Stock code: 4164

CHC Healthcare Group

2023 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Taiwan Stock Exchange Market Observation Post System : https://mops.twse.com.tw
CHC Healthcare Group Annual Report is available at:https://www.chcg.com

I. Name, Position, Telephone Numbers and Email box:

Spokesperson	Deputy Spokesperson
Name: Ming-Lun, Lee	Name: Yi-Chun, Chen
Position: General Manager	Position: CFO
Telephone: (02)6619-9989	Telephone: (02)6619-9989
E-mail: ir@chcg.com	E-mail: ir@chcg.com

II. Addresses and Telephone Numbers of Headquarters, Branches, and Plants

Address of company: No. 88, Xing'ai Road, Neihu District, Taipei City, Taiwan, R.O.C
Telephone: (02)6608-1999
Address of plant: No. 5, Tongke 9th Rd., Tongluo Township, Miaoli County, Hsinchu Science Park, Taiwan (R.O.C.)
Group: CHC Healthcare Group (hereinafter referred to as the "the Company" or " CHC Holdings ") and its subsidiaries (hereinafter collectively referred to as the "the Group") engage in the distribution, repair and maintenance, and leasing of equipment for radiation oncology, neurology, medical imaging, ophthalmology, and surgery/surgical service, and the sale of related parts, consumables, medicines, and health supplements.

III. Name, Addresses, Website and Telephone Numbers of Stock Transfer Agent:

Name: Stock Affairs Department, CTBC Bank Co., Ltd. Website: https://www.ctbcbank.com

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City, Taiwan (R.O.C.) Telephone: (02)6636-5566

IV. Names of the certified public accountants and name, address, website, and telephone number of the accounting firm for auditing financial statements in the most recent year:

Name of CPA: Yu-Fang, Yen, Sheng-Wei, Teng

Name of CPA firm: PricewaterhouseCoopers (PwC) Taiwan Website: https://www.pwc.tw

Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.) Telephone: (02)2729-6666

V. Name of trading location where overseas securities are listed and method of information inquiry:

None.

VI. Company Website: https://www.chcg.com

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One. Letter to Shareholders

Dear Shareholders:

Thank you for your support and advice to CHC Healthcare Group, enabling the Group to thrive and continue growing in such a fiercely competitive environment. With the efforts of all employees, the Group achieved its best performance in history in 2023, with revenue increasing by over thirty percent and maintaining a double-digit net profit margin. The Group strongly believes the sustainable development of a corporation requires economic foundations and will continue the business expansion in the future to create the best interests of the shareholders and employees.

I. 2023 Operating results

(I) 2023 business plan implementation

2023 consolidated operating revenue is NT$3,877,137 thousand, higher than NT$2,974,352 thousand reported in 2022, mainly due to the growth in instrument sales volume. 2023 profit for the year is NT$425,238 thousand, which increases compared with the profit for the year of NT$388,650 thousand in 2022, mainly attributable to the growth in operating revenue in 2023. The consolidated operating results for the year 2023 are as follows:

Units: NT$ thousand

Item	2023
Operating Revenue	3,877,137
Gross profit	1,068,160
Operating expenses	454,684
Operating profit	613,476
Profit before income tax	559,430
Profit for the year	425,238

(II) Budget execution

The Group did not disclose the 2023 financial forecast, so there is no need to disclose the budget execution.

(III) Revenue/expenditure and profitability

Item		2023	2022
Financial structure and solvency	Debt ratio (%)	50.23%	50.10%
	Current ratio (%)	303.76%	365.41%
Profitability	Return on total assets (%)	3.96%	3.66%
	Return on equity (%)	6.45%	6.11%
	Net profit margin (%)	10.97%	13.07%
	Basic earnings per share (NT$)	NT$2.55	NT$2.21

(IV) R&D status

The Group is not in the manufacturing industry and therefore does not have a dedicated R&D department. However, in consideration of the rising awareness toward global environmental protection and safety and health in recent years, as well as the needs of related

domestic industries, the Group plans to step into the irradiation industry and is approved by the Ministry of Science and Technology (MOST) to build an irradiation service factory in Tongluo Science Park to engage in the irradiation business. The project is expected to operate officially as of 2024.

II. 2024 Business Plan

(I) Operating strategy

1. Product development strategy

The Group has long been committed to introducing high-end medical equipment and technologies to improve the quality of medical treatment at home. In recent years, the Group has further engaged in precision medicine and introduced the proton therapy system, MRI linear accelerator, etc. to protect normal tissues of patients to the maximum extent while eliminating tumors.

In addition to maintaining stable partnerships with international medical equipment manufacturers, the Group will actively recruit new products through various exhibitions in the future for the purpose of enriching the product line and leveraging existing medical sales channels to increase revenue, with the goal of achieving a three-win situation among the Group, patients, and medical institutions.

2. Medical management service guideline

The Group has developed a full range of medical management services from medical site planning, design and construction, medical equipment installation and testing, division management and operation consulting, medical technician training, to equipment maintenance and subsequent upgrade services.

The key for medical management service to be rooted in Taiwan and to be extended to the overseas market is that the Group has a professional technical team certified by the manufacturers. Instant and high-quality technical support together with flexible and innovative cooperation models helps the Group to form differentiated competitiveness, thereby strengthening the Group's relationship with both customers and suppliers. In the future, the Group will continue to train the technical team to extend the depth and breadth of medical management services to facilitate the business expansion.

3. Health industry layout

As Taiwan transitions from an aged society to a super-aged society, the growing emphasis on personal health among Taiwanese people has been noted. CHC has expanded its business territories from B2B to B2C step by step, aiming to improve the overall health and well-being of human beings.

Currently, the Group has successfully entered the chain community pharmacy market and is going to continue expanding the number of cooperative channels, enhancing the scale and level of existing physical and online channels to meet the personal and family health management needs of consumers. Moreover, in response to the aging trend, the Group has

cooperated with Sakurajyuji Group from Japan to engage in Taiwan's elderly care market, focusing on continuing care and preventive medicine, hoping to postpone disability and dementia through health promotion and improve the quality and dignity of life for elderly in Taiwan.

4. Irradiation business initiation

CHC actively monitors external environmental changes and market trends and has diversified into various fields starting from the medical industry in recent years, considering the international environment safety and health trends as well as domestic industrial demands, intending to develop the irradiation business.

The Group has exclusively introduced the Belgian IBA irradiation system that complies with principles of sustainability and can generate high-energy photon and electron beams, expected to replace traditional chemical gas sterilization. It can provide healthcare, food production, and other livelihood-related industries with a safer, more efficient, and residue-free sterilization technology. It can also fulfill testing needs for industries such as aerospace and low-earth orbit satellites. Additionally, it can be utilized in semiconductor and composite material processing, providing innovative solutions for various industries.

(II) Expected sales volume and its basis

Main products	Growth Rate	Explanation
Radiation oncology and neuroscience related equipment sales	5%	Based on the estimated demands and growth of the market
Rental revenue	5%	Based on the current and estimated rentals
Service revenue	5%	Based on the estimated sales growth of equipment
Others	20%	Based on the estimated demands and growth of the market

(III)Key production and marketing policies

1. Full-range product lines in various medical fields

The suppliers with which the Group cooperates include a full range of major European, American, Japanese, and Korean international brands with high name recognition and market share, and the suppliers are performing continued R&D investment to develop new products, new functions, and new technologies, which will create new market demands and maintain their competitive edge. In addition, this Group's diverse range of product lines spans such areas as tumor radiation therapy, neurology, medical imaging, ophthalmology, and surgery. We are continuing to seek out competitive products, with the goal of expanding our service scope and comprehensively meeting the needs of domestic and foreign hospitals and clinics.

2. Improved all-directional medical management services

With the rapid development of technologies, new medical equipment is constantly on the scene, and the demand for new ones is also on the rise. However, most of the new examination and treatment equipment is costly and, as a result, the market for cooperation in

medical equipment presents the growth potential. The Group is also deepening the development of equipment collaboration to transform it into comprehensive medical management services, and has set up service locations in Taiwan, China and Indonesia. Our internal technical team provides real-time technical support from ranging from installation and maintenance services to equipment upgrading. This can also be combined with comprehensive services including departmental planning and construction, management consultation and medical technician training, which are eagerly desired by hospitals and clinics. This has not only caused customers to seek long-term cooperation, but has also given suppliers greater confidence, with the result that we have been able to broaden and strengthen our up- and downstream partnerships.

3. Complete overall health industry chain

Taiwan will become a super-aged society in 2025, and demand for medical care is expected to gradually increase. Health care has become a key issue, and elderly care resources urgently needs to be deployed. The Group has been highly focused on the overall health industry in recent years. On the pharmacy chain side, we are integrating resources to accelerate the expansion of pharmacy channels, and are also committed to developing value-added services to increase customer stickiness. We approach the health management and care market from multiple angles. From health promotion facilities, daycare centers, elderly-friendly housing, to residential service institutions are all within the scope of business that the Group plans to develop. The goal is to connect the overall health ecosystem through the design of elderly services and integrate a healthcare industry chain.

4. Continue to expand the irradiation business

The Group deeply believes that a company must grow to survive. Apart from pursuing stable growth in our core business areas, we look forward to expanding in multiple areas, which will continue to energize our sustainable operation. The Group has invested in the first irradiation factory in Taiwan that complies with the principle of sustainable use in Tongluo Science Park, Hsinchu Science Park. It is expected to be able to provide the irradiation technology services needed by various industries in the country. The Group also plans to establish professional laboratories that meet international standards to provide sterilization confirmation services, and also engage in the R&D of radiation-resistant materials and products. We hope to drive the Group's sustainable transition while also accelerating the alignment of domestic industries with international standards.

III. The Company' s future development strategy

(I) Short-term business development plan

1. The Group continues to introduce the latest medical equipment and technologies, and seeks to become the distributor of medical products needed by other medical specialties, in order to develop diversified sales business and increase its market share.
2. The Group is continuously training its professional technical team and expanding its medical management services at home and abroad, and by providing more timely and sounder services to upgrade medical service quality, aims to become the best choice for customers interested

in cooperation in medical areas, while generating long-term stable revenue for the Group.

3. The Group is relying on the integration of resources to accelerate expansion of its chain pharmacy channel, and is employing its medical industry channel experience to enhance the size and level of its physical and online pharmacy channel.
4. The Group has gotten involved in the irradiation business, introduced systems from well-known international brands, and provides photon/electron irradiation services, while emphasizing safety, high performance and no residues. This is making it the first vendor in Taiwan to offer irradiation technology in line with the sustainable utilization ethos.

(II) Long-term business development plan

1. The Group is expanding its business operations into Asia-Pacific medical markets, integrating upstream and downstream medical resources, marketing the most complete product lines, and continuously improving its high-value-added medical technologies and services, so as to lay the foundation for its medical services leadership in the Asia-Pacific region.
2. Externally, the Group is continuously introducing highly competitive new products to expand its service channels and increase strategic partners, and thereby achieve greater economy of scale; internally, the Group is focusing on resource integration as a means of improving business performance and staying ahead of the rest of the industry.
3. We are promoting the application scope of irradiation technology, and gradually increasing equipment load to meet the market demand of food, livelihood, medical, aerospace, and electronic industries, and securing our position as a pioneer in domestic sustainable irradiation technology services.
4. The Group is developing its long-term care business, which includes elderly fitness, daytime care, elderly-friendly residential housing, and residential institutions, with a focus on preventive medicine, continuous care, reducing the time spent by the elderly in bed, and helping seniors enjoy healthy, independent, and happy retired lives.

IV. The impact of the external competition environment, regulatory environment, and overall business environment

At present, the domestic high-end or large-scale medical equipment is still mainly imported from Europe and the United States. Despite all the distributorship contracts signed with foreign suppliers, the Group' s operations can be affected if any changes to the distributorship happen. In view of this, the Group continues great to create excellent sales performance and train the professional technical team for high-quality services so that the suppliers will rely on our performance and robust partnership will be maintained.

In terms of the regulatory environment, since medical equipment is more strictly regulated and must undergo multiple levels of review, as well as inspection and registration required by the Ministry of Health and Welfare, before it may be sold on the domestic market, the Group keeps a close eye on the changes in enactments to ensure a stable business environment.

With consideration to Taiwan becoming a super-aged society and the demand in developing countries, which is fueled by rising health awareness, the medical equipment industry enjoys a sound development environment as a whole. Moreover, the Taiwanese government's policy of

promoting the biotechnology industry, along with China's 14th Five-Year Plan, and the Indonesian government's implementation of a local health insurance system, coupled with people's basic need for healthcare, all ensure that the medical equipment industry is less susceptible to the impact of economic volatility and lead to a generally optimistic outlook. In addition, observing the domestic sustainable development trend and the increasingly stringent international EHS standards, the introduction of irradiation technology that complies with the principle of sustainable use will help the domestic industry transition towards sustainability, and is expected to have considerable development potential. In summary, the overall business environment is mostly positive for the Group.

Sincerely yours,

Chairman: Pei-Lin, Lee

Two. Company Profile

I. Date of Incorporation

Holding company: CHC Healthcare Group (CHC)

Date of establishment and registration: November 27, 2009

II. Company History

1977 Establishment of Chiu Ho Instruments & Reagents Co., Ltd. (the first subsidiary in the Group) by Chairman, Pei-Lin, Lee, to engage in the sales business of professional medical equipment, and primarily deal with import, sales, installation and maintenance of X-ray-related equipment at the very beginning of establishment.

1983 Distributorship with Tanaka X-ray, a Japanese company, for its medical equipment for the Taiwan market.

1984 Distributorship with IMS for its X-ray equipment and medical X-ray film processor for the Taiwan market.

1985 Exclusive distributorship with Nucletron, a Dutch company, for its radiotherapy equipment for the Taiwan market, entering the field of radiation oncology equipment.

1987 Exclusive distributorship with Villa, an Italian company, for its radiological diagnostic X-ray system for the Taiwan market.
Exclusive distributorship with PTW, a German company, for its radiation quality verification system for the Taiwan market.

1995 Exclusive distributorship with SMV, a French company, for its nuclear medicine imaging system for the Taiwan market, entering the field of nuclear medicine imaging equipment.

1997 Exclusive distributorship with Elekta, a Swedish company, for its tumor treatment system for the Taiwan market, and in the same year, hiring Roger, a former senior engineer of Elekta as the chief engineer to build a professional technical team.

1998 Taking the initiative to provide comprehensive medical management services, by assisting Taipei Municipal Wan Fang Hospital with setup of the radiation oncology department.

1999 Establishment of the Taichung office.
Selling and installing Taiwan's first Elekta IMRT linear accelerator.

2000 Establishment of Chiu Ho Medical System Co., Ltd., responsible for the sales business of radiotherapy equipment.

2003 Establishment of the Kaohsiung office.
Establishment of Chu Yan Instruments Co., Ltd., responsible for the sales business of dental products.
Exclusive distributorship with Yoshida, a Japanese company, for its dental products for the Taiwan market.

2004 Exclusive distributorship with Imaging Sciences Incorporated, a US company, for its 3D dental X-ray tomography imaging system for the Taiwan market.

2006 Establishment of Chiu Ho Scientific Co. Ltd., as the exclusive distributor of Bausch & Lomb for its ophthalmic medical products for the Taiwan market, followed by the setup of the sales and technical teams dedicated to the ophthalmic products, along with the sales network covering the north, center and south of Taiwan.
Establishment of TOMORROW MEDICAL SYSTEM CO., LTD, dedicated to the sale, leasing

and services of medical devices.

2007 Exclusive distributorship with Lumenis for its ophthalmic and dental laser treatment products for the Taiwan market.

2008 Exclusive distributorship with Leica Surgical Microscope for its operating microscope products for the Taiwan market.

Exclusive distributorship with Heine, a German company, for its ophthalmic equipment for the Taiwan market.

2009 Establishment of Cheng Yeh Holdings Co., Ltd., with a capital of NT$ 100,000, followed by restructuring with other 16 subsidiaries including Chiu Ho Medical System Co., Ltd., to consolidate marketing efficacy for the Greater China market.

CHC Healthcare Group acquired of 99.98% of the Company's equity, and became the Company's parent company.

Exclusive distributorship with Technolas, a German company, for its excimer lasers and femtosecond lasers systems for the Taiwan market.

2010 Introduction of SAP ERP system to the Group, the first local medical instrument distributor using SAP R3 system.

Exclusive distributorship with C-RAD, a Swedish company, for the Taiwan market.

2011 Restructuring of the CHC Healthcare Group, with the Group transferring all of its equity of the Company to the Group's shareholders.

Establishment of Guangzhou Chiuho Medical System Co., Ltd. through the overseas subsidiary CHC Healthcare (BVI) Limited.

IPO in September, and listed in October as emerging stock.

Exclusive distributorship with Carestream (Kodak) for its dental imaging system for the Taiwan market.

Distributorship with Elekta, a Sweden company, for its radiotherapy system in five provinces of South China.

2012 Cheng Yeh Holdings Co., Ltd. renamed as CHC Healthcare Group.

Establishment of CHC Healthcare (HK) Limited through the overseas subsidiary CHC Healthcare (BVI) Limited.

Establishment of J.AB Beauty Co., Ltd. responsible for the sales of dental products.

Listed on the Taiwan Stock Exchange (TWSE) on October 24.

Merger of the subsidiaries Green Medical Management Co., Ltd. and E Century Health Care Corporation, with the latter as the surviving company.

Merger of the subsidiaries Chiu Ho Instruments & Reagents Co., Ltd., St. Chien Ho Instruments Co., Ltd. and Hua Lin Instruments Co., Ltd., with the last one as the surviving company.

Exclusive distributorship with Swissray, a Swiss company, for its digital X-ray imaging system for the Greater China market.

Exclusive distributorship with Yoshida, a Japanese company, for its dental products for the Greater China market.

Exclusive distributorship with IBA, a Belgian company, for its proton therapy systems for the Taiwan market.

2013 Merger of the subsidiaries Fong-Lin Medical System Co., Ltd. and Tong-Lin Instruments Co., Ltd., with the latter as the surviving company.

Merger of the subsidiaries Tung Ying Biotech Co., Ltd. and E Century Health Care Corporation, with the latter as the surviving company.

Establishment of Chiu Ho (CHINA) Medical Technology Co., Ltd through the overseas subsidiary CHC Healthcare (BVI) Limited.

Merger of the subsidiaries Chiu Ho Medical System Co., Ltd. and Chu Yan Instruments Co., Ltd., with the former as the surviving company.

Exclusive distributorship with Croma Gesellschaft m.b.H., an Austrian company, for its artificial intraocular lenses and vitreous for the Taiwan market.

Exclusive distributorship with Ellex, an Australian company, for its ophthalmic laser products for the Taiwan market.

Distributorship with GE, a US company, for the diagnostic imaging and molecular medical systems.

2014 Activation of the comprehensive medical management services in China.

Exclusive distributorship with Novadaq, a Canadian company, for the intraoperative image-guided system for the Greater China market.

2015 Establishment of Medlink Healthcare Limited through the subsidiary Chiu Ho Medical System Co., Ltd. for the Group's operational needs.

Acquisition of 100% equity of Shih-Lu Co., Ltd. by the subsidiary Medlink Healthcare Limited for the business needs to expand medical channels.

Establishment of Hsing-Yeh Biotechnology Co., Ltd. through the subsidiary Medlink Healthcare Limited for the Group's operational needs.

Board resolution on split-off and assignment of the subsidiaries Shih-Lu Co., Ltd. and Hsing-Yeh Biotechnology Co., Ltd. for internal restructuring and management needs.

2016 Sales agreement signed between the subsidiary Chiu Ho Medical System Co., Ltd. and Changhua Christian Hospital for proton therapy systems, which will be of great benefit to facilitate the subsidiary's business expansion.

Board resolution to dissolve the subsidiary Shih-Lu Co., Ltd. for the Group's investment restructuring and resource integration.

Exclusive distributorship with PhysIOL, a Belgian company, for its artificial intraocular lenses for the Taiwan market.

2017 Cooperation agreement signed between the subsidiary Tomorrow Medical System Co., Ltd., Taipei Medical University and Taipei Medical University Hospital for the proton therapy systems and related technical services, which will be of great benefit to facilitate the subsidiary's business expansion.

Liquidation of Shih-Lu Co., Ltd. completed in response to the Group's operational needs.

Co-host "International Elderly Care Industry Leaders Forum" with Institute for Biotechnology and Medicine Industry.

2018 Board resolution to dissolve the subsidiary J.AB Beauty Co., Ltd. in response to the Group's operational needs.

Establishment of Neusoft CHC Medical Service Co., Ltd. with 51% equity through the subsidiary Guangzhou Chiuho Medical System Co., Ltd. for the development in the China market.

Establishment of SenCare Healthcare Company with 65.99% equity through the subsidiary Chiu Ho Medical System Co., Ltd. for the expansion into the elderly care business.

First certification of ISO 9001 Quality Management System and OHSAS 18001 Occupational Health and Safety Management System.

Exclusive distributorship with CROWNJUN, a Japanese company, for its surgical sutures and

instruments for the Taiwan Market.
Exclusive distributorship with SONY, a Japanese company, for its integrated medical imaging equipment for the Taiwan market.
Exclusive distributorship with CASCINATION, a Swiss company, for its stereotactic navigation system for the Taiwan market.

