assets at fair value through profit or loss	4,435	123
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	(88,021)	(80,119)
Proceeds from disposal of property, plant and equipment	1,026	36,407
Increase in refundable deposits	(9,679)	(27,631)
Decrease in refundable deposits	24,291	-
Acquisition of intangible assets	(5,359)	(16,266)
Acquisition of investment properties	(249,160)	-
Increase in other financial assets	(220,740)	(4,655)
Decrease in other non-current assets	13,864	7,949
Dividends received	100,975	216,436
Net cash flows used in from investing activities	(315,761)	205,286
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings	(52,686)	406,883
Increase in guarantee deposits received	4,191	58
Payment of lease liabilities	(68,033)	(71,887)
Cash dividends paid	(591,344)	(540,953)
Disposal of ownership interests in subsidiaries (without losing control)	159,043	-
Interest paid	(17,321)	(10,880)
Change in non-controlling interests	(182,452)	(95,502)
Net cash flows used in financing activities	(748,602)	(312,281)
Effect of exchange rate changes on cash and cash equivalents	111,532	44,800
Net increase (decrease) in cash and cash equivalents	3,321,186	(14,835)
Cash and cash equivalents at beginning of period	2,614,786	2,506,995
Cash and cash equivalents at end of period	\$ 5,935,972	2,492,160

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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 November 8, 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

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.

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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
			September 30, 2024	December 31, 2023	September 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 %	38.51 %	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
			September 30, 2024	December 31, 2023	September 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
			September 30, 2024	December 31, 2023	September 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 B12 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

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand, demand deposits and checking accounts	\$ 4,326,324	2,041,123	1,889,476
Time deposits	1,609,648	573,663	602,684
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 5,935,972</u>	<u>2,614,786</u>	<u>2,492,160</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

	September 30, 2024	December 31, 2023	September 30, 2023
Mandatorily measured at fair value through profit or loss:			
Forward foreign exchange contracts	\$ <u>340</u>	<u>-</u>	<u>-</u>
Held-for-trading financial liabilities			
Forward foreign exchange contracts	\$ <u>342</u>	<u>-</u>	<u>567</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:

September 30, 2024			
	Amount (in thousands)	Currency	Maturity period
Forward foreign exchange contracts purchased	JPY 82,772	JPY to TWD	2024.11
Forward foreign exchange contracts purchased	USD 1,293	USD to TWD	2024.10
September 30, 2023			
	Amount (in thousands)	Currency	Maturity period
Forward foreign exchange contracts purchased	JPY 159,070	JPY to TWD	2023.10~2023.11

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

	September 30, 2024	December 31, 2023	September 30, 2023
Equity investments at fair value through other comprehensive income			
Foreign listed shares	\$ 87,957	121,737	169,106
Domestic unlisted shares	148,415	141,832	131,910
Foreign unlisted shares	<u>357,898</u>	<u>452,738</u>	<u>497,744</u>
Total	<u><u>\$ 594,270</u></u>	<u><u>716,307</u></u>	<u><u>798,760</u></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 for the nine months ended September 30, 2024.

The Group has sold its common stocks designated at fair value through other comprehensive income because of operation strategies for the nine months ended September 30, 2023. The shares sold had a fair value of \$108,434 thousand. The Group realized a gain of \$73,977 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 September 30, 2024, December 31, 2023 and September 30, 2023, the aforesaid financial assets were not pledged as collateral.

(d) Financial assets measured at amortized cost

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with original maturity of more than 3 months	<u><u>\$ 668,670</u></u>	<u><u>768,167</u></u>	<u><u>755,749</u></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 1.285%~5.09%, 1.16%~5.42% and 1.16%~5.35% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 236,751	306,213	319,202
Other notes receivable	228,715	317,692	288,974
Accounts receivable	1,534,514	1,697,200	1,591,740
Receivable installments	1,051	2,265	2,645
Trade receivables - fair value through other comprehensive income	2,064	3,946	5,741
Lease payment receivable	111,132	74,322	66,883
Other receivables	3,377,671	3,543,882	3,216,124
Less: Loss allowance	(59,855)	(66,679)	(69,436)
Allowance for sales returns	(5,849)	(6,143)	(6,244)
Unrealized interests income	(224)	(91)	(163)
	<u><u>\$ 5,425,970</u></u>	<u><u>5,872,607</u></u>	<u><u>5,415,466</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:

	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 5,345,767	0.27%	(14,195)
1 to 90 days past due	96,051	7.49%	(7,199)
91 to 180 days past due	11,708	23.26%	(2,723)
181 to 365 days past due	2,274	19.83%	(451)
More than 365 days past due	35,874	98.36%	(35,287)
	<u><u>\$ 5,491,674</u></u>		<u><u>(59,855)</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>

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 5,280,924	0.34%	(18,151)
1 to 90 days past due	131,335	4.89%	(6,421)
91 to 180 days past due	24,455	17.68%	(4,324)
181 to 365 days past due	5,862	40.86%	(2,395)
More than 365 days past due	41,510	91.89%	(38,145)
	<u>\$ 5,484,086</u>		<u>(69,436)</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
September 30, 2024			
Less than one year	\$ 33,537	(6,050)	27,487
Between one and five years	91,987	(8,342)	83,645
	<u>\$ 125,524</u>	<u>(14,392)</u>	<u>111,132</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
September 30, 2023			
Less than one year	\$ 19,144	(3,601)	15,543
Between one and five years	<u>56,716</u>	<u>(5,376)</u>	<u>51,340</u>
	<u>\$ 75,860</u>	<u>(8,977)</u>	<u>66,883</u>

The Group entered into finance lease arrangements for certain vehicles and equipment. All leases were denominated in New Taiwan dollars. The term of finance leases entered into was 1 to 5 years.

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

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

	For the Nine Months Ended September 30,	
	2024	2023
Balance as of January 1	\$ 66,679	85,342
Impairment losses recognized	3,658	17,053
Impairment losses reversed	(7,111)	(15,631)
Amounts written off	(3,738)	(18,766)
Effect of movements in exchange rate	367	1,324
Generation from merger	-	114
Balance as of September 30	<u>\$ 59,855</u>	<u>69,436</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the receivables from installment sales were \$3,115 thousand, \$6,211 thousand and \$8,386 thousand, respectively, and the related unrealized interest income were \$224 thousand, \$91 thousand and \$163 thousand, respectively.

