

**CHC HEALTHCARE GROUP AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2021 AND 2020

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of CHC Healthcare Group as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, CHC Healthcare Group and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

CHC HEALTHCARE GROUP

By

Pei-Lin Lee
Chairman

March 23, 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHC Healthcare Group

Opinion

We have audited the accompanying consolidated balance sheets of CHC Healthcare Group and subsidiaries (the “Group”) as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion

thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Impairment assessment of goodwill

Description

As of December 31, 2021, the Group generated goodwill of NT\$150,617 thousand as a result of the merger with Shih-Lu Co., Ltd.

After identifying the smallest cash generating unit which can generate independent cash flows, the Group used the recoverable amount of each cash generating unit to assess whether goodwill may be impaired. Since the assumptions used by management to assess whether goodwill is impaired involve subjective judgment and have high uncertainty, we considered the impairment assessment of goodwill as a key audit matter.

Refer to Note 4(20) for the accounting policy on goodwill impairment, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to goodwill impairment and Note 6(13) for related details.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding on how management identifies the objective evidence of goodwill impairment, taking into account certain factors in a consistent manner and ascertained whether the management uses reliable information.
- B. Obtained the report on the valuation of the subsidiary issued by an expert appointed by the management and performed the following:
 - (1) Assessed the expert's independence, objectiveness and competence by reviewing the expert's qualification.
 - (2) Assessed whether the valuation model is reasonable based on our knowledge of the Group's businesses and industry.
 - (3) Confirmed whether the expert uses the same future cash flows relative to the budget for the future years provided by the management.
 - (4) Checked whether the comparable assets adopted in appraisal report are consistent with the

actual operations.

- (5) Assessed whether the significant assumptions applied by the expert are relevant and reasonable and tested the mathematical accuracy.

Impairment assessment of property, plant and equipment

Description

Some of the Group's leasing businesses were not as profitable as expected due to fierce competition in the healthcare industry. The Group assesses the impairment based on the estimated recoverable amounts of leasing assets (shown as property, plant and equipment) where there is an indication that they are impaired. Given that the calculation of recoverable amounts requires significant accounting estimates relying on subjective judgment and uncertainty, we considered the impairment assessment of leasehold assets as a key audit matter.

Refer to Note 4(20) for the accounting policy on asset impairment and Note 5(2) for accounting estimates and assumption uncertainty of asset impairment.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding on how management identifies the objective evidence of impairment, taking into account certain factors in a consistent manner and ascertained whether the management uses reliable information.
- B. Acquired the asset appraisal report issued by an expert appointed by the management and performed the following:
 - (1) Assessed the independence, objectiveness and competence by reviewing the expert's qualification.
 - (2) Assessed whether the valuation method is widely adopted and appropriate based on our knowledge of the Group's businesses and industry.
 - (3) Confirmed whether the replacement cost, comparative objects and the assets' use indicated on the appraisal report are consistent with the actual operations.
 - (4) Assessed whether the significant assumptions applied by the expert are relevant and reasonable and tested the mathematical accuracy.

Assessment of the reasonableness of the purchase price allocation for business combination

Description

On October 6, 2021, the Group acquired 51% of the share capital of Treasure of Health Co., Ltd. for NT\$335,070 thousand. The value of intangible assets acquired from the merger is significant. The merger was accounted for in accordance with IFRS 3, 'Business combination'. As the net fair value of identifiable assets and liabilities and the allocation of goodwill are based on management's estimation and involve accounting estimations and assumptions, we considered this equity price allocation transaction as a key audit matter.

Refer to Note 4(33) for the accounting policy on business combination and Note 6(31) for related details on business combination.

How our audit addressed the matter

We obtained an understanding of the basis and process of purchase price allocation which was estimated by management. We reviewed the reasonableness of the fair value assessment for assets acquired and liabilities assumed, projected cash flows, and the fair value calculation model used in the purchase price allocation reports by the appraisers appointed by the Company. Our procedures also included the following:

- A. Assessed the setting of parameters of valuation models and calculation formulas;
- B. Compared the expected growth rate and operating margin with historical data, economic and industry forecasts; and
- C. Compared the discount rate with the cost of capital assumptions of cash generating units and rate of returns of similar assets.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of CHC Healthcare Group as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

For and on behalf of PricewaterhouseCoopers, Taiwan

March 23, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,493,927	12	\$ 1,380,522	12
1110	Financial assets at fair value through profit or loss - current	6(2)(26)	90,904	1	106,000	1
1136	Current financial assets at amortised cost	6(4)(24)	334,400	3	287,540	2
1140	Contract assets - current	6(23)	54,104	-	38,177	-
1150	Notes receivable, net	6(5)	43,334	-	35,756	-
1170	Accounts receivable, net	6(5)	484,927	4	482,621	4
1180	Accounts receivable - related parties	7	227,579	2	228,448	2
1200	Other receivables	6(5)	6,748	-	1,153	-
1210	Other receivables due from related parties	7	162,970	1	173,869	2
1220	Current tax assets		79	-	2,123	-
130X	Inventories	6(6)(9)	321,593	3	313,692	3
1410	Prepayments	6(7) and 7	547,300	4	433,600	4
1470	Other current assets		15,979	-	1,728	-
11XX	Total current assets		3,783,844	30	3,485,229	30
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)(26)	59,960	1	600	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	31,447	-	35,781	-
1535	Financial assets at amortised cost - non-current	6(4)(24) and 8	208,180	2	240,885	2
1560	Contract assets - non-current	6(23)	49,762	-	58,371	1
1550	Investments accounted for using equity method	6(8)	8,641	-	-	-
1600	Property, plant and equipment	6(9)(12) and 8	5,428,602	43	5,382,011	47
1755	Right-of-use assets	6(10)(24)(26)	77,444	1	73,452	1
1760	Investment property, net	6(9)(12) and 8	1,505,457	12	1,463,155	13
1780	Intangible assets	6(13)(31)	631,278	5	159,151	1
1840	Deferred tax assets	6(29)	89,190	1	88,383	1
1930	Long-term notes and accounts receivable	6(5)	154,020	1	154,824	1
1940	Long-term notes and accounts receivable - related parties	7	26,168	-	36,406	-
1990	Other non-current assets	6(9)(12)(14) and 8	513,288	4	365,573	3
15XX	Total non-current assets		8,783,437	70	8,058,592	70
1XXX	Total assets		\$ 12,567,281	100	\$ 11,543,821	100

(Continued)

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and equity	Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	6(15)	\$ 636,211	5	\$ 190,234	2
2130	Contract liabilities - current	6(23)	42,488	-	152,413	1
2150	Notes payable		10,568	-	2,417	-
2170	Accounts payable		199,510	2	152,900	1
2200	Other payables	6(9)(12)	148,989	1	101,262	1
2230	Current tax liabilities		93,458	1	92,550	1
2250	Provisions for liabilities - current		17,201	-	22,021	-
2280	Lease liabilities - current		17,717	-	10,788	-
2320	Long-term liabilities, current portion	6(17) and 8	316,435	3	310,911	3
2399	Other current liabilities	7	3,640	-	17,890	-
21XX	Total current liabilities		<u>1,486,217</u>	<u>12</u>	<u>1,053,386</u>	<u>9</u>
	Non-current liabilities					
2527	Contract liabilities - non-current	6(23)	638,653	5	636,740	6
2530	Bonds payable	6(16)	1,499,378	12	1,488,808	13
2540	Long-term borrowings	6(17) and 8	2,386,824	19	2,227,892	19
2550	Provisions for liabilities - non-current		13,032	-	12,858	-
2570	Deferred tax liabilities	6(29)	94,170	1	40,303	-
2580	Lease liabilities - non-current		109,242	1	63,542	1
2600	Other non-current liabilities	6(17)	25,908	-	20,291	-
25XX	Total non-current liabilities		<u>4,767,207</u>	<u>38</u>	<u>4,490,434</u>	<u>39</u>
2XXX	Total liabilities		<u>6,253,424</u>	<u>50</u>	<u>5,543,820</u>	<u>48</u>
	Equity attributable to owners of the parent					
	Share capital	6(16)(19)(20)				
3110	Common stock		1,610,536	13	1,570,439	14
	Capital surplus	6(16)(19)(21)				
3200	Capital surplus		3,533,299	27	3,427,278	29
	Retained earnings	6(22)				
3310	Legal reserve		353,704	3	317,065	3
3320	Special reserve		387,124	3	387,852	3
3350	Unappropriated retained earnings		595,565	5	566,883	5
	Other equity	6(3)				
3400	Other equity		(395,707)	(3)	(387,124)	(3)
3500	Treasury shares	6(20)	<u>-</u>	<u>-</u>	<u>(34,956)</u>	<u>-</u>
31XX	Total equity attributable to owners of the parent		<u>6,084,521</u>	<u>48</u>	<u>5,847,437</u>	<u>51</u>
36XX	Non-controlling interest	4(3)	<u>229,336</u>	<u>2</u>	<u>152,564</u>	<u>1</u>
3XXX	Total equity		<u>6,313,857</u>	<u>50</u>	<u>6,000,001</u>	<u>52</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 12,567,281</u>	<u>100</u>	<u>\$ 11,543,821</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Items	Notes	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	6(5)(11)(12)(23) and 7	\$ 2,439,564	100	\$ 2,554,911	100
5000	Operating costs	6(6)(10)(12)(18)(19)(28) and 7	(1,590,083)	(65)	(1,724,201)	(68)
5950	Gross profit		<u>849,481</u>	<u>35</u>	<u>830,710</u>	<u>32</u>
	Operating expenses	6(10)(12)(18)(19)(28) and 7				
6100	Selling expenses		(122,279)	(5)	(118,774)	(5)
6200	General and administrative expenses		(233,558)	(10)	(191,688)	(7)
6300	Research and development expenses		-	-	(6,252)	-
6450	Loss on expected credit impairment		(316)	-	(890)	-
6000	Total operating expenses		(356,153)	(15)	(317,604)	(12)
6900	Operating profit		<u>493,328</u>	<u>20</u>	<u>513,106</u>	<u>20</u>
	Non-operating income and expenses					
7100	Interest income	6(4)(10)(24) and 7	9,564	-	12,049	1
7010	Other income	6(11)(12)(25)	10,703	1	10,888	-
7020	Other gains and losses	6(2)(10)(26)	31,349	1	6,437	-
7050	Finance costs	6(27)	(62,516)	(2)	(78,208)	(3)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(8)	<u>8,641</u>	-	<u>(276)</u>	-
7000	Total non-operating income and expenses		(2,259)	-	(49,110)	(2)
7900	Profit before income tax		<u>491,069</u>	<u>20</u>	<u>463,996</u>	<u>18</u>
7950	Income tax expense	6(29)	(110,787)	(5)	(101,084)	(4)
8200	Profit for the year		<u>\$ 380,282</u>	<u>15</u>	<u>\$ 362,912</u>	<u>14</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$ 4,334)	-	(\$ 2,900)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(5,031)	-	4,461	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(29)	(5)	-	13	-
8300	Other comprehensive (loss) income for the year		(\$ 9,370)	-	\$ 1,574	-
8500	Total comprehensive income for the year		<u>\$ 370,912</u>	<u>15</u>	<u>\$ 364,486</u>	<u>14</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 381,633</u>	<u>15</u>	<u>\$ 366,389</u>	<u>14</u>
8620	Non-controlling interest		(\$ 1,351)	-	(\$ 3,477)	-
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 373,050</u>	<u>15</u>	<u>\$ 367,117</u>	<u>14</u>
8720	Non-controlling interest		(\$ 2,138)	-	(\$ 2,631)	-
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(30)	<u>\$ 2.43</u>		<u>\$ 2.53</u>	
9850	Diluted earnings per share	6(30)	<u>\$ 2.18</u>		<u>\$ 1.95</u>	

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent														
		Capital Reserves					Retained Earnings			Other Equity Interest			Total	Non-controlling interest	Total equity	
		Notes	Common stock	Capital surplus	Treasury stock transactions	Employee stock options	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (loss) on financial assets at fair value through other comprehensive income				Treasury stocks
2020																
Balance at January 1, 2020			\$ 1,416,335	\$ 2,924,636	\$ 173	\$ 8,963	\$ 48,167	\$ 277,548	\$ 363,621	\$ 545,509	(\$ 44,918)	(\$ 342,934)	(\$ 34,956)	\$ 5,162,144	\$ 155,195	\$ 5,317,339
Consolidated net income			-	-	-	-	-	-	-	366,389	-	-	-	366,389	(3,477)	362,912
Other comprehensive income (loss)			-	-	-	-	-	-	-	-	3,628	(2,900)	-	728	846	1,574
Total comprehensive income (loss)			-	-	-	-	-	-	-	366,389	3,628	(2,900)	-	367,117	(2,631)	364,486
Appropriations of 2019 earnings		6(22)														
Legal reserve			-	-	-	-	-	39,517	-	(39,517)	-	-	-	-	-	-
Special reserve			-	-	-	-	-	-	24,231	(24,231)	-	-	-	-	-	-
Cash dividends			-	-	-	-	-	-	-	(281,267)	-	-	-	(281,267)	-	(281,267)
Conversion of convertible bonds		6(16)(20)	151,509	424,330	-	-	(14,446)	-	-	-	-	-	-	561,393	-	561,393
Issuance of convertible bonds		6(16)	-	-	-	-	25,350	-	-	-	-	-	-	25,350	-	25,350
Exercise of employee stock options		6(19)(20)	2,595	7,840	-	(2,195)	-	-	-	-	-	-	-	8,240	-	8,240
Compensation cost of employee stock options		6(19)	-	-	-	-	1,482	-	-	-	-	-	-	1,482	-	1,482
Compensation cost of employee stock options of subsidiaries		6(19)	-	-	-	-	2,978	-	-	-	-	-	-	2,978	-	2,978
Expired employee stock options			-	-	-	(74)	74	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020			\$ 1,570,439	\$ 3,356,806	\$ 173	\$ 11,154	\$ 59,145	\$ 317,065	\$ 387,852	\$ 566,883	(\$ 41,290)	(\$ 345,834)	(\$ 34,956)	\$ 5,847,437	\$ 152,564	\$ 6,000,001
2021																
Balance at January 1, 2021			\$ 1,570,439	\$ 3,356,806	\$ 173	\$ 11,154	\$ 59,145	\$ 317,065	\$ 387,852	\$ 566,883	(\$ 41,290)	(\$ 345,834)	(\$ 34,956)	\$ 5,847,437	\$ 152,564	\$ 6,000,001
Consolidated net income			-	-	-	-	-	-	-	381,633	-	-	-	381,633	(1,351)	380,282
Other comprehensive loss			-	-	-	-	-	-	-	-	(4,249)	(4,334)	-	(8,583)	(787)	(9,370)
Total comprehensive income (loss)			-	-	-	-	-	-	-	381,633	(4,249)	(4,334)	-	373,050	(2,138)	370,912
Appropriations of 2020 earnings		6(22)														
Legal reserve			-	-	-	-	-	36,639	-	(36,639)	-	-	-	-	-	-
Cash dividends			-	-	-	-	-	-	-	(313,648)	-	-	-	(313,648)	-	(313,648)
Special reserve			-	-	-	-	-	(728)	728	-	-	-	-	-	-	-
Issuance of shares		6(20)	47,220	118,522	-	-	-	-	-	-	-	-	-	165,742	-	165,742
Decrease in of treasury shares		6(20)	(10,000)	(21,391)	(173)	-	-	-	(3,392)	-	-	-	34,956	-	-	-
Proceeds from capital reduction of subsidiaries			-	-	-	-	-	-	-	-	-	-	-	-	(48,140)	(48,140)
Exercise of employee stock options		6(19)(20)	2,877	8,451	-	(2,594)	-	-	-	-	-	-	-	8,734	-	8,734
Compensation cost of employee stock options		6(19)	-	-	-	-	1,131	-	-	-	-	-	-	1,131	-	1,131
Compensation cost of employee stock options of subsidiaries		6(19)	-	-	-	-	2,075	-	-	-	-	-	-	2,075	-	2,075
Increase in non-controlling interests		6(31)	-	-	-	-	-	-	-	-	-	-	-	-	127,050	127,050
Balance at December 31, 2021			\$ 1,610,536	\$ 3,462,388	\$ -	\$ 11,766	\$ 59,145	\$ 353,704	\$ 387,124	\$ 595,565	(\$ 45,539)	(\$ 350,168)	\$ -	\$ 6,084,521	\$ 229,336	\$ 6,313,857