2019 Merger of the subsidiaries Chiu Ho Scientific Co., Ltd. and Ho-Shin Instruments Co., Ltd., with the former as the surviving company.
Establishment of PT CHC Medika Indonesia through the subsidiary Chiu Ho Medical System Co., Ltd. for the development in the Indonesian market.
Activation of the comprehensive medical management services in Indonesia.
Establishment of CHC Long-Term Care Corporation with 97% shares through the subsidiary SenCare Healthcare Company to engage in long-term care service institutions.
Exclusive distributorship with CYBERDYNE, a Japanese company, for its full range of HAL® mechanical exoskeleton products in the Taiwan market.
Exclusive distributorship with Hillrom, a US company, for its operating room products and Welch Allyn product line for the Taiwan market.
Exclusive distributorship with ALBOMED, a German company, for its artificial vitreous for the Taiwan market.

2020 The proposal of the subsidiary Shin-Ho Instruments Co., Ltd. for the development of irradiation business in Tongluo Science Park was reviewed and approved at a review conference held by the Science Park of the Ministry of Science and Technology.
Exclusive distributorship with ADVANTECH, a Taiwanese company, for its medical surgery-related products for the Taiwan market.

2021 First certification of ISO 45001 Occupational Health and Safety Management System.
Merger of the subsidiaries Chiu Ho Medical System Co., Ltd. and Medlink Healthcare Limited, with the former as the surviving company.
Acquired 51% equity of Treasure of Health Co., Ltd. for operational expansion.
Exclusive distributorship with VUNO, a Korean company, for its artificial intelligence (AI) medical solutions in the Taiwan market.

2022 Establishment of CHC Healthcare (UK) Limited for business development needs.

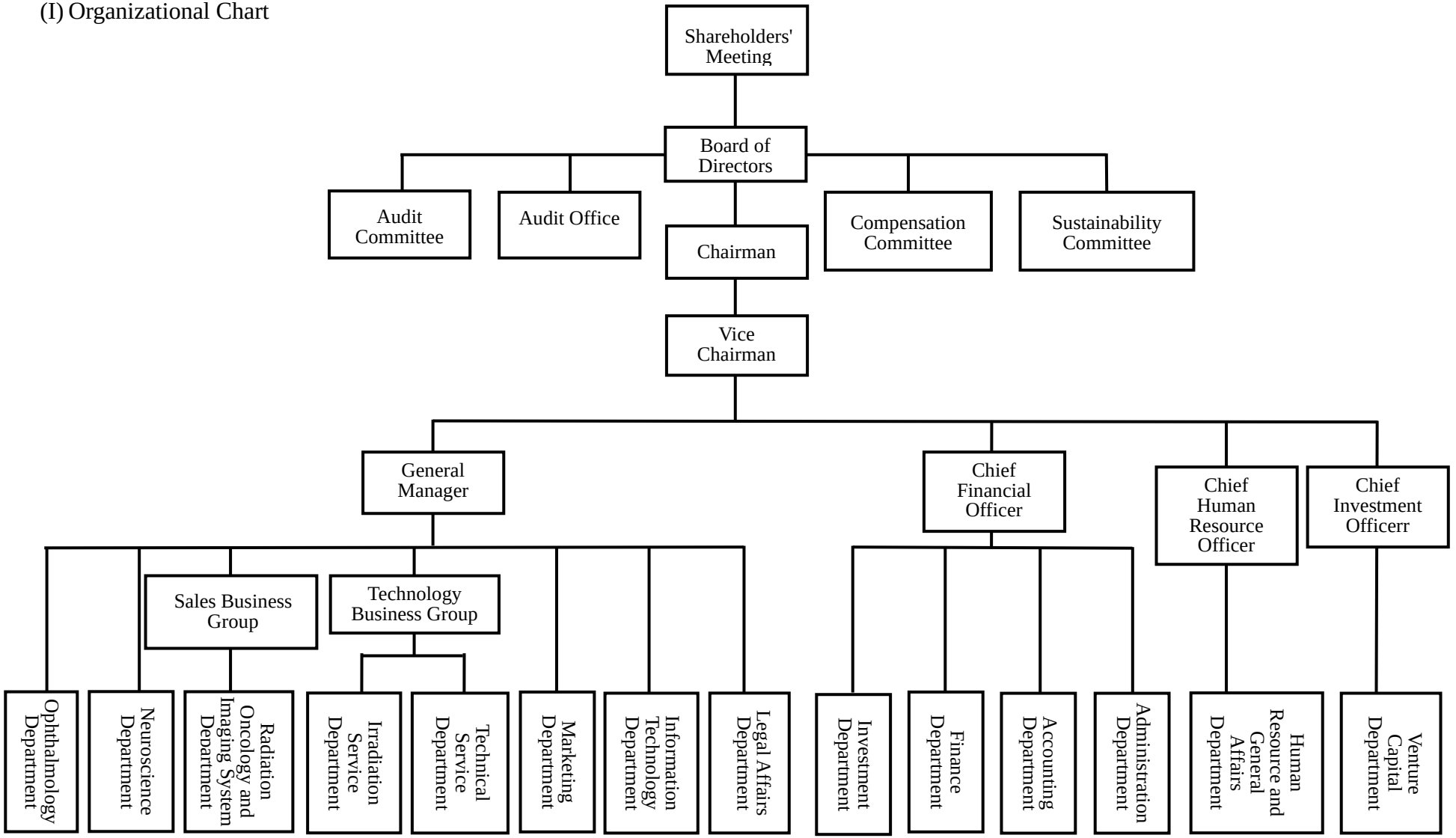
2023 The subsidiary SenCare Healthcare Company acquired 51% equity of Cin-An Co., Ltd. and 50.7% shares of Xing-An Long-Term Care Corporation to expand elderly care operations.
Establishment of Exotic Pet Care Experts Co., Ltd. with 51% shares through the subsidiary Treasure of Health Co., Ltd. to develop the veterinary care business
The subsidiary Chiu Ho Scientific Co., Ltd. acquired domestic medical equipment manufacturer quality management system (QMS) certification.
Merger of the subsidiaries Chiu Ho Biotech Co., Ltd. and Hsin Lin Biotech Co., Ltd., with the former as the surviving company.

2024 The subsidiary Treasure of Health Co., Ltd. acquired 90% equity of K&M International Trading Co., Ltd. for operational expansion.
The subsidiary SenCare Healthcare Company acquired 74.88% equity of Let We Care Seniors Service Co., Ltd. for the development of elderly care and health business.

Three. Corporate Governance Report

I. Organization

(I) Organizational Chart



(II) Major Corporate Functions

The CHC Healthcare Group engages in joint operations with over 20 domestic and foreign subsidiaries. The Company is responsible for planning and supporting logistics resources for all subsidiaries in the Group, and resource integration and sharing via the Group's resource platform has boosted management performance; the Company is responsible for the unitary management and supervision of the Group's subsidiaries, which has enhanced the Group's business performance. The Company is responsible for handling external capital markets, investor relations, and related financing matters.

Department	Main responsibilities
Audit Office	Planning, implementation, and revision of the internal control system. Formulation and implementation of the annual audit plan. Formulation and implementation of self-assessment plans for each unit. Other matters to be carried out in accordance with the provisions of laws and regulations.
Venture Capital Department	Development and expansion of domestic and overseas businesses.
Human Resources and General Affairs Department	Manpower planning, recruitment, training planning, and implementation. Various business management operations. Domestic project procurement and price inquiry, negotiation, and purchase of important parts and consumables.
Administration Department	Administrative support operations. Overseas project procurement and price negotiation and purchase of important parts and consumables. Apply to the Ministry of Health and Welfare for foreign medical equipment manufacturers to comply with GMP and product permits, in order to ensure that product import and installation complies with relevant domestic regulations.
Accounting Department	Accounting-related tasks. Tax-related tasks. Plan and collect annual budget-related tasks. Preparation of financial statements.
Finance Department	Planning and implementation of the Company's financial management and fund allocation. Planning and implementation of investments. Conducting customer credit investigations and credit limit control. Planning matters related to shareholders' rights and interests.
Investment Department	Establishing and maintaining relationships with investors and legal persons, receiving visitors, and handling and tracking news events. Responsible for the financial assessments of various cases. In addition to investment preparations, the department also assists in the preparation of investment contracts and subsequent management and tracking, in order to facilitate timely response to the status of each investment project for management to make a decision.
Legal Affairs Department	Review contracts, provide legal advice, and handle legal proceedings and compliance.
Information Technology Department	Planning and construction of the Company's overall information system architecture, ensuring data security, carrying out process supervision and

Department	Main responsibilities
	review, and continuing to improve the software and hardware operations of the Company's information system.
Marketing Department	Responsible for product marketing advertisements and product catalog issuance, and supporting the marketing activities of business units. The Company's visual design, website planning, and maintenance operations.
Technical Service Department	Assisting customers with equipment installation and responsible for training. Inspection and maintenance of instruments and equipment.
Irradiation Service Department	Provides photon/electron irradiation, such as: sterilization service for medical equipment, foods, and other livelihood-related fields; testing needs for aviation and low-orbit satellite industries.
Radiation Oncology and Imaging System Department	Business promotion, market development, product sales, and customer services.
Neuroscience Department	Business promotion, market development, product sales, and customer services. Assisting customers with equipment installation and responsible for training. Inspection and maintenance of instruments and equipment.
Ophthalmology Department	Business promotion, market development, product sales, and customer services. Assisting customers with equipment installation and responsible for training. Inspection and maintenance of instruments and equipment.

II. Directors, Supervisors and Management Team

(I) Directors and Supervisors

April 14, 2024 Units: share

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected (Note 1)	Term (years)	Date First Elected	Shareholding when Elected (note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Pei-Lin, Lee	Male 71~80 years	2023. 06.12	3	2009. 11.25 (Note 2)	6,285,151	3.81%	6,285,151	3.77%	3,863,808	2.32%	28,257,983 (Note 3)	16.94%	Honorary Doctorate, Central Taiwan University of Science and Technology Department of Medical Imaging and Radiological Sciences, Central Taiwan University of Science and Technology MBA, Pacific Western University Radiology Division, National Taiwan University Hospital	Chairman/Director/Representative of juristic-person director of subsidiaries and indirect subsidiaries of CHC Healthcare Group Chairman, Princeton Healthcare Limited Chairman, CHC Healthcare Group Director, SMTH AG Director, Swissray Medical AG Director, Swissray International Inc. Chairman, AESolution Biomedical Co., Ltd. Director, CHIEN-LIN Limited Chairman of S&S Healthcare Holding Ltd. Chairman, Central Taiwan University of Science and Technology Representative of juristic-person director, CHENG-HSIN Biotechnology Co., Ltd Chairman, Cheng Lin Charitable Foundation Representative of juristic-person Chairman, Soarmed Co., Ltd.	Vice Chairman	Tien-Ying, Lee	Father and son	

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected (Note 1)	Term (years)	Date First Elected	Shareholding when Elected (note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice Chairman	ROC	Tien-Ying, Lee	Male 41~50 years	2023. 06.12	3	2009. 11.25	9,413,985	5.71%	9,413,985	5.64%	22,000	0.01%	0	0	MBA, Said Business School, University of Oxford, UK School of Medicine, China Medical University Passed national physician's examination Resident, Department of Internal Medicine, Mackay Memorial Hospital Chief Resident, Department of Infectious Disease, Mackay Memorial Hospital	Chairman/Director/Representative of juristic-person Supervisor of subsidiaries of CHC Healthcare Group Director, CHC Healthcare Group Chairman, SMTH AG Chairman, Swissray Medical AG Chairman, Swissray International Inc. Supervisor, AESolution Biomedical Co., Ltd. Representative of Juristic-person Chairman/General Manager, Swissray Asia Healthcare Co., Ltd. Director and chief operating officer, S&S Healthcare Holding Ltd. Superintendent, YeeZen General Hospital Representative of juristic-person director, CHENG-HSIN Biotechnology Co., Ltd Representative of juristic-person Chairman, Shin Shin Healthcare Co., Ltd. Director and executive director, Cheng Lin Charitable Foundation Representative of juristic-person director, Soarmed Co., Ltd. Representative of juristic-person director, Renax Biomedical Technology Co., Ltd. Representative of juristic-person director, Jin-Biotechnology Co., Ltd.	Chairman	Pei-Lin, Lee	Father and son	

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected (Note 1)	Term (years)	Date First Elected	Shareholding when Elected (note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Chun-Shung, Huang	Male 81~90 years	2023. 06.12	3	2012. 01.06	0	0	0	0	0	0	0	0	Department of Medicine, Kaohsiung Medical University Passed national physician's examination Specialist in Orthopedics Chairman, Childhood Burn Foundation of the Republic of China Chairman, Hospice Foundation of Taiwan Chairman, Taiwan Medical Center Association Chairman, Taiwan Orthopedic Association Superintendent, Mackay Memorial Hospital Chairman, Mackay Medical College Superintendent, Jen Ching Memorial Hospital, Kunshan, China	Director, Kimma Foundation Honorary Consultant Physician, Mackay Memorial Hospital Attending Physician, Department of Orthopedics, Changhua Christian Hospital Chief Consultant and Orthopedic Physician, YeeZen General Hospital	N/A	N/A	N/A	

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected (Note 1)	Term (years)	Date First Elected	Shareholding when Elected (note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Yung-Shun, Chuang	Male 71~80 years	2023. 06.12	3	2010. 11.22	423,108	0.26%	423,108	0.25%	0	0	0	0	EMBA, National Taiwan University Chairman, AAEON Technology Inc.	Representative of juristic-person director and Chairman, AAEON Technology Inc., Onyx Healthcare Inc., Yan-You Investment Inc., AAEON Technology (Su Zhou) Inc., Onyx Healthcare (Shanghai) Inc. Chairman, Yen-Hsin Investment Ltd./Fu-Li Investment Inc./Everfocus Electronics Corp. Independent director, Top Union Electronics Corp., Taiflex Scientific Co., Ltd. Director, AAEON Foundation, Litemax Electronics Inc., King Core Electronics Inc., ATECH OEM INC., Allied Biotech Corp., ONYX Healthcare USA, Inc., ONYX Healthcare Europe B.V., AAEON Electronics Inc., AAEON TECHNOLOGY (Europe) B.V., AAEON TECHNOLOGY GMBH, Litemax Technology Inc., Mcfees Group Inc., AAEON TECHNOLOGY SINGAPORE PTE LTD., Qiye Electron (Dongguan) Ltd., Danyang Qiye Technology Co., Ltd., MACHVISION Inc., MACHVISION (Dongguan) Inc. Co., Ltd., Taiyong Electron (Suzhou) Corp., Allied Oriental International Ltd. Representative of juristic-person director, XAC Automation Corp., New Future Capital Co., Ltd., iHELPER Inc., Sunengine Corporation Ltd., Winmate Communication Inc., Ibase Technology Inc.	N/A	N/A	N/A	

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected (Note 1)	Term (years)	Date First Elected	Shareholding when Elected (note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	ROC	Geng-Wang, Liaw	Male 41~50 years	2023. 06.12	3	2014. 06.17	0	0	0	0	0	0	0	0	Graduated from the Department of Health policy and business administration of National Tsing Hua University with a master's degree Graduated from the Department of Medical Management of China Medical University with a master's degree Graduated from the School of Medicine, China Medical University Passed national physician's examination Emergency medicine specialist Resident and attending physician, Emergency Department, China Medical University Hospital Resident, Department of Internal Medicine, Taichung Hospital Attending Physician, Emergency Medicine Division, Taichung Tzu Chi Hospital	Vice Superintendent, YeeZen General Hospital	N/A	N/A	N/A	
Independent director	ROC	Chi, Chih	Female 61~70 years	2023. 06.12	3	2023. 06.12	0	0	0	0	0	0	0	0	Department of Risk Management and Insurance, Ming Chuan University Officer, Xieda Customs Brokerage Deputy Manager, Angji Co., Ltd. Assistant Vice President, Ascend Technology Co., Ltd. Chairman and president of U-Super Technology Co., Ltd.	Chairman and president of U-Super Technology Co., Ltd. Director/Assistant Vice President/Chief Operating Office of Taiwan Region, Ascend Technology Co., Ltd.	N/A	N/A	N/A	

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected (Note 1)	Term (years)	Date First Elected	Shareholding when Elected (note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	ROC	Ming-Liang, Kao	Male 71~80 years	2023. 06.12	3	2017. 06.23	0	0	0	0	0	0	0	0	Department of Business Administration, Feng Chia University Has a CPA license Clerk, Sampo Corporation Clerk, Bank of Taiwan Examiner, National Taxation Bureau of Taipei, Ministry of Finance CPA, Datong Accounting Firm	CPA, Datong Accounting Firm Independent Director, Bioptik Technology, Inc. Supervisor, Luxtaltek Corporation. Director, Taiwan Leader Biotech Corp.	N/A	N/A	N/A	

Note 1: Refers to the date on which the current term directors and supervisors were elected as of the date of report. The current term directors were elected on June 12, 2023. The shares held at the time of election are expressed as the number of shares held on June 12, 2023.

Note 2: The date when Pei-Lin, Lee was elected for the first time as a director and chairman of the Company as a natural person.

Note 3: Since Chairman Pei-Lin, Lee holds more than 50% of the shares of Princeton Healthcare Limited, the Company's shares held by Princeton Healthcare Limited is listed as shares held by Chairman Pei-Lin, Lee in the name of others.

1.Directors & supervisors who are representatives of juristic-person shareholders

(1) Major shareholders of the institutional shareholders
None.

(2) Major shareholders of the Company's major institutional shareholders
None.

2.Professional qualifications and independence analysis of directors and supervisors

(1) Disclosure of professional qualifications of directors and supervisors and independence information concerning independent directors

Criteria / Name	Professional qualifications and experience	State of independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman: Pei-Lin, Lee	Experience as leader of TWSE/TPEx listed company, senior leader in the biotechnology medical industry; currently chairman of this company, its subsidiaries, and second-tier subsidiaries. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Father-son relationship with Vice Chairman Tien-Ying, Lee.	0
Vice Chairman: Tien-Ying, Lee	Passed national physician's examination, possesses leadership experience in the biotech medical industry, currently director of Yee Zen General Hospital. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Father-son relationship with Chairman Pei-Lin, Lee.	0
Director: Chun-Shung, Huang	Passed national physician's examination, former director of Mackay Memorial Hospital, possesses senior leadership experience at hospitals and clinics, currently general consultant and orthopedic physician at Yee Zen General Hospital. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Uniformly in compliance with legal requirements	0
Director: Yung-Shun, Chuang	Experience as leader of TWSE/TPEx listed company, possesses information technology industry senior leadership experience, currently chairman of AAEON Technology Inc. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Uniformly in compliance with legal requirements	2
Independent Director: Geng-Wang, Liaw	Passed national physician's examination, senior professional experience at hospitals and clinics, currently deputy director of main branch of Yee Zen General Hospital, is the convener of the Company's Compensation Committee. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Complies with the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies	0
Independent Director: Chi, Chih	Chairman and president of U-Super Technology Co., Ltd. is the convener of the Company's Sustainability Committee. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Complies with the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies	0

Criteria / Name	Professional qualifications and experience	State of independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director: Ming-Liang, Kao	Holds a CPA license, CPA at Datong Accounting Firm, possesses senior professional experience in accounting, and is the convener of the Company's Audit Committee. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Complies with the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies	1

(2) Diversity and independence of Board of Directors

①Diversity of the Board of Directors:

The "Corporate Governance Best Practice Principles" drafted by the Company has been passed by a resolution of the Board of Directors, and its content includes a plan for the diversification of Board composition and implementation. The Company's Board consists of 7 members, of which 3 are independent directors. Since the Company's industry chiefly consists of medical-related areas, 4 directors have a background in medicine; in addition, one director has a background in financial accounting, one director has a background in medical information software, and one director has a background in international trade. This composition is consistent with the Company's operating and development needs and the effectiveness of its functional committees.

The Company emphasizes gender equality in the composition of Board members. However, due to the difficulty of finding female directors from medical industry fields to join the Board, the Company has made this a goal, and is striving to include female directors meeting the needs of the Company and the required specializations. The goal to add one female director was achieved when the 2023 Annual General Meeting elected the 7th-term Board of Directors.

The Company drafted a succession plan for the Board of Directors and key management positions in 2023, and reported this plan to the Board of Directors on November 6, 2023. Please refer to page 49 concerning the state of diversification of the Board of Directors.

②Independence of Board of Directors:

The Company's Board of Directors consists of 7 directors, who include 3 independent directors; apart from the familial relationships within the first degree of kinship between Chairman Pei-Lin, Lee and Vice Chairman Tien-Ying, Lee, no spousal or familial relationships within the second degree of kinship exist between the remaining 5 directors (including independent director); the Company's Board of Directors possesses independence in compliance with relevant laws and regulations; please refer to the explanation in the table above.