(f) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Merchandise	\$ 1,240,273	1,204,706	1,228,358
Inventory in-transit	<u>64,623</u>	<u>42,724</u>	<u>46,590</u>
Total	<u>\$ 1,304,896</u>	<u>1,247,430</u>	<u>1,274,948</u>

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The details of cost of goods sold were as follows :

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of goods sold	\$ 1,386,793	1,415,810	4,320,130	4,247,605
Losses (reversal) on inventory valuation and obsolescence	(1,212)	(4,313)	12,455	1,499
Service cost	69,296	62,572	189,944	179,991
Repair and maintenance costs	37,349	31,226	101,744	93,126
Others operating costs	127,366	112,166	364,924	303,203
Total	<u>\$ 1,619,592</u>	<u>1,617,461</u>	<u>4,989,197</u>	<u>4,825,424</u>

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 nine months ended September 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 September 30, 2024 and 2023.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	<u>\$ 4,215,599</u>	<u>3,979,463</u>	<u>3,958,109</u>

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

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1) Asia Best Healthcare:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 913,873	869,569	926,107
Non-current assets	2,023,646	2,100,370	2,166,717
Current liabilities	(194,986)	(134,394)	(198,632)
Non-Current liabilities	(1,499,922)	(1,575,735)	(1,597,848)
Net assets	<u>\$ 1,242,611</u>	<u>1,259,810</u>	<u>1,296,344</u>
Net assets attributable to the Group	<u>\$ 589,423</u>	<u>597,534</u>	<u>615,626</u>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating revenue	<u>\$ 15,546</u>	<u>4,947</u>	<u>27,868</u>	<u>54,892</u>
Profit or Loss	\$ (19,395)	(355)	(21,255)	91,257
Other comprehensive income	10,810	(14,967)	(1,164)	(35,943)
Total comprehensive income	<u>\$ (8,585)</u>	<u>(15,322)</u>	<u>(22,419)</u>	<u>55,314</u>
Dividends received	<u>\$ 16,544</u>	<u>16,502</u>	<u>16,544</u>	<u>16,502</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 793,497	620,150	560,281
Non-current assets	1,967,332	1,713,493	1,801,465
Current liabilities	(184,450)	(112,827)	(156,208)
Non-Current liabilities	(726,972)	(393,994)	(396,379)
Net assets	<u>\$ 1,849,407</u>	<u>1,826,822</u>	<u>1,809,159</u>
Net assets attributable to the Group	<u>\$ 969,967</u>	<u>958,815</u>	<u>950,107</u>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating revenue	<u>\$ 94,421</u>	<u>101,101</u>	<u>276,026</u>	<u>278,625</u>
Profit	\$ 20,226	24,186	74,005	67,742
Other comprehensive income	-	(63,084)	-	(63,084)
Total comprehensive income	<u>\$ 20,226</u>	<u>(38,898)</u>	<u>74,005</u>	<u>4,658</u>
Dividends received	<u>\$ 25,390</u>	<u>25,390</u>	<u>25,390</u>	<u>25,390</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of individually insignificant associates' equity	<u>\$ 2,656,209</u>	<u>2,423,114</u>	<u>2,392,376</u>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Attributable to the Group				
Profit	\$ 53,258	75,710	228,308	200,032
Other comprehensive income	24,030	(45,389)	29,370	136,674
Total comprehensive income	<u>\$ 77,288</u>	<u>30,321</u>	<u>257,678</u>	<u>336,706</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		
		September 30, 2024	December 31, 2023	September 30, 2023
Dynamic	Taiwan	66.04 %	61.49 %	61.49 %
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:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 1,805,928	2,092,959	1,833,457
Non-current assets	1,064,967	984,062	1,018,039
Current liabilities	(872,800)	(1,079,530)	(887,710)
Non-Current liabilities	<u>(347,064)</u>	<u>(293,559)</u>	<u>(318,448)</u>
Net assets	<u><u>\$ 1,651,031</u></u>	<u><u>1,703,932</u></u>	<u><u>1,645,338</u></u>
Non-controlling interests	<u><u>\$ 894,695</u></u>	<u><u>904,945</u></u>	<u><u>903,624</u></u>

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	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating revenue	\$ <u>356,374</u>	<u>378,074</u>	<u>1,158,008</u>	<u>1,184,004</u>
Net income	\$ 56,272	54,855	162,921	178,258
Other comprehensive (loss) income	(11,435)	(36,166)	(17,034)	82,785
Total comprehensive income	\$ <u>44,837</u>	<u>18,689</u>	<u>145,887</u>	<u>261,043</u>
Profit, attributable to non- controlling interests	\$ <u>34,068</u>	<u>30,558</u>	<u>93,458</u>	<u>100,420</u>
Comprehensive income, attributable to non- controlling interests	\$ <u>41,613</u>	<u>84,291</u>	<u>104,315</u>	<u>94,471</u>
			For the Nine Months Ended September 30,	
			2024	2023
Net cash flows from operating activities			\$ 33,874	193,945
Net cash flows from investing activities			52,390	12,317
Net cash flows financing activities			(257,365)	(215,920)
Effect of exchange rate changes on cash and cash equivalents			1,092	13,153
Net (decrease) increase in cash and cash equivalents			\$ <u>(170,009)</u>	<u>3,495</u>
Dividends paid to non-controlling interests			\$ <u>136,980</u>	<u>58,546</u>

2. Collective financial information of Arich and its subsidiaries:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 8,183,002	4,978,888	4,594,610
Non-current assets	631,850	644,116	689,704
Current liabilities	(6,787,483)	(3,569,524)	(3,207,879)
Non-Current liabilities	(154,796)	(31,034)	(31,951)
Net assets	\$ <u>1,872,573</u>	<u>2,022,446</u>	<u>2,044,484</u>
Non-controlling interests	\$ <u>1,123,522</u>	<u>1,239,600</u>	<u>1,226,668</u>

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	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating revenue	\$ <u>327,473</u>	<u>300,792</u>	<u>956,616</u>	<u>857,640</u>
Net income	\$ 27,505	17,385	69,116	55,275
Other comprehensive (loss) income	<u>(45,328)</u>	<u>130,572</u>	<u>(150,405)</u>	<u>155,837</u>
Total comprehensive (loss) income	\$ <u>(17,823)</u>	<u>147,957</u>	<u>(81,289)</u>	<u>211,112</u>
Profit, attributable to non- controlling interests	\$ <u>16,504</u>	<u>10,431</u>	<u>41,470</u>	<u>33,165</u>
Comprehensive income, attributable to non- controlling interests	\$ <u>(10,693)</u>	<u>89,228</u>	<u>(48,773)</u>	<u>127,121</u>
			For the Nine Months Ended September 30,	
			2024	2023
Net cash flows from operating activities			\$ 4,017,511	(163,121)
Net cash flows from investing activities			(209,843)	(54,760)
Net cash flows from financing activities			<u>(387,996)</u>	<u>119,396</u>
Net increase (decrease) in cash and cash equivalents			\$ <u>3,419,672</u>	<u>(98,485)</u>
Dividends paid to non-controlling interests			\$ <u>41,150</u>	<u>29,084</u>