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 491,069	\$ 463,996
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss		316	890
Depreciation charge	6(9)(10)(12)(28)	455,071	440,349
Amortisation charge	6(13)(28)	5,521	563
Loss on disposal of property, plant and equipment	6(26)	160	690
Property, plant and equipment transferred to expenses		-	84
Gain on disposal of investment property	6(26)	(31,661)	-
Gain from lease modification	6(26)	(133)	-
Interest expense		54,815	68,134
Interest income	6(24)	(9,564)	(12,049)
Dividend income	6(25)	(1,441)	(1,015)
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(8)	(8,641)	276
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(26)	964	(37,382)
Amortisation of discount on bonds payable	6(27)	10,570	13,922
Compensation cost of employee stock options	6(19)(28)	3,206	4,460
Changes in operating assets and liabilities			
Changes in operating assets			
Acquisition of financial assets at fair value through profit or loss		14,732	3,181
Contract assets		(7,292)	(15,641)
Notes receivable		5,079	28,426
Accounts receivable		26,218	35,740
Accounts receivable - related parties		60,732	28,312
Other receivables		(3,660)	495
Other receivables - related parties		(101)	-
Inventories		7,155	121,271
Prepayments		(90,578)	(70,590)
Other current assets		(14,251)	3,403
Changes in operating liabilities			
Contract liabilities		(115,235)	40,815
Notes payable		(15,173)	(1,413)
Accounts payable		26,774	(68,001)
Other payables		(6,666)	(6,597)
Provisions for liabilities		(4,646)	3,223
Other current liabilities		(14,250)	(2,276)
Cash inflow generated from operations		839,090	1,043,266
Dividends received during the year		1,941	515
Interest paid during the year		(47,455)	(60,433)
Interest received during the year		9,564	12,049
Income tax paid		(110,345)	(79,369)
Net cash flows from operating activities		692,795	916,028

(Continued)

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 14,155)	\$ -
Proceeds from disposal of financial assets at amortised cost		-	60,561
Acquisition of financial assets at fair value through profit or loss		(59,960)	-
Decrease in other receivables - related parties		11,000	5,000
Proceeds from disposal of investments accounted for using equity method		-	8,833
Acquisition of property, plant and equipment	6(9)	(514,091)	(721,260)
Proceeds from disposal of property, plant and equipment		-	2,591
Acquisition of investment property	6(12)	(4,533)	(10,717)
Proceeds from disposal of investment properties		56,506	-
Increase in refundable deposits		(50,663)	(217,061)
Decrease in refundable deposits		59,223	235,572
Increase in other non-current assets		(158,652)	(95,144)
Net cash flows from acquisition of subsidiaries	6(31)	(315,028)	-
Net cash flows used in investing activities		(990,353)	(731,625)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(33)	3,417,540	3,039,866
Decrease in short-term loans	6(33)	(2,971,563)	(3,321,223)
Payments of lease liabilities	6(33)	(13,691)	(10,162)
Proceeds from long-term debt	6(33)	611,185	1,079,490
Repayments of long-term debt	6(33)	(434,397)	(1,464,056)
Increase in guarantee deposits received	6(33)	1,834	10,279
Decrease in guarantee deposits received	6(33)	(8,538)	(13,609)
Proceeds from issuance of bonds	6(33)	-	1,515,000
Issuance cost of bonds payable		-	(6,274)
Repayments of bonds		-	(607,600)
Exercise of employee stock options		8,734	8,240
Proceeds from issuance of shares	6(20)	165,742	-
Payment of cash dividends	6(22)	(313,648)	(281,267)
Return of capital to minority interest due to capital reduction of subsidiaries		(48,140)	-
Net cash flows from (used in) financing activities		415,058	(51,316)
Effect of changes in foreign currency exchange rates on cash and cash equivalents		(4,095)	2,200
Increase in cash and cash equivalents		113,405	135,287
Cash and cash equivalents at beginning of year		1,380,522	1,245,235
Cash and cash equivalents at end of year		<u>\$ 1,493,927</u>	<u>\$ 1,380,522</u>

The accompanying notes are an integral part of these consolidated financial statements.

CHC HEALTHCARE GROUP AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

CHC Healthcare Group (CHC or the “Company”) was incorporated in the Republic of China. The shares of the Company were listed on the Taiwan Stock Exchange on October 24, 2012. The Company and its subsidiaries (the “Group”) are primarily engaged in the trading of pharmaceutical products and the sale, leasing, installation, and repair of medical instruments.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 23, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform - Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are

adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
CHC	Chiu Ho Medical System Co., Ltd. (Chiu Ho Medical)	Medical instrument sale, leasing and services	100	100	Note 1
CHC	Tomorrow Medical System Co., Ltd. (Tomorrow)	Medical instrument sale, leasing and services	100	100	
CHC	Chiu Ho Scientific Co., Ltd. (Chiu Ho Scientific)	Ophthalmic equipment sale, leasing and services	100	100	
CHC	Chiu Ho Biotech Co., Ltd. (Chiu Ho Biotech)	Medical instrument leasing	100	100	
CHC	Shin-Ho Instruments Co., Ltd. (Shin-Ho)	Medical instrument leasing	100	100	
CHC	Tong-Lin Instruments Co., Ltd. (Tong-Lin)	Medical instrument leasing	100	100	
CHC	Hua Lin Instruments Co., Ltd. (Hua Lin)	Medical instrument leasing	100	100	
CHC	Hsin Lin Biotech Co., Ltd. (Hsin Lin)	Medical instrument leasing	100	100	
CHC	E Century Healthcare Corporation (E Century)	Medical instrument leasing	100	100	
CHC	CHC Healthcare (BVI) Limited (CHC (BVI))	Holdings and indirect investments	100	100	
CHC	Treasure of Health Co., Ltd. (Treasure of Health)	Drug and health supplements sale	51	-	Note 2
Chiu Ho Medical	Medlink Healthcare Limited (Medlink)	Medical instrument sale	-	100	Note 1
Chiu Ho Medical	Hsing-Yeh Biotechnology Co., Ltd. (Hsing-Yeh)	Medical instrument sale and leasing; drug sale	100	-	Note 1
Chiu Ho Medical	SenCare Healthcare Company (SenCare)	Consulting service and elderly residence	66	66	

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Chiu Ho Medical	PT CHC Medika Indonesia (PT CHC)	Medical instrument leasing	100	100	
Medlink	Hsing-Yeh Biotechnology Co., Ltd. (Hsing-Yeh)	Medical instrument sale and leasing; drug sale	-	100	Note 1
SenCare	CHC Long-Term Care Corporation (CHC LTC)	Long-term care services	97	97	
CHC (BVI)	CHC Healthcare (HK) Limited (CHC (HK))	Medical instrument sale, leasing and services	100	100	
CHC (BVI)	CHC (Guangzhou) Medical Technology Co., Ltd. (formerly: Guangzhou Chiuho Medical System Co., Ltd.) (CHC Guangzhou)	Medical instrument sale, leasing and services	100	100	
CHC (BVI)	Chiu Ho (CHINA) Medical Technology Co., Ltd. (Chiu Ho (CHINA))	Medical instrument sale, leasing and services	100	100	
CHC (Guangzhou)	Neusoft CHC Medical Service Co., Ltd. (Neusoft CHC)	Medical instrument leasing	51	51	

Note 1: The Company's indirect subsidiary, Medlink, merged with the Company's subsidiary, Chiu Ho Medical, on September 1, 2021. Chiu Ho Medical was the surviving company. After the merger, the shareholding ratio of the Company in Chiu Ho Medical was 100%. The merger has no significant influence on the shareholders' equity of the parent company as it was a reorganisation within the Group.

Note 2: The Company acquired Treasure of Health on October 6, 2021 and Treasure of Health was included in the consolidated financial statements thereafter.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2021, the non-controlling interest amounted to \$229,336. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest		Description
		December 31, 2021		
		Amount	Ownership (%)	
Treasure of Health	Taiwan	\$ 125,567	49%	-

Summarised financial information of the subsidiaries:

Balance sheet

	Treasure of Health
	December 31, 2021
Current assets	\$ 99,298
Non-current assets	546,385
Current liabilities	(78,332)
Non-current liabilities	(108,258)
Total net assets	<u>\$ 459,093</u>

Statement of comprehensive income

	Treasure of Health
	For the period from October 6, 2021 to December 31, 2021
Revenue	\$ 117,771
Profit before income tax	301
Income tax expense	(3,328)
Loss for the year	(3,027)
Total comprehensive loss for the year	<u>(\$ 3,027)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 1,483)</u>

Statement of cash flows

	Treasure of Health
	For the period from October 6, 2021 to December 31, 2021
Net cash provided by operating activities	\$ 26,384
Net cash used in investing activities	(13,677)
Net cash used in financing activities	(1,812)
Increase in cash and cash equivalents	<u>10,895</u>
Cash and cash equivalents, beginning of year	<u>20,042</u>
Cash and cash equivalents, end of year	<u>\$ 30,937</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is

the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains or losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months from the balance sheet date;

- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that are recognised in other comprehensive income are reclassified to retained earnings. When the equity instruments are derecognised the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, lease receivables, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor)-lease receivables / operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.
 - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
 - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.
- C. If the Group recognises rental revenue based on a certain percentage of lessees' operating revenue, then the rent is belong to a contingent rent, which should be treated as an operating lease. The revenue will be recognised based on the receivable rents during the contract period.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. Some subsidiaries entered into an agency contract with the original equipment manufacturer for repair parts. Under a range of guarantee paid by subsidiaries, repair parts will be provided by the original equipment manufacturer without consideration. Subsidiaries return those repair parts, and the original equipment manufacturer returns the guarantee if the agency contract is terminated.

(15) Investments accounted for using the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistency with the policies adopted by the Group.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	40 ~ 50 years
Transportation equipment	5 years
Machinery and equipment	3 ~ 12 years
Leased assets-Machinery and equipment	1.33 ~ 50 years
Leased assets-others	1 ~ 15 years
Other equipment	1 ~ 50 years
Leasehold improvements	3 ~ 5 years

(17) Leasing arrangements (lessee) — right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 4~55 years.

(19) Intangible assets

A. Trademark licenses and supply rights

Trademark licenses and supply rights acquired in a business combination are recognised at fair value at the acquisition date. Trademark licenses and supply rights have a finite useful life and are amortised on a straight-line basis over their estimated useful life of 13 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are

expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus-share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds

(including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus - share options’.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Provisions

Provisions (including warranties and decommissioning) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees’ compensation and directors’ and supervisors’ remuneration

Employees’ compensation and directors’ and supervisors’ remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. The grant date of the share-based payment arrangements is the date that subscription price and shares are determined.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(30) Treasury share

Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Sales of goods

- (a) The Group sells medical equipment, various medicines and health supplements. Sales are recognised when control of the goods has transferred, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The Group's obligation to provide maintenance and repair services for faulty goods under the standard warranty terms is recognised as a provision.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.
- (d) Installment sales with periodic collections of consideration
Revenue attributable to the sales price (excluding interest) is recognised on the date of sale. The sales price is the present value of consideration to be collected, calculated by discounting future payments receivable. Interest income is recognised when earned using the effective interest method.

B. Maintenance, repair, and installation service

- (a) The Group provides maintenance, repair, and installation services for medical equipment. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) Certain customer contracts include equipment sale and installation services. In such contracts, the Group provides a significant service of integrating goods and services into a combined item, therefore the equipment and the installation service cannot be separately identified. The timing of revenue recognition is the same as that of the sale of goods.
- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.
- (d) Revenue from a service contract in which the Group bills a fixed amount based on the period of service provided is recognised at the amount to which the Group has the right to invoice.

C. Revenue from trademark licensing fee

The collection of trademark licensing fee is calculated based on a certain percentage of customer sales as negotiated by the Group and the customer. The Group recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

D. For detailed information on rental revenue, please refer to Note 4(13).

E. Financing components

The Group adjusts the transaction prices for the time value of money if the contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

(33) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are

measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

Except for the accounting estimates (detailed in (2) below), the management does not make any judgment that significantly affect the recognised amounts in consolidated financial statements when applying the Group's accounting policies.

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the actual results. The estimates and assumptions that may significantly adjust the carrying amounts of assets and liabilities within the next financial year are addressed below:

A. Impairment assessment of tangible assets

The Group assesses impairment based on its subjective judgment and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

B. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand	\$ 1,281	\$ 1,166
Checking accounts and demand deposits	1,346,823	1,329,356
Time deposits	<u>145,823</u>	<u>50,000</u>
	<u>\$ 1,493,927</u>	<u>\$ 1,380,522</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group classified restricted cash and cash equivalents pledged to others for the performance of contract and bank borrowings as other non-current assets. Please refer to Note 8 for details.

(2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 80,751	\$ 99,427
Unlisted stocks	1,014	-
Valuation adjustment	<u>9,139</u>	<u>6,573</u>
	<u>\$ 90,904</u>	<u>\$ 106,000</u>

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 59,960	\$ -
Non-hedging derivatives (Redemption rights to the fourth domestic issuance of secured convertible corporate bonds)	1,050	1,050
Valuation adjustment	(1,050)	(450)
	<u>\$ 59,960</u>	<u>\$ 600</u>

For the years ended December 31, 2021 and 2020, net gain (loss) on financial assets at fair value through profit or loss were (\$964) and \$37,382, respectively, shown as 'other gains and losses'.

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

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Listed stocks	\$ 340,215	\$ 340,215
Unlisted stocks	41,400	41,400
Valuation adjustment	(350,168)	(345,834)
	<u>\$ 31,447</u>	<u>\$ 35,781</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$31,447 and \$35,781 as at December 31, 2021 and 2020, respectively.

B. The Group recognised (\$4,334) and (\$2,900) in other comprehensive loss for fair value change for the years ended December 31, 2021 and 2020, respectively.