(II)Management Team

April 14, 2024 Units: share

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager and Chief HR officer	ROC	Pei-Lin, Lee (Note 1)	Male	2018. 07.31	6,285,151	3.77%	3,863,808	2.32%	28,257,983	16.94%	Department of Medical Imaging and Radiological Sciences, Central Taiwan University of Science and Technology MBA, Pacific Western University Radiology Division, National Taiwan University Hospital Honorary Doctorate, Central Taiwan University of Science and Technology	Chairman/Director/Representative of juristic-person director of subsidiaries and indirect subsidiaries of CHC Healthcare Group Chairman, Princeton Healthcare Limited Chairman, CHC Healthcare Group Director, SMTH AG Director, Swissray Medical AG Director, Swissray International Inc. Chairman, AESolution Biomedical Co., Ltd. Director, CHIEN-LIN Limited Chairman of S&S Healthcare Holding Ltd. Chairman, Central Taiwan University of Science and Technology Representative of juristic-person director, CHENG-HSIN Biotechnology Co., Ltd Chairman, Cheng Lin Charitable Foundation Representative of juristic-person Chairman, Soarmed Co., Ltd.	Chief Investment Officer	Tien-Ying, Lee	Father and son	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Investment Officer	ROC	Tien-Ying, Lee (Note 3)	Male	2024.05.02	9,413,985	5.64%	22,000	0.01%	0	0	MBA, Said Business School, University of Oxford, UK School of Medicine, China Medical University Passed national physician's examination Resident, Department of Internal Medicine, Mackay Memorial Hospital Chief Resident, Department of Infectious Disease, Mackay Memorial Hospital	Chairman/Director/Representative of juristic-person Supervisor of subsidiaries of CHC Healthcare Group Director, CHC Healthcare Group Chairman, SMTH AG Chairman, Swissray Medical AG Chairman, Swissray International Inc. Supervisor, AESolution Biomedical Co., Ltd. Representative of Juristic-person Chairman/General Manager, Swissray Asia Healthcare Co., Ltd. Director and chief operating officer, S&S Healthcare Holding Ltd. Superintendent, YeeZen General Hospital Representative of juristic-person director, CHENG-HSIN Biotechnology Co., Ltd Representative of juristic-person Chairman, Shin Shin Healthcare Co., Ltd. Director and executive director, Cheng Lin Charitable Foundation Representative of juristic-person director, Soarmed Co., Ltd. Representative of juristic-person director, Renax Biomedical Technology Co., Ltd. Representative of juristic-person director, Jin-Biotechnology Co., Ltd.	General Manager	Pei-Lin, Lee	Father and son	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Executive Officer, Oncology Business Group	ROC	Yee-Min, Jen	Male	2014. 05.16	59,000	0.04%	0	0	0	0	76th Class, School of Medicine, National Defense Medical Center PhD, Department of Oncology, University of Manchester, UK Specialist in radiation oncology Specialist, Taiwan Academy of Hospice Palliative Medicine Resident, Chief Resident, Attending Physician, Director of Radiologic Physics Division, Director of Radiation Therapy Division, Director of the Radiation Oncology Department , Tri-Service General Hospital Associate Professor and Professor, Department of Radiation Oncology, National Defense Medical Center Member of the Cancer Committee and Head of the Quality Control Team, Tri-Service General Hospital Head of the OSCE Team, Tri-Service General Hospital Deputy Director, School of Medicine, National Defense Medical Center Member, Cancer Quality Certification Committee, Ministry of Health and Welfare Chairman, Taiwan Society for Therapeutic Radiation and Oncology	Attending Physician, Dept. of Radiation Oncology/Vice Superintendent, YeeZen General Hospital Adjunct physician, Tri Service General Hospital	N/A	N/A	N/A	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	ROC	Ming-Lun, Lee (Note 2)	Male	2023. 12.18	9,750	0.01%	0	0	0	0	Department of Mechanical Engineering, National Taipei Institute of Technology	Chairman and representative of juristic-person director of subsidiary of the Company Director, AESolution Biomedical Co., Ltd. Supervisor, CHENG-HSIN Biotechnology Co., Ltd	N/A	N/A	N/A	
CFO and Corporate Governance Officer	ROC	Yi-Chun, Chen	Female	2021. 03.19	50,000	0.03%	0	0	0	0	Department of Accounting, Fu Jen Catholic University Assistant Vice President, PricewaterhouseCoopers (PwC) Taiwan	Chairman, representatives of juristic-person directors, representatives of juristic-person supervisors, and supervisors of the Company's subsidiaries Director, AESolution Biomedical Co., Ltd. Director, Cheng Lin Charitable Foundation	N/A	N/A	N/A	

Note 1: Chairman Pei-Lin, Lee, who concurrently serves as General Manager and Chief Investment Officer, was relieved of the position of General Manager on December 18, 2023. He was relieved of the position of Chief Investment Officer on May 2, 2024.
Note 2: Chief Operating Officer Ming-Lun Lee was promoted to General Manager and assumed the position on December 18, 2023.
Note 3: Vice Chairman Tien-Ying, Lee was appointed to the concurrent position of Chief Investment Officer on May 2, 2024.

III. Remuneration of Directors, Supervisors, General Manager, and Vice President in the most recent year

(I) Remuneration of Directors and Independent Directors in 2023

Units: NT$ thousand; 1,000 shares; %

Title	Name	Remuneration								Total remuneration (A+B+C+D) and ratio of net income after tax		Relevant Remuneration Received by Directors Who are Also Employees								Total compensation (A+B+C+D+E+F+G) and ratio to net income after tax		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonus and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
																The Company		Companies in the consolidated financial statements				
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	Companies in the consolidated financial statements	
Chairman	Pei-Lin, Lee	0	0	0	0	800	800	48	48	848 0.20%	848 0.20%	10,230	10,230	0	0	0	0	0	0	11,078 2.64%	11,078 2.64%	N/A
Vice Chairman	Tien-Ying, Lee	0	0	0	0	800	800	48	48	848 0.20%	848 0.20%	8,897	8,897	0	0	0	0	0	0	9,745 2.33%	9,745 2.33%	N/A
Director	Chun-Shung, Huang	0	0	0	0	800	800	48	48	848 0.20%	848 0.20%	0	0	0	0	0	0	0	0	848 0.20%	848 0.20%	N/A
Director	Yung-Shun, Chuang	0	0	0	0	800	800	48	48	848 0.20%	848 0.20%	0	0	0	0	0	0	0	0	848 0.20%	848 0.20%	N/A
Independent Director	Kuei-Tuan, Chen	0	0	0	0	0	0	64	64	64 0.02%	64 0.02%	0	0	0	0	0	0	0	0	64 0.02%	64 0.02%	N/A
Independent Director	Chang-Jian, Ho	0	0	0	0	0	0	64	64	64 0.02%	64 0.02%	0	0	0	0	0	0	0	0	64 0.02%	64 0.02%	N/A
Independent Director	Geng-Wang, Liaw	0	0	0	0	800	800	156	156	956 0.23%	956 0.23%	0	0	0	0	0	0	0	0	956 0.23%	956 0.23%	N/A
Independent Director	Chi, Chih	0	0	0	0	800	800	92	92	892 0.21%	892 0.21%	0	0	0	0	0	0	0	0	892 0.21%	892 0.21%	N/A
Independent Director	Ming-Liang, Kao	0	0	0	0	800	800	92	92	892 0.21%	892 0.21%	0	0	0	0	0	0	0	0	892 0.21%	892 0.21%	N/A

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company has purchased liability insurance for all independent directors, and will provide fixed remuneration to each independent director based on actual participation in various functional committees and the board of directors. The total remuneration to directors is reported to the shareholders' meeting each year based on the Company's actual operating results, and then based on the company's actual operating results. Internal self-evaluation of the board of directors, self-evaluation of individual directors, appointment of external professional institutions or other appropriate methods to conduct performance evaluation are then used as the basis for payment of remuneration to individual directors.
2. Except as disclosed in the above table, remuneration in the most recent year received by the directors of the companies for their services (such as non-employee consultation for parent company, all companies in financial report, or other investees): None.

Table of Remuneration Ranges

Range of Remuneration Paid to Directors	Name of Director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements (H)	The Company	Companies in the consolidated financial statements (I)
Less than NT$1,000,000	Pei-Lin, Lee, Yung-Shun, Chuang, Tien-Ying, Lee, Chun-Shung, Huang, Kuei-Tuan, Chen, Chang-Jian, Ho, Geng-Wang, Liaw, Chi, Chih, Ming-Liang, Kao	Same as left	Yung-Shun, Chuang, Chun-Shung, Huang, Kuei-Tuan, Chen, Chang-Jian, Ho, Geng-Wang, Liaw, Chi, Chih, Ming-Liang, Kao	Same as left
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	-	-	-	-
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)	-	-	-	-
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)	-	-	-	-
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)	-	-	Tien-Ying, Lee	Same as left
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)	-	-	Pei-Lin, Lee	Same as left
NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)	-	-	-	-
NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)	-	-	-	-
NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)	-	-	-	-
Above NT$100,000,000	-	-	-	-
Total	9 persons	Same as left	9 persons	Same as left

(II) Remuneration of General Manager and Vice Presidents in 2023

Units: NT$ thousand; 1,000 shares; %

Title	Name	Salary (A)		Severance Pay (B)		Bonus and Allowances (C)		Employee Compensation (D)				Total remuneration (A+B+C+D) and ratio of net income after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Pei-Lin, Lee (Note 1)	27,060	27,060	0	0	0	0	54	0	54	0	27,114 6.47%	27,114 6.47%	N/A
Chief Executive Officer, Oncology Business Group	Yee-Min, Jen													
General Manager	Ming-Lun, Lee (Note 2)													
CFO and Corporate Governance Officer	Yi-Chun, Chen													

Note 1: Chairman Pei-Lin, Lee, who concurrently serves as president, was relieved of the position of president on December 18, 2023.
Note 2: Chief Operating Officer Ming-Lun Lee was promoted to General Manager and assumed the position on December 18, 2023.

Table of Remuneration Ranges

Range of Remuneration Paid to General Manager and Vice Presidents	Name of General Manager and Vice Presidents	
	The Company	Companies in the consolidated financial statements (E)
Less than NT$1,000,000	-	-
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)	-	-
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)	Yi-Chun, Chen	Same as left
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)	Yee-Min, Jen, Ming-Lun, Lee	Same as left
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)	Pei-Lin, Lee	Same as left
NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)	-	-
Above NT$100,000,000	-	-
Total	4 persons	Same as left

(III)Names of managerial officers that received employee bonuses and status of the distribution in 2023

December 31, 2023 Units: NT$ thousand; %

	Position	Name	Stock Bonus	Cash Bonus	Total	The percentage of total sums to net profit after tax (%)
Executive Officers	General Manager	Pei-Lin, Lee (Note 1)	0	54	54	0.01
	Chief Executive Officer, Oncology Business Group	Yee-Min, Jen				
	General Manager	Ming-Lun, Lee (Note 2)				
	CFO and Corporate Governance Officer	Yi-Chun, Chen				

Note 1: Chairman Pei-Lin, Lee, who concurrently serves as General Manager, was relieved of the position of General Manager on December 18, 2023.

Note 2: Chief Operating Officer Ming-Lun Lee was promoted to General Manager and assumed the position on December 18, 2023.

(IV) Compare and describe separately the analysis of total remunerations paid to the Company's directors, supervisors, president, and vice president for the past two years by the Company and all companies in the standalone financial statements as a percentage of the net income after tax, and describe the correlation among the remuneration payment policy, standards and combination, remuneration establishing procedures, and management performance and future risks:

1.Analysis of total remuneration paid to directors, president, and vice presidents over the past two years as a percentage of net profit after tax in the standalone financial statements

Year / Category	2022		2023	
	The Company	Consolidated financial statements	The Company	Consolidated financial statements
Total directors' remuneration as a percentage of net profit after tax	7.03%	7.03%	6.06%	6.06%
Total supervisors' remuneration as a percentage of net profit after tax	0.00%	0.00%	0.00%	0.00%
Total remunerations to the president and vice presidents as a percentage of net profit after tax	7.60%	7.60%	6.47%	6.47%

1. Directors' remuneration: Allocated in accordance with the Articles of Incorporation and in reference to the Board of Directors' performance assessment results. The ratio of remuneration was the equivalent to the ratio in 2021.
2. Supervisors' remuneration: Not applicable because the Audit Committee was established to replace supervisors after the directors election in 2017.
3. Remuneration of General Manager and Vice Presidents: The increase compared with 2022 was mainly due to a slight salary adjustment for managers in 2023.

2.Remuneration policies, standards, and packages, the procedure for determining remuneration, and the relation to business performance and future risks

(1)The remuneration policies, standards, and packages, the procedure for determining remuneration, and the relation to business performance

According to Article 24-1, Paragraph 1, of the Company's Articles of Incorporation, if there is still a balance after accumulated losses are deducted from the Company's profits in the current year (i.e., pre-tax profits before distribution of employee bonuses and directors' remuneration), the Company shall allocate no more than 5% as directors' remuneration, and provide reasonable remuneration based on the Company's operating results and their contribution to the Company. Performance evaluations of the Board of Directors and functional committees are reviewed by the Compensation Committee. The annual and long-term performance targets and the policies, systems, standards, and structures of remuneration to managers are based on the company's "Manager Performance Evaluation and Remuneration Standards" and "Performance Evaluation Regulations." Besides taking into account their experience, professional abilities, and positions held, and they are highly connected to financial and non-financial performance targets: ㊀Financial indicators: Based on the revenue and profit on the Company's profit and loss statement and the actual target achievement rate. Non-financial indicators: Includes team leadership and management capabilities, resource management, work performance, sense of responsibility, negotiation and decision-making, working time management, and moral character, a total of seven indicators. After weighted calculation of the evaluation scores, the scores are reported to the chairman to evaluate the business performance of managers. The performance evaluation and reasonableness of remuneration must be submitted to the Compensation Committee and Board of Directors for review. Reasonable remuneration is provided after considering the Company's overall business performance, future industry risks and development trends, and actual operating conditions, and conducting timely reviews of the remuneration system, while considering current corporate governance trends, in order to find a balance between the Company's sustainability and risk management. The actual amount of remuneration paid to directors and managers in 2023 was reviewed by the Compensation Committee and then submitted to the Board of Directors for a decision.

(2)Future risk:

The Group has been in the industry for more than 40 years. The directors and management team have been relatively stable without much change. The Company may purchase liability insurance for liabilities within the scope of its business when appropriate to mitigate unknown risks.

IV. Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in the previous period (2023). The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Representative of institutional director, Chairman	Princeton Healthcare Limited Representative of juristic-person director: Pei-Lin, Lee	2	0	100%	2023.06.12 Term expired
Chairman	Pei-Lin, Lee	4	0	100%	2023.06.12 Newly elected
Vice Chairman	Tien-Ying, Lee	6	0	100%	
Director	Chun-Shung, Huang	6	0	100%	
Representative of institutional Director	Representative of juristic-person director, Yen-Hsin Investment Ltd.: Yung-Shun, Chuang	2	0	100%	2023.06.12 Term expired
Director	Yung-Shun, Chuang	4	0	100%	2023.06.12 Newly elected
Independent Director	Kuei-Tuan, Chen	2	0	100%	2023.06.12 Term expired
Independent Director	Chang-Jian, Ho	2	0	100%	2023.06.12 Term expired
Independent Director	Geng-Wang, Liaw	6	0	100%	
Independent Director	Chi, Chih	4	0	100%	2023.06.12 Newly elected
Independent Director	Ming-Liang, Kao	4	0	100%	2023.06.12 Newly elected

Other required disclosure:

I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, period, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act

Date	Term	Agenda	Comments from independent directors	Handling of the comments
March 22, 2023	15th meeting of the 6th Board	1. Proposed lifting of non-compete restrictions on newly-appointed directors. 2. The Company's proposal of loans to affiliates. 3. The Company's proposal of endorsements and guarantees for	Concurrence.	Approved as proposed.

		affiliates.		
		4. Follow-up budget proposal for the irradiation service facility of the subsidiary Shin-Ho Instruments Co., Ltd.		
		5. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q1 2023.		
		6. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman.		
		7. The Company's proposed revision of the "Operating Procedures for Internal Control System Self-assessment" and "Operating Regulations for Conducting Financial and Business Transactions with Affiliated Enterprises, Concerned Parties, Specific Companies, and Corporate Groups."		
		8. The Company's proposed revision of the "Rules of Procedure for Board of Directors Meetings," "Financial and Non-Financial Information Management," "Rules of Sustainable Development Practice " and "Corporate Governance Best Practice Principles."		
		9. The Company's 2023 proposed independent auditor appointment and independence assessment and preliminary permission for the CPA firm and its affiliates to provide non-assurance services.		
May 3, 2023	16th meeting of the 6th Board	1. The Company's proposal of loans to affiliates.	Concurrence.	Approved as proposed.
		2. The Company's proposal of endorsements and guarantees for affiliates.		
		3. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q2 2023.		
		4. The Company's proposed private placement of common shares.		
		5. Proposed acquisition of the right-of-use assets from the subsidiary Chiu Ho Medical System Co., Ltd.		
August 7, 2023	2nd meeting of 7th Board	1. Proposed remuneration of the Company's 3rd-term Audit Committee.	Concurrence.	Approved as proposed.
		2. Proposed remuneration of the Company's 6th-term Compensation Committee.		
		3. Proposed remuneration of the Company's 2nd-term Sustainability Committee.		
		4. Proposal of the capital increase record date for exercise of employee stock		

		options and 4th domestic secured convertible corporate bonds in Q3 2023.		
		5. The Company's proposal of loans to affiliates.		
		6. The Company's proposal of endorsements and guarantees for affiliates.		
November 6, 2023	3rd meeting of 7th Board	1. The Company's proposal of endorsements and guarantees for affiliates.	Concurrence.	Approved as proposed.
		2. Proposed provision of remuneration to directors and employees for 2023.		
		3. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q4 2023.		

(II) In addition to the aforementioned matters, other Board meeting resolutions with independent directors' dissenting and unqualified opinions in records or written statements: None.

II. Director recusals due to conflicts of interests shall describe name of directors, proposal, reason for recusal, and participation in vote or not:

Date	Name of Director	Agenda	Reason for recusal	Participation in voting
March 22, 2023	Pei-Lin, Lee, Tien-Ying, Lee	Review and adjustment of remuneration of the Company's Chairman and Vice Chairman.	Is a concerned party	Did not participate in voting
August 7, 2023	Geng-Wang, Liaw, Chi, Chih, Ming-Liang, Kao	Proposed remuneration of the Company's 3rd-term Audit Committee.	Is a concerned party	Did not participate in voting
August 7, 2023	Geng-Wang, Liaw, Chi, Chih, Ming-Liang, Kao	Proposed remuneration of the Company's 6th-term Compensation Committee.	Is a concerned party	Did not participate in voting
August 7, 2023	Geng-Wang, Liaw, Chi, Chih, Ming-Liang, Kao	Proposed remuneration of the Company's 2nd-term Sustainability Committee.	Is a concerned party	Did not participate in voting

III. The TWSE/TPEx listed company shall disclose the appraisal cycle and period, scope of appraisal, method and contents of appraisal about the Board of Directors' self (or peer) performance appraisal.

Implementation Status of Board Evaluations:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation Method	Evaluation content
Implemented once a year	January 1, 2023 to December 31, 2023	Board of Directors	Self-evaluation of Board Member	Degree of engagement in the Company's operation, quality of the Board of Directors' decision making, formation and structure of the Board of Directors, election and continuing education of directors, and internal control.
Implemented once a year	January 1, 2023 to December 31, 2023	Individual Board Member	Self-evaluation by Board members	Alignment with the Company's goals and mission, awareness toward directors' responsibilities and duties, degree of engagement in the Company's operation, management of

				internal relations and communication, expertise and continuing education of directors, and internal control.
Implemented once a year	January 1, 2023 to December 31, 2023	Functional committees	Self-evaluation by Board members	Degree of engagement in the Company's operation, awareness toward functional committees' responsibilities and duties, quality of the functional committees' decision making, formation of the functional committees and election of members, and internal control.

IV. The goal of enhancing the Board functions (e.g. setup of Audit Committee, improvement of information transparency) and its implementation of the current year and the most recent year.

(I) Enhancing the functions of the Board of Directors

In terms of the independent director system, the Company has three independent directors, namely Mr. Geng-Wang Liaw, Ms. Chi, Chih, and Mr. Ming-Liang, Kao. The attendance rate of the three independent directors at board meeting held in 2023 reached 100%, and they provided the Board with good advice for agenda items related to implementation of internal controls, business, and finances using their knowledge of the industry, accounting and financial analysis, and other professional capabilities.

The Company has established functional committee: Compensation Committee, Audit Committee, and Sustainability Committee. The Company has also purchased liability insurance for all directors to enhance the effectiveness of corporate governance. In addition, the Company also arranges for Board members to participate in board-related continuing education courses every year, in order to enhance the professional capabilities of the Board of Directors.

(II) Increasing information transparency

In order to implement the spirit of corporate governance and effectively improve information transparency, the Company has strengthened the disclosure of operating and financial information in the annual report, company website, and Market Observation Post System, and established a spokesperson system to ensure that all material information can be disclosed in a timely and appropriate manner for shareholders and stakeholders to reference.