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine months ended September 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 September 30, 2024	\$ <u>144,133</u>	<u>170,352</u>	<u>287,084</u>	<u>200,683</u>	<u>12,800</u>	<u>25,547</u>	<u>840,599</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 September 30, 2023	\$ <u>135,487</u>	<u>159,659</u>	<u>246,052</u>	<u>206,186</u>	<u>8,579</u>	<u>18,159</u>	<u>774,122</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the nine months ended September 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	248,698	1,864	250,562
Write-off	(20,768)	-	(20,768)
Effect of movements in exchange rates	218	-	218
Balance as of September 30, 2024	<u><u>\$ 696,531</u></u>	<u><u>7,737</u></u>	<u><u>704,268</u></u>
Balance as of January 1, 2023	\$ 390,768	2,145	392,913
Additions	111,596	4,823	116,419
Write-off	(15,353)	(2,145)	(17,498)
Effect of movements in exchange rates	990	-	990
Balance as of September 30, 2023	<u><u>\$ 488,001</u></u>	<u><u>4,823</u></u>	<u><u>492,824</u></u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2024	\$ 174,057	1,505	175,562
Depreciation for the year	69,802	1,678	71,480
Write-off	(10,024)	-	(10,024)
Effect of movements in exchange rates	166	-	166
Balance as of September 30, 2024	<u><u>\$ 234,001</u></u>	<u><u>3,183</u></u>	<u><u>237,184</u></u>
Balance as of January 1, 2023	\$ 124,916	536	125,452
Depreciation for the year	72,509	1,097	73,606
Write-off	(14,599)	(626)	(15,225)
Effect of movements in exchange rates	661	-	661
Balance as of September 30, 2023	<u><u>\$ 183,487</u></u>	<u><u>1,007</u></u>	<u><u>184,494</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 September 30, 2024	<u><u>\$ 462,530</u></u>	<u><u>4,554</u></u>	<u><u>467,084</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 September 30, 2023	<u><u>\$ 304,514</u></u>	<u><u>3,816</u></u>	<u><u>308,330</u></u>

The Group added and modified parts of the lease contracts, resulting in an increase in right-of-use assets of \$250,562 thousand and \$116,419 thousand for the nine months ended September 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 \$10,744 thousand and \$2,273 thousand for the nine months ended September 30, 2024 and 2023, respectively.

For the nine months ended September 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		
	Land	Buildings	Total
Cost or deemed cost:			
Balance as of January 1, 2024	\$ 920,080	215,947	1,136,027
Addition	346,840	168,934	515,774
Reclassification	-	2,040	2,040
Balance as of September 30, 2024	<u><u>\$ 1,266,920</u></u>	<u><u>386,921</u></u>	<u><u>1,653,841</u></u>
Balance as of January 1, 2023	\$ 920,080	215,947	1,136,027
Balance as of September 30, 2023	<u><u>\$ 920,080</u></u>	<u><u>215,947</u></u>	<u><u>1,136,027</u></u>
Balance as of January 1, 2024	\$ -	34,225	34,225
Depreciation for the year	-	5,990	5,990
Balance as of September 30, 2024	<u><u>\$ -</u></u>	<u><u>40,215</u></u>	<u><u>40,215</u></u>
Balance as of January 1, 2023	\$ -	27,015	27,015
Depreciation for the year	-	5,413	5,413
Balance as of September 30, 2023	<u><u>\$ -</u></u>	<u><u>32,428</u></u>	<u><u>32,428</u></u>
Balance at January 1, 2024	<u><u>\$ 920,080</u></u>	<u><u>181,722</u></u>	<u><u>1,101,802</u></u>
Balance as of September 30, 2024	<u><u>\$ 1,266,920</u></u>	<u><u>346,706</u></u>	<u><u>1,613,626</u></u>
Balance as of January 1, 2023	<u><u>\$ 920,080</u></u>	<u><u>188,932</u></u>	<u><u>1,109,012</u></u>
Balance as of September 30, 2023	<u><u>\$ 920,080</u></u>	<u><u>183,519</u></u>	<u><u>1,103,599</u></u>

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

(m) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Other intangible assets</u>	<u>Total</u>
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 September 30, 2024	\$ <u>29,325</u>	<u>9,182</u>	<u>9,823</u>	<u>48,330</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 September 30, 2023	\$ <u>28,419</u>	<u>6,469</u>	<u>11,447</u>	<u>46,335</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Secured bank loans	\$ 558,000	535,000	345,000
Unsecured bank loans	<u>524,201</u>	<u>599,887</u>	<u>597,017</u>
Total	\$ <u>1,082,201</u>	<u>1,134,887</u>	<u>942,017</u>
Unused short-term credit lines	\$ <u>4,078,150</u>	<u>3,547,394</u>	<u>2,739,842</u>
Range of interest rates	<u>1.70%~5.73%</u>	<u>1.74%~7.00%</u>	<u>1.70%~7.21%</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).

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(o) Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Logistics services payable	\$ 6,432,896	2,961,439	2,694,442
Others	676,798	503,449	497,478
	<u>\$ 7,109,694</u>	<u>3,464,888</u>	<u>3,191,920</u>

(p) Refund liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Refund liabilities	\$ -	2,535	7,060

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

	September 30, 2024	December 31, 2023	September 30, 2023
Warranties	\$ <u>18,491</u>	<u>14,922</u>	<u>13,374</u>
			Warranties
Balance as of January 1, 2024			\$ 14,922
Additions			15,516
Provisions reversed or used			(11,947)
Balance as of September 30, 2024			<u>\$ 18,491</u>
Balance as of January 1, 2023			\$ 13,886
Additions			9,259
Provisions reversed or used			(9,771)
Balance as of September 30, 2023			<u>\$ 13,374</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.

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(r) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ <u>123,109</u>	<u>69,966</u>	<u>74,887</u>
Non-current	\$ <u>355,474</u>	<u>236,829</u>	<u>240,670</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 \$250,517 thousand and \$116,419 thousand for the nine months ended September 30, 2024 and 2023, respectively.

The Group terminated and modified parts of the contract, resulting in a decrease in lease liabilities of \$10,773 thousand and \$2,268 thousand for the nine months ended September 30, 2024 and 2023, respectively.

The amounts recognized in profit or loss were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>1,343</u>	<u>800</u>	<u>3,050</u>	<u>2,092</u>
Income from sub-leasing right-of-use assets	\$ <u>3,598</u>	<u>5,726</u>	<u>16,177</u>	<u>15,439</u>
Expenses relating to short- term leases	\$ <u>2,932</u>	<u>2,247</u>	<u>31,795</u>	<u>7,950</u>

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

	For the Nine Months Ended September 30,	
	2024	2023
Total cash outflow for leases	\$ <u>102,878</u>	<u>81,929</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).

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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 lessees 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Within 1 year	\$ 60,600	44,309	38,338
1 to 5 years	80,826	63,640	50,695
More than 5 years	19,112	9,654	10,861
	<u><u>\$ 160,538</u></u>	<u><u>117,603</u></u>	<u><u>99,894</u></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.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating costs and expenses	\$ <u>310</u>	<u>439</u>	<u>929</u>	<u>1,317</u>

2. Defined contribution plans

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating costs and expenses	\$ <u>8,985</u>	<u>7,132</u>	<u>24,264</u>	<u>20,758</u>

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3. The foreign Company's pension costs under the local laws were \$759 thousand, \$776 thousand, \$2,306 thousand and \$2,113 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively.