(4) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Time deposits with maturity over three months	<u>\$ 334,400</u>	<u>\$ 287,540</u>
Non-current items:		
Time deposits with maturity over three months and a year	<u>\$ 208,180</u>	<u>\$ 240,885</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest income	<u>\$ 3,365</u>	<u>\$ 5,306</u>

- B. The Group's financial assets at amortised cost are time deposits in banks. The Group transacted with banks which have high credit rating.
- C. Details of the Group's certain financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable (including long-term notes and accounts receivable)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 10,186	\$ 4,407
Installment notes receivable	34,062	32,898
Less: Unrealised interest revenue-installment notes receivable	(914)	(1,549)
	43,334	35,756
Less: Allowance for doubtful accounts	-	-
	<u>\$ 43,334</u>	<u>\$ 35,756</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable	\$ 442,049	\$ 376,520
Installment accounts receivable	50,229	114,186
Less: Unrealised interest revenue-installment accounts receivable	(4,749)	(5,868)
	487,529	484,838
Less: Allowance for doubtful accounts	(2,602)	(2,217)
	<u>\$ 484,927</u>	<u>\$ 482,621</u>

- A. The Group sold equipment under installment payment, subleased right-of-use asset - buildings under finance lease (installment receivables with maturity not later than a year were shown as 'other receivables') and recognised installment receivables with maturity over a year as long-term installment receivables (shown as 'long-term notes and accounts receivable'). At the balance sheet date, the Group's receivables arising from installment payments and financial lease are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total long-term installment notes receivable	\$ 16,060	\$ 29,510
Less: Unrealised interest revenue - long-term installment notes receivable	(363)	(1,155)
Total long-term installment accounts receivable	107,740	142,629
Less: Unrealised interest revenue - long-term installment accounts receivable	(12,125)	(16,160)
Long-term lease payments receivable	53,275	-
Less: Unearned finance income of finance lease	(10,567)	-
	154,020	154,824
Less: Allowance for doubtful accounts	-	-
	<u>\$ 154,020</u>	<u>\$ 154,824</u>

- B. Reconciliation of the undiscounted lease payments of the right-of-use asset - buildings sublease and the net investment under the finance lease is provided as follows:

	<u>December 31, 2021</u>		
	<u>Undiscounted lease payments</u>	<u>Unearned finance income</u>	<u>Net investment in the lease</u>
<u>Current</u>			
Not later than one year (Note)	\$ 8,125	(\$ 2,596)	\$ 5,529
<u>Non-current</u>			
Over one year	<u>53,275</u>	<u>(10,567)</u>	<u>42,708</u>
	<u>\$ 61,400</u>	<u>(\$ 13,163)</u>	<u>\$ 48,237</u>

Note: Shown as 'other receivables'.

The Group has no receivables from the right-of-use asset sublease under the finance lease as of December 31, 2020.

- C. The ageing analysis of notes and accounts receivable is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 625,965	\$ 655,274
Up to 1 month	2,950	9,124
Up to 2 months	1,400	4,106
Up to 3 months	520	5,450
Up to 4 months	9,000	44
Up to 5 months	-	44
Up to 6 months	-	188
Over 6 months	<u>2,340</u>	<u>1,188</u>
	<u>\$ 642,175</u>	<u>\$ 675,418</u>

The above receivables included the receivables generated from the Group's business activities for the sales and lease of medical equipment and the ageing analysis was based on past due month.

- D. The Group expected to recover installment notes and accounts receivable as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not later than one year	\$ 78,628	\$ 139,667
Over one year	<u>111,312</u>	<u>154,824</u>
	<u>\$ 189,940</u>	<u>\$ 294,491</u>

- E. As of December 31, 2021, December 31, 2020 and January 1, 2020, the balances of receivables (including long-term receivables) from contracts with customers amounted to \$412,801, \$429,848, and \$536,430, respectively.

- F. For the years ended December 31, 2021 and 2020, the interest income (shown as 'others' in 'operating revenue') for installment notes and accounts receivable (including long-term) is recognised in profit or loss of \$7,485 and \$11,304, respectively.

G. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 465,321	(\$ 62,710)	\$ 402,611
Inventory in transit	29,021	-	29,021
Less: Inventories pledged as collateral	(110,039)	-	(110,039)
	<u>\$ 384,303</u>	<u>(\$ 62,710)</u>	<u>\$ 321,593</u>
	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 464,826	(\$ 54,989)	\$ 409,837
Inventory in transit	11,989	-	11,989
Less: Inventories pledged as collateral	(108,134)	-	(108,134)
	<u>\$ 368,681</u>	<u>(\$ 54,989)</u>	<u>\$ 313,692</u>

A. The abovementioned inventories were not secured or pledged to others.

B. The cost of inventories recognised as expense and operating costs for the year:

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 746,733	\$ 890,013
Repair supplies	71,857	80,401
Loss on (gain on reversal of) decline in market value and obsolescence	7,789	(8,165)
Loss on physical inventory	<u>7</u>	<u>2,464</u>
Cost of inventories	826,386	964,713
Cost of rental	661,486	654,553
Cost of services	<u>102,211</u>	<u>104,935</u>
Total operating costs	<u>\$ 1,590,083</u>	<u>\$ 1,724,201</u>

The Group reversed a previous inventory write-down which was accounted for as deduction of cost of goods sold as certain inventories which were previously provided with allowance were subsequently sold in 2020.

(7) Prepayments

	December 31, 2021	December 31, 2020
Prepayments to suppliers	\$ 497,935	\$ 400,681
Excess business tax paid	33,040	14,028
Others	<u>16,325</u>	<u>18,891</u>
	<u>\$ 547,300</u>	<u>\$ 433,600</u>

(8) Investments accounted for using equity method

	December 31, 2021		December 31, 2020	
	Ownership %	Book value	Ownership %	Book value
<u>Associates</u>				
CHENG-HSIN Biotechnology Co., Ltd.	40%	<u>\$ 8,641</u>	40%	<u>\$ -</u>

- A. The summarised financial information of the associates that are not material to the Group is as follows:

	Years ended December 31,	
	2021	2020
Profit (loss) for the year	\$ 8,641	(\$ 276)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	<u>\$ 8,641</u>	<u>(\$ 276)</u>

- B. The Group is the single largest shareholder of CHENG-HSIN Biotechnology Co., Ltd with a 40% equity interest. Given that the remaining 60% equity interest in CHENG-HSIN Biotechnology Co., Ltd is held by other few investors that are related parties of another joint venture group, which indicates that the Group has no current ability to direct the relevant activities of CHENG-HSIN Biotechnology Co., Ltd, the Group has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Machinery and equipment	Leased assets- machinery and equipment	Leased assets- others	Leasehold improvements	Other equipment	Construction in progress and equipment under acceptance	Total
<u>At January 1, 2021</u>										
Cost	\$ 759,015	\$ 610,155	\$ 7,153	\$ 130,468	\$ 5,076,047	\$ 988,515	\$ 1,110	\$ 33,593	\$ 1,305,992	\$ 8,912,048
Accumulated depreciation and impairment	-	(28,833)	(6,743)	(104,692)	(2,740,297)	(633,366)	(927)	(15,179)	-	(3,530,037)
	<u>\$ 759,015</u>	<u>\$ 581,322</u>	<u>\$ 410</u>	<u>\$ 25,776</u>	<u>\$ 2,335,750</u>	<u>\$ 355,149</u>	<u>\$ 183</u>	<u>\$ 18,414</u>	<u>\$ 1,305,992</u>	<u>\$ 5,382,011</u>
<u>2021</u>										
Opening net book amount										
as at January 1	\$ 759,015	\$ 581,322	\$ 410	\$ 25,776	\$ 2,335,750	\$ 355,149	\$ 183	\$ 18,414	\$ 1,305,992	\$ 5,382,011
Additions (Note 1)	-	4,441	-	9,328	22,682	7,242	11,853	3,528	488,343	547,417
Acquired from business combinations	-	-	-	-	-	-	-	-	2,663	2,663
Disposals	-	-	-	-	-	(26)	(103)	(31)	-	(160)
Depreciation charge	-	(15,188)	(199)	(6,530)	(325,383)	(71,201)	(274)	(4,368)	-	(423,143)
Reclassifications (Note 2)	-	(78,417)	-	(1,776)	13,046	4,783	-	(5,368)	(22,238)	(79,234)
Net exchange differences	-	(656)	(2)	(1)	(369)	(3)	-	(1)	80	(952)
Closing net book amount										
as at December 31	<u>\$ 759,015</u>	<u>\$ 491,502</u>	<u>\$ 209</u>	<u>\$ 26,797</u>	<u>\$ 2,045,726</u>	<u>\$ 295,944</u>	<u>\$ 11,659</u>	<u>\$ 22,910</u>	<u>\$ 1,774,840</u>	<u>\$ 5,428,602</u>
<u>At December 31, 2021</u>										
Cost	\$ 759,015	\$ 521,087	\$ 7,147	\$ 137,334	\$ 5,111,200	\$ 974,970	\$ 12,766	\$ 42,240	\$ 1,774,840	\$ 9,340,599
Accumulated depreciation and impairment	-	(29,585)	(6,938)	(110,537)	(3,065,474)	(679,026)	(1,107)	(19,330)	-	(3,911,997)
	<u>\$ 759,015</u>	<u>\$ 491,502</u>	<u>\$ 209</u>	<u>\$ 26,797</u>	<u>\$ 2,045,726</u>	<u>\$ 295,944</u>	<u>\$ 11,659</u>	<u>\$ 22,910</u>	<u>\$ 1,774,840</u>	<u>\$ 5,428,602</u>

Note 1: The acquisition of property, plant and equipment includes, the beginning and ending balances of payable on machinery and equipment in the amounts of \$16,079 and \$49,405, respectively, and the cash payment in the amount of \$514,091.

Note 2: Reclassifications with no cash flow effect are as follows:

- (a) Property, plant and equipment transferred to inventories amounted to \$1,776.
- (b) Property, plant and equipment transferred to investment property amounted to \$78,458.
- (c) Other non-current assets transferred to property, plant and equipment amounted to \$1,000.

	Land	Buildings and structures	Transportation equipment	Machinery and equipment	Leased assets-machinery and equipment	Leased assets-others	Leasehold improvements	Other equipment	Construction in progress and equipment under acceptance	Total
<u>At January 1, 2020</u>										
Cost	\$ 940,731	\$ 580,096	\$ 6,949	\$ 127,469	\$ 4,992,431	\$ 903,669	\$ 904	\$ 32,269	\$ 238,535	\$ 7,823,053
Accumulated depreciation and impairment	-	(21,609)	(5,949)	(99,326)	(2,422,066)	(563,629)	(904)	(18,153)	-	(3,131,636)
	<u>\$ 940,731</u>	<u>\$ 558,487</u>	<u>\$ 1,000</u>	<u>\$ 28,143</u>	<u>\$ 2,570,365</u>	<u>\$ 340,040</u>	<u>\$ -</u>	<u>\$ 14,116</u>	<u>\$ 238,535</u>	<u>\$ 4,691,417</u>
<u>2020</u>										
Opening net book amount										
as at January 1	\$ 940,731	\$ 558,487	\$ 1,000	\$ 28,143	\$ 2,570,365	\$ 340,040	\$ -	\$ 14,116	\$ 238,535	\$ 4,691,417
Additions (Note 1)	-	73,517	190	2,979	81,134	74,096	191	8,509	434,166	674,782
Disposals	-	-	-	(3,133)	-	(19)	-	(112)	(17)	(3,281)
Depreciation charge	-	(14,686)	(783)	(6,663)	(317,692)	(69,739)	(8)	(3,227)	-	(412,798)
Reclassifications (Note 2)	(181,716)	(37,297)	-	4,459	1,383	10,762	-	(875)	633,237	429,953
Net exchange differences	-	1,301	3	(9)	560	9	-	3	71	1,938
Closing net book amount										
as at December 31	<u>\$ 759,015</u>	<u>\$ 581,322</u>	<u>\$ 410</u>	<u>\$ 25,776</u>	<u>\$ 2,335,750</u>	<u>\$ 355,149</u>	<u>\$ 183</u>	<u>\$ 18,414</u>	<u>\$ 1,305,992</u>	<u>\$ 5,382,011</u>
<u>At December 31, 2020</u>										
Cost	\$ 759,015	\$ 610,155	\$ 7,153	\$ 130,468	\$ 5,076,047	\$ 988,515	\$ 1,110	\$ 33,593	\$ 1,305,992	\$ 8,912,048
Accumulated depreciation and impairment	-	(28,833)	(6,743)	(104,692)	(2,740,297)	(633,366)	(927)	(15,179)	-	(3,530,037)
	<u>\$ 759,015</u>	<u>\$ 581,322</u>	<u>\$ 410</u>	<u>\$ 25,776</u>	<u>\$ 2,335,750</u>	<u>\$ 355,149</u>	<u>\$ 183</u>	<u>\$ 18,414</u>	<u>\$ 1,305,992</u>	<u>\$ 5,382,011</u>

Note 1: The acquisition of property, plant and equipment includes increase in decommissioning cost in the amount of \$12,458, increase in decommissioning liabilities in the amount of \$12,458 (shown as 'non-current provisions'), the beginning and ending balances of payable on machinery and equipment in the amounts of \$75,015 and \$16,079, respectively, and the cash payment in the amount of \$721,260.

Note 2: Reclassifications with no cash flow effect are as follows:

- Inventories transferred to property, plant and equipment amounted to \$7,147.
- Property, plant and equipment transferred to inventories amounted to \$2,316.
- Property, plant and equipment transferred to investment property amounted to \$259,272.
- Property, plant and equipment transferred to miscellaneous purchases amounted to \$84.
- Other non-current assets transferred to property, plant and equipment amounted to \$684,478.

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and prepayments for business facilities (shown as 'other non-current assets') and the range of the interest rates for such capitalisation are as follows:

	Years ended December 31,	
	2021	2020
Amount capitalised	\$ 15,651	\$ 11,384
Range of the interest rates for capitalisation	0.10%~4.25%	1.29%~2.61%

- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements-lessee

- A. The Group leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 1 to 19 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise business vehicles, offices and dormitories. Low-value assets comprise copy machines.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Book value	
	December 31, 2021	December 31, 2020
Land	\$ 43,224	\$ 45,625
Buildings	28,638	25,901
Transportation equipment (Business vehicles)	5,582	1,246
Other equipment	-	680
	<u>\$ 77,444</u>	<u>\$ 73,452</u>

	Depreciation charge	
	Years ended December 31,	
	2021	2020
Land	\$ 2,401	\$ 1,001
Buildings	7,756	7,476
Transportation equipment (Business vehicles)	2,418	2,093
Other equipment	309	62
	<u>\$ 12,884</u>	<u>\$ 10,632</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$72,027 and \$54,246, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	(\$ 1,462)	(\$ 905)
Expense on short-term lease contracts	(1,716)	(3,276)
Expense on leases of low-value assets	(124)	(179)
Finance income from sublease of right-of-use assets (shown as 'interest income')	692	-
Gain on lease modification (shown as 'other gains and losses')	133	-

F. Reconciliation of the undiscounted lease payments of the right-of-use asset - buildings sublease and the net investment under the finance lease is provided in Note 6(5)B.

G. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were \$16,993 and \$14,522, respectively.