V. Independent directors' attendance of Board meeting in 2023 (personal, entrusted attendance, non-attendance)

Name	15th meeting of 6th Board	16th meeting of 6th Board	1st meeting of 7th Board	2nd meeting of 7th Board	3rd meeting of 7th Board	4th meeting of 7th Board
Kuei-Tuan, Chen	Personal	Personal				
Chang-Jian, Ho	Personal	Personal				
Geng-Wang, Liaw	Personal	Personal	Personal	Personal	Personal	Personal
Chi, Chih			Personal	Personal	Personal	Personal
Ming-Liang, Kao			Personal	Personal	Personal	Personal

(II) Operations of the Audit Committee

A total of 4 (A) Audit Committee meetings were held in the previous period (2023). The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Independent Director	Kuei-Tuan, Chen	2	0	100%	2023.06.12 Term

(Convener)					expired
Independent Director (Convener)	Ming-Liang, Kao	2	0	100%	2023.06.12 Newly elected
Independent Director	Chang-Jian, Ho	2	0	100%	2023.06.12 Term expired
Independent Director	Geng-Wang, Liaw	4	0	100%	
Independent Director	Chi, Chih	2	0	100%	2023.06.12 Newly elected

Other required disclosure:

I. Key work items of the Audit Committee

According to Article 3 of the Company's "Audit Committee Charter," the main purpose is to supervise the following matters:

1. Fair presentation of the Company's financial statements.
2. Selection (dismissal) of accountants and their independence and performance.
3. Effective implementation of the Company's internal control system.
4. The Company's compliance with laws and regulations.
5. Management of the Company's existing or potential risks.

Summary of key tasks in 2023:

1. Assessment of the effectiveness of the internal control system.
2. Review major asset transactions.
3. Review material loans, endorsements, and guarantees.
4. Review the public offering, issuance, or private placement of equity securities.
5. Review annual and quarterly financial statements.

II. With regard to the functioning of the audit committee, when any one of the following situations apply, please state the audit committee's convening date and term, content of resolutions, content of independent directors' objections, qualified opinions, or major recommended items, the results of audit committee resolutions, and the Company's handling of the audit committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act

Audit Committee Date of convening	Term	Agenda	Committee resolution	Handling of the Company's opinions on the committee
March 22, 2023	13th meeting of the 2nd Board	1. The Company's 2022 parent company only financial report and consolidated financial report.	Concurrence.	Approved as proposed.
		2. Proposed lifting of non-compete restrictions on newly appointed directors.		
		3. The Company's proposal of loans to affiliates.		
		4. The Company's proposal of endorsements and guarantees for affiliates.		
		5. The Company's proposed revision of the "Operating Procedures for Internal Control System Self-assessment" and		

		"Operating Regulations for Conducting Financial and Business Transactions with Affiliated Enterprises, Concerned Parties, Specific Companies, and Corporate Groups."		
		6.The Company's 2023 proposed independent auditor appointment and independence assessment and preliminary permission for the CPA firm and its affiliates to provide non-assurance services.		
		7.Follow-up budget proposal for the irradiation service facility of the subsidiary Shin-Ho Instruments Co., Ltd.		
		8.Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q1 2023.		
May 3, 2023	14th meeting of the 2nd Board	1.The Company's proposal of loans to affiliates.	Concurrence.	Approved as proposed.
		2.The Company's proposal of endorsements and guarantees for affiliates.		
		3.Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q2 2023.		
		4.The Company's proposed private placement of common shares.		
		5.Proposed acquisition of the right-of-use assets from the subsidiary Chiu Ho Medical System Co., Ltd.		
August 7, 2023	1st meeting of the 3th Board	1.The Company's proposal of loans to affiliates.	Concurrence.	Approved as proposed.
		2.Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q3 2023.		
		3.The Company's proposal of endorsements and guarantees for affiliates.		
November 6, 2023	2nd meeting of 3th Board	1.The Company's proposal of endorsements and guarantees for affiliates.	Concurrence.	Approved as proposed.
		2.Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q4 2023.		

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: None.

III. If independent directors recused from themselves from an agenda item in which they have a conflict of interest, specify the name of the independent director, agenda item, reason for recusal, and participation in voting: None.

IV. Communication between the Independent Directors and the Company's internal auditor and CPA (shall include important matters, methods, and results of communications regarding finances and the state of business of the Company).

(I) Communication between Independent Directors and the chief internal auditor:

Date	Method	Matter	Results
March 22, 2023	Audit Committee	2022 Q4 internal audit report.	The internal audit report was approved after review and submitted by the chief auditor to the board of directors.
May 3, 2023	Audit Committee	2023 Q1 internal audit report.	The internal audit report was approved after review and submitted by the chief auditor to the board of directors.
August 7, 2023	Audit Committee	2023 Q2 internal audit report.	The internal audit report was approved after review and submitted by the chief auditor to the board of directors.
November 6, 2023	Audit Committee	1. 2023 Q3 internal audit report. 2. 2024 internal audit plan.	1.The internal audit report was approved after review and submitted by the chief auditor to the board of directors. 2.The annual internal audit plan was approved after review and submitted to the board of directors for resolution.

(II) Communication between Independent Directors and CPA:

Date	Method	Matter	Results
March 22, 2023	Audit Committee	1. CPA's briefing and explanation of 2022 audit completion stage to independent directors and communication with governance units. 2. CPA's discussion and communication concerning the questions raised at the meeting by attendees.	Concurrence with the CPA audit conclusions and the 2022 individual and consolidated financial statements, which were then submitted to the Board of Directors for discussion.
May 3, 2023	Audit Committee	1. CPA's briefing to independent directors and explanation of 2023 Q1 consolidated financial reports. 2. CPA's discussion and communication concerning the questions raised at the meeting by attendees.	Concurrence with the CPA's audit conclusions and 2023 Q1 consolidated financial reports, and submission to the Board of Directors.
August 7, 2023	Audit Committee	1. CPA's briefing to independent directors and explanation of 2023 Q2 consolidated financial reports. 2. CPA's discussion and communication concerning the questions raised at the meeting by attendees.	Concurrence with the CPA's audit conclusions and 2023 Q2 consolidated financial reports, and submission to the Board of Directors.
November 6, 2023	Communication meeting	1. CPA's briefing to independent directors and explanation of 2023 Q3 consolidated financial reports. 2. CPA's discussion and communication concerning the questions raised at the meeting by attendees.	Concurrence with the CPA's audit conclusions and 2023 Q3 consolidated financial reports, and submission to the Board of Directors.
December 4, 2023	Written correspondence	The accountants issued a letter on communication with the corporate governance unit to explain the 2023 annual audit planning stage to independent directors.	The three independent directors all agreed with the key audit matters identified by the accountants in the planning stage; The audit conclusions and financial statements are expected to be communicated in March of next year.

(III)Corporate governance implementation status and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company established "Corporate Governance Best Practice Principles," which were approved by the board of directions, and disclosed the principles on the Company's website and Market Observation Post System.	No major discrepancy
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?		✓	The Company holds shareholders' meetings to answer shareholders' questions face-to-face. Outside of meetings, the spokesperson, acting spokesperson, and investor relations unit of the Chairman's Office handle shareholders' questions or suggestions.	No major discrepancy
(II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	✓		The Company has dedicated stock affairs personnel to keep track of the above-mentioned items, and has entrusted the Stock Affairs Department of CTBC Bank to handle stock affairs-related matters. They keep track of major shareholders who actually control the Company and the list of ultimate owners of the major shareholders at any time.	No major discrepancy
(III)Does the Company establish and enforce risk control and firewall systems with its affiliated businesses?	✓		The assets and finance between the Company and its affiliated enterprises are clearly divided and independent. The Company established the "Supervision and Management of Subsidiaries," "Operating Regulations for Conducting Financial and Business Transactions with Affiliated Enterprises, Concerned Parties, Specific Companies, and Corporate Groups," "Procedures for Acquisition and Disposal of Assets," "Procedures for Endorsement and Guarantee," "Procedures for Lending Funds to Others," and "Transfer Pricing Policy of the Group," which are sufficient to implement risk management and provide a firewall between affiliated enterprises.	No major discrepancy
(IV) Has the Company established an internal regulation that prohibits the use of undisclosed information in the market?	✓		The Company established the "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading," which was approved by the Board of Directors and disclosed on the company website, in order to protect the equality of shareholders and maintain the fairness of the stock market.	No major discrepancy

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
III. Composition and Responsibilities of the Board of Directors (I) If the Board of Directors has drafted a diversity policy, what are the specific management objectives and implementation?	✓		The "Corporate Governance Best Practice Principles" drafted by the Company has been passed by a resolution of the Board of Directors, and its content includes a plan for the diversification of Board composition and implementation. The Company's Board consists of 7 members, of which 3 are independent directors. Since the Company's industry chiefly consists of medical-related areas, 4 directors have a background in medicine; in addition, one director has a background in financial accounting, one director has a background in medical information software, and one director has a background in international trade. This composition is consistent with the Company's operating and development needs and the effectiveness of its functional committees. The Company emphasizes gender equality in the composition of Board members. However, due to the difficulty of finding female directors from medical industry fields to join the Board, the Company has made this a goal, and is striving to include female directors meeting the needs of the Company and the required specializations. The Company achieved this goal by adding one female director after the 7th-term Board of Directors was elected in the 2023 Annual Shareholders Meeting. The Company drafted a succession plan for the Board of Directors and key management positions in 2023, and reported this plan to the Board of Directors on November 6, 2023. Please refer to page 49 concerning the state of diversification of the Board of Directors.	No major discrepancy
(II) In addition to the Compensation Committee and Audit Committee set aside according to law, has the Company voluntarily set up other functional committees?	✓		The Company has established a "Sustainability Committee" to strengthen its corporate governance and improve the effectiveness of the Board of Directors. The 2nd-term "Sustainability Committee" was established after the directors election in 2023. The members include Independent Director Ms. Chi, Chih, Independent Director Mr. Ming-Liang, Kao, and Independent Director Mr. Geng-Wang Liaw. Among them, Independent Director Mr. Geng-Wang, Liaw has education and experience in the medical industry and management. He has also	No major discrepancy

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			participated in many community involvement activities organized by the Group and provided professional advice, which is in line with the professional capabilities required by the committee.	
(III) Has the Company established a performance evaluation of the Board of Directors and the evaluation methods? Performance will be evaluated annually and the results will be reported to the Board of Directors. The results will be used to assess the remuneration and nomination of individual directors.	✓		The Company's Board of Directors passed the "Board Performance Evaluation Regulations" on March 24, 2016, and conducts an internal Board performance evaluation every year. The internal Board performance evaluation should be conducted at the end of each year. External assessment by an independent professional organization or external team of experts and scholars must be performed at least once every three years, along with the annual assessment at the end of each year. In January 2023, all directors and all functional committee members conducted self-evaluation of the performance of the 2022 Board of Directors and functional committees. In addition to the self-evaluation questionnaire, reference was made to the attendance of all board members and functional committee members in 2022 (the meeting attendance rate of all Board members rate was 80%-100%, and the meeting attendance rate of functional committee members was 100%). This proved that all board members and functional committee members are actively participating in the operations of the Board of Directors and the functional committees. Therefore, the assessment result is that all board members and functional committee members have demonstrated excellent performance. Regarding the participation of all board members in continuing education during 2022, all directors participated in at least 6 hours of continuing education consisting of director workshops; this enhanced their professional knowledge and skills, and ensured the effective operation of the Board of Directors and functional committees. The implementation of the above assessment was submitted to the Compensation Committee for approval and reported to the Board of Directors on March 22, 2023. In January 2024, all directors and all functional committee members conducted self-evaluation of the performance of the 2023 Board of	No major discrepancy

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			Directors and functional committees. In addition to the self-evaluation questionnaire, reference was made to the attendance of all board members and functional committee members in 2023 (the meeting attendance rate of all Board members rate was 100%, and the meeting attendance rate of functional committee members was 100%). This proved that all board members and functional committee members are actively participating in the operations of the Board of Directors and the functional committees. Therefore, the assessment result is that all board members and functional committee members have demonstrated excellent performance. Regarding the participation of all board members in continuing education during 2023, all directors participated in at least 6 to 12 hours of continuing education consisting of director workshops; this enhanced their professional knowledge and skills, and ensured the effective operation of the Board of Directors and functional committees. The implementation of the above assessment was submitted to the Compensation Committee for approval and reported to the Board of Directors on March 13, 2024.	
(IV) Does the Company regularly implement assessments on the independence of CPA?	✓		The Company conducts a regular annual assessment of the independence of the independent auditor, and this assessment of the independent auditor's independence is conducted by the Board of Directors through a questionnaire containing 11 independence indicators (including the independence of appointment relationships, and of the communication or submission of reports, etc. by the independent auditor, and directors, managers, and concerned parties). This assessment is conducted by the Audit Committee and Board of Directors at the end of each year. The independent auditor must provide an independence declaration and the completed independence assessment questionnaire to the Board of Directors to serve as a basis for review. On March 22, 2023, the Audit Committee and Board of Directors added AQI indicator items provided as a reference by the CPA firm, which included 5 major aspects and 13 audit quality indicators. The	No major discrepancy

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			independent auditor also provided an impartial statement of independence and a completed independence assessment questionnaire to serve as a basis for review and approval of the 2023 independent auditor independence assessment. On March 13, 2024, the Audit Committee and Board of Directors AQI indicator items provided as a reference by the CPA firm, which included 5 major aspects and 13 audit quality indicators. The independent auditor also provided an impartial statement of independence and a completed independence assessment questionnaire to serve as a basis for review and approval of the 2024 independent auditor independence assessment. Please refer to page 50 for the assessment questionnaire items.	
IV. Whether the listed OTC company is equipped with qualified and appropriate number of corporate governance personnel, and designated corporate governance directors, responsible for corporate governance related matters (including but not limited to providing directors and supervisors with the necessary information to perform business, assisting directors and supervisors to comply with laws and regulations, handle the relevant matters of the Board of Directors and shareholders' meetings, produce the Board of Directors and shareholders' meeting minutes, etc.)	✓		The Company's Accounting Department concurrently serves as the corporate governance unit, and Chief Financial Officer Yi-Chun, Chen serves as the corporate governance officer supervisor to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Chief Financial Officer Chen has held a managerial position of finance, stock affairs, and procedure of a public companies for at least three years. The main responsibilities of corporate governance personnel is to provide information for directors to perform their duties, assist directors with regulatory compliance, handle matters related to Board meetings and shareholders' meetings, handle company registration and change of registration, prepare proceedings for Board meetings and shareholders' meetings, and arrange continuing education courses for directors. The state of operations in 2023 was submitted to the Board on March 13, 2024, and included the following: 1. Periodically notifying the Board members of any amendments to the latest laws and regulations relating to the Company's business lines and corporate governance. (1)The Company's monthly meeting on November 6, 2023 raised the awareness of all employees regarding corporate governance laws and regulations: Revision to the Corporate Governance Best-	No major discrepancy

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			Practice Principles for TWSE/TPEx Listed Companies, amendments to Securities and Exchange Act/information reporting/material information-related laws and regulations applicable in 2024, internal material information processing, insider trading prevention management, strengthening corporate information security governance, and the exercise of right of inclusion. Time approximately 40 minutes; participation 61 persons. (2)Following the Board meeting on November 6, 2023, the Company conducted awareness of laws and regulations concerning corporate governance for Board members: Revision to the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, amendments to Securities and Exchange Act/information reporting/material information-related laws and regulations applicable in 2024, internal material information processing, insider trading prevention management, strengthening corporate information security governance, exercise of right of inclusion, and reporting the shareholding of insiders. Time approximately 40 minutes; participation 7 persons. 2.Assisting in arranging the communication meeting between independent directors and chief internal auditor and independent auditors to help the independent directors better understand the Company's business, finance and internal controls. 3.Arranging continuing education programs for independent directors and the other directors. (1)Arranged for a speaker to teach a class on the topic of "Business Administration and New Crisis Management Strategies" at the Company on August 7, 2023. This class was attended by all seven directors. (2)At the end of the year, all directors had completed 6 to 12 hours of continuing education. 4.Reporting on the state of functioning of corporate governance at the Company to the Board of Directors, independent directors, and Audit	

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			Committee, and confirming whether the holding of the Company's shareholder's meeting and directors' meeting comply with relevant laws and corporate governance rules and regulations. 5. Responsible for checking the issuance of material information concerning major resolutions of the Board following Board meetings, and ensuring the legal compliance and correctness of the content of such material information, so as to ensure that investors have equal access to trading information. 6. Notification of directors 7 days in advance of Board meetings, holding of meetings, and provision of meeting information; advance reminder if any issues require any directors to recuse themselves, and completion of compilation of meeting minutes within 20 days after each meeting. 7. Execution of annual director performance assessment based on the "Board Performance Evaluation Regulations" to ensure effective corporate governance. External assessment by an independent professional organization or external team of experts and scholars must be performed at least once every three years, along with the annual assessment at the end of each year. (1) The 2022 internal performance evaluation of the Board of Directors and functional committees conducted in January 2023 was reported to and passed by the Compensation Committee on March 22, 2023, and was then submitted to the Board of Directors. (2)The 2023 internal performance evaluation of the Board of Directors and functional committees conducted in January 2024 will be reported to the Compensation Committee in March 2024 and then submitted to the Board of Directors. 8. Handling registration of the shareholders meeting date in advance in accordance with law, and production of notices, meeting handbooks, and minutes within the statutory period, and registration of changes when amending the Articles of Incorporation or holding the election of directors. 9. Maintaining good investor relations: Planning to arrange two	

<table>
<tr><th rowspan="2">Evaluation Project</th><th colspan="3">Current Operation</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>institutional investors' meetings each year to communicate and exchange ideas with institutional investors and general shareholders, so that investors can obtain sufficient information to evaluate the Company's reasonable value in the capital market for the protection of shareholders' equity. The Company convened two institutional investors' meetings in 2023.
10.The Company has purchased liability insurance for directors and managers, which will reduce business losses and risk of major damage to the Company and shareholders.
11.Whether the qualifications of independent directors comply with regulations is examined during directors elections.
12.Chief financial officer and corporate governance manager Yi-Chun, Chen, attended the following continuing education programs in 2023:
<table>
<tr><th>Date</th><th>Course name</th><th>Hours</th></tr>
<tr><td>2023.05.24</td><td>"SAP NOW Taiwan Sustainability Practices for the Future"</td><td>3</td></tr>
<tr><td>2023.07.04</td><td>"2023 Cathay Sustainable Finance and Climate Change Summit"</td><td>6</td></tr>
<tr><td>2023.08.07</td><td>Business administration and strategies for public relations crisis management</td><td>3</td></tr>
</table></td><td></td></tr>
<tr><td>V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?</td><td>✓</td><td></td><td>The Company recognizes that good relationship with the stakeholders is an important basis for corporate growth, and the "Sustainability Committee" defines stakeholders based on the GRI Glossary and discusses and identifies five types of stakeholders including customers, suppliers, investors, employees and general public based on its understanding of the various types of parties contacted within the scope of each department's business. The Company has set up the Stakeholders section on its official website to list the corresponding contact person for different stakeholders, in hopes of accurately holding on to stakeholders' expectations for the Company and properly</td><td>No major discrepancy</td></tr>
</table>

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			responding to their concerns. In addition, the Company's Sustainability Committee periodically reports the status of communication with various stakeholders to the Board of Directors, and hopes that this will achieve even greater respect and protection for stakeholders' rights and interests.	
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed a professional shareholder service agency - CTBC Bank Transfer Agency Dept. to deal with shareholder affairs.	No major discrepancy
VII. Information Disclosure				
(I) Does the Company establish a website to disclose financial and corporate governance information?	✓		The Company's financial and corporate governance information is published on the MOPS as required by the competent authorities, and disclosed on the corporate website as well.	No major discrepancy
(II) Does the Company have other information disclosure channels (e.g. establishing an English website, appointing designated people to handle information collection and disclosure, implementing a spokesperson mechanism, webcasting investor conferences)?	✓		The Company designates dedicated staff to maintain, collect and disclose the corporate information. The Company's financial and business information is announced through a single channel by the corporate spokesperson, acting spokesperson or investor relations to ensure the implementation of spokesperson mechanism. Information such as presentation and video of institutional investors' meetings convened from time to time is also published as required by the competent authorities and published in the Investors section of the Company's official website in traditional Chinese and English for the reference by the public.	No major discrepancy
(III) Has the Company published and reported the annual financial reports within 2 months after the end of the accounting year and published and reported the first, second, and third quarter financial reports and monthly operating statuses within the regulated period?	✓		The Company announces annual financial reports and declares the financial reports for the first, second, and third quarters as well as the operating situation for each month in accordance with the provisions of the "Securities Exchange Act," and announced and reported such information ahead of time when reporting each quarterly financial report in 2023.	No major discrepancy

Evaluation Project	Current Operation			Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
VIII. Information on the implementation of corporate governance (including but not limited to the rights and interests of the employees, the implementation of employee care, investor relations, the implementation of the relevant relationship, the implementation of the Company's policies, the implementation of the Company's policies, and the status of purchasing liability insurance for Directors and Supervisors, etc.)?	✓		1.Employees' rights and concern for employees: The Company has established an Employee Welfare Committee to promote various welfare measures and activities, has instituted a retirement pension system, encourages employees to participate in various types of education and training, provides Labor Insurance, National Health Insurance, and Group Insurance, and respects the rights of its employees. 2.Investor relations: To uphold the rights of investors and fulfill its responsibilities to its shareholders, the Company discloses financial and sales information in accordance with laws and regulations. 3.Supplier relations: The Company and its suppliers enjoy open communication channels and excellent interaction. 4.Stakeholders' rights: Stakeholders may communicate and make recommendations to the Company to safeguard their lawful rights. 5. Continuing education for directors (2023): Please refer to page 52. 6.Implementation of risk management policies and risk assessment standards: In order to reduce and avoid any possible risks, the Company focuses on its core business, promotes various policies in accordance with relevant laws, and has established relevant standards to regulate implementation. 7.Implementation of customer policies: To ensure the quality of customer service, the Company actively responds to all customer complaint incidents, and adequately determines the source of any problems and where responsibility should be assigned. 8. Purchase of liability insurance for directors: The Company has purchased liability insurance for directors, which will reduce risk of major damage to the Company and shareholders through business errors and negligence.	No major discrepancy
IX. Please provide explanation and measures for improvement in the Company's corporate governance evaluation results published in the most recent year, as well as the improvement measures, and measures for the improvement of the corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation. Based on the results of the 9th Corporate Governance Assessment released in April, 2023, the improvements that have been done and yet to be done are shown on Page 50.				