(u) Income taxes

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Current tax expense				
Current period	\$ 40,908	46,946	138,653	154,077
Adjustment for prior periods	-	6	(8,444)	(3,614)
	<u>40,908</u>	<u>46,952</u>	<u>130,209</u>	<u>150,463</u>
Deferred tax expense				
Current period	12,517	10,057	13,902	21,004
Prior period underestimate (overestimate)	-	-	2,056	(1,094)
	<u>12,517</u>	<u>10,057</u>	<u>15,958</u>	<u>19,910</u>
Income tax expense from continuing operations	<u>\$ 53,425</u>	<u>57,009</u>	<u>146,167</u>	<u>170,373</u>

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement from defined benefit plans	\$ -	-	-	756
Unrealized (losses) gains on equity instruments at fair value through other comprehensive income	<u>56,016</u>	<u>(10,817)</u>	<u>51,109</u>	<u>(1,348)</u>
	<u>\$ 56,016</u>	<u>(10,817)</u>	<u>51,109</u>	<u>(592)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	<u>\$ (1,199)</u>	<u>2,269</u>	<u>2,263</u>	<u>2,720</u>

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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 September 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

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>\$ 200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>163,398</u>	<u>155,617</u>	<u>155,617</u>
Shares issued	<u>\$ 1,633,975</u>	<u>1,556,167</u>	<u>1,556,167</u>

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 been completed as of the reporting date.

The Company issued 7,410 thousand common shares from the unappropriated earnings of \$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.

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2.Capital surplus

	September 30, 2024	December 31, 2023	September 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	238,994
Changes in equity of associates accounted for using equity method	339	-	-
Others	43,860	43,860	43,860
	<u>\$ 3,382,745</u>	<u>3,287,576</u>	<u>3,275,698</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.

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.

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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>

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	131,326	-	131,326
Exchange differences on associates accounted for using equity method	6,222	-	6,222
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(78,730)	(78,730)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	22,585	22,585
Balance as of September 30, 2024	<u>\$ 15,347</u>	<u>332,720</u>	<u>348,067</u>
Balance as of January 1, 2023	\$ (104,157)	201,647	97,490
Exchange differences on translation of foreign financial statement	177,236	-	177,236
Exchange differences on associates accounted for using equity method	(81,484)	-	(81,484)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	83,678	83,678
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	169,587	169,587
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(29,076)	(29,076)
Balance as of September 30, 2023	<u>\$ (8,405)</u>	<u>425,836</u>	<u>417,431</u>

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5. Non-controlling interests after tax

	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 2,299,950	2,096,877
Shares attributed to non-controlling interests		
Net income	134,309	131,322
Exchange differences on translation of foreign financial statements	80,062	5,166
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	(106,476)	138,122
Gains or losses on remeasurements of defined benefit plans	-	(454)
Proceeds from capital reduction of subsidiaries returned to noncontrolling interests	64,213	(56)
Cash dividends of subsidiaries distributed to non controlling interests	-	(7,872)
Acquired the non controlling interests from the acquisition of subsidiaries	(182,452)	(87,630)
Balance at September 30	<u>\$ 2,289,606</u>	<u>2,275,475</u>

(w) Earnings per share

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

1. Basic earnings per share

	<u>For the Three Months Ended September 30,</u>		<u>For the Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>173,551</u>	<u>183,318</u>	<u>579,105</u>	<u>558,220</u>
Weighted average number of ordinary shares (basic)(retroactive adjustments)	<u>163,398</u>	<u>163,398</u>	<u>163,398</u>	<u>163,398</u>

2. Diluted earnings per share

	<u>For the Three Months Ended September 30,</u>		<u>For the Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>173,551</u>	<u>183,318</u>	<u>579,105</u>	<u>558,220</u>
Weighted average number of ordinary shares (basic)(retroactive adjustments)	163,398	163,398	163,398	163,398
Effect of employee stock compensation	404	398	535	544
Weighted average number of ordinary shares (diluted)(retroactive adjustments)	<u>163,802</u>	<u>163,796</u>	<u>163,933</u>	<u>163,942</u>

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(x) Revenue from contracts with customers

1. Disaggregation of revenue

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Primary geographical markets:				
Taiwan	\$ 1,929,357	1,930,585	5,931,534	5,800,780
Hong Kong	1,258	14,380	20,052	29,844
Philippines	86,080	46,122	198,337	133,151
Malaysia	19,133	14,167	52,118	45,720
Indonesia	23,328	14,561	58,665	39,138
	<u>\$ 2,059,156</u>	<u>2,019,815</u>	<u>6,260,706</u>	<u>6,048,633</u>
Major products:				
Product revenue				
Medical equipment and Supplies	\$ 1,208,647	1,165,595	3,649,949	3,485,833
Medicines	241,117	223,884	690,642	633,382
Aesthetic medical equipment and Supplies	250,896	274,782	857,572	886,257
Household appliances	30,049	34,886	102,801	120,838
Other	10,511	28,116	33,888	74,542
Service revenue	143,929	133,765	415,056	397,200
Other operating revenue	174,007	158,787	510,798	450,581
	<u>\$ 2,059,156</u>	<u>2,019,815</u>	<u>6,260,706</u>	<u>6,048,633</u>

2. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Trade receivables	\$ 5,485,825	5,939,286	5,484,902
Less: allowance for impairment	(59,855)	(66,679)	(69,436)
Total	<u>\$ 5,425,970</u>	<u>5,872,607</u>	<u>5,415,466</u>
Contract liabilities	<u>\$ 476,620</u>	<u>559,166</u>	<u>490,449</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 September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were \$21,608 thousand, \$51,667 thousand, \$262,360 thousand and \$325,369 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 September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the Company estimated its employee compensation amounting to \$10,610 thousand, \$11,416 thousand, \$35,497 thousand and \$35,540 thousand, and directors' remuneration amounting to \$5,304 thousand, \$5,708 thousand, \$17,748 thousand and \$17,770 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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 17,774	16,921	52,437	43,612
Interest income from lease payment receivable	1,396	772	3,525	2,006
	<u>\$ 19,170</u>	<u>17,693</u>	<u>55,962</u>	<u>45,618</u>

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2. Other income

The details of other income were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Dividend income	\$ 14,164	12,167	16,821	13,549
Other income	1,327	1,650	4,465	4,396
	<u>\$ 15,491</u>	<u>13,817</u>	<u>21,286</u>	<u>17,945</u>

3. Financial costs

The details of financial costs were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest expense from bank borrowings	\$ 3,806	3,570	12,633	8,401
Others	3,430	1,225	5,136	3,269
	<u>\$ 7,236</u>	<u>4,795</u>	<u>17,769</u>	<u>11,670</u>