(11) Leasing arrangements-lessor

A. The Group leases various assets including buildings, machinery and other equipment. Rental contracts are typically made for periods of 1 and 24 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. The Group leases machinery and equipment, other equipment and right-of-use assets - buildings under a finance lease. Based on the terms of the lease contract, the ownership of machinery and other equipment will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2021	2020
Sales profit	\$ 557	\$ 425
Finance income from the net investment in the finance lease (shown as 'others' in 'operating revenue')	1,446	1,944
Finance income from sublease of right-of-use assets (shown as 'interest income')	692	-

- C. The maturity analysis of the undiscounted lease payments (including related parties) in the finance lease is as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>
2022	\$ 31,532	2021	\$ 19,237
2023	22,044	2022	16,365
2024	17,979	2023	12,601
2025	8,382	2024	8,603
2026	6,478	2025	318
2027	5,201	2026	-
2028 and onwards	<u>19,069</u>	2027 and onwards	<u>-</u>
	<u>\$ 110,685</u>		<u>\$ 57,124</u>

- D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided in Notes 6(5) and (7).

- E. Gain arising from operating lease agreements for the years ended December 31, 2021 and 2020 are as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Rent income	\$ <u>48,226</u>	\$ <u>58,194</u>
Contingent rental revenue	\$ <u>1,002,106</u>	\$ <u>1,010,978</u>

- F. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>
2022	\$ 53,779	2021	\$ 55,101
2023	5,930	2022	51,422
2024	3,015	2023	3,440
2025	2,536	2024	1,987
2026	1,269	2025	677
2027	285	2026	297
2028 and onwards	<u>-</u>	2027 and onwards	<u>285</u>
	<u>\$ 66,814</u>		<u>\$ 113,209</u>

(12) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2021</u>			
Cost	\$ 1,017,135	\$ 632,839	\$1,649,974
Accumulated depreciation and impairment	-	(186,819)	(186,819)
	<u>\$ 1,017,135</u>	<u>\$ 446,020</u>	<u>\$1,463,155</u>
<u>2021</u>			
Opening net book amount as at January 1	\$ 1,017,135	\$ 446,020	\$1,463,155
Additions from acquisitions (Note 1)	-	4,827	4,827
Additions - from subsequent expenditures (Note 1)	-	796	796
Disposals	(22,851)	(1,994)	(24,845)
Reclassifications (Note 2)	-	80,515	80,515
Depreciation charge	-	(19,044)	(19,044)
Net exchange differences	-	53	53
Closing net book amount as at December 31	<u>\$ 994,284</u>	<u>\$ 511,173</u>	<u>\$1,505,457</u>
<u>At December 31, 2021</u>			
Cost	\$ 994,284	\$ 727,912	\$1,722,196
Accumulated depreciation and impairment	-	(216,739)	(216,739)
	<u>\$ 994,284</u>	<u>\$ 511,173</u>	<u>\$1,505,457</u>

Note 1: The acquisition of investment property includes the beginning and ending balances of payable on machinery and equipment in the amounts of \$581 and \$1,671, respectively, and the cash payment in the amount of \$4,533.

Note 2: Reclassifications with no cash flow effects are as follows:

- (1) Other non-current assets transferred to investment property amounted to \$2,057.
- (2) Property, plant and equipment transferred to investment property amounted to \$78,458.

	<u>Land</u>	<u>Buildings and structures</u>	<u>Construction in progress</u>	<u>Total</u>
<u>At January 1, 2020</u>				
Cost	\$ 835,419	\$ 525,368	\$ 7,671	\$1,368,458
Accumulated depreciation and impairment	<u>-</u>	<u>(158,070)</u>	<u>-</u>	<u>(158,070)</u>
	<u>\$ 835,419</u>	<u>\$ 367,298</u>	<u>\$ 7,671</u>	<u>\$1,210,388</u>
<u>2020</u>				
Opening net book amount as at January 1	\$ 835,419	\$ 367,298	\$ 7,671	\$1,210,388
Additions from acquisitions (Note 1)	-	10,414	-	10,414
Reclassifications (Note 2)	181,716	85,227	(7,671)	259,272
Depreciation charge	<u>-</u>	<u>(16,919)</u>	<u>-</u>	<u>(16,919)</u>
Closing net book amount as at December 31	<u>\$1,017,135</u>	<u>\$ 446,020</u>	<u>\$ -</u>	<u>\$1,463,155</u>
<u>At December 31, 2020</u>				
Cost	\$1,017,135	\$ 632,839	\$ -	\$1,649,974
Accumulated depreciation and impairment	<u>-</u>	<u>(186,819)</u>	<u>-</u>	<u>(186,819)</u>
	<u>\$1,017,135</u>	<u>\$ 446,020</u>	<u>\$ -</u>	<u>\$1,463,155</u>

Note 1: The acquisition of investment property includes the beginning and ending balances of payable on machinery and equipment in the amounts of \$884 and \$581, respectively, and the cash payment in the amount of \$10,717.

Note 2: Reclassifications with no cash flow effects are as follows:

Property, plant and equipment transferred to investment property amounted to \$259,272.

A. Rental income from lease of the investment property and direct operating expenses arising from investment property are shown below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Rental income from the lease of the investment property	<u>\$ 46,289</u>	<u>\$ 56,678</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 23,129</u>	<u>\$ 20,086</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ 943</u>	<u>\$ -</u>

B. As of December 31, 2021 and 2020, the fair value of the investment property held by the Group amounted to \$1,930,074 and \$1,778,735, respectively. The fair value was valued by adopting the transaction prices of similar property or valued by independent appraisers who

adopted comparison approach and land development analysis approach to evaluate the land, assessed the building based on cost method, and considered weights on aforementioned costs to calculate the fair value.

C. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(13) Intangible assets

	<u>Trademark licenses</u>	<u>Supply rights</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2021</u>				
Cost	\$ -	\$ -	\$ 159,151	\$ 159,151
Accumulated amortisation	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,151</u>	<u>\$ 159,151</u>
<u>2021</u>				
Opening net book amount as at January 1	\$ -	\$ -	\$ 159,151	\$ 159,151
Additions - acquired through business combinations	130,135	144,438	202,834	477,407
Amortisation charge	(2,502)	(2,778)	-	(5,280)
Closing net book amount as at December 31	<u>\$ 127,633</u>	<u>\$ 141,660</u>	<u>\$ 361,985</u>	<u>\$ 631,278</u>
<u>At December 31, 2021</u>				
Cost	\$ 130,135	\$ 144,438	\$ 361,985	\$ 636,558
Accumulated amortisation	(2,502)	(2,778)	-	(5,280)
	<u>\$ 127,633</u>	<u>\$ 141,660</u>	<u>\$ 361,985</u>	<u>\$ 631,278</u>
	<u>Trademark licenses</u>	<u>Supply rights</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2020 (At December 31)</u>				
Cost	\$ -	\$ -	\$ 159,151	\$ 159,151
Accumulated amortisation	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,151</u>	<u>\$ 159,151</u>

A. Details of amortisation on intangible assets are as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Selling expenses	<u>\$ 5,280</u>	<u>\$ -</u>

B. Goodwill is allocated as follows to the Group's cash-generating units:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Treasure of Health Co., Ltd.	\$ 202,834	\$ -
Hsing-Yeh Biotechnology Co., Ltd.	150,617	150,617
Others	8,534	8,534
	<u>\$ 361,985</u>	<u>\$ 159,151</u>

- C. Goodwill is allocated to the Group's cash-generating units. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations and fair value, net of disposal cost. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.
- D. As of December 31, 2021, the Group's goodwill arose from business combination amounting to \$361,985, consisting of benefits from expected operating revenue growth of acquired companies. In accordance with IAS 36, goodwill acquired from business combination shall be tested for impairment at least every year and where there is any indication of impairment. The impairment testing on the goodwill as of December 31, 2021 and 2020 is as follows:
- For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows. Therefore, the impairment of goodwill is assessed by calculating the difference between the recoverable amount and the carrying amount of net assets of each company.

The Group used value-in-use calculated by external appraiser as the recoverable amount of goodwill arising from Treasure of Health Co., Ltd. and Hsing-Yeh Biotechnology Co., Ltd. No impairment loss occurred as of December 31, 2021 and 2020 as the recoverable amount was higher than the carrying amount. The key assumptions used by the external appraiser in calculating value-in-use are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Growth rate	2%~2.46%	2.84%
Discount rate	8.61%~13.99%	8.19%

The Group used the value-in-use as the recoverable amount of goodwill arising from the cash-generating units other than Treasure of Health Co., Ltd. and Hsing-Yeh Biotechnology Co., Ltd. as of December 31, 2021 and 2020. No impairment loss occurred as the recoverable amount was higher than the carrying amount. The key assumptions used for value-in-use calculations are operating profit margin and discount rate.

Management determined budgeted gross margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. The discount rates used are pre-tax and reflected specific risks relating to the relevant operating segments.

(14) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee deposits paid	\$ 235,579	\$ 243,218
Prepayments for equipment	253,135	97,356
Restricted bank deposits	24,360	24,607
Deferred expenses	214	392
	<u>\$ 513,288</u>	<u>\$ 365,573</u>

Information about the restricted bank deposits that were pledged to others as collateral is provided in Note 8.

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bank borrowings		
Credit borrowings	<u>\$ 636,211</u>	<u>\$ 190,234</u>
Interest rate range	<u>0.75%~1.29%</u>	<u>0.78%~1.1%</u>

(16) Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bonds payable	\$ 1,537,875	\$ 1,537,875
Less: Discount on bonds payable	(38,497)	(49,067)
	1,499,378	1,488,808
Less: Current portion or exercise of put options	-	-
	<u>\$ 1,499,378</u>	<u>\$ 1,488,808</u>

A. The terms of the third domestic secured convertible bonds issued by the Company are as follows:

- (a) The Company issued the third domestic secured convertible bonds totalling \$1,200,000 with zero coupon rate as approved by the regulatory authority. The bonds mature three years from the issue date (November 2, 2017 ~ November 2, 2020) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 2, 2017.
- (b) The bondholders have the right to request TDCC through the security dealers for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price on the issue date is NT\$42 (in dollars). On July 15, 2018, July 15, 2019 and July 18, 2020, the Company adjusted the conversion

price per share to NT\$40.6, NT\$38.8 and NT\$37.1 (in dollars), respectively, according to the rules described above.

- (d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one months of the bonds issue to 40 days before the maturity date.
- (e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (f) On August 17, 2018, the Company signed a corporate bond issuance guarantee agreement with Chinatrust Commercial Bank. Under the terms of the agreement, the Company will periodically submit a financial assurance letter to Chinatrust Commercial Bank, indicating whether the Company has achieved the required financial ratios based on the annual and semi-annual consolidated financial statements as follows:
 - a. Current ratio must be 100% or higher.
 - b. Debt ratio must equal to or less than 150%.
 - c. Interest coverage ratio must be 3 or higher.
 - d. Tangible net assets must be \$4,000,000 or higher.

If the Company fails to meet any of the requirements stated above, Chinatrust Commercial Bank will determine whether there has been a breach of contract.

- (g) The convertible bonds matured on November 2, 2020. Part of the bonds were converted into 15,932 thousand share of common stock, and the remaining unconverted bonds were redeemed at \$607,600 by cash. The Company transferred the forfeited stock options of \$15,617 to capital surplus-forfeited stock options (shown as capital surplus-others).
- B. The terms of the fourth domestic secured convertible bonds issued by the Company are as follows:
- (a) The Company issued the fourth domestic secured convertible bonds totalling \$1,515,000 with zero coupon rate which were issued at a 101% premium of the total face value of \$1,500,000 as approved by the regulatory authority. The bonds mature five years from the issue date (August 4, 2020 ~ August 4, 2025) and will be redeemed in cash at 102.525% of face value at the maturity date. The bonds were listed on the Taipei Exchange on August 4, 2020.
 - (b) The bondholders have the right to request TDCC through the security dealers for conversion of the bonds into common shares of the Company during the period from

the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

- (c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price on the issue date is NT\$53.9 (in dollars). On November 29, 2021 and August 3, 2021, the Company adjusted the conversion price per share to NT\$50.9 and NT\$51.0 (in dollars), respectively, according to the rules described above.
 - (d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one months of the bonds issue to 40 days before the maturity date.
 - (e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
 - (f) Regarding the fourth issuance of secured convertible bonds, the equity conversion options amounting to \$25,350 were separated from the liability component and were recognised in 'capital surplus - others' in accordance with IAS 32 as of December 31, 2021. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. As of December 31, 2021, the effective interest rate of the bonds payable after such separation was 0.7077%.
- C. There were no assets pledged as collateral for the fourth domestic bonds.

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bank borrowings			
Secured borrowings	2016.8~2035.6	\$ 2,397,265	\$ 2,482,405
Credit borrowings	2017.5~2029.12	<u>318,341</u>	<u>56,398</u>
		2,715,606	2,538,803
Less: Long-term borrowings, current portion		(316,435)	(310,911)
Long-term deferred revenue (shown as 'other non-current liabilities')		(<u>12,347</u>)	<u>-</u>
		<u>\$ 2,386,824</u>	<u>\$ 2,227,892</u>
Interest rate range		<u>0.10%~4.25%</u>	<u>0.94%~1.8%</u>

A. In November 2018, the Company and Tomorrow Medical System Co., Ltd. signed a syndicated loan agreement in the amount of \$2,440,000 with a group of lenders led by First Commercial Bank and agreed to the following terms:

- (a) If the actual drawn amount is less than 80% of each available borrowing facility, the difference shall be imposed at a rate of 0.15% as a commitment fee at the end of the limit on borrowing facilities. The commitment fee shall be paid in full to the lead bank within 5 trading days after the end of the limit on borrowing facilities. Subsequently, the lead bank shall pay syndicated banks based on its committed ratio.
- (b) Loan funds must be used for a specified purpose.
- (c) The Company will periodically issue a financial assurance letter to the banks, indicating whether the Company has achieved the required financial ratios based on the annual and semi-annual consolidated financial statements as follows:
 - i. Current ratio must be 100% or higher.
 - ii. Debt ratio must equal to or less than 150%.
 - iii. Interest coverage ratio must be 3 or higher.
 - iv. Tangible net assets must be \$4,000,000 or higher.

If the Company fails to meet any of the requirements stated above, remedial measures, such as capital increase, must be taken to address the issue before the financial reporting date of the next annual or half-year consolidated financial statements. If the issue is resolved with the remedial measures, it is not considered a breach of contract. However, the Company is required to pay a fee, equal to 0.1% of the unpaid principal balance on the audit date, to the agency bank, who will distribute this fee among the syndicate lenders.

- (d) The Company shall directly/indirectly hold a 100% equity interest in Tomorrow Medical System Co., Ltd., Hsing-Yeh Biotechnology Co., Ltd. and Chiu Ho Medical System Co., Ltd., and directly/indirectly hold at least a 66.67% equity interest in Hua Lin Instruments Co., Ltd., Tong-Lin Instruments Co., Ltd., E Century Healthcare

Corporation, Chiu Ho Biotech Co., Ltd. and Chiu Ho Scientific Co., Ltd., and the Company has control over those companies' operations. Above equity interests can not be pledged or transferred to the third party in any assumption or method as well as trust. If the Company fails to meet this requirement, First Commercial Bank will determine whether there has been a breach of contract and, if necessary, call a meeting with all the syndicate lenders to discuss the matter.