Board of Directors diversity policy

Diversification item / Name of Director	Basic composition		Professional knowledge and skills			Complies with abilities that must be possessed by the Board of Directors as a whole (Note 1)
	Gender Age	Nationality	Professional background	Professional skills	Industrial experience	
Chairman: Pei-Lin, Lee	Male 71~80 years	ROC	Biotechnology and medicine	Experience as leader of TWSE/TPEx listed company	Radiology Dept., National Taiwan University Hospital, Chairman of the Company and its subsidiaries and second-tier subsidiaries	1 2 3 4 5 6 7 8
Vice Chairman: Tien-Ying, Lee	Male 41~50 years	ROC	Biotechnology and medicine	Passed national physician's examination	Chief Resident, Department of Infectious Disease, Mackay Memorial Hospital; Superintendent, YeeZen General Hospital	1 2 3 4 5 6 7 8
Director: Chun-Shung, Huang	Male 81~90 years	ROC	Biotechnology and medicine	Passed national physician's examination	Superintendent, Mackay Memorial Hospital; Chief Consultant and Orthopedic Physician, YeeZen General Hospital	1 2 3 4 5 6 7 8
Director: Yung-Shun, Chuang	Male 71~80 years	ROC	Information technology	Experience as leader of TWSE/TPEx listed company	EMBA, National Taiwan University; Chairman, AAEON Technology Inc.	1 2 3 4 5 6 7 8
Independent Director: Geng-Wang, Liaw	Male 41~50 years	ROC	Biotechnology and medicine	Passed national physician's examination	Vice Superintendent, YeeZen General Hospital	1 2 3 4 5 6 7 8
Independent Director: Chi, Chih	Female 61~70 years	ROC	International Trade	40 years of experience in import and export trade	Chairman and President of U-Super Technology Co., Ltd., Director/Assistant Vice President/Chief Operating Office of Taiwan Region, Ascend Technology Co., Ltd.	1 2 3 4 6 7 8
Independent Director: Ming-Liang, Kao	Male 71~80 years	ROC	Accounting	Has a CPA license	CPA, Datong Accounting Firm	1 2 4 6 7 8

Note 1: The following abilities must be possessed by the Board of Directors as a whole:

I. Ability to make sound business judgments.
II. Ability to perform accounting and financial analysis.
III. Ability to manage a business.
IV. Ability to perform crisis management.
V. Knowledge of the industry.
VI. Has an international market perspective.
VII. Has leadership ability.
VIII. Has decision-making ability.

Explanation of Corporate Governance Evaluation results released in the most recent year

According to the results of the 9th (2022) corporate governance evaluation released by the TWSE CGC in April 2023, the Company scored in the top 6% to 20% of all listed companies. In the category of companies with a market value of from NT$5.0 billion to NT$10 billion, the Company was ranked in the top 6%-10% of TWSE/TPEx listed companies. The following table contains priority items requiring improvement and strengthening measures for indicators that have been improved and not yet been improved in the 9th (2022) corporate governance evaluation:

(I) Situation has been improved	
Indicators	**Improvements**
Did a majority of directors at the Company (including at least one independent director) and the conveyor of the Audit Committee (or at least one supervisor) personally attend the shareholders meeting, and was a list of such persons disclosed in the minutes?	A majority of directors attended the Company's 2022 shareholders meeting, including the conveyor of the Audit Committee, and this is disclosed in the minutes.
Does the Company' s annual report disclose the connection between directors' and managers' performance evaluation and remuneration?	This has already been disclosed in the Company' s 2021 annual report.
Does the Company's website or annual report disclose the ethical management policy passed by the Board of Directors, explicitly state specific methods and plans for preventing unethical conduct, and explain the state of performance?	This has already been disclosed in the Company' s 2021 annual report and on its corporate website.
(II)Priority items requiring improvement and improvement measures	
Indicators	**Measures to take**
Did the average shareholding pledge ratio of directors, supervisors, and major shareholders in the year of evaluation not exceed 50%?	The average shareholding pledge ratio of the Company's directors and major shareholders did not exceed 50% in 2023.
Is the company's chairperson and president or equivalent position (highest level managerial officer) held by the same person, spouses, or first-degree relatives?	The Company appointed a new president in 2023, so the chairman and president are no longer the same person, nor are they are spouses or relatives within the first degree of kinship.
Does the Company's Board of Directors have at last one female director?	The Company has one female director after the directors election in 2023.

According to the results of the 10th (2023) corporate governance evaluation released by the TWSE CGC in April 2024, the Company scored in the top 6% to 20% of all listed companies. In the category of companies with a market value of TWSE- or TPEx-listed companies in the non-finance and non-electronics industry with a market value of TWD10 billion or more by the end of 2023, the Company was ranked in the 11% to 20%.

CPA independence evaluation questionnaire

Professionalism & Independence	Yes	No	Explanation
1. Does the CPA take an absolutely independent stand when carrying out the internal control check and financial statements certification for the Company?	✓		
2. Is the CPA equipped with adequate and appropriate professional capability and experience to effectively carry out the above jobs?	✓		
3. Does the CPA comply with the Norm of Professional Ethics for CPA and have no direct or indirect interest in the Company which may affect its independence?	✓		
4. Does the CPA timely communicate with the Company's directors, supervisors, managers and related parties?	✓		
5. Does the CPA do due diligence to provide the Company with full and correct services and/or suggestions?	✓		
6. Is the CPA not a director or independent director of the Company or its affiliates?	✓		
7. Is the CPA not a shareholder of the Company or its affiliates?	✓		
8. Is the CPA not on the payroll list of the Company or its affiliates?	✓		
9. Is the CPA doing the auditing service for the Company not for the seventh consecutive year?	✓		
10. Does the CPA confirm that his PWC accounting firm is compliant to the norm of independence?	✓		
11. Is the joint-practice CPA at PWC not taking any of the Company's job positions as a director, manager or others that may significantly affect the audit operations, within a year after resigning from auditing the Company?	✓		

Continuing education for directors in 2023

Position	Name	Date of continuing education	Course name	Hours of continuing education
Director	Pei-Lin, Lee	2023.06.02	"2023 Insider Trading Prevention Awareness Meeting (online awareness meeting)"	3
Director	Tien-Ying, Lee	2023.06.02	"2023 Insider Trading Prevention Awareness Meeting (online awareness meeting)"	3
Director	Yung-Shun, Chuang	2023.03.27	Company Directors and Supervisors Workshop - "Corporate Resilience and Taiwan's Competitiveness"	3
Director	Yung-Shun, Chuang	2023.04.13	Corporate governance lecture hall	3
Director	Chun-Shung, Huang	2023.07.04	"2023 Cathay Sustainable Finance and Climate Change Summit"	3
Director	Pei-Lin, Lee	2023.08.07	Business administration and strategies for public relations crisis management	3
Director	Tien-Ying, Lee	2023.08.07	Business administration and strategies for public relations crisis management	3
Director	Yung-Shun, Chuang	2023.08.07	Business administration and strategies for public relations crisis management	3
Director	Chun-Shung, Huang	2023.08.07	Business administration and strategies for public relations crisis management	3
Independent director	Geng-Wang, Liaw	2023.08.07	Business administration and strategies for public relations crisis management	3
Independent director	Chi, Chih	2023.08.07	Business administration and strategies for public relations crisis management	3
Independent director	Ming-Liang, Kao	2023.08.07	Business administration and strategies for public relations crisis management	3
Independent director	Chi, Chih	2023.08.21	Corporate governance forum	3
Independent director	Ming-Liang, Kao	2023.03.21	Accountant anti-money laundering supervision	3
Independent director	Ming-Liang, Kao	2023.07.20	EAS 15	3
Independent director	Chi, Chih	2023.09.04	"The 14th Taipei Corporate Governance Forum"	3
Independent director	Chi, Chih	2023.10.13	"2023 2H Insider Trading Prevention Awareness Meeting" (live stream)	3
Independent director	Geng-Wang, Liaw	2023.10.13	"2023 2H Insider Trading Prevention Awareness Meeting" (live stream)	3

(IV)The composition and state of functioning of the salary compensation committee or nomination committee, if established, should be disclosed

The Company has not established a nomination committee; the composition and state of functioning of the salary compensation committee are disclosed as follows:

1. Profiles of the Members of the Compensation Committee

Identity (Note 1)	Criteria / Name	Professional qualifications and experience	State of independence	Number of Other Public Companies where the Individual Concurrently Serves as a Member of the Compensation Committee
Independent director (Convener)	Geng-Wang, Liaw	Please refer to 20~21 2. State of professional knowledge of directors and supervisors, Board diversity policy and independence (1)Disclosure of professional qualifications of directors and supervisors and independence information concerning independent directors	Please refer to 20~21 2. State of professional knowledge of directors and supervisors, Board diversity policy and independence (1)Disclosure of professional qualifications of directors and supervisors and independence information concerning independent directors	0
Independent director	Chi, Chih			0
Independent director	Ming-Liang, Kao			1

2. Operations of the Compensation Committee

(1) The Company's Compensation Committee comprises 3 members.

(2) Term of current members: From August 7, 2023 - June 11, 2026, a total of 3 (A) meetings of the most recent years' Compensation Committee were held in the most recent year (2023). The attendance was as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (in person) (%) (B/A)	Remarks
Convener	Geng-Wang, Liaw	3	0	100%	-
Member	Chang-Jian, Ho	1	0	100%	2023.06.12 Term expired
Member	Kuei-Tuan, Chen	1	0	100%	2023.06.12 Term expired
Member	Chi, Chih	2	0	100%	2023.08.07 Newly elected
Member	Ming-Liang, Kao	2	0	100%	2023.08.07 Newly elected

Other required disclosure:

I. In the event the Board of Directors does not adopt or wishes to amend the proposals of the Compensation Committee, please state the date and number of the Board meeting, the content of the proposals, resolution from the Board of Directors, and the method the opinion from the Compensation Committee was handled (e.g., if the salaries and compensations approved by the Board was higher than the suggested levels from the Compensation Committee, please state the differences and reasons)
N/A, please see the table below.

II. If a member has a dissenting or qualified opinion, if a member has a dissenting or qualified opinion, that a member has a record or reservation that is recorded or stated in a written statement, the date and session of the Compensation Committee, the content of the proposal, all members' opinions, and the handling of the opinions of the member of the Compensation Committee shall be stated
N/A, please see the table below.

Date of Compensation Committee meeting	Term	Discussion items	Resolution	The Company's handling of the opinions of Compensation Committee members
March 22, 2023	6th meeting of the 5th Board	1. Report on the 2022 distribution of remuneration to employees and Directors. 2. Review of the Company's manager performance evaluation and remuneration standards. 3. Review of the Company' s existing regulations governing distribution of remuneration to employees. 4. Report on the Board of Directors' performance evaluation results. 5. The Company's 2022 directors' remuneration report 6. Review on distribution of year-end bonuses to managers in 2022. 7. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman.	Unanimous concurrence by the Committee.	Passed unanimously after submission to the Board of Directors.
November 6, 2023	1st meeting of the 6th Board	1. Proposal to elect the convener and meeting chairperson. 2. Proposed provision of remuneration to directors and employees for 2023. 3. Report on the implementation status of the plan for succession in 2023. 4. Annual work plan of Compensation Committee for 2024.	Unanimous concurrence by the Committee.	Passed unanimously after submission to the Board of Directors.
December 4, 2023	2nd meeting of 6th Board	1. Proposed appointment of the Company's General Manager.	Unanimous concurrence by the Committee.	Passed unanimously after submission to the Board of Directors.

(V) State of implementation of promotion of sustainable development and discrepancies from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons for discrepancies

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance framework and dedicated (concurrent) responsible unit for the promotion of sustainable development? Has the Board of Directors authorized senior management to handle this issue? What is the state of oversight by the Board of Directors?	✓		The Company has established a "Sustainability Committee" (please refer to page 80 for the organizational structure) to improve the management and implementation of corporate sustainability. The committee is a functional committee of the Board of Directors and has established the " Sustainability Committee Charter." The Sustainability Committee is formed by the Company's three independent directors and contains five working groups responsible for corporate governance, customer service, employee welfare, environmental sustainability, and social participation to integrate resources from various departments and incorporate ESG as a link in the Company's sustainability management strategy. The Sustainability Committee convenes at least once each year, and has chief duties including the drafting of annual ESG plans reflecting the Company's business strategies and tracking of implementation results, review of corporate sustainability policies, systems, and management strategies, assignment of working groups to prepare and issue annual sustainability reports, and regular reporting to the Board of Directors concerning the implementation status in Q1 and status of communication with CHC’s various stakeholders in Q3 of each year. The Company's Board of Directors regularly listens to reports from the Sustainability Committee and management team, and bears responsibility for approval of annual ESG plans and review of past implementation results. In addition, the Board of Directors also monitors engagement between the Company and stakeholders, routinely checks whether the content of the Company's "Sustainable Development Best Practice Principles" has kept up with the times, and when necessary urges relevant units to make revisions. The Board of Directors thus placed a leadership and supervisory role concerning corporate sustainable development.	No major discrepancy
II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to the Company's	✓		The Company has established a risk management committee, and drafted "Policies and Procedures for Risk Management", which have been approved by the Board of Directors. The Board of Directors	No major discrepancy

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>operations and formulate corresponding risk management policies or strategies based on the materiality principle? (Note 1)</td><td></td><td></td><td>serves as the highest decision-making unit with regard to risk management mechanisms, and the position of risk management head has been established to consolidate risk management duties. Under the risk management head, legal compliance, customer service, and environment community units perform risk control-related matters. The Risk Management Committee regularly reports its state of operations to the Audit Committee and Board of Directors on an annual basis, which confirms the effective management of risk-related issues. Under the Board of Directors, the Audit Office has also incorporated the risk management system and regulations within internal audit operating procedures, which ensures the effective continuing implementation of this system.
The Company's identification of material topics is based on assessment of the two aspects: "the significance of the impacts" and "the degree of concern of stakeholders. "Proposals are finalized after discussion by the Sustainability Committee and its working groups, and the Risk Management Committee performs risk assessment of all environmental, social, and corporate governance issues connected with corporate operations in accordance with the principle of materiality and in reference to the material topics for the year identified by the Sustainability Committee. This risk assessment, which takes the Company and all subsidiaries as the boundary of assessment, serves as a reference for risk management and operating strategies.
Risk management procedures determined by the Company include risk identification, risk assessment, risk monitoring, risk reporting, and risk response. After risk assessment, explanation of management policies and strategies are as follows:
<table>
<tr><th>Material issues</th><th>Risk assessment items</th><th>Explanation</th></tr>
<tr><td>Environment</td><td>Climate change relevant risks</td><td>An assessment has been performed of the current and potential future risks and opportunities of climate change</td></tr>
</table></td><td></td></tr>
</table>

Promotion item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary			
					to the Company and subsidiaries, and the risk of transformation to a low-carbon economy and physical risk connected with the impact of climate change have been identified. Response measures and the corresponding strategies have been proposed, and include the drafting of an energy conservation/carbon emissions reduction working plan and implementation regulations, and an energy conservation/waste reduction management policy, etc., and these measures are being implemented. The corporate headquarters building is being built as a green building, and landscaping is being improved to provide a temperature regulating effect. The Company has increased green purchasing, and requires domestic suppliers to sign environmental protection statements. The Company has developed low-carbon products and services, and established a paperless operating system to promote the concept of sustainability at the customer end. Although the Company is not a manufacturer, it is actively	

Promotion item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary			
					striving to implement environmental protection and hopes to reduce the risks brought by climate change.	
			Society	Product safety	The foreign suppliers cooperating with the Company and its subsidiaries are all well-known large international medical instrument and equipment manufacturers. Apart from upholding brand and manufacturer laws, regulations, and requirements of their place of business, foreign suppliers' products must have received ISO 13485 medical equipment quality management system certification. To ensure that there is no prohibition of sale or product disputes, inspection registration is performed in accordance with Ministry of Health and Welfare laws and regulations when medical equipment is sold on the domestic market. To safeguard the safety and physical health of personnel, customer education and training services are provided after product delivery. Products are also equipped with relevant adjustment and safety interlocking and emergency stop devices. The Company relies on	

Promotion item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary			
					safeguards at different levels to ensure product safety.	
				Occupational safety and health	Apart from maintaining the health and safety of the employees of the Company and its subsidiaries in accordance with relevant laws and regulations governing health and safety, the Company has also drafted an occupational health and safety management handbook based on the ISO 45001 occupational health and safety management system standards. This handbook has been formally implemented for the purpose of achieving zero occupational accidents, strengthening autonomous management, continuing improvement of occupational health and safety performance, reducing occupational accidents, and protecting employees' safety and health. In addition, the Company also regularly holds occupational health and safety education and training in order to strengthen awareness and realize concern for employees. The Company ensures that its personnel are aware of and attach importance to workplace health and safety issues, with the	

Promotion item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary			
					goal of instituting effective occupational health and safety management.	
			Corporate Governance	Legal and regulatory compliance	The Company complies with the laws and regulations governing listed companies established by the government and competent authority. The high-end medical instruments and equipment distributed by the Company comply with relevant laws and regulations governing product import/export and laws and regulations of the Ministry of Health and Welfare. Foreign and domestic subsidiaries must also faithfully comply with the laws and regulations of their place of operation. The Company conducts legal compliance awareness sessions for personnel in various departments when needed, conducts education and training sessions, and provides information concerning external continuing education so as to enable employees to gain the newest legal and regulatory information. The Company also establishes an internal system of rules and regulations, and requires personnel to strictly comply with legal requirements. Relevant strategies have	

Promotion item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary			
					uniformly enabled the goal of compliance with relevant laws and regulations to be attained, which has effectively reduced operating risk.	
				Stakeholder engagement	After gaining an understanding of the various types of parties contacted within the course of different departments' operations, the Sustainability Committee has performed discussion and identified five types of stakeholders of the Company and its subsidiaries including customers, suppliers, investors, employees, and general public. In order to maintain positive interaction with stakeholders, the Company has set up the Stakeholders section on its official website to list the corresponding contact person for different stakeholders and has also voluntarily compiled and published sustainability reports for several consecutive years, while also establishing a wider range of channels for interaction with stakeholders. In addition, the Company's Sustainability Committee reports the status of communication with various stakeholders to the Board of	

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Directors, and hopes that this will achieve even greater respect and protection for stakeholders' rights and interests.	
III. Environmental issues				
(I) Has the Company established a suitable environmental management system based on the characteristics of its industry?	✓		The Company is located in Taipei City, where the waste disposal is handled in accordance with Regulations Governing Disposal and Recycling of General Waste. In addition, the Company established a plant in the Tongluo Science Park of Hsinchu Science Park for the irradiation business at the end of March 2023, and the plant's operations comply with international environmental protection conventions and environmental protection regulations of the region. The Company has not violated any environmental protection regulations. In promoting environmental safety and health, promulgation of relevant regulations and concepts are given from time to time to enhance employees' awareness and reduce workplace risks.	No major discrepancy
(II) Does the Company endeavor to increase energy efficiency and use recycled materials with low environmental load?	✓		In order to increase the effectiveness of resource use, the Company has drafted an energy conservation/ carbon emissions reduction working plan for office areas, has implemented trash classification, and has established recycling stations; recycled materials with low environmental load chiefly consist of office paper and toilet tissue. The Company continues to procure the recyclable paper bearing the FSC international Green Mark or Ministry of the Interior's Green Mark. Furthermore, in order to reduce paper consumption, the Company communicates to all workers that the paper may be used for double-sided and reverse page copying and printing.	No major discrepancy
(III) Has the Company evaluated the potential risks and opportunities posed by climate change to the present and the future of the Company and has measures been implemented in response to climate issues?	✓		A detailed explanation of the Company's analysis of climate change risks and opportunities has been disclosed in the environmental sustainability chapter of the Company's sustainability report.	No major discrepancy
(IV) Has the Company calculated its greenhouse gas emissions, water	✓		The Company's electricity consumption is from externally purchased electricity (Scope 2), the remaining emissions are Scope 1 fixed	No major discrepancy