4. Other gains and losses

The details of other gains and losses were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
(Losses) gains on disposal of property, plant, and equipment	\$ (29)	-	763	20,430
Gains on disposals of investments	-	-	-	37
Foreign exchange (losses) gains	(4,296)	2,943	3,508	9,061
Net gains or losses on financial assets (liabilities) measured at fair value through profit or loss	3,159	489	2,215	(444)
Others	9,250	6,386	11,904	13,460
	<u>\$ 8,084</u>	<u>9,818</u>	<u>18,390</u>	<u>42,544</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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Equity instruments at fair value through other comprehensive income				
Net changes in fair value	\$ (17,542)	1,697	\$ (134,097)	146,475
Net changes of fair value reclassified to retained earnings	-	51,358	-	73,977
Net gains or losses recognized in other comprehensive income	<u>\$ (17,542)</u>	<u>53,055</u>	<u>(134,097)</u>	<u>220,452</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 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
September 30, 2024								
Non-derivative financial liabilities								
Short-term borrowings	\$ 1,082,201	1,082,201	19,201	1,063,000	-	-	-	-
Deposits received	8,376	8,376	-	-	-	-	-	8,376
Payables	8,153,306	8,153,306	834,426	7,165,567	85,027	68,276	-	10
Lease liabilities	478,583	478,583	10,773	20,779	31,114	60,443	110,761	244,713
Derivative financial liabilities								
Foreign exchange forward contracts:								
Outflows	41,193	41,193	-	41,193	-	-	-	-
Inflows	(40,851)	(40,851)	-	(40,851)	-	-	-	-
	<u>\$ 9,722,808</u>	<u>9,722,808</u>	<u>864,400</u>	<u>8,249,688</u>	<u>116,141</u>	<u>128,719</u>	<u>110,761</u>	<u>253,099</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
September 30, 2023								
Non-derivative financial liabilities								
Short-term borrowings	\$ 942,017	942,017	371,667	570,350	-	-	-	-
Deposits received	4,187	4,187	-	-	-	-	-	4,187
Payables	4,320,773	4,320,773	829,521	3,334,778	83,563	72,911	-	-
Lease liabilities	315,557	315,557	8,478	16,707	16,754	32,948	59,492	181,178
Derivative financial liabilities								
Foreign exchange forward contracts:								
Outflows	34,962	34,962	-	34,962	-	-	-	-
Inflows	(34,395)	(34,395)	-	(34,395)	-	-	-	-
	<u>\$ 5,583,101</u>	<u>5,583,101</u>	<u>1,209,666</u>	<u>3,922,402</u>	<u>100,317</u>	<u>105,859</u>	<u>59,492</u>	<u>185,365</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	September 30, 2024	
			Foreign currency (in thousands)	Carrying amount (TWD)
<u>Financial assets</u>				
<u>Monetary items</u>				
TWD	31.650	USD	\$ 5,984	183,391
TWD	0.222	JPY	258,602	57,487
MYR	4.265	USD	584	18,499
USD	7.767	HKD	9,854	76,530
<u>Non-Monetary items</u>				
TWD	0.024	KRW	3,337,875	81,210
USD	0.032	TWD	147,340	147,340
USD	0.143	CNY	31,665	143,213
USD	0.129	HKD	321,319	1,309,865
USD	0.235	MYR	44,529	330,490
USD	0.018	PHP	160,604	90,479

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			September 30, 2024	
Functional currency	Exchange rate	Currency	Foreign currency (in thousands)	Carrying amount (TWD)
Financial liabilities				
Monetary items				
TWD	0.222	JPY	189,833	42,200
TWD	31.650	USD	1,438	45,512
PHP	56.028	USD	1,554	49,184
			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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Functional currency	Exchange rate	Currency	September 30, 2023	
			Foreign currency (in thousands)	Carrying amount (TWD)
Financial assets				
Monetary items				
TWD	32.270	USD	\$ 6,327	204,113
TWD	0.216	JPY	160,212	34,638
TWD	33.910	EUR	478	16,195
HKD	7.827	USD	9,165	295,741
Non-Monetary items				
TWD	0.024	KRW	6,658,500	160,004
USD	0.031	TWD	1,070,279	1,070,279
USD	0.137	CNY	31,520	143,270
USD	0.128	HKD	283,876	1,170,425
USD	0.204	MYR	29,579	194,455
USD	0.018	PHP	132,446	75,223
Financial liabilities				
Monetary items				
TWD	0.216	JPY	349,623	75,589
TWD	32.270	USD	1,222	39,433
PHP	56.964	USD	863	27,849

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 nine months ended September 30, 2024 and 2023, foreign exchange gains or losses amounted to gains of \$3,508 thousand and gains of \$9,061 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 September 30, 2024 and 2023 would have increased or decreased the net profit after tax by \$1,679 thousand and \$3,284 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 net profit after tax will increase or decrease by \$31,686 thousand and \$11,093 thousand for the nine months ended September 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 nine months ended September 30, 2024 and 2023 would have increased/decreased by \$5,943 thousand and \$7,988 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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	September 30, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative instruments	\$ 340	-	340	-	340
Financial assets at fair value through other comprehensive income					
Foreign listed shares	87,957	87,957	-	-	87,957
Domestic unlisted shares	148,415	-	-	148,415	148,415
Foreign unlisted shares	357,898	-	-	357,898	357,898
Sub-total	594,270	87,957	-	506,313	594,270
Financial assets at amortized cost					
Cash and cash equivalents	5,935,972	-	-	-	-
Time deposits with original maturity of more than 3 months	668,670	-	-	-	-
Receivables	5,425,970	-	-	-	-
Guarantee deposit paid	169,468	-	-	-	-
Other financial assets	280,680	-	-	-	-
Sub-total	12,480,760	-	-	-	-
Total	\$ 13,075,370	87,957	340	506,313	594,610
Financial liabilities at fair value through profit or loss					
Derivative instruments	\$ 342	-	342	-	342
Financial liabilities at amortized cost					
Short-term and long-term borrowings	1,082,201	-	-	-	-
Payables	8,153,306	-	-	-	-
Deposits received	8,376	-	-	-	-
Lease liabilities	478,583	-	-	-	-
Sub-total	9,722,466	-	-	-	-
Total	\$ 9,722,808	-	342	-	342

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	December 31, 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
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	184,080	-	-	-	-
Other financial assets	<u>59,940</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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	September 30, 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Foreign listed shares	\$ 169,106	169,106	-	-	169,106
Domestic unlisted shares	131,910	-	-	131,910	131,910
Foreign unlisted shares	<u>497,744</u>	<u>-</u>	<u>-</u>	<u>497,744</u>	<u>497,744</u>
Sub-total	<u>798,760</u>	<u>169,106</u>	<u>-</u>	<u>629,654</u>	<u>798,760</u>
Financial assets at amortized cost					
Cash and cash equivalents	2,492,160	-	-	-	-
Time deposits with original maturity of more than 3 months	755,749	-	-	-	-
Receivables	5,415,466	-	-	-	-
Guarantee deposit paid	170,316	-	-	-	-
Other financial assets	<u>58,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	<u>8,892,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,690,969</u>	<u>169,106</u>	<u>-</u>	<u>629,654</u>	<u>798,760</u>
Financial liabilities at fair value through profit or loss					
Derivative instruments	\$ <u>567</u>	<u>-</u>	<u>567</u>	<u>-</u>	<u>567</u>
Financial liabilities at amortized cost					
Short-term and long-term borrowings	942,017	-	-	-	-
Payables	4,320,773	-	-	-	-
Deposits received	4,187	-	-	-	-
Lease liabilities	<u>315,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	<u>5,582,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,583,101</u>	<u>-</u>	<u>567</u>	<u>-</u>	<u>567</u>

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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	(88,425)
Reclassification and effect of movements in exchange rates	<u>168</u>
Balance as of September 30, 2024	<u><u>\$ 506,313</u></u>
Balance as of January 1, 2023	\$ 478,937
Total gains and losses recognized	
In other comprehensive income	150,423
Reclassification and effect of movements in exchange rates	<u>294</u>
Balance as of September 30, 2023	<u><u>\$ 629,654</u></u>

For the nine months ended September 30, 2024 and 2023, the total gains and losses that were included in “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	<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”	\$	3,592	109,588	(88,425)
			(88,425)	150,423