- B. The subsidiary of the Company, Shin-Ho Instruments Co., Ltd., entered into a borrowing contract with Chinatrust Commercial Bank. Guarantees were provided by the Company jointly for the duration of this borrowing or before the debts of this borrowing are fully paid. In addition, the subsidiary started to provide collateral with Chinatrust Commercial Bank after the completion of the building construction and before the operation of the machinery and equipment.
- (a) The subsidiary of the Company, Shin-Ho Instruments Co., Ltd., met the common qualifications of the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" of the National Development Council of the Executive Yuan and the specific qualifications of "Manufacturing industry - enterprise whose certain production lines for investment/expansion must have smart technology elements or smart functions and belongs to 5+2 Industrial Innovation". The letter of approval for the qualification of Taiwanese businesses was issued by the Ministry of Economic Affairs.
- (b) Shin-Ho Instruments Co., Ltd. applied for a borrowing with the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan". The government provided grants on the borrowing interest rate. The borrowing interest rate was 0.1% during the granting period. The granting period would end in December 2026 and the borrowing interest rate would be 1.345% starting from January 2027. In addition, the subsidiary also obtained a grace period of 24 months for principal repayment. The grace period would end in December 2023 and Shin-Ho Instruments Co., Ltd. would start to repay the principal from January 2024.
- (c) Income from long-term deferred revenue - government grants recognised for the current year was \$12,347 (shown as 'other non-current liabilities).
- C. Information on assets pledged as collateral for long-term borrowings is provided in Note 8.

(18) Pensions

- A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of

Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were \$7,798 and \$7,689 respectively.

- B. The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The pension plan is administered by the government. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were \$1,392 and \$214, respectively.

(19) Share-based payment

- A. As of December 31, 2021 and 2020, the Company's share-based payment transactions are as follows:

Type of arrangement	Grant date	Quantity Granted (in thousands of shares)	Contract period	Vesting conditions
Employee stock options-106	2018.4.13	2,000	7 years	Note

Note: After two years from the grant date, employees are allowed to exercise their stock options according to the vesting schedule specified in the plan.

- B. Details of the share-based payment arrangements are as follows:

Stock options	2021		2020	
	No. of options (in thousands of shares)	Weighted-average exercise price (in dollars)	No. of options (in thousands of shares)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	1,646	\$ 30.50	1,980	\$ 31.90
Options forfeited	-	-	(75)	31.03
Options exercised	(288)	30.36	(259)	31.75
Options outstanding at December 31	<u>1,358</u>	28.80	<u>1,646</u>	30.50
Options exercisable at December 31	<u>411</u>		<u>225</u>	

- C. For the years ended December 31, 2021 and 2020, the weighted-average stock price of stock options on exercise dates were NT\$38.28 and NT\$41.66 (in dollars), respectively.
- D. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

Issue date approved	Expiry date	December 31, 2021		December 31, 2020	
		No. of shares (in thousands of shares)	Exercise price (in dollars)	No. of shares (in thousands of shares)	Exercise price (in dollars)
2018.4.13	2025.4.12	\$ 1,358	28.8	\$ 1,646	30.5

- E. The Black Scholes option-pricing model was used for valuation of fair value of the stock options granted. The related information is listed as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate fair value	Fair value per unit (in dollars)
Employee stock options-106	2018.4.13	\$ 34.50	\$ 34.50	30.02%	5.25 years	0%	0.75%	\$8.46~ \$10.91

- F. Expenses incurred on the Group's share-based payment transactions are shown below:

	Years ended December 31,	
	2021	2020
Equity-settled	\$ 3,206	\$ 4,460

- G. On November 29, 2021, August 3, 2021 and July 18, 2020, the exercise prices of employee stock options-106 were adjusted to NT\$28.8, NT\$28.8 and NT\$30.5 (in dollars), respectively, according to the rules of the employee stock option plan. The adjustment of exercise prices had no significant impact on the fair value of the aforementioned stock options.

(20) Share capital

- A. As of December 31, 2021, the Company's authorised capital was \$2,500,000, consisting of 250 million shares of ordinary stock, and the paid-in capital was \$1,610,536 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The aforementioned paid-in capital included 288 thousand shares of employee share options exercised for the year ended December 31, 2021. The Company has applied to the regulatory authority for registration of the changes in capital on January 12, 2022, and the registration was completed on January 19, 2022.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	(In thousands of shares)	
	2021	2020
At January 1	156,044	140,634
Employee stock options exercised	288	259
Cash capital increase-private placement	4,722	-
Bonds payable converted	-	15,151
At December 31	161,054	156,044

- B. To attract strategic investors, strengthen the Company's financial structure, enrich working capital and improve the benefits of future competitiveness, the stockholders at their annual stockholders' meeting on July 1, 2021 adopted a resolution to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 20,000 thousand shares. The capital increase shall be processed in installments (no more than three times) within one year from the date of the resolution of the stockholders'

meeting. The stockholders authorised the Board of Directors to determine the actual pricing date and issuance price within the range of not less than the percentage of the resolution of the stockholders' meeting considering the situation of the specific person and the market in the future. As resolved by the Board of Directors on October 6, 2021, the first effective date was on October 13, 2021, and the number of shares issued was 4,722 thousand shares at the subscription price of \$35.1 (in dollars) per share. The amount of capital raised through the private placement was \$165,742 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

C. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		(In thousands of shares)			
Name of company holding the shares	Reason for reacquisition	December 31, 2021		December 31, 2020	
		Number of shares	Carrying Amount	Number of shares	Carrying Amount
The Company	To be reissued to employees	-	\$ -	1,000	\$ 34,956

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) As resolved by the Board of Directors on August 13, 2018, the Company reacquired its shares from the Stock Exchange Market to be reissued to employees from August 14, 2018 to October 13, 2018. The aforementioned acquisition of treasury shares had been completed on October 12, 2018 and the number of shares reacquired was 1,000 thousand shares, totalling \$34,956. The registration of retirement of treasury shares not reissued to employees had been completed on November 12, 2021.

(21) Capital surplus

- A. Pursuant to Paragraph 4, Article 31 of the Business Mergers and Acquisitions Act, if a company becomes a wholly-owned subsidiary of another company through a share exchange, its undistributed earnings become part of the capital surplus of the acquiring company (parent company). Therefore, if the increase in the investment holding company's capital surplus is from the undistributed earnings of the subsidiary before the share exchange, this amount can be distributed as cash dividends or capitalised. Moreover, the proportion that can be capitalised is not subject to the restrictions set forth in Article 8 of the Securities and Exchange Act Enforcement Rules. In addition, according to Tai-Cai-Rong-Yi-Zi No. 0910016280, such increase in capital surplus was not generated by the holding company's business operations and thus will not affect the remuneration of directors and supervisors and bonuses of employees. As of December 31, 2021, capital surplus that is attributable to the undistributed earnings of Chiu Ho Medical System Co., Ltd. and other associates before share exchanges amounted to \$44,390.
- B. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- C. Please refer to Note 6(19) for information on capital surplus - employee stock options.

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve unless legal reserve equals the authorised share capital. Special reserve is then appropriated or reversed in accordance with related regulations. At least 50% of the remainder, if any, and accumulated undistributed earnings from prior years shall be proposed by the Board of Directors for appropriation. The proposal for the appropriation of earnings shall be approved by the shareholders if dividends are distributed by issuing new shares and shall be reported to the shareholders during their meeting after being specially resolved by the Board of Directors if dividends are distributed in the form of cash.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The proposal on 2020 earnings appropriations and reversal of special reserve which were resolved at the shareholders' meeting on July 1, 2021 and the proposal on 2019 earnings appropriations which were resolved at the shareholders' meeting on June 12, 2020, are as follows:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 36,639		\$ 39,517	
Special reserve	-		24,231	
Reversal of special reserve (728)			-	
Cash dividends	313,648	\$ 2.01	281,267	\$ 2.0
	<u>\$ 349,559</u>		<u>\$ 345,015</u>	

The aforementioned earnings appropriations for the years ended December 31, 2020 and 2019 were in agreement with the amounts resolved by the Board of Directors during its meetings held on March 19, 2021 and March 23, 2020, respectively, and the ex-dividend dates resolved in the same meetings were August 3, 2021 and July 18, 2020, respectively. For more information on the aforementioned earnings appropriations proposed by the Board of Directors and resolved by the shareholders, please go to the Market Observation Post System website maintained by the Taiwan Stock Exchange.

- E. The appropriations for 2021 earnings as resolved by the Board of Directors on March 23, 2022 are as follows:

	Year ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 38,163	
Special reserve	8,584	
Cash dividends	323,879	\$ 2.01
	<u>\$ 370,626</u>	

(23) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	\$ 1,382,876	\$ 1,474,007
Rental revenue	1,047,757	1,067,656
Others	8,931	13,248
	<u>\$ 2,439,564</u>	<u>\$ 2,554,911</u>

A. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the transfer of goods and services over time and at a point in time in the following major product lines:

Year ended December 31, 2021	Sale of medical instruments and drugs	Repairs and maintenance and other services	Other	Total
Revenue from external customer contracts	<u>\$ 1,049,620</u>	<u>\$ 321,017</u>	<u>\$ 12,239</u>	<u>\$1,382,876</u>
Timing of revenue recognition				
At a point in time	\$ 1,049,620	\$ -	\$ 12,239	\$1,061,859
Over time	<u>-</u>	<u>321,017</u>	<u>-</u>	<u>321,017</u>
	<u>\$ 1,049,620</u>	<u>\$ 321,017</u>	<u>\$ 12,239</u>	<u>\$1,382,876</u>

Year ended December 31, 2020	Sale of medical instruments and drugs	Repairs and maintenance and other services	Other	Total
Revenue from external customer contracts	<u>\$ 1,232,511</u>	<u>\$ 241,496</u>	<u>\$ -</u>	<u>\$1,474,007</u>
Timing of revenue recognition				
At a point in time	\$ 1,232,511	\$ -	\$ -	\$1,232,511
Over time	<u>-</u>	<u>241,496</u>	<u>-</u>	<u>241,496</u>
	<u>\$ 1,232,511</u>	<u>\$ 241,496</u>	<u>\$ -</u>	<u>\$1,474,007</u>

B. Contract assets and liabilities

- (a) The Group recognised contract assets and liabilities in relation to contract revenue arising from sales, maintenance and repair of medical instruments and other services as follows:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract assets	<u>\$ 103,866</u>	<u>\$ 96,548</u>	<u>\$ 80,902</u>
Contract liabilities	<u>\$ 681,141</u>	<u>\$ 789,153</u>	<u>\$ 739,908</u>

- (b) Revenue recognised that was included in the contract liability balance at the beginning of the year

	Years ended December 31,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 149,149</u>	<u>\$ 74,557</u>

C. Unfulfilled long-term repairs, maintenance and medical instrument contracts

Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at December 31, 2021 and 2020, amounted to \$1,163,958 and \$1,206,206, respectively. Management expects that the transaction price allocated to the

unsatisfied contracts as of December 31, 2021 and 2020 will be recognised as revenue from 2021 to 2025.

Except for the abovementioned contracts, all other repairs and maintenance contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(24) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 831	\$ 2,118
Interest income from financial assets measured at amortised cost	3,365	5,306
Finance income from sublease of right-of-use assets	692	-
Other interest income	4,676	4,625
	<u>\$ 9,564</u>	<u>\$ 12,049</u>

(25) Other income

	Years ended December 31,	
	2021	2020
Rent income	\$ 2,575	\$ 1,516
Dividend income	1,441	1,015
Other income	6,687	8,357
	<u>\$ 10,703</u>	<u>\$ 10,888</u>

(26) Other gains and losses

	Years ended December 31,	
	2021	2020
Losses on disposal of property, plant and equipment	(\$ 160)	(\$ 690)
Gains on disposal of investment property	31,661	-
Gains arising from lease modifications	133	-
Net currency exchange gains (losses)	1,767	(17,251)
Net (loss) gain on financial assets and liabilities at fair value through profit or loss	(964)	37,382
Other losses	(1,088)	(13,004)
	<u>\$ 31,349</u>	<u>\$ 6,437</u>

(27) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 31,274	\$ 42,661
Convertible bonds	10,570	13,922
Long-term contract liabilities	7,223	8,430
Lease liability	1,111	419
Financial expense, others	12,338	12,776
	<u>\$ 62,516</u>	<u>\$ 78,208</u>

(28) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense		
Wages and salaries	\$ 244,124	\$ 246,576
Employee stock options	3,206	4,460
Labor and health insurance fees	17,623	17,020
Pension costs	9,190	7,903
Other personnel expenses	7,889	7,842
Depreciation charge	455,071	440,349
Amortization charge	5,521	563
	<u>\$ 742,624</u>	<u>\$ 724,713</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year (i.e. profit before tax less profit margin before the appropriation of employees' compensation and directors' remuneration), after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 0.05% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration.

The aforementioned employees' compensation and directors' remuneration requires the approval from the majority of the directors attending a board meeting, with more than two thirds of all directors in attendance, and must be reported to the shareholders.

Employees' compensation is distributed in the form of shares or cash, and the recipients may include employees of affiliates who meet certain conditions. The distribution plan is set by the Chairman.

- B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$199 and \$200, respectively; directors' remuneration was both accrued at \$5,600. The aforementioned amounts were recognised in salary expenses.