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>consumption, and total waste over the past two years and formulated GHG emissions and water consumption reduction measures or waste management measures?</td><td></td><td></td><td>emission sources (diesel emergency generators), mobile emission sources ((business gasoline vehicles), and fugitive emission sources (refrigerant, septic tanks, fire extinguishers); Scope 2 emissions accounted for 99% and above of all Scope 1+2 emissions in the past 2 years. Hence, only Scope 2 emissions are used to measure the Company's GHG reduction results in the current stage. Since the Company has no production processes, there are no process emission sources.
Greenhouse gas emissions during the most recent two years (Scope 2) Units: Tons
Year | Greenhouse gas emissions (CO2)
2023 | 583.75
2022 | 318.44

The Company's water conservation plan calls for the full-scale implementation of housekeeping water conservation, and seeks to derive the greatest possible benefit from water resources. The Company used 9,427 units of water in 2023, which was obtained from tap water and rainwater recovery ponds; the Company will continue to draft water recycling plants and devise an evolutionary approach to boost overall water use efficiency.
Water consumption during the most recent two years Units: kWh
Year | Water usage
2023 | 9,427
2022 | 3,798
The Company is not a manufacturer, and its working environment consists of ordinary offices; waste chiefly consists of waste produced by personnel during their every day work, and is handled in accordance with local government regulations.
Total weight of waste produced during the most recent two years Units: Kg
Year | Total weight of waste
2023 | 6,169</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>2022 | 6,364
For detailed description, please refer to the environment sustainability chapter of the sustainability report.</td><td></td></tr>
<tr><td>IV. Social issues
(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>✓</td><td></td><td>In order to fulfill CSR and protect the basic human rights of all colleagues, clients and stakeholders, we strictly comply with the principles disclosed in the International Bill of Human Rights and respect internationally recognized basic human rights of labors, such as prohibiting child labor, eliminating employment and occupational discrimination. We establish relevant administration policies and procedures, and abide by the labor-related laws and regulations of the local competent authorities to protect the legitimate rights and interests of employees.
The company's human rights policy has been disclosed on the company's website as follows:
The company respects and supports internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work, and complies with local laws and regulations and endeavors to reduce human rights risks or alleviate the impact of human rights incidents through remedial measures.
Principles of administration:
1. Prohibition of any forms of discrimination.
2. Prohibition of forced labor and child labor.
3. Providing fair and reasonable salaries and working conditions.
4. Establishing a safe, hygienic, and healthy working environment.
5. Regularly reviewing and evaluating relevant systems.
Human rights issues of concern and specific actions:
<table><tr><th>Item</th><th>Specific actions</th></tr><tr><td>Prohibiting any and all forms of discrimination</td><td>The Company complies with local government labor laws and regulations, international standards, and the Company's</td></tr></table></td><td>No major discrepancy</td></tr>
</table>

Promotion item	Implementation status				Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary		
				Human Rights Policy; implements relevant internal rules and regulations, and performs internal audit procedures. Chapter 2 "Employment and Dismissal" of the Working Rules specifies the principle of no discrimination: The Company's hiring and dismissal of employees shall not be predicated on an employee's race, class, language, ideology, religion, party affiliation, native place, gender, marital status, appearance, facial features, mental/physical disability, place of birth, sexual orientation, age, or past union membership.	
			Prohibition of forced labor	The Company complies with local government labor laws and regulations, international standards, and the Company's Human Rights Policy. The company confirms that candidates' provision of service and employment terms are entirely voluntary before hiring any persons, and has no forced or compulsory labor.	
			Prohibition of child labor	In accordance with the management principles in the Company's Human Rights Policy, the Company only accepts job-seekers over the age of 18 when conducting employment interviews, and conducts investigations to confirm newly-hired employees; these two levels of checking ensure that no underage persons are hired.	
			Establishing a safe, hygienic, and healthy working environment	To ensure a safe working environment, the Company arranges regular annual fire safety inspections, and maintains the safety and good condition of all facilities. In addition, the company has voluntarily provided safe and private nursing rooms ensuring that	

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			female employees who have given birth can return to the workplace while also caring for their families. • In accordance with Article 15 of the Labor Health Protection Act issued by the Ministry of Labor and ISO 45001 Health Examination Management Procedures, the Company arranges health examinations for employees every two years, which allows tracking of employees' state of health. The Company has established the "Workplace Sexual Harassment Prevention, Complaint, and Punishment Measures" to prevent sexual harassment and protect the rights and interests of victims. These Measures provide employees with channels for accepting sexual harassment complaints, and the Company has designated specific persons to bear responsibility for assisting victims and responding to incidents.	
(II) Has the Company implemented reasonable employee benefits (including compensation, holidays, and other benefits) and is employee performance reflected appropriately in compensation?	✓		The CHC Healthcare Group is committed to creating a worry-free work environment for employees, strives to improve various systems, and provides good and comprehensive welfare measures, so that every employee and their families can enjoy a comfortable and pleasant life, and appreciate the care and consideration of the Company. 1. Salary system: The Company attracts outstanding talent and motivates employees based on a fair and competitive market-based compensation system. The payroll structure is determined by linking the overall goals of the Group and the department with individual work results on the basis of the performance evaluation	No major discrepancy

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="2">Implementation status</th><th rowspan="2">Summary</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td></td><td></td><td></td><td>regulations drafted by the Group; thanks to its open and transparent promotion mechanism, the Company promotes outstanding human resources, and provides greater responsibilities and corresponding better compensation and bonuses to drive the development of the organization. The Company further provides equal rewards for the same work and equal promotion opportunities to men and women, and seeks to promote sustainable and inclusive economic growth.
<table><tr><td>Item</td><td>2022</td><td>2023</td></tr><tr><td>Percentage of supervisory positions filled by women</td><td>6.3%</td><td>5.8%</td></tr><tr><td>Percentage of female employees</td><td>42.9%</td><td>45.3%</td></tr></table>In general, employees receive monthly salaries for 12 months annually, plus performance bonuses or year-end bonuses based on incentive programs. The performance / year-end bonuses issued to individual employees in 2023 were equivalent to 2.2 months of salary. In addition, compensations and stock dividends are also available, aimed for profits sharing as a feedback to the employee contributions to the Company.
(1)Year-end bonuses: According to the Employee Performance Evaluation Guidelines, the Group releases yearly bonuses based on the overall profitability at the end of the year.
(2)Distribution of employee compensation during year: Handled in accordance with Paragraph 1, Article 24-1 of the Articles of Incorporation: If there is an outstanding balance after subtracting cumulative losses from the Company's profits for the year (pre-tax profit before subtracting remuneration to employees and directors), at least 0.05% shall be appropriated as employee remuneration; distribution standards shall comply with the Group's "Employee Remuneration Distribution Guidelines," and this remuneration shall be distributed at the end of June each year.
(3)Allotment of shares to employees: Depending on the overall operational needs of the Group, shareholding, seasoned equity offering, and stock options may be given according to relevant</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>guidelines, formulated for employees to follow.
(4)Salary adjustment:
<table><tr><th>2022 average compensation adjustment</th><th>2023 average compensation adjustment</th><th>2024 average compensation adjustment</th></tr><tr><td>2.6%</td><td>2.0%</td><td>1.0%</td></tr></table>2. A comprehensive, considerate benefit system:
(1)Insurance plan: In accordance with the relevant law, the Group provides labor insurance and health insurance to each employee, so that they can be fully protected. In addition, the Group also plans a group insurance for employees starting from the date they report to duty, including life insurance, accident insurance, medical insurance and cancer insurance. If the employee is on a sabbatical leave due to a military service, major injury, or childbirth, he or she may continue to participate in the Group's group insurance, so that the protection can be continued.
(2)Three festivals gift money: The Group distributed gifts to the three major Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival, wishing colleagues a happy holiday.
(3)Retirement system: According to the "Labor Standards Act," a sound pension system and retirement-related measures are enacted. According to the "Labor Pensions Act," an amount equivalent to 6% of the monthly salary is paid to the personal account with the Bureau of Labor Insurance, Ministry of Labor, and together with the Group's sound financial structure to provide solid pensions appropriation and payment.
(4)Health management: In addition to the fully subsidized health checkup for the new recruits, the Group regularly applies to the Bureau of Labor Insurance for occupational hazard inspections every year, covering general health checkups, special health checkups, etc., and handles annual health checkups for all employees once in every two years.
(5)Staff dormitory: Considering the needs of short-term travel of employees and the safety and convenience of long-distance commuting employees, the Group has staff dormitory available</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>to provide a comfortable living environment for employees who are traveling or in training.
(6)Employee Welfare Committee: The "CHC Healthcare Group Employee Welfare Committee" is established in accordance with the law to actively promote various employee welfare measures. Expenditures related to various employee benefits in 2022 and 2023 are as follows:
Units: NT$
<table>
<tr><th>Year</th><th>Funeral subsidies</th><th>Medical subsidies</th><th>Marriage subsidies</th><th>Travel subsidies</th></tr>
<tr><td>2023</td><td>28,000</td><td>8,400</td><td>36,000</td><td>2,732,560</td></tr>
<tr><td>2022</td><td>28,000</td><td>2,400</td><td>12,000</td><td>0</td></tr>
<tr><th>Year</th><th>Birthday gifts</th><th>Maternity benefits</th><th>Advanced study subsidies</th><th>Three festivals gift money</th></tr>
<tr><td>2023</td><td>86,000</td><td>24,000</td><td>25,890</td><td>255,000</td></tr>
<tr><td>2022</td><td>83,500</td><td>40,000</td><td>26,264</td><td>573,500</td></tr>
</table>
3. Retirement system and state of implementation
(1)With regard to work seniority before and after being subject to the Labor Standards Act, pensions shall be calculated according to the pension standards specified in Article 84-2 and Article 55 of the Labor Standards Act.
(2)When choosing to be subject to the pension plan as stipulated in the Labor Standards Act in accordance with the Labor Pension Act or reserving work seniority accumulated before applicability of the Labor Pension Act, pensions shall be paid according to the provisions of the preceding subparagraph.
(3)For employees who are subject to the pension plan stipulated in the "Labor Standards Act" and who are forced to retire in accordance with Subparagraph 2, Paragraph 1 of Article 35, if their mental disability or physical disability is caused by the execution of their duties, they are entitled to additional 20% of the pension according to the provisions of the preceding paragraph.
(4)For employees who are subject to the Labor Pension Act, the Company will deposit an amount equivalent to 6% of the</td><td></td></tr>
</table>

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			employees' monthly salary into their personal pension accounts. (5)Eligibility for retirement and application procedures are briefly described as follows~ ① Employees may apply for retirement if they meet any one of the following conditions: (1)Has worked for 15 years or more and reached the age of 55. (2) Has worked for 25 years or more. (3)Has worked for 10 years or more and reached the age of 60. ② The Company may not force employees to retire unless they meet any one of the following conditions: (1)Reached the age of 65. (2) No longer able to work due to insanity or physical disability. ③ The determination of retirement age shall be based on household registration records and shall be calculated from the date of birth. ④ How to calculate seniority: If an employee has any of the following circumstances, his/her seniority shall be counted together: (1) He/She obtained approval (2) He/She is still in the probationary period (3) He/She has been transferred from the Company to other subsidiaries. The employee's years of service at the Company and the subsidiary he/she was transferred to may be combined. ⑤ Application for retirement must be submitted in writing one month in advance. 4. Employee shareholding trust: The employee stock ownership meeting of Cheng Yeh Holdings Co., Ltd. was established on March 13, 2024, and it was agreed that a certain amount of each member's monthly salary (hereinafter referred to as "Self-contribution") would be deposited and a certain percentage of incentives would be provided by the member's company to a trust for management funds and long-term purchase of the Company's stocks. The purpose is to instill employees with concepts of long-term savings, investment, and financial management, and accumulate personal wealth for retirement.	
(III)Has the Company provided employees with a safe and healthy working environment, and routinely implemented	✓		In addition to compliance with the government safety and health related laws and regulations, and in consideration for employees' safety and welfare, the Company has established an occupational	No major discrepancy

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="2">Implementation status</th><th rowspan="2">Summary</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td>safety and health education for employees?</td><td></td><td></td><td>safety and health management manual and related procedures in accordance with the OHSAS 18001 Occupational Safety and Health Management System for which the Company passed the certification in October 2018 and OHSAS 18001 Occupational Safety and Health Management System, changed to ISO45001: 2018 later, for which the Company passed the certification in January 2021. Aiming at zero occupational accidents and strengthened self-management, we are continuously improving occupational safety and health performance, reducing occupational accidents, protecting labor safety and health, and complying with the requirements of the competent authority and stakeholders including customers and employees. All employees must abide by the procedures and rules specified in the manual, and maintain the effective functioning of the occupational safety and health management system.
Safety:
The Company upholds labor laws and regulations, the Occupational Safety and Health Act, and ISO 45001; three labor safety and health education workshops and one accident prevention training session each in northern, central, and southern Taiwan were held in 2023, which ensured that employees are aware of and comply with relevant regulations, and helped thoroughly implement occupational health and safety management.
<table>
<tr><td>Occupational injury cases since 2023</td><td>Number of fire accidents in 2023</td><td>Number of casualties due to fire accidents in 2023</td><td>Number of casualties as a percentage of all employees in 2023</td></tr>
<tr><td>7</td><td>0</td><td>0</td><td>0%</td></tr>
<tr><td>Including traffic accidents when going to and from work; all involved only minor injuries. Looking ahead to the future, we will continue to care for our employees and strengthen safety awareness.</td><td colspan="3">If the incident occurs, it will be handled in accordance with emergency response management procedures</td></tr>
</table>
Health:</td><td></td></tr>
</table>

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			We offer corporate health insurance and new employee health checkups, and based on ISO 45001 health checkup procedures, give health check-ups for all employees every two years to look after the employees' health. In addition, according to the Labor Health Protection Act, operations exposed to ionizing radiation are particularly looked into, where the high-risk employees are medical technicians, and their belonging departments send their names each year to HR which will then file applications to the Bureau of Labor Insurance for special hazard health checks and regular follow-ups to protect these employees. Furthermore, since January 1, 2022, the Company has implemented on-site service regulations for medical personnel, and is cooperating with Yi Ren General Hospital to provide on-site consulting service by a registered nurse for 4 hours once each month and by a physician for 4 hours once each year. The Company's headquarters in Neihu District, Taipei contains an exercise area for use by employees, and a trainer from outside the company has been hired to teach fitness classes. We believe that exercise enables participants to immerse fully themselves at the physical, mental, and interpersonal levels, improve their mood, and give them the courage and determination to overcome challenges and difficulties. Exercising regularly will not only benefit employees' physical and mental health but also boost the positive attitude throughout the Company. In addition to the above measures, in order to prevent sexual harassment, the Sexual Harassment Prevention and Appeal Guideline is established with a dedicated complaint filing mechanism, to ensure any sexual harassment, gender discrimination or violence, threats and intimidation are strictly prohibited, for a gender equality workplace. We make every effort to create a happy, secure and rest assured working environment. No discrimination cases occurred in 2023.	

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(IV) Has the Company established effective career and competence development and training plans?	✓		The Company's current training programs consist of four types: 1. Pre-employment training: All new employees are counseled and oriented to understand the Company's organization, business overview, labor safety and health, and standard procedures. 2. Internal training: Employees are given internal training to enhance their basic job competence and professional capability. 3. External training: Depending on the employees' job needs and positions, the external training is given to enhance their professional skills and leadership capability. 4. Overseas advanced study: To meet the future corporate development or job requirement, employees are recommended by their supervisors for going abroad to receive professional training.	No major discrepancy
(V) Does the Company comply with relevant laws and regulations and international criteria regarding customer health and safety, customer privacy, and the marketing and labeling of products and services, and formulate consumer protection or customer rights policies and complaint procedures?	✓		The instruments and equipment distributed by the Group comply with relevant laws and international standards. Before being sold domestically, medical device inspection and registration must be carried out in accordance with the regulations promulgated by the Ministry of Health and Welfare, and the equipment must have correct labels or instructions and user manuals. In response to the implementation of the Medical Device Act on May 1, 2021, the Group will continue to comply with the Act to ensure the safety, efficacy, and quality of medical devices used by customers. Regarding the consumer rights protection policy and complaint procedures, the Group formulates standard operating procedures for handling quality complaints, severe adverse events, and product recall notifications in accordance with relevant regulations of the Ministry of Health and Welfare. Furthermore, the introduction of QMS labeling operations in 2022 has been approved on March 24, 2023. A permit was obtained on June 27, 2023 in accordance with the Ministry of Health and Welfare's Regulations of Medical Device Good Distribution Practice.	No major discrepancy
(VI) Has the Company formulated supplier management policies to demand that suppliers follow guidelines related to environmental, professional safety and health, and labor rights issues and regulate	✓		The Company's "Corporate Sustainability Statement," which explicitly lists environmental protection, safety, health, human rights, ethics, and government requirements relating to social responsibility, requires that suppliers sign this statement and comply with relevant regulations, and jointly fulfill their corporate social responsibilities.	No major discrepancy

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="2">Implementation status</th><th rowspan="2">Summary</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td>the execution of the guidelines?</td><td></td><td></td><td>As many as 90% of this year's newly-acquired suppliers have signed this statement.
The contents of the "Corporate Sustainability Statement" are as follows:<table><tr><td>Comply with relevant regulations on waste water, waste gas, solid waste, hazardous waste and noise control</td><td>Take systematic measures to reduce the consumption of energy resources and reduce emissions</td><td>Ensure that products and services do not use illegal and environmentally hazardous substances prohibited by customers</td></tr><tr><td>Ensure that employees can have a safe and healthy working environment through effective management</td><td>Provide an equal and fair working environment and prohibit any form of discrimination</td><td>Respect the basic human rights of employees and prohibit any and all forms of insulting behavior</td></tr><tr><td>Provide employees with a safe, clean diet and potable water</td><td>Provide adequate and qualified sanitary and environmental facilities, such as public facilities, etc.</td><td>Respect the freedom of employees and prohibit any and all forms of forced labor</td></tr><tr><td>Promote labor-management cooperation and respect the opinions of employees</td><td>Comply with general corporate ethics</td><td>No child labor</td></tr><tr><td>Minor and female employees labor protection</td><td>Respect employees' right to free association and</td><td>Appropriate salary and benefits</td></tr></table></td><td></td></tr>
</table>

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			collective bargaining	
V. Does the Company refer to internationally accepted report preparation standards or guidelines to prepare sustainability reports and other reports that disclose the Company's non-financial information? Has the Company received assurance or certification of the aforementioned reports from a third-party accreditation institution?	✓		The Company's sustainability report is based on the GRI Standards released by the Global Sustainability Standards Board (GSSB), and has been prepared in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies." The sustainability report discloses non-financial information of the Company and its subsidiaries. The Company also adopts industry guidelines in the SASB Standards, and compiles the report on the basis of the TCFD framework and the United Nations Global Compact. However, the Company is currently an enterprise that is not required to prepare the report, so it has not sought the assurance opinions of third-party verification units.	No major discrepancy

VI. If the Company has drafted its own sustainable development rules based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation:

The Company established "Sustainable Development Best Practice Principles," which were implemented after being approved by the Board of Directors. The most recent revision was made in coordination with the amendment to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" in March 2023. At present, there are no major discrepancies between the Company's "Sustainable Development Best Practice Principles" and the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies". Please refer to the Company's website and MOPS for relevant contents.

VII. Other important information to facilitate better understanding of the Company's implementation of sustainable development:

(I) Environmental protection: The Company actively implements energy conservation and carbon reduction and related environmental policies at its offices, and also attaches importance to suppliers' sustainability management performance. And mechanisms are established to evaluate and audit new and existing domestic and foreign qualified suppliers in terms of their quality, occupational safety and health, based on the supplier management procedures, for joint commitment to the environmental sustainability.

(II) Social contributions: The Company hopes that the introduction of high-end medical equipment and technical services can allow the public to enjoy more precise treatment, more sufficient medical resources, and even higher quality medical services, thereby promoting citizens' overall health and well-being and making a contribution to society.

(III) Social welfare: In the spirit of contributing to society, the Company actively participates in social welfare activities, provides assistance to underprivileged groups such as persons living in remote areas, assists in offering charity medical services, and advocates for healthy living. The Company provides necessary resources to underprivileged groups that need assistance, and encourages employees to participate in volunteer service. In the event of natural disasters and major accidents, CHC provides emergency assistance without hesitation, and vigorously participates in disaster relief or caring activities initiated by various parties.