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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	Market approach- Company comparisons	<ul style="list-style-type: none"> · EV/Revenue Value Multiple (3.44, 2.10~2.38 and 3.43 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.) · P/B Value Multiple (0.778~4.17, 1.83~3.23 and 1.03~3.39 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.) · P/E Value Multiple (20.16 and 24.95 as of September 30, 2024 and December 31, 2023, respectively.) · Discount due to Lack of Market liquidity (10.00%~20.9%, 13.37%~30.00% and 15.94%~30.00% as of September 30, 2024, December 31, 2023 and September 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
September 30, 2024				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	\$ 25,023	(25,023)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	14,801	(14,801)
			<u><u>\$ 39,824</u></u>	<u><u>(39,824)</u></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><u>53,724</u></u>	<u><u>(53,724)</u></u>
September 30, 2023				
Financial assets at fair value through other comprehensive income				
Equity instruments without an active market	Value Multiple	5%	\$ 30,307	(30,307)
Equity instruments without an active market	Discount due to Lack of Market liquidity	5%	37,783	(37,783)
			<u><u>\$ 68,090</u></u>	<u><u>(68,090)</u></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 nine months ended September 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			September 30,
			Acquisition	Foreign exchange movement	Others	
	January 1, 2024	Cash flows				2024
Short-term borrowings	\$ 1,134,887	(52,686)	-	-	-	1,082,201
Lease liabilities	306,795	(68,033)	250,517	77	(10,773)	478,583
Total liabilities from financing activities	<u>\$ 1,441,682</u>	<u>(120,719)</u>	<u>250,517</u>	<u>77</u>	<u>(10,773)</u>	<u>1,560,784</u>

			Non-cash changes			September 30,
			Acquisition	Foreign exchange movement	Others	
	January 1, 2023	Cash flows				2023
Short-term borrowings	\$ 535,134	406,883	-	-	-	942,017
Lease liabilities	272,916	(71,887)	116,419	429	(2,320)	315,557
Total liabilities from financing activities	<u>\$ 808,050</u>	<u>334,996</u>	<u>116,419</u>	<u>429</u>	<u>(2,320)</u>	<u>1,257,574</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.(Touce)	"
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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Associate – Bestchain	\$ 568,605	601,198	1,820,596	1,802,096
Associate – ERS	192,551	184,750	567,035	546,696
Associate – Others	64,560	65,558	192,570	187,011
Other related parties	-	-	37	33
	<u>\$ 825,716</u>	<u>851,506</u>	<u>2,580,238</u>	<u>2,535,836</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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Associate – ERS	\$ 24,415	24,229	73,253	71,020
Associate – Bestchain	4,372	374	6,060	855
Associate – Others	-	571	-	571
	<u>\$ 28,787</u>	<u>25,174</u>	<u>79,313</u>	<u>72,446</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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Entities with significant influence over the Group	\$ 18	18	54	54
Associate – ABH	4,217	4,199	12,617	12,598
Associate – ERS	1,025	1,071	3,237	3,488
Associate – Others	775	617	2,330	1,565
Other related parties	16	14	47	43
	<u>\$ 6,051</u>	<u>5,919</u>	<u>18,285</u>	<u>17,748</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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Associate	\$ 3,582	3,860	11,085	11,255
Other related parties	71	71	214	214
	<u>\$ 3,653</u>	<u>3,931</u>	<u>11,299</u>	<u>11,469</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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Associate	\$ 43,355	63,297	128,753	168,598
Other related parties	-	-	-	22,100
	<u>\$ 43,355</u>	<u>63,297</u>	<u>128,753</u>	<u>190,698</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	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	Associate	\$ 266	434	726
Other notes receivable	Associate	469	237	210
Accounts receivable	Associate—Bestchain	610,906	762,025	624,448
Accounts receivable	Associate—ERS	152,797	153,784	150,274
Accounts receivable	Associate—Others	52,524	41,301	51,261
Accounts receivable	Other related parties	223	8	8
Other receivables	Associate	8,344	9,146	7,330
		<u>\$ 825,529</u>	<u>966,935</u>	<u>834,257</u>

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4. Payables to related parties

Payables to related parties were as follows:

Accounted for as	Category of related party	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable	Associate	\$ 12,024	8,820	12,188
Other payables	Associate	9,812	14,006	13,304
Deposits received	Associate	7,713	3,294	3,294
		<u>\$ 29,549</u>	<u>26,120</u>	<u>28,786</u>

5. Prepayments

Prepayments to related parties were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Associate — Touce	\$ 44,598	24,324	27,546
Associate — Bestchain	-	-	865
	<u>\$ 44,598</u>	<u>24,324</u>	<u>28,411</u>

6. 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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Associate — Asia Best Life Care Co., Ltd.	\$ 176	-	176	2,495

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 September 30,			
	2024		2023	
Category of related party	Disposal price	Gains (losses) from disposal	Disposal price	Gains (losses) from disposal
Associates	\$ -	-	-	-

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Category of related party	For the Nine Months Ended September 30,			
	2024		2023	
	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:

Relationship		Account		For the Three Months Ended September 30,			
				2024		2023	
				Number of shares	Purpose	Number of shares	Acquisition price
Associate—ABH	Investments accounted for using equity method	-			\$ -	84,633,340	Ordinary shares of Asia Best Life Care Co., Ltd. \$ 936,177

Relationship		Account		For the Nine Months Ended September 30,			
				2024		2023	
				Number of shares	Purpose	Number of shares	Acquisition price
Associate—Bestchain	Investments accounted for using equity method	-			\$ -	1,512,341	Ordinary shares of Bestchain \$ 24,213
Associate—Bestchain	Investments accounted for using equity method	-			-	3,000,000	Ordinary shares of Arich Best Chain 31,080
Associate—ABH	Investments accounted for using equity method	-			-	84,633,340	Ordinary shares of Asia Best Life Care Co., Ltd. 936,177
					\$ -		\$ 991,470

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:

Relationship		Account		For the Three Months Ended September 30,			
				2024		2023	
				Number of shares	Purpose	Number of shares	Disposal price
Associate—ABH	Investments accounted for using equity method	-			\$ -	209,308	Ordinary shares of ABH 936,177

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		For the Nine Months Ended September 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	-	2,434,870	Ordinary shares of Visionfront Corporation	24,213	2,836
Associate—ABH	Investments accounted for using equity method	-		-	-	209,308	Ordinary shares of ABH	936,177	-
				\$ 159,043	-	-		960,390	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.

5) Acquisitions of other assets

The acquisitions of other assets from related parties are summarized as follow:

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Relationship	Account	2024	2023	2024	2023
Associates	Intangible assets	\$ 1,480	-	1,480	-

7. Guarantee

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group provided associates guarantees for loans. The credit limit of the guarantees were \$900,000 thousand, \$700,000 thousand and \$400,000 thousand, and the amount utilized were \$465,000 thousand, \$150,000 thousand and \$150,000 thousand, respectively.