Employees' compensation of \$200 and directors' remuneration of \$5,600 for 2020 as resolved by the Board of Directors were in agreement with those amounts recognised in the

2020 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of the Board of Directors and approved by the shareholders at their meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ 110,084	\$ 102,017
Tax on undistributed surplus earnings	842	2,508
Prior year income tax underestimation	1,721	36
Total current tax	112,647	104,561
Deferred tax		
Origination and reversal of temporary differences	(1,860)	(3,477)
Income tax expense	<u>\$ 110,787</u>	<u>\$ 101,084</u>

(b) Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2021	2020
Income tax calculated based on profit before tax and statutory tax rate	\$ 190,358	\$ 185,097
Expenses disallowed by tax regulation	5,690	2,233
Tax exempt income by tax regulation	(93,498)	(90,439)
Temporary differences not recognised as deferred tax assets	2,355	3,264
Taxable loss not recognised as deferred tax assets	2,073	577
Change in assessment of realisation of deferred tax assets	1,246	(2,192)
Prior year income tax underestimation	1,721	36
Tax on undistributed surplus earnings	842	2,508
Income tax expense	<u>\$ 110,787</u>	<u>\$ 101,084</u>

(c) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2021	2020
Currency translation differences	<u>(\$ 5)</u>	<u>\$ 13</u>

B. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2021				
	<u>January 1</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Business combination</u>	<u>December 31</u>
Temporary differences					
- Deferred tax assets:					
Unrealised allowance for inventory obsolescence	\$ 10,415	\$ 1,174	\$ -	\$ -	\$ 11,589
Unrealised exchange loss	4,363	101	-	-	4,464
Warranty obligations	4,405	(917)	-	-	3,488
Long-term contract liabilities interest expense	5,458	1,444	-	-	6,902
Others	3,305	265	(5)	-	3,565
Income tax losses	<u>60,437</u>	<u>(1,255)</u>	<u>-</u>	<u>-</u>	<u>59,182</u>
	<u>88,383</u>	<u>812</u>	<u>(5)</u>	<u>-</u>	<u>89,190</u>
Temporary differences					
- Deferred tax liabilities:					
Land revaluation increment tax	(39,395)	-	-	-	(39,395)
Book-tax difference on intangible assets from business combinations	-	1,056	-	(54,915)	(53,859)
Others	(908)	(8)	-	-	(916)
	<u>(40,303)</u>	<u>1,048</u>	<u>-</u>	<u>(54,915)</u>	<u>(94,170)</u>
	<u>\$ 48,080</u>	<u>\$ 1,860</u>	<u>(\$ 5)</u>	<u>(\$ 54,915)</u>	<u>(\$ 4,980)</u>

2020				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences				
- Deferred tax assets:				
Unrealised allowance for				
inventory obsolescence	\$ 11,691	(\$ 1,276)	\$ -	\$ 10,415
Unrealised exchange loss	2,403	1,960	-	4,363
Warranty obligations	3,760	645	-	4,405
Long-term contract liabilities				
interest expense	3,772	1,686	-	5,458
Others	1,167	2,133	5	3,305
Income tax losses	61,958	(1,521)	-	60,437
	<u>84,751</u>	<u>3,627</u>	<u>5</u>	<u>88,383</u>
Temporary differences				
- Deferred tax liabilities:				
Land revaluation increment tax (	39,395)	-	-	(39,395)
Others	(766)	(150)	8	(908)
	<u>(40,161)</u>	<u>(150)</u>	<u>8</u>	<u>(40,303)</u>
	<u>\$ 44,590</u>	<u>\$ 3,477</u>	<u>\$ 13</u>	<u>\$ 48,080</u>

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	\$ 5,451	\$ -	\$ -	2022
2013	17,125	-	-	2023
2014	4,626	347	347	2024
2015	9,659	2,798	2,798	2025
2016	10,904	3,359	3,359	2026
2017	15,829	888	888	2027
2018	311,804	295,911	1	2028
2019	3,262	2,528	2,528	2029
2020	4,381	4,381	4,381	2030
2021	5,999	5,999	5,999	2031
	<u>\$ 389,040</u>	<u>\$ 316,211</u>	<u>\$ 20,301</u>	

December 31, 2020

<u>Year incurred</u>	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2012	\$ 5,451	\$ -	\$ -	2022
2013	17,125	-	-	2023
2014	4,626	347	347	2024
2015	9,659	2,798	2,798	2025
2016	10,904	3,359	3,359	2026
2017	15,829	888	888	2027
2018	311,803	302,185	-	2028
2019	3,310	2,576	2,576	2029
2020	2,883	2,883	2,883	2030
	<u>\$ 381,590</u>	<u>\$ 315,036</u>	<u>\$ 12,851</u>	

- D. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Deductible temporary differences	<u>\$ 110,967</u>	<u>\$ 94,923</u>

- E. Income tax assessment of the Company and its domestic subsidiaries is as follows:

	<u>Recent assessment</u>
Hsing-Yeh Biotechnology Co., Ltd., Chiu Ho Biotech Co., Ltd., Shin-Ho Instruments Co., Ltd., E Century Healthcare Corporation, Hua Lin Instruments Co., Ltd., Medlink Healthcare Limited, Tong-Lin Instruments Co., Ltd.	Through 2020
The Company, SenCare Healthcare Company, Chiu Ho Scientific Co., Ltd., Hsin Lin Biotech Co., Ltd., Tomorrow Medical System Co., Ltd., Chiu Ho Medical System Co., Ltd., Treasure of Health Co., Ltd.	Through 2019

(30) Earnings per share

Year ended December 31, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 381,633	157,029	\$ 2.43
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 381,633	157,029	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	275	
Employees' compensation	-	6	
Convertible bonds	23,500	28,363	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 405,133	185,673	\$ 2.18
Year ended December 31, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 366,389	144,957	\$ 2.53
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 366,389	144,957	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	355	
Employees' compensation	-	7	
Convertible bonds	27,188	56,097	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 393,577	201,416	\$ 1.95

Because employees' compensation may be distributed in the form of shares, the calculation of diluted earnings per share assumes that employees' compensation would be distributed entirely in shares. These dilutive potential common shares are included in the weighted average number of outstanding shares when calculating diluted earnings per share. When calculating basic earnings per share, shares issued as part of employees' compensation are included in the weighted average number of outstanding shares only if the number of such shares have been confirmed and resolved by the Board of Directors. Shares issued as part of employees' compensation are not considered bonus shares, therefore no retrospective adjustment is applied when calculating basic and diluted earnings per share.

(31) Business combinations

- A. On October 6, 2021, the Company acquired 51% of the share capital of Treasure of Health Co., Ltd. for \$335,070 and obtained control over Treasure of Health Co., Ltd., a medical instruments and drugs seller operating in the Republic of China. As a result of the acquisition, the Company is expected to expand its business and operating scale.
- B. The following table summarises the consideration paid for Treasure of Health Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	<u>October 6, 2021</u>
Purchase consideration	
Cash paid	\$ 335,070
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>127,050</u>
	<u>462,120</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and bank deposits	20,042
Accounts receivable	40,762
Inventories	13,293
Prepayments	23,122
Other receivables	2,435
Property, plant and equipment	2,663
Other non-current assets	962
Trademark licenses	130,135
Supply rights	144,438
Notes payable	(23,324)
Accounts payable	(17,261)
Current income tax liabilities	(650)
Other payables	(22,416)
Deferred income tax liabilities	(54,915)
Total identifiable net assets	<u>259,286</u>
Goodwill	<u>\$ 202,834</u>

- C. The fair value of the acquired identifiable intangible assets was \$274,573 (including trademark licences and supply rights). Appraisal reports have been issued for those assets and their reasonableness has been assessed.
- D. The operating revenue included in the consolidated statement of comprehensive income since October 6, 2021 contributed by Treasure of Health Co., Ltd. was \$117,771. Treasure of Health Co., Ltd. also contributed profit before income tax of \$930 over the same period. Had Treasure of Health Co., Ltd. been consolidated from January 1, 2021, the consolidated statement of comprehensive income would show operating revenue of \$2,478,482 and profit before income tax of \$494,394.

(32) Supplemental cash flow information

Information on investing activities with partial cash payments is provided in Notes 6(9), (12) and (31).

(33) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Guarantee deposits received	Total liabilities from financing activities
January 1, 2021	\$ 190,234	\$1,488,808	\$ 2,538,803	\$ 74,330	\$ 20,291	\$ 4,312,466
Changes in cash flow from financing activities	445,977	-	176,788	(13,691)	(6,704)	602,370
Impact of changes in foreign exchange rate	-	-	-	(15)	(26)	(41)
Changes in other non- cash items	-	10,570	15	66,335	-	76,920
December 31, 2021	<u>\$ 636,211</u>	<u>\$1,499,378</u>	<u>\$ 2,715,606</u>	<u>\$ 126,959</u>	<u>\$ 13,561</u>	<u>\$ 4,991,715</u>

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Guarantee deposits received	Total liabilities from financing activities
January 1, 2020	\$ 471,591	\$1,159,471	\$ 2,923,369	\$ 30,234	\$ 23,585	\$ 4,608,250
Changes in cash flow from financing activities	(281,357)	901,126	(384,566)	(10,162)	(3,330)	221,771
Impact of changes in foreign exchange rate	-	-	-	39	36	75
Changes in other non- cash items	-	(571,789)	-	54,219	-	(517,570)
December 31, 2020	<u>\$ 190,234</u>	<u>\$1,488,808</u>	<u>\$ 2,538,803</u>	<u>\$ 74,330</u>	<u>\$ 20,291</u>	<u>\$ 4,312,466</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's stocks are held by the public, so it has neither an ultimate parent company nor ultimate controlling party.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Yeezen General Hospital	Substantive related party
High-END VISION EYE CENTER	Substantive related party

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Swissray Medical AG	Substantive related party
Shin Shin Healthcare Co., Ltd.	Substantive related party
SWISSRAY ASIA HEAVTHCARE COMPANY LIMITED	Substantive related party
AESolution Biomedical Co., Ltd.	Substantive related party
J. Ab Beauty Co., Ltd.	Substantive related party
Chen Lin Charity Foundation	Substantive related party
Treasure of Health Pharmacy (Nangang)	Substantive related party
Treasure of Health Pharmacy (Donghu)	Substantive related party
Kun-Zhang Su	Substantive related party
CHENG-HSIN Biotechnology Co., Ltd.	Associate

(3) Significant transactions and balances with related parties

A. Operating revenue

(a) Sales revenue

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Sales of goods:		
Yeezen General Hospital	\$ 168,036	\$ 165,661
Substantive related party	22,611	1,340
Associate	710	914
	<u>\$ 191,357</u>	<u>\$ 167,915</u>

In terms of the transactions between the subsidiaries, Chiu Ho Scientific Co., Ltd., and Treasure of Health Co., Ltd., and the abovementioned related parties, goods are sold based on the price lists in force and terms that would be available to third parties. Hsing-Yeh Biotechnology Co., Ltd. and Chiou Ho Medical System Co., Ltd. and the abovementioned related parties have no other similar transactions that can be used for comparison. The collection period is approximately 1~6 months.

(b) Rental revenue

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Rental revenue:		
Substantive related party	<u>\$ 74,214</u>	<u>\$ 88,851</u>

- i. The subsidiaries, Hsing-Yeh Biotechnology Co., Ltd. and Chiu Ho Medical System Co., Ltd., lease property to the abovementioned related parties. The lease terms are from 2019 to 2025. Lease payments are determined by negotiations between the two parties and are made monthly.
- ii. The subsidiaries, Chiu Ho Scientific Co., Ltd., E Century Healthcare Corporation

and Chiu Ho Medical System Co., Ltd., lease medical equipment to the abovementioned related parties. The lease terms are from 2016 to 2031. The monthly lease payment is set as a predetermined percentage of the monthly revenue of the related party. The collection period is between 2 and 6 months.

(c) Royalty income

	Year ended December 31, 2021
Royalty income:	
Substantive related party	\$ 1,210
i. Royalty income was collected because the subsidiary, Treasure of Health Co., Ltd., provided trademark licenses to the abovementioned related parties. The licensing fee received in each period is calculated according to the agreed percentage of the abovementioned related parties' monthly sales revenue. The collection term was 2 months.	
ii. There were no such transactions for the year ended December 31, 2020.	

B. Purchases

	Years ended December 31,
	2021 2020
Purchases of goods:	
Substantive related party	\$ 3,048 \$ 1,296
The subsidiaries, Chiu Ho Medical System Co., Ltd., and Chiu Ho (CHINA) Medical Technology Co., Ltd., and the abovementioned related parties have no other similar transactions that can be used for comparison. The collection period is approximately three months.	

C. Donation expense (shown as 'operating expenses')

	December 31, 2021	December 31, 2020
Chen Lin Charity Foundation	\$ 30,000	\$ -
The subsidiaries, Chiu Ho Medical System Co., Ltd., Tomorrow Medical System Co., Ltd., Hua Lin Instruments Co., Ltd., E Century Healthcare Corporation and Tong-Lin Instruments Co., Ltd., jointly donated to Chen Lin Charity Foundation for charitable purposes.		

D. Notes and accounts receivable

(a) Receivables from related parties:

	December 31, 2021	December 31, 2020
Yeezen General Hospital	\$ 191,822	\$ 204,154
Substantive related party	11,187	6,362
	203,009	210,516
Less: Allowance for doubtful accounts	-	(46)
	\$ 203,009	\$ 210,470

- (b) Installment accounts receivable (shown as ‘accounts receivable - related parties’ and ‘long-term notes and accounts receivable - related parties’)

The subsidiary, Chiu Ho Medical System Co., Ltd., sold equipment to the related parties under installment payment and recognised installment receivables with maturity over a year as long-term installment receivables (shown as ‘long-term notes and accounts receivable - related parties’).

Reconciliation of the undiscounted total installment accounts receivable and the net installment accounts receivable of the equipment sold under installment payment on December 31, 2021 is provided as follows:

	December 31, 2021		
	Total installment accounts receivable	Unrealised interest income	Net installment accounts receivable
<u>Current</u>			
Substantive related parties	\$ 2,208	(\$ 53)	\$ 2,155
Loss allowance	-	-	-
	<u>\$ 2,208</u>	<u>(\$ 53)</u>	<u>\$ 2,155</u>
<u>Non-current</u>			
Substantive related parties	\$ 1,076	(\$ 8)	\$ 1,068
Loss allowance	-	-	-
	<u>\$ 1,076</u>	<u>(\$ 8)</u>	<u>\$ 1,068</u>

The Group has no receivables of the equipment sold to the related parties under installment payment as of December 31, 2020.

- (c) The ageing analysis of accounts receivable due from related parties is as follows:

	December 31, 2021	December 31, 2020
Not past due	\$ 134,678	\$ 140,310
Past due		
Up to 1 month	13,704	9,870
Up to 2 months	16,006	12,334
Up to 3 months	19,940	13,394
Up to 4 months	8,862	18,078
Up to 5 months	13,042	16,530
Up to 6 months	-	-
Over 6 months	-	-
	<u>\$ 206,232</u>	<u>\$ 210,516</u>

The above receivables included the receivables generated from the Group’s business activities of sales and lease of medical equipment and the ageing analysis was based on past due month.

- (d) As of December 31, 2021, December 31, 2020 and January 1, 2020, the balances of

receivables due from related parties from contracts with customers amounted to \$179,165, \$182,080, and \$197,777, respectively.

- (e) Lease payments receivable (shown as ‘accounts receivable - related parties’ and long-term notes and accounts receivable - related parties)

The subsidiaries, Hsing-Yeh Biotechnology Co., Ltd., Chiu Ho Scientific Co., Ltd., and E Century Healthcare Corporation, lease machinery and other equipment to Yeezen General Hospital under a finance lease. The lease terms are from 2017 to 2026. Based on the terms of the lease contract, the ownership of the equipment shall be transferred to the lessee when the lease expires. In addition, Hsing-Yeh Biotechnology Co., Ltd. leases renovation project assets to CHENG-HSIN Biotechnology Co., Ltd under a finance lease. The lease term is from 2017 to 2024 which is for the major part of economic life of the underlying asset. The lease payments from the aforementioned agreements are expected to be collected on schedule.

As of December 31, 2021 and 2020, reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2021		
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
<u>Current</u>			
Yeezen General Hospital	\$ 9,775	(\$ 491)	\$ 9,284
CHENG-HSIN Biotechnology Co., Ltd.	13,632	(501)	13,131
Loss allowance	-	-	-
	<u>\$ 23,407</u>	<u>(\$ 992)</u>	<u>\$ 22,415</u>
<u>Non-current</u>			
Yeezen General Hospital	\$ 10,234	(\$ 422)	\$ 9,812
CHENG-HSIN Biotechnology Co., Ltd.	15,644	(356)	15,288
Loss allowance	-	-	-
	<u>\$ 25,878</u>	<u>(\$ 778)</u>	<u>\$ 25,100</u>

	December 31, 2020		
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
<u>Current</u>			
Yeezen General Hospital	\$ 10,374	(\$ 624)	\$ 9,750
CHENG-HSIN Biotechnology Co., Ltd.	8,939	(710)	8,229
Loss allowance	(1)	-	(1)
	<u>\$ 19,312</u>	<u>(\$ 1,334)</u>	<u>\$ 17,978</u>
<u>Non-current</u>			
Yeezen General Hospital	\$ 13,227	(\$ 546)	\$ 12,681
CHENG-HSIN Biotechnology Co., Ltd.	24,583	(857)	23,726
Loss allowance	(1)	-	(1)
	<u>\$ 37,809</u>	<u>(\$ 1,403)</u>	<u>\$ 36,406</u>

(f) Information relating to credit risk is provided in Note 12(2).