(IV) Customer service: The Company distributes high-end medical equipment and cultivates a manufacturer-certified technical service team to assist customers in equipment installation, and take charge of the training programs and after-sale maintenance with comprehensive services. Customer complaints are handled and

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
responded by the sales unit and technical unit immediately, and the customer service toll-free telephone number is set up to ensure the customers' rights. (V) Human rights policy: The Company strictly complies with laws and regulations, supports and voluntarily complies with human rights standards in international conventions, and is committed to a friendly, diverse, discrimination-free workplace, where all employees enjoy equal treatment and equal right to work regardless of gender, age, nationality, race, color and political views. The Company also provides opportunities for individuals to freely express ideas and seek development. CHC is committed to a workplace that values human rights and is free from discrimination and harassment. (VI) Occupational safety and health: The Company protects employees' safety and well-being in accordance with relevant government health and safety laws and regulations. The Company also implements related management systems to strengthen self-management, continues to improve occupational health and safety performance, lowers the risk of occupational accidents, and protects employees' safety and health.				

Note 1: The principle of materiality refers to instances in which environmental, social, and corporate governance issues have a significant impact on the Company's investors and other stakeholders.

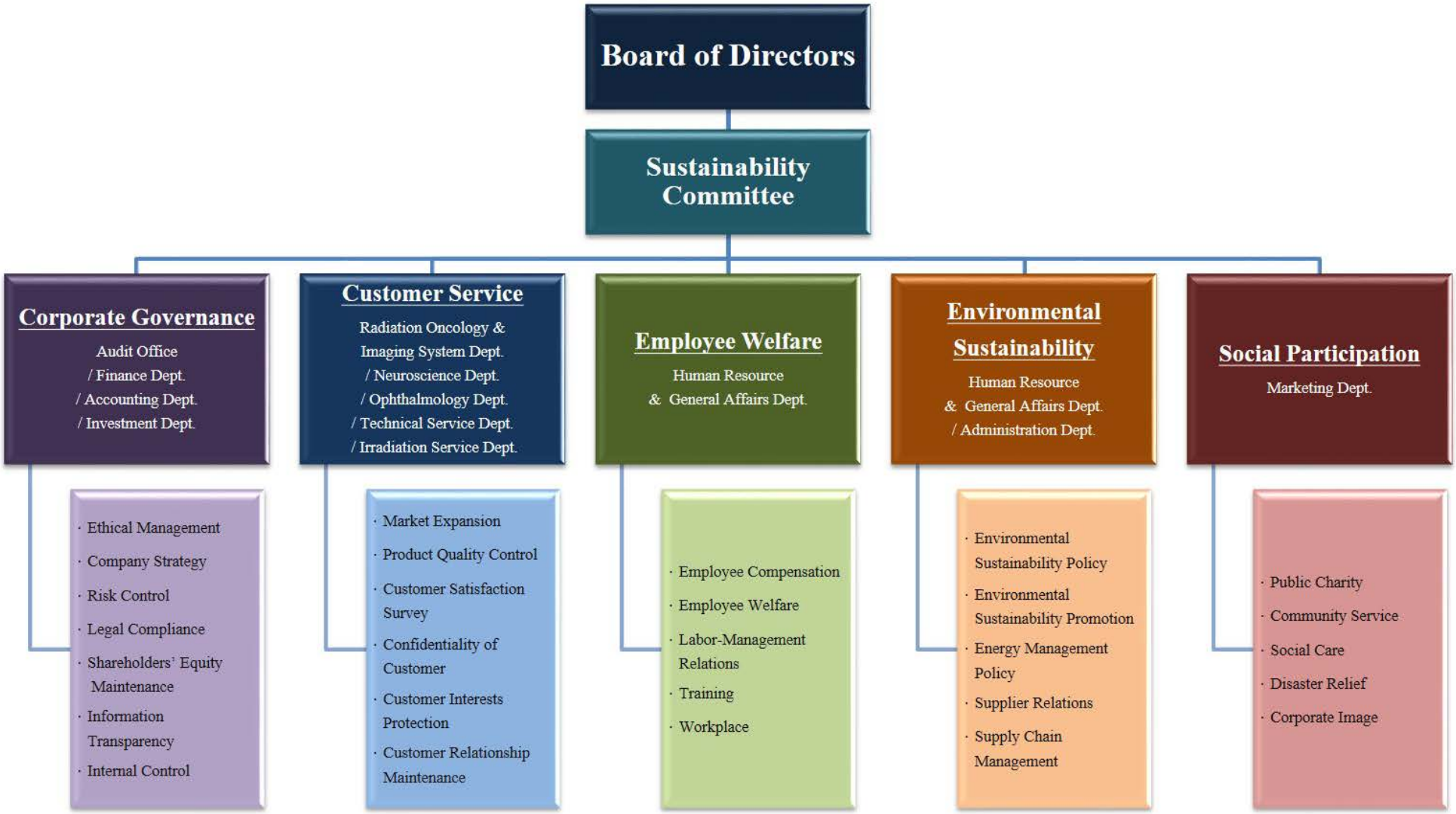
Implementation status of climate-related information

Item	Implementation status
1. Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.	Board of Directors: ◆ The Company has established a Risk Management Committee, with the Board of Directors serving as the highest level decision-making unit of the Group's risk management mechanism and assuming the ultimate responsibility for overall risk management. ◆ The Board of Directors approves the Company's risk management policies based on the overall business strategy and environment, in order to manage the risk of hazards and strategic and operational risks, financial risks, compliance risks/contract risks, and other ESG risks related to the Company's operations. Climate-related risks were identified as the Company's main environmental risks based on the principle of materiality, and the risk management manager and the environmental and social working groups under the Risk Management Committee were assigned to further conduct assessments of climate-related risks and opportunities. ◆ The Board of Directors and the Audit Committee regularly listen to reports of the Risk Management Committee every year to understand its operations and ensure that relevant risk issues are effectively managed. Management: ◆ The Company's Risk Management Committee has the position of risk management manager, who is appointed by the Board of Directors as the highest level manager responsible for risk management-related matters. ◆ The risk management manager is responsible for supervising environmental and social working groups to complete the assessment of climate-related risks and opportunities, develop appropriate response measures and strategies on this basis, and manage and track them in daily operations. ◆ The risk management manager regularly reports the status of risk management to the Audit Committee, and submits the report to the Board of Directors for approval.
2. Describe how the climate risks and opportunities identified affect the Company's business, strategies, and financial position (short-term, mid-term, long term).	◆ The Company is not in the manufacturing industry. After assessment, we determined that climate-related risks will not have a significant negative impact on the Company's business, strategy, and financial planning in the short term. ◆ The Risk Management Committee has completed the identification of short-, medium-, and long-term climate-related risks, formulated appropriate response measures on this basis, and actively reduced the negative impact of climate-related risks by improving resource use efficiency.

Item	Implementation status
	◆ The Company is actively developing low-carbon products and services, invests in transition towards sustainability, faces the emerging opportunities brought by climate-related risks, and effectively integrates them with the Company's business strategies, in order to bring positive benefits to the Company's overall medium- to long-term financial planning and business development.
3. Describe the impact of extreme weather events and transition actions on the Company's financial position.	◆ Implement ISO 45001 and formulate emergency response management procedures. ◆ Install UPS equipment and remote backup system, and regularly perform testing and maintenance; In the event of extreme weather events, a dedicated person will be assigned to verify the condition of the equipment. ◆ Reduce losses caused by natural disasters by purchasing commercial insurance.
4. Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system.	◆ The Company's Board of Directors serves as the highest decision-making unit with regard to risk management mechanisms, and the position of risk management manager has been established to consolidate risk management duties; under the risk management manager, legal compliance, customer service, and environmental and social working groups perform risk control-related matters, in which environmental and social working groups are responsible for the identification and assessment of climate-related risks. ◆ The risk of hazards, strategic and operational risks, financial risks, compliance risks/contract risks and other ESG risks identified by the Company are all within the Risk Management Committee's scope of responsibilities. Climate-related risks under environmental risks have also been included in the Company's risk management process and integrated into the overall risk management system.
5. If scenario analysis is carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.	Climate change scenario analysis has not been conducted.
6. If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	None.
7. If internal carbon pricing is used as a planning tool, describe the basis for pricing.	None.
8. If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon	The Company's paid-in capital is less than NT$5 billion. We will disclose our GHG inventory and assurance information in stages in coordination with the Financial Supervisory Commission's "Sustainable development roadmap of TWSE/TPEx-listed companies." The

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.</td><td>parent company is required to disclose its GHG inventory and assurance information in the third stage (i.e., the inventory will be completed in 2026 and the verification will be completed in 2028). Subsidiaries in the consolidated financial statements are required to complete their inventory in 2027 and complete verification in 2029.
The Company proposed the schedule for GHG inventory and verification of the parent company and subsidiaries at the start of 2022 Q2 in accordance with regulations of the Financial Supervisory Committee. The schedule was submitted to the Board of Directors for approval, and controlled on a quarterly basis. The Company will continue to monitor and complete its GHG inventory and verification in accordance with the reference guidelines and relevant regulations issued by the competent authority, regularly report the implementation status to the Board of Directors every quarter, and formulate carbon reduction goals, strategies and specific action plans.</td></tr>
<tr><td>9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.</td><td><table>
<tr><td>GHG inventory and verification work items</td><td>Expected time of completion</td></tr>
<tr><td>Establish full-time (part-time) units, the number of full-time (part-time) personnel, and their scope of duties</td><td>November, 2023</td></tr>
<tr><td>Formulate plans to compile the inventory and carry out verification</td><td>February, 2024</td></tr>
<tr><td>Complete the GHG inventory</td><td>March, 2025</td></tr>
<tr><td>Conduct external verification</td><td>March, 2025</td></tr>
</table></td></tr>
</table>

Organization of Sustainability Committee



(VI) Compliance with Integrity Management and Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Evaluation Project	Current Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
I. Formulating policies and plans for ethical corporate management (I) Does the Company specify ethical corporate management policies and methods in its bylaws, external cases, and Board of Directors approved Integrity Policies and are the directors and senior management actively fulfilling their commitment to business policies?	✓		The Company has drafted "Integrity Procedures and Code of Conduct," which has been passed by the Board of Directors and posted in the corporate governance section of the Company's website at http://www.cyhc.com.tw. The Integrity Procedures and Code of Conduct governs all employees' ethics and responsibilities when engaging in business activities, and covers the behavior of individual employees, groups and the Company toward the public and stakeholders. And the responsible unit should hold at least one internal advocacy every year to arrange the chairman, general manager or senior management to convey the importance of integrity to the directors, employees and assignees.	No major discrepancy
(II) Has the Company established assessment measures for risks of dishonest behaviors to regularly analyze and evaluate activities with higher dishonesty risk within the scope of operations? Following this, has the Company established solutions to prevent dishonesty and at least cover the prevention measures stated in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles" for TWSE/TPEx Listed Companies?	✓		The Company referenced domestic and foreign standards or guidelines in the establishment of the prevention program, which covers precautionary measures for the following behaviors: I. Offering or accepting of bribes. II. Providing illegal political donations. III. Improper charitable donations or sponsorships. IV. Offering or accepting of unreasonable gifts, entertainment, or other improper benefits. V. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights. VI. Engaging in unfair competition. VII. The research and development, purchase, manufacture, provision, or sale of products or services that directly or indirectly damage the rights, health, or safety of consumers or other stakeholders.	No major discrepancy
(III) Has the Company clearly stated the operating procedures, behavioral guidelines, punitive actions, and reporting mechanisms in the preventive measures for dishonest behavior and implemented and regularly assessed and amended the solution?	✓		The Company established "Ethical Corporate Management Operating Procedures and Code of Conduct," "Code of Ethical Conduct," and "Performance Evaluation Regulations," which expressly stipulated that entertainment or gifts, kickbacks or other illegal benefits shall not be accepted for the performance or violation of duties, and that employees may not use their position to	No major discrepancy

Evaluation Project	Current Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			misappropriate funds from bank employees or clients, nor are they allowed to use their position to illegally benefit themselves or others. The Company established a dedicated unit formed by Company and employee representatives to jointly discuss matters. Employees are notified of their punishment and may file an appeal if they have any questions, in order to establish a fair reward and punishment system.	
II. Implementation of ethical corporate management (I) Has the Company evaluated the integrity records of its property and stipulated ethical conduct in its transactions with partners?		✓	The Company evaluates and audits the quality/environmental safety system of its business partners, and selects vendors with honest behavior for transactions. Transactions with unqualified vendors may be suspended after approval from the supervisor. For future procurements, the contracts signed will contain an ethical conduct clause.	No major discrepancy
(II) Has the Company established a Corporate Integrity Management Unit, which will report to the Board of Directors and regularly (at least once a year) report the status of the prevention of dishonest behavior solution and supervision implementation?	✓		The HR & General Affairs Department is assigned the responsibilities for amendment, execution, interpretation, consulting and archiving the matters related to "Integrity Procedures and Guidelines", as well as supervising the implementation and annually reporting to the Board. The procedures and guidelines have been disclosed on the Company's website and propagated through the monthly general meeting of employees for full-range implementation. In the year of 2023, there were a total of 12 employees' general meetings, and no major violation of integrity was reported.	No major discrepancy
(III) Has the Company established policies to prevent conflicts of interest and provide appropriate communication channels, and implemented such policy properly?	✓		The Company sets forth its policy on preventing conflicts of interest in the "Ethical Corporate Management Operating Procedures and Code of Conduct," and has established "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" to provide directors and managers with explanations on whether there is a potential conflict of interest through appropriate channels. The above procedures are disclosed on the company website, and are further promoted during senior management meetings to strengthen implementation. there were a total of 24 such executive meetings given in the year of 2023.	No major discrepancy

Evaluation Project	Current Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
(IV) Has the Company effectively implemented accounting measures and internal control measures for integrity management? Has the internal auditing unit drafted relevant auditing plans in response to the results of the dishonest behavior risk evaluation? Has the internal audit unit verified the implementation of the prevention of dishonest behavior solution or commissioned an accountant to do so?	✓		The Company established an effective accounting system and internal control system to ensure the implementation of ethical corporate management. The internal audit unit assesses the risk of unethical conduct and formulates related audit plans to audit the compliance with unethical conduct prevention programs. The accountants also conduct annual internal control system audits.	No major discrepancy
(V) Does the Company regularly hold internal and external training for ethical corporate management?	✓		The Company promotes and allows its employees to clearly understand its ethical corporate management philosophy and standards through business management meetings.	No major discrepancy
III. Operation of the whistleblowing channel				
(I) Has the Company established a concrete whistleblowing and reward system, established convenient whistleblowing channels, and designated appropriate personnel to handle the case being exposed by the whistle-blower?	✓		The Company has determined a whistle-blowing system and relevant personnel regulations, with content including a concrete whistle-blowing and incentive system, and has established a whistle-blowing mailbox and 0800 whistle-blowing hotline as convenient whistle-blowing channels. The dedicated unit for accepting investigation of parties who are the subject of whistle-blowing reports in the Audit Office.	No major discrepancy
(II) Has the Company formulated a standard investigation procedure for reported matters, measures for handling the procedures after the investigation, and related confidentiality measures?	✓		The Company's whistle-blowing system already includes standard operating procedures for investigation of whistle-blowing cases, including the following content: Types of whistle-blowing cases, and whistle-blowing operating procedures, etc.; If irregularities reported in whistle-blowing cases have been verified, the relevant units must submit concrete improvement plans and adopt relevant measures, and must submit a report to the Board of Directors when necessary: Confidentiality mechanisms shall be applied throughout the handling of whistle-blowing cases in all circumstances, and the confidentiality of whistle-blowers' identities, whistle-blowing case content, and relevant evidence shall be strictly maintained.	No major discrepancy
(III) Has the Company adopted protection against inappropriate disciplinary actions for the whistle-blower?	✓		The Company's whistleblowing system has stipulated related provisions for the protection of whistleblowers, such as prohibiting the disclosure of the whistleblower's identity, and damaging the whistleblower's interests or providing different working conditions, in order to protect the whistleblower from improper treatment due	No major discrepancy

Evaluation Project	Current Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			to whistleblowing.	
IV. Strengthening information disclosure Has the Company disclosed content and effectiveness of its ethical corporate management best practice principles on its website and the Market Observation Post System (MOPS)?	✓		The Company has disclosed the Ethical Corporate Management Operating Procedures and Code of Conduct and on its website and the MOPS. In addition, the Company's website has a "Corporate Social Responsibility Section" to disclose information related to corporate social responsibility and corporate governance. Ethical corporate management related standards and implementation results are disclosed under the "Corporate Governance Section."	No major discrepancy
V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies", describe any gaps between the prescribed best practices and the actual implementation: The Company has established "Ethical Corporate Management Operating Procedures and Code of Conduct" and "Code of Ethical Conduct." There is no difference between its operation and the code established. Good corporate governance and risk management mechanisms are established based on the business philosophy of integrity, fairness, transparency, self-discipline and responsibility for the Company's sustainable development.				
VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles) Regularly conduct internal audits on daily operating procedures to reduce the possibility of corruption through effective internal control mechanisms and internal control self-evaluation.				

(VII) If the company has established corporate governance principles and related guidelines, disclose the means of accessing this information

Please refer to the company website (http://www.chcg.com) "Corporate Governance", under which there is a dedicated section for "Important Company Regulations" for investors to access and download various management regulations.

(VIII) Disclose other material information that will benefit understanding of the Company's corporate governance status:

Under "Corporate Governance" on the Company's website (http://www.chcg.com), the dedicated section "Corporate Governance Status" is provided for inquiries from investors.

(IX) The following matters shall be disclosed for the implementation status of the internal control system

1. Internal Control Statement : Please refer to page 86.
2. Any CPA commissioned to conduct a project review of the ICS shall disclose the CPA's audit report: None.

(X) If any penalties are imposed on the Company and its personnel or punishments are imposed by the Company on personnel in violation of internal control system regulations in the past year and up to the date of report, and the results of the penalty may have a material effect on shareholders equity or stock price, specify the contents of the penalty, major deficiencies and improvement

None.

CHC Healthcare Group

Internal Control Statement

Date: March 13, 2024

The Company's internal control system for 2023 is announced based on the results of self-evaluation. The following is a summary of the Company's internal control system:

I. The Company acknowledges that the establishment, implementation and maintenance of the internal control systems are the responsibilities of the Board of Directors and the managers of the Company. The Company has established such systems. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws, and regulations.

II. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. However, the Company's internal control system contains self-monitoring mechanisms and is in the process of making an accurate action.

III. The Company has made judgments on the effectiveness of internal control systems according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Establishment Regulations") as to the effectiveness of the design and implementation of the internal control system. There are five components of an internal control system, as specified in the "Establishment Regulations", which are broken down based on the management-control process, namely: (1) control environment, (2) risk evaluation, (3) control operation, (4) information and communication and (5) monitoring. Each constituent element includes a number of projects. For the aforementioned project, please refer to the "Establishment Regulations".

IV. The Company has adopted the abovementioned internal control system assessment to evaluate the effectiveness of the internal control system design and implementation.

V. Based on the results of the evaluation stated above, the Company has deemed its internal control system, as of December 31, 2023 (including supervision and management of subsidiaries), which includes understanding operational effects and reached efficiency targets, as reliable, timely, transparent, and in accordance with the relevant laws and regulations. The evaluation followed the regulations of related internal control systems and the Company can reasonably state that the goal described above has been reached.

VI. This Declaration will become the main content of the Company's annual report and prospectus, and shall be made public. Falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement was passed by the Board of Directors on March 13, 2024, with none of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

CHC Healthcare Group

Chairman: Pei-Lin, Lee Signature and Seal

General Manager: Ming-Lun Lee Signature and Seal

(XI) Major Resolutions of Shareholders' Meeting and Board Meetings

Type of Meeting	Date	Important Resolutions
Board of Directors	2023.03.22	1. The Company's 2022 parent company only financial report and consolidated financial statement. 2. The Company's proposed distribution of earnings in 2022. 3. The Company's proposed 2022 business report. 4. The Company's proposed 2022 internal control system statement. 5. The Company's 2023 business plan and annual budget. 6. Distribution of the Company's dividends and bonuses in cash in 2022. 7. Distribution of remuneration to employees and directors in 2022. 8. Proposed election of all directors. 9. Nomination of candidates for directors and independent directors and review of the nominated candidates' qualifications. 10. Proposed lifting of non-compete restrictions on newly-appointed directors. 11. Proposed revision of the Company's "Rules of Procedure for Shareholders' Meetings." 12. The Company's 2022 directors' remuneration report. 13. The Company's 2022 shareholders meeting approved the report on implementation of the private placement of common shares. 14. The Company's holding of the 2023 annual shareholders' meeting and acceptance of the proposal and nomination times and locations proposed by shareholders holding more than 1% of all shares, and allowing shareholders to exercise their voting rights electronically. 15. The Company's proposal of loans to affiliates. 16. The Company's proposal of endorsements and guarantees for affiliates. 17. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q1 2023. 18. The Company's 2023 proposed independent auditor appointment and independence assessment and preliminary permission for the CPA firm and its affiliates to provide non-assurance services. 19. Distribution of year-end bonuses to managers in 2022. 20. Proposed application for bank credit limits. 21. The Company's proposed revision of the "Rules of Procedure for Board of Directors Meetings," "Financial and Non-Financial Information Management," "Rules of Sustainable Development Practice " and "Corporate Governance Best Practice Principles." 22. The Company's proposed revision of the "Operating Procedures for Internal Control System Self-assessment" and "Operating Regulations for Conducting Financial and Business Transactions with Affiliated Enterprises, Concerned Parties, Specific Companies, and Corporate Groups." 23. Follow-up budget proposal for the irradiation service facility of the subsidiary Shin-Ho Instruments Co., Ltd. 24. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman.
Board of Directors	2023.05.03	1. The Company's proposed 2023 Q1 consolidated financial statement. 2. The Company's proposal of loans to affiliates. 3. The Company's proposal of endorsements and guarantees for affiliates.