8. Others

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2024	2023	2024	2023
<u>Associates and Other related parties</u>					
Other revenue	\$	592	674	2,164	1,537
Cost of goods sold		(1,177)	(1,224)	(3,388)	(3,459)
Repair and maintenance costs		(2,368)	(1,069)	(5,305)	(2,630)
Fright and warehousing expense		(11,968)	(12,052)	(36,691)	(33,787)
Rent expense		(1,001)	(633)	(1,909)	(1,950)
Other expense		(7,636)	(6,286)	(20,144)	(20,086)
	\$	(23,558)	(20,590)	(65,273)	(60,375)

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

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As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had received collections in advance from associates for \$1,447 thousand, \$327 thousand and \$338 thousand, respectively.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Short-term employee benefits	\$ 17,514	21,466	62,645	67,799
Post-employment benefit	301	921	1,081	1,748
	<u>\$ 17,815</u>	<u>22,387</u>	<u>63,726</u>	<u>69,547</u>

(8) Pledged Assets

The carrying amount of pledged assets were as follows:

Pledged assets	Object	September 30, 2024	December 31, 2023	September 30, 2023
Current deposits and time deposits	Bank loans, bank guarantee and credit card document receiving service guarantee	\$ 280,681	60,941	58,518
Notes receivable and other notes receivable	Guarantee of short-term loan or strengthening credit	282,270	190,717	191,591
Property, plant and equipment	Bank loans	100,067	87,295	89,945
Investment property	"	843,791	990,178	847,642
Refundable deposits (Recognized in other non current financial assets)	Guarantee for sales performace, deposits and lease deposits, ect.	167,614	183,405	169,413
		<u>\$ 1,674,423</u>	<u>1,512,536</u>	<u>1,357,109</u>

(9) Significant Commitments and Contingencies

(a) Unrecognized contractual commitments

- As of September 30, 2024, December 31, 2023 and September 30, 2023, the unused letters of credit were \$90,323 thousand, \$103,442 thousand and \$135,010 thousand, respectively. The guarantee letters issued by banks for sales contract guarantee and purchase bid of hospital were \$937,010 thousand, \$621,308 thousand and \$520,899 thousand, respectively.

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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.

3. The Group won the bid for the procurement project for COVID-19 treatment drugs (including storage and distribution) from the Centers for Disease Control, Ministry of Health and Welfare (CDC), who entered into an agreement with the Group on July 17, 2024, in which the Group will purchase drugs and provide storage and distribution services to the CDC.

(10) Losses due to Major Disasters : None.

(11) Subsequent Events : None.

(12) Other

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

By function By item	For the Three Months Ended September 30, 2024			For the Three Months Ended September 30, 2023		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	68,994	115,719	184,713	69,469	125,606	195,075
Labor and health insurance	6,867	10,238	17,105	6,002	9,474	15,476
Pension	3,508	6,546	10,054	3,146	5,201	8,347
Others	4,239	6,121	10,360	1,177	4,919	6,096
Depreciation	67,277	15,664	82,941	53,338	13,962	67,300
Amortization	401	1,118	1,519	660	652	1,312

By function By item	For the Nine Months Ended September 30, 2024			For the Nine Months Ended September 30, 2023		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	207,348	362,570	569,918	194,938	364,867	559,805
Labor and health insurance	20,138	30,114	50,252	17,773	27,645	45,418
Pension	10,041	17,458	27,499	8,982	15,206	24,188
Others	9,474	17,464	26,938	7,394	14,119	21,513
Depreciation	169,795	40,684	210,479	153,828	38,902	192,730
Amortization	984	3,221	4,205	1,214	1,670	2,884

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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 nine months ended September 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	1,755,167	990,000	570,000	75,000	-	6.50 %	8,775,837	Y	N	N
0	"	EG Healthcare, Inc. (Note 4)	2	1,755,167	120,280	59,895	9,249	-	0.68 %	8,775,837	Y	N	N
0	"	Renal Laboratories Sdn. Bhd. (Note 4)	2	1,755,167	82,088	79,125	-	-	0.90 %	8,775,837	Y	N	N
0	"	Medi-Chem System Sdn. Bhd. (Note 4)	2	1,755,167	16,417	15,825	-	-	0.18 %	8,775,837	Y	N	N
0	"	Excelsior Renal Service Co., Limited (Note 3)	1	736,106	-	-	-	-	- %	8,775,837	N	N	N
0	"	Bestchain Healthtaiwan Co., Ltd. (Note 3)	1	2,519,118	900,000	900,000	465,000	-	10.26 %	8,775,837	N	N	N
1	Dynamic Medical Technologies Inc.	CYJ International Taiwan Inc.(Note 5)	2	288,594	200,000	200,000	100,000	-	13.86 %	721,486	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	
The Company	3-D Matrix, Ltd.	-	Fair value through other comprehensive income	273,400	6,746	0.28 %	6,746	
"	Gie Cheng Co., Ltd.	-	"	3,795,000	29,753	17.25 %	29,753	
"	Rui Guang Healthcare Co., Ltd.	-	"	2,423,951	43,680	7.15 %	43,680	
"	Sunder Biomedical Tech. Co., Ltd.	-	"	2,279,578	59,246	3.80 %	59,246	
"	Linkon International Golf & Country Club	-	"	1	12,900	0.10 %	12,900	
Excelsior Healthcare Co. Limited	Chai Tai Bo Ai Investment Limited	-	"	10,000	-	8.00 %	-	
EG Healthcare, Inc.	The Orchard Golf & Country Club	-	"	1	1,972	- %	1,972	
Dynamic Medical Technologies Inc.	Caregen Co., Ltd.	-	"	172,500	81,211	0.32 %	81,211	
Excelsior Beauty Co., Ltd.	Join Fun Co., Ltd.	-	"	263,340	2,836	19.00 %	2,836	
Arich Enterprise Co., Ltd.	National Pharmaceutical Logistics Corp., Ltd.	Board director of investee	"	-	355,927	17.65 %	355,927	Note

Note : Act as limited company, no outstanding share.

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

(Expressed in thousands of New Taiwan dollars)

Name of company	Name of property	Date of occurrence	Transaction Amount	Payment Status	Name of Counter-party	Relationship	For transactions involving related parties, previous transfer information				Reference for price determination	Purpose of acquisition and usage situation	Other agreed terms
							Owner	Relationship with the issuer	Transfer date	Amount			
Excelsior Asset Management Co., Ltd.	(1)Sanhe Section ,Daya District ,Taichung City Land serial NO.1453-0047、1455-0001、1456-0003、1457-0002、1468-0000、1469-0000、1459-0001、1470-0008、1455-0000(2)Sanhe Section ,Daya District ,Taichung City Building serial NO.2332、2428、2429	2024/9/5	520,000	65% of the payment was made in September 2024	HER-SING CO., LTD	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Based on the transaction prices in neighboring areas and the real estate appraisal report provided by professional real estate appraisers	Expand the scale of medical real estate leasing	None

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

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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	(567,035)	15.30 %	Net 30-60 days	-		152,773	12.51 %	Note 1
"	Bestchain Healthtaiwan Co., Ltd.	"	"	(1,819,603)	49.11 %	Net 30-90 days	-		610,621	50.01 %	Note 1
"	NEPHROCARE LIMITED, TAIWAN BRANCH	"	"	(116,677)	3.15 %	Net 45 days	-		25,417	2.08 %	Note 1