E. Other receivables due from related parties

(a) Loans to related parties

	Year ended December 31, 2021				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest receivable
Yeezen General Hospital	\$ 199,000	\$ 159,000	2.5%	\$ 4,565	\$ -
High-END VISION EYE CENTER	4,500	3,500	2.5%	111	-
	<u>\$ 203,500</u>	<u>\$ 162,500</u>		<u>\$ 4,676</u>	<u>\$ -</u>
	Year ended December 31, 2020				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest receivable
Yeezen General Hospital	\$ 198,000	\$ 169,000	2.5%	\$ 4,513	\$ -
High-END VISION EYE CENTER	4,500	4,500	2.5%	111	-
	<u>\$ 202,500</u>	<u>\$ 173,500</u>		<u>\$ 4,624</u>	<u>\$ -</u>

(b) Proceeds from liquidation of investee transferred to other receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Substantive related party	<u>\$ 369</u>	<u>\$ 369</u>

(c) Receivables of payments on behalf of others for establishment

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Substantive related party	<u>\$ 101</u>	<u>\$ -</u>

F. Prepayments - related parties (shown as 'Prepayments')

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Swissray Medical AG	<u>\$ -</u>	<u>\$ 121</u>

The subsidiary, Chiu Ho Medical System Co., Ltd., and the abovementioned related party have no other similar transactions that can be used for comparison.

G. Refund liabilities (shown as 'other current liabilities')

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Yeezen General Hospital	<u>\$ -</u>	<u>\$ 12,571</u>

Sales discounts are granted based on mutual agreement, and no other similar transaction can be compared with.

(4) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	\$ 41,846	\$ 41,123
Post-employment benefits	324	324
Share-based payments	356	466
	<u>\$ 42,526</u>	<u>\$ 41,913</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Financial assets at amortised cost - non-current			Performance and customs duty guarantee related to operations
-Time deposits	<u>\$ 208,180</u>	<u>\$ 240,885</u>	
Other non-current assets			
-Restricted bank deposits	<u>24,360</u>	<u>24,607</u>	Collateral for long-term borrowings
Property, plant and equipment (including investment property)			
-Land	1,595,747	1,641,376	Collateral for long-term borrowings
-Buildings and structures	788,947	819,954	Collateral for long-term borrowings
-Leased assets - machinery and equipment	<u>438,756</u>	<u>575,901</u>	Collateral for long-term borrowings
	<u>2,823,450</u>	<u>3,037,231</u>	
	<u>\$ 3,055,990</u>	<u>\$ 3,302,723</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. Please refer to Note 6(17) for commitments related to the syndicated bank loan.
- B. As of December 31, 2021 and 2020, capital expenditures on property, plant and equipment and inventories contracted for but not yet incurred were \$880,974 and \$992,444, respectively.
- C. As of December 31, 2021 and 2020, amounts available under unused letters of credit were \$47,853 and \$319,059, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Company's subsidiary, Chiu Ho Medical System Co., Ltd., plans to sell the land and the buildings located on the land which were recognised under investment property and transfer the ownership as resolved by the Board of Directors on March 3, 2022. The total amount of disposal is expected to be not lower than \$100,000.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 150,864</u>	<u>\$ 106,600</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	<u>\$ 31,447</u>	<u>\$ 35,781</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,493,927	\$ 1,380,522
Financial assets at amortised cost	542,580	528,425
Notes receivable	43,334	35,756
Accounts receivable (including related parties)	712,506	711,069
Other receivables (including related parties)	169,718	175,022
Other financial assets (shown as 'other non-current assets')	24,360	24,607
Long-term notes and accounts receivable (including related parties)	180,188	191,230
Guarantee deposits paid	235,579	243,218
	<u>\$ 3,402,192</u>	<u>\$ 3,289,849</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 636,211	\$ 190,234
Notes payable	10,568	2,417
Accounts payable	199,510	152,900
Other payables	148,989	101,262
Bonds payable	1,499,378	1,488,808
Long-term borrowings (including current portion and long-term deferred revenue)	2,715,606	2,538,803
Guarantee deposits received	13,561	20,291
	<u>\$ 5,223,823</u>	<u>\$ 4,494,715</u>
Lease liability	<u>\$ 126,959</u>	<u>\$ 74,330</u>

B. Financial risk management policies

- (a) The Group's operating activities expose it to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as credit risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group conducts business worldwide and imports state-of-the-art medical equipment and supplies from various countries and is therefore exposed to foreign exchange rate risk from multiple foreign currencies, primarily the US dollar. Foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Under the Group's financial risk management policy, foreign exchange risk is managed using debt denominated in the relevant foreign currency.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, HKD or IDR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021			Year ended December 31, 2021	
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Extent of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	\$ 8,075	27.68	\$ 223,516	1%	\$ 2,235
EUR:NTD	3,003	31.32	94,054	1%	941
HKD:NTD	27,101	3.55	96,209	1%	962
USD:RMB	152	6.37	4,207	1%	42
USD:HKD	1,307	7.80	36,178	1%	362
Financial liabilities					
Monetary items					
USD:NTD	3,030	27.68	83,870	1%	839
EUR:NTD	790	31.32	24,743	1%	247
SGD:NTD	1,562	20.46	31,959	1%	320

	December 31, 2020			Year ended December 31, 2020	
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Extent of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 8,498	28.48	\$ 242,023	1%	\$ 2,420
HKD:NTD	27,091	3.67	99,424	1%	994
USD:RMB	159	6.51	4,528	1%	45
USD:HKD	1,306	7.75	37,195	1%	372
IDR:NTD	1,194,816	0.00203	2,425	1%	24
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	548	28.48	15,607	1%	156
EUR:NTD	735	35.02	25,740	1%	257
SGD:NTD	1,675	21.56	36,113	1%	361

- iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020, amounted to \$1,767 and (\$17,251), respectively

Price risk

- i. The Group is exposed to equity price risk from its investments classified on the consolidated balance sheet either as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group has set stop-loss points and therefore does not expect to incur significant losses from equity price risk.
- ii. The Group's investments in equity and debt securities comprise domestic and foreign listed and unlisted stocks. The prices of equity and debt securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$15,086 and \$10,600, respectively, as a result of gains/losses on equity and debt securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$3,145 and \$3,578, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Long-term

borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at variable rates. The Group's borrowings at variable rates are primarily denominated in NTD and USD.

- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have decreased/increased by \$27,156 and \$25,388, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or financial instruments on the contract obligations. The main factor is the counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost. According to the Group's credit policy, each local entity in the Group is responsible for managing and assessing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit control supervisor. The utilisation of credit limits is regularly monitored.
- ii. If the contract payments were past due over one month based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition; the default occurs when the contract payments are past due over three months and up to two years.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- iv. The Group classifies customer's accounts receivable and contract assets in accordance with customer types. The Group applies the modified approach using the provision matrix to estimate expected credit loss.
- v. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

- vi. The Group took into consideration the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable (including long-term and related parties) and contract assets. On December 31, 2021 and 2020, the provision matrix is as follows:

<u>December 31, 2021</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.00%~1.01%	\$ 954,732	\$ 116
Up to 1 month	0.00%~5.86%	16,654	141
Up to 2 months	0.00%~7.55%	17,406	-
Up to 3 months	0.00%~39.24%	20,460	-
Up to 4 months	0.00%~100%	17,862	5
Up to 5 months	0.00%~100%	13,042	-
Up to 6 months	0.00%~100%	-	-
Over 6 months	30%~100%	2,340	2,340
		<u>\$ 1,042,496</u>	<u>\$ 2,602</u>

<u>December 31, 2020</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.00%~1%	\$ 946,544	\$ 229
Up to 1 month	0.00%~3.70%	18,994	135
Up to 2 months	0.00%~6.72%	16,440	13
Up to 3 months	0.00%~37.84%	18,844	1,161
Up to 4 months	0.00%~100%	18,122	-
Up to 5 months	0.00%~100%	16,574	-
Up to 6 months	0.00%~100%	188	157
Over 6 months	30%~100%	1,188	596
		<u>\$ 1,036,894</u>	<u>\$ 2,291</u>

- vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable, contract assets, notes receivable, long-term and short-term lease payments receivable are as follows:

	<u>2021</u>			
	<u>Accounts receivable (including related parties)</u>	<u>Contract assets (including related parties)</u>	<u>Notes receivable (including related parties)</u>	<u>Lease payments receivable (including related parties)</u>
At January 1	\$ 2,263	\$ 26	\$ -	\$ 2
Provision for impairment	1,298	-	-	-
Reversal of impairment	(954)	(26)	-	(2)
Effect of foreign exchange	(5)	-	-	-
At December 31	<u>\$ 2,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	2020			
	Accounts receivable (including related parties)	Contract assets (including related parties)	Notes receivable (including related parties)	Lease payments receivable (including related parties)
At January 1	\$ 2,111	\$ 31	\$ 7	\$ 3
Provision for impairment	1,099	-	-	-
Reversal of impairment	(196)	(5)	(7)	(1)
Write-offs	(759)	-	-	-
Effect of foreign exchange	8	-	-	-
At December 31	<u>\$ 2,263</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 2</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the expected or contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2021				
Short-term borrowings	\$ 639,264	\$ -	\$ -	\$ -
Notes payable	10,568	-	-	-
Accounts payable	199,510	-	-	-
Other payables	148,989	-	-	-
Lease liability	20,436	18,905	38,486	62,588
Bonds payable and embedded derivative instruments	-	-	1,537,875	-
Long-term borrowings (including current portion)	357,954	2,057,355	209,875	175,657

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2020				
Short-term borrowings	\$ 191,159	\$ -	\$ -	\$ -
Notes payable	2,417	-	-	-
Accounts payable	152,900	-	-	-
Other payables	101,262	-	-	-
Lease liability	12,612	9,854	21,297	40,475
Bonds payable and embedded derivative instruments (including current portion)	-	-	1,537,875	-
Long-term borrowings (including current portion)	352,138	332,153	1,907,866	60,335

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity and debt investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(12).

C. The carrying amount of a financial instrument not measured at fair value is a reasonable approximation of its fair value. Such financial instruments include cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), long-term notes and accounts receivable (including related parties), guarantee deposits paid, other financial assets, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including the portion due within one year or one business cycle and long-term deferred revenue), bonds payable, guarantee deposits received and lease liability.

D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 89,890	\$ -	\$ 1,014	\$ 90,904
Debt instruments	-	-	59,960	59,960
Financial assets at fair value through other comprehensive income				
Equity securities	<u>12,406</u>	<u>-</u>	<u>19,041</u>	<u>31,447</u>
	<u>\$ 102,296</u>	<u>\$ -</u>	<u>\$ 80,015</u>	<u>\$182,311</u>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 106,000	\$ -	\$ -	\$106,000
Derivative instruments	-	-	600	600
Financial assets at fair value through other comprehensive income				
Equity securities	<u>16,740</u>	<u>-</u>	<u>19,041</u>	<u>35,781</u>
	<u>\$ 122,740</u>	<u>\$ -</u>	<u>\$ 19,641</u>	<u>\$142,381</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. Listed stocks are instruments whose fair values are measured using quoted market prices (that is, Level 1). The quoted market prices used for these stocks are the closing prices on the balance sheet date.
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

- F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020.

	2021			
	Equity securities	Debt instruments	Derivative financial instruments	Total
At January 1	\$ 19,041	\$ -	\$ 600	\$ 19,641
Gains and losses recognised in profit or loss	-	-	(600)	(600)
Acquired during the year	1,014	59,960	-	60,974
At December 31	<u>\$ 20,055</u>	<u>\$ 59,960</u>	<u>\$ -</u>	<u>\$ 80,015</u>

	2020		
	Equity securities	Derivative financial instruments	Total
At January 1	\$ 31,325	\$ 70	\$ 31,395
Gains and losses recognised in profit or loss	-	(520)	(520)
Gains and losses recognised in other comprehensive income (	12,284)	-	(12,284)
Issuance of convertible bonds	-	1,050	1,050
At December 31	<u>\$ 19,041</u>	<u>\$ 600</u>	<u>\$ 19,641</u>

- G. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.
- H. Financial accounting department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and performing reviews regularly.

- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 19,041	Market comparable companies	Price to book ratio multiple	2.96 (2.96)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30.55% (30.55%)	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	-	Net asset value	Not applicable	-	Not applicable
Unlisted stocks	1,014	Most recent non-active market price	Not applicable	-	Not applicable
Non-derivative debt instrument:					
Unlisted stocks	59,960	Most recent non-active market price	Not applicable	-	Not applicable
Hybrid instrument:					
Convertible bonds	-	Binomial Model	Volatility Discount rate	19.10% (19.10%) 0.5655% (0.5655%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value
	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 19,041	Market comparable companies	Price to book ratio multiple	2.96 (2.96)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30.55% (30.55%)	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	-	Net asset value	Not applicable	-	Not applicable
Hybrid instrument:					
Convertible bonds	600	Binomial Model	Volatility Discount rate	31.70% (31.70%) 0.5549% (0.5549%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value

- J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. For financial assets and financial liabilities classified as Level 3, an increase or decrease in their valuation parameter by 1% would have no material impact on gain or loss and other comprehensive income as at December 31, 2021 and 2020.

(4) The impact of the Covid-19 pandemic

During the Covid-19 pandemic, the Group was able to maintain its normal operations amidst the various preventive measures imposed by the government. Based on the Group's assessment, the pandemic had no significant impact on its ability to continue as a going concern, impairment of assets and financing risks.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

(The following intercompany transactions between the Company and its subsidiaries or between two subsidiaries were eliminated when preparing the consolidated financial statements.)

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) (16) and 12(3).
- J. Significant inter-company transactions during the reporting periods: None exceeds 100 million.

(2) Information on investees

(The following intercompany transactions between the Company and its subsidiaries or between two subsidiaries were eliminated when preparing the consolidated financial statements.)

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

(The following intercompany transactions between the Company and its subsidiaries or between two subsidiaries were eliminated when preparing the consolidated financial statements.)

A. Basic information: Please refer to table 8.

B. Limits on investments in Mainland China: Please refer to table 8.

C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: There were no significant transactions.

(4) Major shareholders information

Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment. The chief operating decision-maker assesses performance based on net profits, and the amounts of assets, liabilities, profits and losses provided to the decision-maker are consistent with those presented in the financial statements. Under one reportable segment, information on profits, losses, assets and liabilities of individual departments are not disclosed.

(2) Measurement of segment information

The chief operating decision-maker assesses performance based on net profits, and the amounts of assets, liabilities, profits and losses provided to the decision-maker are consistent with those presented in the financial statements. Under one reportable segment, information on profits, losses, assets and liabilities of individual departments are not disclosed.

(3) Information on products and services

Because the Company and its subsidiaries are all engaged in sales of drugs and sales, rent and installment and maintenance of medical devices, information on products and services is the same with the financial information provided in Note 6 (23).

(4) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Years ended December 31,			
	2021		2020	
	<u>Revenue (Note)</u>	<u>Non-current assets</u>	<u>Revenue (Note)</u>	<u>Non-current assets</u>
Taiwan	\$ 2,381,216	\$ 7,749,392	\$ 2,488,500	\$ 7,305,098
China	48,855	196,315	58,386	120,020
Others	9,493	185	8,025	-
	<u>\$ 2,439,564</u>	<u>\$ 7,945,892</u>	<u>\$ 2,554,911</u>	<u>\$ 7,425,118</u>

Note: Revenue was reclassified based on the country where the customers are located.

(5) Major customer information

	Years ended December 31,	
	2021	2020
	Revenue	Revenue
Customer A	<u>\$ 235,486</u>	<u>\$ 248,610</u>

CHC Healthcare Group and Subsidiaries

Loans to others

For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
					December 31, 2021	December 31, 2021							Item	Value			
0	The Company	Chiu Ho Medical System Co., Ltd.	Other receivables	Y	\$ 480,000	\$ 400,000	\$ 73,000	2%	Short-term financing	\$ -	Operation	\$ -	None	\$ -	\$ 608,452	\$ 2,443,808	
0	The Company	Chiu Ho Scientific Co., Ltd.	Other receivables	Y	100,000	50,000	-	2%	Short-term financing	-	Operation	-	None	-	608,452	2,443,808	
0	The Company	Shin-Ho Instruments Co., Ltd.	Other receivables	Y	300,000	300,000	-	2%	Short-term financing	-	Operation	-	None	-	608,452	2,443,808	
0	The Company	Tomorrow Medical System Co., Ltd.	Other receivables	Y	500,000	350,000	50,000	2%	Short-term financing	-	Operation	-	None	-	608,452	2,443,808	
0	The Company	Medlink Healthcare Limited	Other receivables	Y	100,000	-	-	2%	Short-term financing	-	Operation	-	None	-	608,452	2,443,808	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	Other receivables	Y	150,000	150,000	30,000	2%	Short-term financing	-	Operation	-	None	-	608,452	2,443,808	
0	The Company	Hua Lin Instruments Co., Ltd.	Other receivables	Y	30,000	30,000	-	2%	Short-term financing	-	Operation	-	None	-	608,452	2,443,808	
0	The Company	Chiu Ho Biotech Co., Ltd.	Other receivables	Y	30,000	30,000	-	2%	Short-term financing	-	Operation	-	None	-	608,452	2,443,808	
1	Chiu Ho Scientific Co., Ltd.	High-End Vision Eye Center	Other receivables	Y	4,500	3,500	3,500	2.5%	Business transaction	5,337	-	-	None	-	5,337	74,685	
2	Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Other receivables	Y				2.5%	Business transaction	201,896	-	-	None	-	198,903	397,807	
					199,000	159,000	159,000										
						<u>\$ 1,472,500</u>	<u>\$ 315,500</u>										

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: (1) In accordance with the Company's lending policies and procedures, the credit limit for each type of borrower is set as follows:

A. For borrowers with which the Company has a business relationship, the individual loan amount cannot exceed the total transaction amount with the Company in the most recent year.

B. For borrowers with short-term financing needs, the individual loan amount cannot exceed 10% of the Company's net assets according to the most recent financial statements.

(2) In accordance with the lending policies and procedures of the Company's subsidiary, the credit limit for each type of borrower is set as follows:

A. For borrowers with which the subsidiary has a business relationship, the individual loan amount cannot exceed the total transaction amount with the subsidiary in the most recent year.

B. The total loan amount granted to a single party cannot exceed 20% of the subsidiary's net assets according to the most recent financial statements.

Note 3: (1) Limit on total loans granted by the Company: Total loan amount cannot exceed 40% of the Company's net assets according to the most recent financial statements.

(2) Limit on total loans granted by the Company's subsidiary: Total loan amount cannot exceed 40% of the subsidiary's net assets according to the most recent financial statements.

CHC Healthcare Group and Subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	Chiu Ho Medical System Co., Ltd.	2	\$ 12,169,042	\$ 1,562,000	\$ 1,412,000	\$ 300,659	\$ -	23.21%	\$ 18,253,563	Y	N	N	
0	The Company	Tomorrow Medical System Co., Ltd.	2	12,169,042	1,520,000	1,410,000	1,032,575	-	23.17%	18,253,563	Y	N	N	
0	The Company	Chiu Ho Scientific Co., Ltd.	2	12,169,042	200,000	150,000	15,352	-	2.47%	18,253,563	Y	N	N	
0	The Company	E Century Healthcare Corporation	2	12,169,042	57,000	-	-	-	0.00%	18,253,563	Y	N	N	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	2	12,169,042	100,000	100,000	34,461	-	1.64%	18,253,563	Y	N	N	
0	The Company	Shin-Ho Instruments Co., Ltd.	2	12,169,042	771,000	771,000	238,480	-	12.67%	18,253,563	Y	N	N	
1	Hsing-Yeh Biotechnology Co., Ltd.	The Company	3	1,989,036	828,236	828,236	704,000	828,236	83.28%	2,983,554	N	Y	N	
1	Hsing-Yeh Biotechnology Co., Ltd.	Tomorrow Medical System Co., Ltd.	4	1,989,036	575,164	575,164	547,887	575,164	57.83%	2,983,554	N	N	N	
2	Chiu Ho (CHINA) Medical Technology Co., Ltd.	CHC (Guangzhou) Medical Technology Co., Ltd.	4	245,608	43,840	43,440	21,720	-	35.37%	\$ 368,412	N	N	Y	
						<u>\$ 5,289,840</u>	<u>\$ 2,895,134</u>	<u>\$ 1,403,400</u>						

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: (1) In accordance with the Company's policies and procedures on endorsements and guarantees, the endorsement or guarantee amount for a single party cannot exceed 200% of the Company's net assets according to the most recent financial statements.

(2) In accordance with the policies and procedures on endorsements and guarantees provided by the Company's subsidiary, the endorsement or guarantee amount for a single party cannot exceed 200% of the subsidiary's net assets according to the most recent financial statements.

(3) In accordance with the Company's policies and procedures on endorsements and guarantees, the total endorsement or guarantee amount for a single party provided by the Company and its subsidiaries cannot exceed 200% of the Company's net assets according to the most recent financial statements.

Note 4: (1) In accordance with the Company's policies and procedures on endorsements and guarantees, the total endorsement and guarantee amount provided to external parties cannot exceed 300% of the Company's net assets according to the most recent financial statements.

(2) In accordance with policies and procedures on endorsements and guarantees provided by Company's subsidiary, the total endorsement and guarantee amount provided to external parties cannot exceed 300% of the subsidiary's net assets according to the most recent financial statements.

(3) In accordance with the Company's policies and procedures on endorsements and guarantees, the total endorsement and guarantee amount provided to external parties by the Company and its subsidiaries cannot exceed 300% of the net assets of the Company according to the most recent financial statements.

Note 5: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

CHC Healthcare Group and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Common stocks–Evergreen Marine Co., Ltd.	-	Financial asset at fair value through profit or loss - current	240,000	\$ 34,200	0.00%	34,200	
The Company	Common stocks–Yang Ming Transport Co., Ltd.	-	Financial asset at fair value through profit or loss - current	240,000	29,040	0.01%	29,040	
The Company	Common stocks–Evergreen Aviation Technologies Co., Ltd.	-	Financial asset at fair value through profit or loss - current	16,347	1,014	0.00%	1,014	
The Company	Common stocks–United Microelectronics Co., Ltd.	-	Financial asset at fair value through profit or loss - current	410,000	26,650	0.00%	26,650	
The Company	Common stocks–S&S Healthcare Holding Ltd.	The Company's chairman and the investee's chairman are the same person	Financial assets at fair value through other comprehensive income - non-current	1,988,100	12,406	2.47%	12,406	
Chiu Ho Medical System Co., Ltd.	Preference stocks–Asto CT Ltd.	-	Financial asset at fair value through profit or loss - non-current	55,089	59,960	3.14%	59,960	
Chiu Ho Medical System Co., Ltd.	Common stocks–Huede Healthtech Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	200,000	-	4.12%	-	
Chiu Ho Medical System Co., Ltd.	Common stocks–AESolution Biomedical Co., Ltd.	The Company's chairman and the investee's chairman are the same person	Financial assets at fair value through other comprehensive income - non-current	855,400	19,041	6.69%	19,041	

CHC Healthcare Group and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition (Note)		Disposal				Balance as at December 31, 2021	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
The Company	Common stocks–Treasure of Health Co., Ltd.	Investments accounted for using the equity method	Errand Co., Ltd. and individual shareholders	-	-	\$ -	1,071,000	\$ 333,526	-	-	-	-	1,071,000	\$ 333,526

Note: The amount included acquisition cost of \$335,070 and investment loss recognised for the year of (\$1,544).

CHC Healthcare Group and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2021

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Substantive related party	Sale of goods	\$ 201,896	97%	6 months	-	-	\$ 189,345	87%	Note

Note 1: Sales amount includes rental revenue.

Note 2: Notes and accounts receivable include lease payments receivable.

CHC Healthcare Group and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate (Note 1)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Substantive related party	Notes and accounts receivable (including lease payments receivable): \$189,345	1.03	\$ 70,582	In collection	\$ 26,708	\$ -
Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Substantive related party	Other receivables: \$159,000	0.00	-	-	104,000	-

Note 1: Turnover rate of 0.00 was caused by the receivables amount recorded as other receivables in the parent company only financial statements, and thus the turnover rate is not applicable.

Note 2: The subsequent collections were amounts collected as of March 23, 2022.

CHC Healthcare Group and Subsidiaries
Information on investees
For the year ended December 31, 2021

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021		Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value				
The Company	Chiu Ho Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	\$ 2,956,388	\$ 2,956,388	390,000,000	100.00%	\$ 4,409,733	\$ 198,693	\$ 186,063		Subsidiary
The Company	Tomorrow Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	413,484	413,484	70,800,000	100.00%	821,673	42,208	42,208		Subsidiary
The Company	Chiu Ho Scientific Co., Ltd.	Taiwan	Ophthalmic equipment sale, leasing and services	151,422	151,422	9,853,841	100.00%	186,712	58,802	58,802		Subsidiary
The Company	Chiu Ho Biotech Co., Ltd.	Taiwan	Medical instrument leasing	247,182	317,182	26,000,000	100.00%	276,764	6,805	6,805		Subsidiary
The Company	Shin-Ho Instruments Co., Ltd.	Taiwan	Medical instrument leasing	219,171	119,171	21,300,000	100.00%	209,029 (	6,023) (	6,023)		Subsidiary
The Company	Tong-Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	371,183	371,183	40,000,000	100.00%	478,958	33,104	33,148		Subsidiary
The Company	Hua Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	381,815	451,815	41,600,000	100.00%	519,995	39,393	39,393		Subsidiary
The Company	Hsin Lin Biotech Co., Ltd.	Taiwan	Medical instrument leasing	85,929	85,929	8,000,000	100.00%	86,234	4,035	4,035		Subsidiary
The Company	E Century Healthcare Corporation	Taiwan	Medical instrument leasing	556,151	556,151	60,000,000	100.00%	792,125	53,026	53,026		Subsidiary
The Company	CHC Healthcare (BVI) Limited	British Virgin Islands	Holdings and indirect investments	522,432	522,432	940	100.00%	395,081 (	11,750) (	11,750)		Subsidiary (Note 1)
The Company	Treasure of Health Co., Ltd.	Taiwan	Drug and health supplements sale	335,070	-	1,071,000	51.00%	333,526	3,872 (	1,544)		Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company		Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value		for the year ended December 31, 2021	for the year ended December 31, 2021	
CHC Healthcare (BVI) Limited	CHC Healthcare (HK) Limited	Hong Kong	Medical instrument sale, leasing and services	\$ 3,593	\$ 3,697	100,000	100.00%	\$ 36,625	\$ 183	\$ 199		Subsidiary
Chiu Ho Medical System Co., Ltd.	Medlink Healthcare Limited	Taiwan	Medical instrument sale	-	1,545,300	-	-	-	-	-	-	Subsidiary (Note 2)
Chiu Ho Medical System Co., Ltd.	SenCare Healthcare Company	Taiwan	Consulting service and elderly residence	194,000	194,000	19,400,000	65.99%	190,986 (	1,569) (	1,035)		Subsidiary
Chiu Ho Medical System Co., Ltd.	PT CHC Medika Indonesia	Indonesia	Medical instrument leasing	5,358	3,398	2,566	100.00%	639 (	1,032) (	1,032)		Subsidiary (Note 1)
Chiu Ho Medical System Co., Ltd.	Hsing-Yeh Biotechnology Co., Ltd.	Taiwan	Medical instrument sale and leasing ; drug sale	1,513,464	-	93,600,000	100.00%	1,608,967	30,282	25,071		Subsidiary (Note 2)
Medlink Healthcare Limited	Hsing-Yeh Biotechnology Co., Ltd.	Taiwan	Medical instrument sale and leasing ; drug sale	-	1,513,464	-	-	-	-	-	-	Subsidiary (Note 2)
Hsing-Yeh Biotechnology Co., Ltd.	CHENG-HSIN Biotechnology Co., Ltd.	Taiwan	Management consulting services and retail sales of food products and drugs	12,000	12,000	1,200,000	40.00%	8,641	29,986	8,641		Associate
SenCare Healthcare Company	CHC Long-term Care Corporation	Taiwan	Long-term care services	31,040	31,040	-	97.00%	28,595 (	2,019) (	1,959)		Subsidiary (Note 3)

Note 1: Indirect investment company is organised as a limited liability company.

Note 2: The Group reorganised and merged Medlink Healthcare Limited into Chiu Ho Medical System Co., Ltd., with Chiu Ho Medical System Co., Ltd. as the surviving company.

Note 3: Investee was organised as an associate.

CHC Healthcare Group and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
CHC (Guangzhou) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	\$ 263,037	(2) Indirect investment through CHC(BVI), a wholly- owned subsidiary of the Company	\$ 263,037	\$ -	\$ -	\$ 263,037	(\$ 8,435)	100%	(\$ 8,429)	\$ 227,706	\$ -	
Chiu Ho (CHINA) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	208,829	(2) Indirect investment through CHC(BVI), a wholly- owned subsidiary of the Company	208,829	-	-	208,829	(3,474)	100%	(3,474)	122,804	-	
Company name		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)								
The Company		\$ 471,866	\$ 608,976		\$ 3,788,314								

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Income (loss) recognised based on financial statements audited by independent auditors

Note 3: Disclosed in accordance with the investment limits set forth in Jin-Shen-Zi No. 09704604680, issued by the Investment Commission of MOEA on August 29, 2008

Note 4: The Company invested in the investees in Mainland China, including Neusoft CHC Medical Service Co., Ltd. through an existing company in Mainland China. Due to the existing company in Mainland China is a holding company, therefore it shall first submit an application for approval from Investment Commission of the Ministry of Economic Affairs (MOEA) for its reinvestments, but the approval from MOEA are not required for other investments.

CHC Healthcare Group and Subsidiaries

Major shareholders information

December 31, 2021

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Princeton Healthcare Limited	28,257,983	17.54%
Tien-Ying Lee	9,413,985	5.84%