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

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

(Expressed in thousands of New Taiwan dollars)

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivables from related party	Allowances for bad debts
					Amount	Action taken		
The Company	Excelsior Renal Service Co., Limited	Associates	152,773	4.93	-	-	67,079	-
"	Bestchain Healthtaiwan Co., Ltd.	"	610,621	3.53	-	-	-	-

9. Derivative transactions:

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

10. Business relationships and significant inter-company transactions:

Number	Name of the company	Name of the counter-party	Existing relationship with the counter-party	Transaction details during 2024			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
0	The Company	EG Healthcare, Inc.	1	Sales	53,413	Usual terms and conditions	0.85 %
"	"	"	1	Account Receivable	44,476	The same as the term for other general trading partners	0.20 %
1	Dynamic Medical Technologies Inc.	CYJ International Taiwan Inc.	3	Sales	79,395	Base on cost-plus pricing	1.27 %
"	"	"	3	Account Receivable	43,775	The same as the term for other general trading partners	0.20 %

Note 1: The numbers denote the following:

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

Note 2: Relationship with the listed companies:

1. The Company to subsidiary
2. Subsidiary to the Company
3. Subsidiary to subsidiary

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

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

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(b) Information on investees:

For the nine months ended September 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 %	1,032,526	209,944	93,804	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 %	746,906	69,116	27,624	Subsidiary (Note 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	12,328,785	33.96 %	501,092	145,604	52,670	Subsidiary
"	Excelsior Healthcare Co., Limited	British Virgin Islands	Investment business	898,782	898,782	28,695,856	100.00 %	1,900,307	103,976	103,976	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 %	29,007	131	39	Associates
"	Excelsior Medical (HK) Co., Limited	Hong Kong	Investment business	963,137	963,137	33,807,013	64.36 %	1,338,754	68,998	44,407	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 %	89,071	40,367	16,750	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 %	672,133	13,520	13,520	Subsidiary
"	Medifly Co., Ltd.	Taichung	Sale of medical equipment and medicines	31,899	31,899	3,615,976	28.66 %	93,092	28,389	8,136	Associates
"	Asia Best Life Care Co., Ltd	New Taipei City	Long-term care business	953,836	953,836	84,633,340	49.38 %	969,967	74,005	36,542	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 %	90,479	15,198	-	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 %	480,538	119,264	-	Associates
"	Excelsior Medical (HK) Co., Limited	Hong Kong	Investment business	516,071	516,071	18,724,062	35.64 %	741,348	68,998	-	Subsidiary
"	Excelsior Investment (Malaysia) Co., Ltd	British Virgin Islands	Investment business	343,026	343,026	11,171,271	100.00 %	330,490	(3,616)	-	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 %	322,701	5,409	-	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 %	109,814	40,367	-	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 %	(867)	(6,069)	-	Associates
"	TOUCE BIOTECH Co., Ltd		Sale of cosmetic health-care products	45,000	45,000	420,000	35.00 %	46,455	2,248	-	Associates
"	CYJ International Taiwan Inc.	New Taipei City	Sales of lifestyle beauty products and treatments, and sales of medical beauty products	155,709	90,633	13,851,588	55.41 %	124,196	(4,144)	-	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	-	Sub-subsidiary (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 %	30,827	(183)	-	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 %	589,423	(21,255)	-	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 %	147,340	32,777	-	Associates
"	NephroCare Limited	Hong Kong	Sale of medical equipment, and medical management consultancy service	688,755	688,755	151,801,588	49.00 %	828,118	102,921	-	Associates
Excelsior Investment (Malaysia) Co., Ltd	Renal Laboratories Sdn. Bhd.	Malaysia	Manufacture of medical equipment	288,387	288,387	32,523,586	81.90 %	285,465	(2,242)	-	Sub-subsidiary
"	Medi-Chem Systems Sdn. Bhd.	Malaysia	Sale of medical equipment	44,052	44,052	350,000	70.00 %	39,794	(131)	-	Sub-subsidiary
Medi-Chem Systems Sdn. Bhd.	Renal Management Sdn. Bhd.	Malaysia	Lease business	1,315	1,315	200,000	100.00 %	9,396	109	-	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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(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	(38,956)	7.80 %	-	-	-
SinoExcelsior Investment Inc. (Note 5)	Sale of medical equipment, and medical management consultancy service	291,579	(2)	947,845	-	-	947,845	900	100.00 %	900	143,213	-
Guangzhou Dynamic Inc.	Sale and maintenance of medical equipment	44,346	(2)	119,574	-	-	119,574	(802)	100.00 %	(802)	8,546	-
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	28,216	17.65 %	-	355,927	83,293

2. Limitation on investment in Mainland China:

Company	Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
The Company	1,087,625	1,289,640	5,265,502
Dynamic Medical Technologies Inc.	153,998	153,998	865,783
Arich Enterprise Co., Ltd.	66,603	66,603	1,123,543

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 September 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 September 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 %

Note: (1)The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

(2)In the case of the above information, if the shareholder delivers the shares to the trust, the shares will be disclosed as a personal account under the trust account of the principal opened by the trustee. As for the shareholders' declaration of more than 10% of the insider's shareholdings under the Securities and Exchange Act, the shareholders' stocks should be included in their own shareholdings, plus, the shares delivered to the trust, wherein the shareholders have the right of decision on using the trust property. For information on insider's equity declaration, please refer to market observation post system.

(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.

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

For the Three Months Ended September 30, 2024	Excelsiro segment	Dynamic segment	Arich segment	Others	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	\$ 1,246,140	355,675	327,465	129,876	-	2,059,156
Inter-segment revenue	11,668	699	9	22,519	(34,895)	-
Total	\$ 1,257,808	356,374	327,474	152,395	(34,895)	2,059,156
Reportable segment profit (loss)	\$ 202,233	68,878	34,282	54,486	(82,375)	277,504
 For the Three Months Ended September 30, 2023						
Revenue						
Revenue from external customers	\$ 1,256,463	378,007	300,787	84,558	-	2,019,815
Inter-segment revenue	25,615	67	5	11,826	(37,513)	-
Total	\$ 1,282,078	378,074	300,792	96,384	(37,513)	2,019,815
Reportable segment profit (loss)	\$ 210,309	69,756	21,905	55,490	(77,118)	280,342
 For the Nine Months Ended September 30, 2024						
Revenue						
Revenue from external customers	\$ 3,819,633	1,154,523	956,593	329,957	-	6,260,706
Inter-segment revenue	63,660	3,485	24	49,935	(117,104)	-
Total	\$ 3,883,293	1,158,008	956,617	379,892	(117,104)	6,260,706
Reportable segment profit (loss)	\$ 662,626	201,382	84,708	169,878	(259,013)	859,581
 For the Nine Months Ended September 30, 2023						
Revenue						
Revenue from external customers	\$ 3,761,496	1,181,312	857,620	248,205	-	6,048,633
Inter-segment revenue	58,714	2,692	20	40,984	(102,410)	-
Total	\$ 3,820,210	1,184,004	857,640	289,189	(102,410)	6,048,633
Reportable segment profit (loss)	\$ 657,411	222,083	68,956	201,420	(289,955)	859,915