Type of Meeting	Date	Important Resolutions
		4. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q2 2023. 5. The Company's proposed revision of the "Financial and Non-Financial Information Management." 6. The Company's proposed private placement of common shares. 7. Added matters concerning the holding of the Company's 2023 annual shareholders meeting. 8. Proposed acquisition of the right-of-use assets from the subsidiary Chiu Ho Medical System Co., Ltd.
Shareholders' Meeting	2023.06.12	1. Acknowledgment of the 2022 business report and financial statements. 2. Acknowledgment of the proposed 2022 distribution of earnings. 3. Approval of the Company's revised "Rules of Procedure for Shareholders' Meetings". 4. Approval of the Company's private placement of common shares. 5. Approval of the election of directors of 7th term. 6. Approval of the termination of non-competition restrictions on new directors.
Board of Directors	2023.06.12	Proposal to elect the chairman and vice chairman.
Board of Directors	2023.08.07	1. The Company's proposed Q2 2023 consolidated financial statement. 2. Proposal to appoint members of the Company's 6th-term Compensation Committee. 3. Proposal to appoint members of the Company's 2nd-term Sustainability Committee. 4. Proposed remuneration of the Company's 3rd-term Audit Committee. 5. Proposed remuneration of the Company's 6th-term Compensation Committee. 6. Proposed remuneration of the Company's 2nd-term Sustainability Committee. 7. Proposal for the Board of Directors to authorize the chairman to handle endorsements and guarantees at the chairman's discretion within the limit. 8. The Company's proposal of loans to affiliates. 9. The Company's proposal of endorsements and guarantees for affiliates. 10. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q3 2023. 11. Proposed application for bank credit limits.
Board of Directors	2023.11.06	1. The Company's proposed Q3 2023 consolidated financial statement. 2. The Company's proposed 2024 internal audit plan. 3. The Company's proposal of endorsements and guarantees for affiliates. 4. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q4 2023. 5. Proposed provision of remuneration to directors and employees for 2023. 6. Proposed application for bank credit limits. 7. Implementation of the Company's 2023 plan for succession of the Board of Directors and key management positions.

Type of Meeting	Date	Important Resolutions
		8. Proposal to for the Board of Directors to authorize the chairman to adjust interest rates on loans to others.
Board of Directors	2023.12.04	Proposed appointment of the Company's General Manager.
Board of Directors	2024.03.13	1. The Company's 2023 parent company only financial report and consolidated financial statement. 2. The Company's proposed distribution of earnings in 2023. 3. The Company's proposed 2023 business report. 4. The Company's proposed 2023 internal control system statement. 5. The Company's 2024 business plan and annual budget. 6. Distribution of the Company's dividends and bonuses in cash in 2023. 7. Distribution of remuneration to employees and directors in 2023. 8. Proposed lifting of non-compete restrictions on directors. 9. The Company's 2023 directors' remuneration report. 10. The Company's 2023 shareholders meeting approved the report on implementation of the private placement of common shares. 11. The Company's proposed private placement of common shares. 12. The Company's holding of the 2024 annual shareholders' meeting and acceptance of the proposal times and locations proposed by shareholders holding more than 1% of all shares. 13. The Company's proposal of loans to affiliates. 14. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q1 2024. 15. The Company's 2024 proposed independent auditor appointment and independence assessment and preliminary permission for the CPA firm and its affiliates to provide non-assurance services. 16. Distribution of year-end bonuses to managers in 2023. 17. Proposal to for the Company to implement employee shareholding trust. 18. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman.
Board of Directors	2024.05.02	1. The Company's proposed 2024 Q1 consolidated financial statement. 2. The Company's proposal of loans to affiliates. 3. The Company's proposal of endorsements and guarantees for affiliates. 4. Proposal of the capital increase record date for exercise of employee stock options and 4th domestic secured convertible corporate bonds in Q2 2024. 5. Proposed amendment to the Company's Procedures for Lending Funds to Others. 6. Added matters concerning the holding of the Company's 2024 shareholders meeting. 7. Proposed revision of the Company's "Rules of Procedure for Board of Directors Meetings". 8. Propose to change the Company's Chief Investment Officer.

(XII) Implementation of the 2023 Shareholders' Meeting resolutions

Resolutions	Implementation status
1. Acknowledgment of the 2022 business report and financial statements.	After the resolution of the annual general meeting, the business report and financial statements were published on MOPS.
2. Acknowledgment of the proposed 2022 distribution of earnings.	According to the resolution of the shareholders meeting, distribution of cash dividends totaling NT$324,721,741 to shareholders was completed on August 3, 2023.
3. Approval of the Company's revised "Rules of Procedure for Shareholders' Meetings".	Following a resolution of the shareholders' meeting, the "Rules of Procedure for Shareholders' Meetings" were implemented as revised.
5. Approval of the Company's private placement of common shares.	Unanimous concurrence by all the attending shareholders.

(XIII) For the most recent year and as of the date of this annual report, the Directors or Supervisors have agreed that the dissenting opinions concerning important resolutions passed by the Board of Directors have been documented or declared in written form; main content includes:

None.

(XIV) Resignation and dismissal of managerial officers related to the financial report (including chairperson, president, chief accounting officer, chief financial officer, chief internal auditor, corporate governance supervisor, and R&D supervisor) in the past year and up to the date of report

POSITION	NAME	DATE OF APPOINTMENT	DATE OF DISMISSAL	REASON FOR RESIGNATION OR DISMISSAL
General Manager	Pei-Lin, Lee	2018.07.31	2023.12.18	In compliance with the law

V. Information concerning fees paid to CPA

(I) Audit and non-audit fees paid to CPA, to the accounting firm of the CPA, and its affiliates, and content of non-audit services

Units: NT$ thousand

Accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remarks
PricewaterhouseCoopers (PwC) Taiwan	Yu-Fang Yen	2023	2,290	450	2,740	Tax certification, foreign language translation, and reviewing of the salary information checklist for full-time employees not in managerial positions
	Sheng-Wei, Teng					

The following items should be disclosed in any of the following circumstances:

1. If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amounts of the audit fees before and after the replacement and the causes shall be disclosed

N/A

2. Where audit fees paid for the year were more than 10% less than that of the previous year, the reduced amount, proportion, and cause of the reduction shall be disclosed

N/A

VI. Replacement of CPA

(I) Regarding the former CPA

Date of replacement	March 22, 2023		
Replacement reasons and explanations	The accounting firm's internal job rotation		
Describe whether the Company terminated, or the CPA did not accept the appointment	Parties / Situation	CPA	Appointer
	termination of appointment	N/A	N/A
	No longer accepted (or continued) appointment	N/A	N/A
Audit report opinions other than unqualified ones issued in the most recent two years and the reason	N/A		
Disagreement with the company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Others
	No	✓	
	Explanation		
Other Matters to be Disclosed (In accordance with the disclosures specified in Article 10, Paragraph 6, Items 1-4 to 1-7 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	N/A		

(II) Regarding the successor CPA

Name of accounting firm	PricewaterhouseCoopers (PwC) Taiwan
Name of CPA	Yu-Fang Yen, Sheng-Wei Teng
Date of appointment	March 22, 2023
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	No Difference
Succeeding CPA's written opinion of disagreement toward the former CPA	N/A

(III) Letter from the former CPA in response to Article 10, Paragraph 6, Item 1 and Item 2-3 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies"

N/A

VII. If the Company's Chairman, president, and managers in charge of its finance and accounting operations had worked for the CPA's accounting firm or its affiliate in the past year, the name, title, and duration at the CPA's accounting firm or affiliate should be disclosed.

N/A

VIII. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

(I) Changes of equity by directors, supervisors, managers and key shareholders (holding more than 10% of total shares)

Units: share

Position	Name	2023		As of April 14, 2023	
		Addition (reduction) of shares	Shares pledged Increase (decrease)	Addition (reduction) of shares	Addition (reduction) of shares pledged
Chairman, chief HR officer, and 10% major shareholder	Pei-Lin, Lee	0	0 (1,750,000)	0	0
Vice chairman and Chief Investment Cfficer	Tien-Ying, Lee (Note 5)	0	0 (700,000)	0	0
Director	Chun-Shung, Huang	0	0	0	0
Director	Yung-Shun, Chuang	0	0	0	0
Independent Director	Geng-Wang, Liaw	0	0	0	0
Independent Director	Chi, Chih (Note 2)	0	0	0	0
Independent Director	Ming-Liang, Kao (Note 2)	0	0	0	0
Chairman	Representative of juristic-person director, Princeton Healthcare Limited: Pei-Lin, Lee (Note 1)	0	0 (2,600,000)	0	0
Director	Yen-Hsin Investment Ltd. Representative: Yung-Shun, Chuang (Note 1)	0	0	0	0
Independent Director	Kuei-Tuan, Chen (Note 1)	0	0	0	0
Independent Director	Chang-Jian, Ho (Note 1)	0	0	0	0
General Manager and Chief Investment Officer	Pei-Lin, Lee (Note 3)	0	0 (1,750,000)	0	0
Executive director, Oncology Business Group	Yee-Min, Jen	20,000	0	0	0
General Manager	Ming-Lun, Lee (Note 4)	67,500 (67,000)	0	0 (34,000)	0
CFO and corporate governance manager	Yi-Chun, Chen	80,000 (35,000)	0	0 (30,000)	0

Note 1: Institutional directors Princeton Healthcare Limited and Yen-Hsin Investment Ltd. and independent directors Kuei-Tuan Chen and Chang-Jian, Ho were relieved of their position after their term expired on June 12, 2023. The table above shows the increases and decreases during their term of office.

Note 2: Independent Directors Chi, Chih and Ming-Liang, Kao assumed office after the directors election on June 12, 2023. The table above shows the increases and decreases during their term of office.

Note 3: Chairman Pei-Lin, Lee, who concurrently serves as president and chief investment officer, was relieved of the position of president on December 18, 2023. He was relieved of the position of chief investment officer on May 2, 2024.

Note 4: Chief Operating Officer Ming-Lun Lee was promoted to president and assumed the position on December 18, 2023.

Note 5: Vice Chairman Tien-Ying, Lee was appointed to the concurrent position of Chief Investment Officer on May 2, 2024.

(II) Information on the related parties of equity transfers

None.

(III) Information on where the counterparties of equity pledges are related parties

None.

IX. Relationship among the Top Ten Shareholders

Units: share

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Princeton Healthcare Limited	28,257,983	16.94%	0	0.00%	0	0.00%	Su-Ching, Chen	The representative of Princeton Healthcare Limited is the spouse of Su-Ching, Chen	N/A
Representative: Pei-Lin, Lee	6,285,151	3.77%	3,863,808	2.32%	0	0.00%	Tien-Ying, Lee	The representative of Princeton Healthcare Limited and Tien-Ying, Lee are father and son	
Tien-Ying, Lee	9,413,985	5.64%	22,000	0.01%	0	0.00%	Princeton Healthcare Limited	Tien-Ying, Lee and the representative of Princeton Healthcare Limited are father and son	N/A
							Pei-Lin, Lee	Father and son	
							Su-Ching, Chen	Mother and son	
Representative of Indeed Co., Ltd.: You-Tung Chien	7,135,000	4.28%	0	0.00%	0	0.00%	No	No	N/A
	0	0.00%	0	0.00%	0	0.00%	No	No	
Pei-Lin, Lee	6,285,151	3.77%	3,863,808	2.32%	28,257,983	16.94%	Princeton Healthcare Limited	is the representative of Princeton Healthcare Limited	N/A
							Su-Ching, Chen	Spouse	
							Tien-Ying, Lee	Father and son	
Shui-cheng Tu	6,013,033	3.60%	0	0.00%	0	0.00%	N/A	N/A	N/A
Errand Co., Ltd. Representative: Kun-chang Su	4,722,000	2.83%	0	0.00%	0	0.00%	N/A	N/A	N/A
	0	0.00%	0	0.00%	0	0.00%	N/A	N/A	
Taiwan Life Insurance Co., Ltd. Representative: Tai-ko Cheng	4,086,000	2.45%	0	0.00%	0	0.00%	N/A	N/A	N/A
	0	0.00%	0	0.00%	0	0.00%	N/A	N/A	
Su-Ching, Chen	3,863,808	2.32%	6,285,151	3.77%	0	0.00%	Princeton Healthcare Limited	Su-Ching, Chen is the spouse of the representative of Princeton Healthcare Limited	N/A
							Pei-Lin, Lee	Spouse	
							Tien-Ying, Lee	Mother and son	
China Life Insurance Co., Ltd. Representative: Su-Kuo Huang	3,133,000	1.88%	0	0.00%	0	0.00%	N/A	N/A	N/A
	0	0.00%	0	0.00%	0	0.00%	N/A	N/A	
Yan-Xian, Lu	2,300,000	1.38%	0	0.00%	0	0.00%	N/A	N/A	N/A

X. The number of shares of reinvested businesses concurrently held by the Company, the Company's directors, supervisors, managers, and affiliates directly/indirectly controlled by the Company, and the consolidated shareholding ratio.

March 31, 2024 Units:thousand shares/%

Affiliated Enterprises (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Chiu Ho Medical System Co., Ltd.	421,000	100%	0	0%	421,000	100%
TOMORROW MEDICAL SYSTEM CO., LTD	90,800	100%	0	0%	90,800	100%
Chiu Ho Scientific Co., Ltd.	9,854	100%	0	0%	9,854	100%
Hua Lin Instruments Co., Ltd.	35,600	100%	0	0%	35,600	100%
Shin-Ho Instruments Co., Ltd.	21,300	100%	0	0%	21,300	100%
E Century Health Care Corporation	44,000	100%	0	0%	44,000	100%
TONG-LIN INSTRUMENTS CO., LTD.	35,000	100%	0	0%	35,000	100%
Chiu Ho Biotech Co., Ltd.	23,964	100%	0	0%	23,964	100%
CHC Healthcare (BVI) Limited	0.94	100%	0	0%	0.94	100%
CHC Healthcare (HK) Limited	100	100%	0	0%	100	100%
CHC (Guangzhou) Medical Technology Co., Ltd.	USD 9,503,000 (Note 2)	100%	0	0%	USD 9,503,000 (Note 2)	100%
Chiu Ho (CHINA) Medical Technology Co., Ltd	USD 7,544,000 (Note 2)	100%	0	0%	USD 7,544,000 (Note 2)	100%
Hsing-Yeh Biotechnology Co., Ltd	93,600	100%	0	0%	93,600	100%
Neusoft CHC Medical Service Co., Ltd	RMB 3,672,000 (Note 2)	51%	0	0%	RMB 3,672,000 (Note 2)	51%
SenCare Healthcare Company	19,400	65.99%	0	0%	19,400	65.99%
PT CHC Medika Indonesia	2,566	100%	0	0%	2,566	100%
CHC Long-Term Care Corporation	NT$ 31,040,000 (Note 3)	97%	NT$ 960,000 (Note 3)	3%	NT$ 32,000,000 (Note 3)	100%
Treasure of Health Co., Ltd.	5,814	51%	0	0%	5,814	51%
CHC Healthcare (UK) Limited	200	100%	0	0%	200	100%
Chin An Co., Ltd	3,908	57.72%	0	0%	3,908	57.72%

Affiliated Enterprises (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Xing-An Long-term Care Corporation	NT$ 6,794,000 (Note 3)	50.7%	NT$ 40,000 (Note 3)	0.3%	NT$ 6,834,000 (Note 3)	51%
Exotic Pet Care Experts Co., Ltd.	408	51%	0	0%	408	51%
CHENG-HSIN Biotechnology Co., Ltd	1,200	40%	0	0%	1,200	40%
K&M International Trading Co., Ltd.	1,800	90%	0	0%	1,800	90%

Note 1: The Company's long-term investments recognized under the equity method.
Note 2: It is a company limited by shares that has not issued shares, so the capital contribution amount and capital contribution ratio was provided.
Note 3: It is a corporation that has not issued shares, so the capital contribution amount and capital contribution ratio was provided.

Four. Capital Overview

I. Capital and shares

(I) Sources of Capital

Units: Shares; NT$

Month/Year	Par value (NT$)	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Others
Nov. 2009	10	100,000	1,000,000	10,000	100,000	Incorporation	None	Note 1
Dec. 2009	13.6585	60,000,000	600,000,000	60,000,000	600,000,000	Conversion of 44,818,604 shares and exchange of 15,171,396 shares	None	Note 2
Feb. 2010	13.6585	100,000,000	1,000,000,000	78,742,908	787,429,080	Cash capital increase	None	Note 3
Mar. 2010	13.6585	130,000,000	1,300,000,000	101,407,472	1,014,074,720	Cash capital increase	None	Note 4
Dec. 2010	77	130,000,000	1,300,000,000	105,303,576	1,053,035,760	Cash capital increase	None	Note 5
June 2011	71.5	130,000,000	1,300,000,000	108,103,576	1,081,035,760	Cash capital increase	None	Note 6
Nov. 2012	78	130,000,000	1,300,000,000	120,000,000	1,200,000,000	Cash capital increase	None	Note 7
Oct. 2013	80	200,000,000	2,000,000,000	130,000,000	1,300,000,000	Cash capital increase	None	Note 8
Oct. 2014	10	200,000,000	2,000,000,000	130,264,250	1,302,642,500	Exercise of Employee stock option	None	Note 9
Jan. 2015	10	200,000,000	2,000,000,000	130,346,000	1,303,460,000	Exercise of Employee stock option	None	Note 10
Apr. 2015	10	200,000,000	2,000,000,000	130,373,250	1,303,732,500	Exercise of Employee stock option	None	Note 11
July 2015	10	200,000,000	2,000,000,000	130,383,250	1,303,832,500	Exercise of Employee stock option	None	Note 12
Oct. 2015	10	200,000,000	2,000,000,000	130,409,750	1,304,097,500	Exercise of Employee stock option	None	Note 13
Dec. 2015	58.8	200,000,000	2,000,000,000	139,409,750	1,394,097,500	Cash capital increase	None	Note 14
Jan. 2016	10	200,000,000	2,000,000,000	139,702,750	1,397,027,500	Exercise of Employee stock option	None	Note 14
Apr. 2016	10	200,000,000	2,000,000,000	139,723,750	1,397,237,500	Exercise of Employee stock option	None	Note 15
Aug. 2016	10	200,000,000	2,000,000,000	139,733,750	1,397,337,500	Exercise of Employee stock option	None	Note 16
Oct. 2016	10	200,000,000	2,000,000,000	139,793,750	1,397,937,500	Exercise of Employee stock option	None	Note 17
Jan. 2017	10	200,000,000	2,000,000,000	139,847,750	1,398,477,500	Exercise of Employee stock option	None	Note 18
Apr. 2017	10	200,000,000	2,000,000,000	139,855,750	1,398,557,500	Exercise of Employee stock option	None	Note 19
July 2017	10	200,000,000	2,000,000,000	139,870,750	1,398,707,500	Exercise of Employee stock option	None	Note 20

Month/Year	Par value (NT$)	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Others
Oct. 2017	10	200,000,000	2,000,000,000	139,913,621	1,399,136,210	Exercise of Employee stock option	None	Note 21
July 2019	10	250,000,000	2,500,000,000	140,386,871	1,403,868,710	Exercise of Employee stock option	None	Note 22
Nov. 2019	10	250,000,000	2,500,000,000	141,633,539	1,416,335,390	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 23
Aug. 2020	10	250,000,000	2,500,000,000	141,865,789	1,418,657,890	Exercise of Employee stock option	None	Note 24
Oct. 2020	10	250,000,000	2,500,000,000	151,289,882	1,512,898,820	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 25
Jan. 2021	10	250,000,000	2,500,000,000	157,043,855	1,570,438,550	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 26
Apr. 2021	10	250,000,000	2,500,000,000	157,067,355	1,570,673,550	Exercise of Employee stock option	None	Note 27
Jul. 2021	10	250,000,000	2,500,000,000	157,293,355	1,572,933,550	Exercise of Employee stock option	None	Note 28
Nov. 2021	10	250,000,000	2,500,000,000	157,327,605	1,573,276,050	Exercise of Employee stock option	None	Note 29
Nov. 2021	10	250,000,000	2,500,000,000	156,327,605	1,563,276,050	Canceled treasury stock	None	Note 29
Nov. 2021	**35.1**	**250,000,000**	**2,500,000,000**	**161,049,605**	**1,610,496,050**	**Private placement of common shares**	**None**	**Note 29**
Jan. 2022	10	250,000,000	2,500,000,000	161,053,605	1,610,536,050	Exercise of Employee stock option	None	Note 30
Apr. 2022	10	250,000,000	2,500,000,000	161,084,105	1,610,841,050	Exercise of Employee stock option	None	Note 31
Aug. 2022	10	250,000,000	2,500,000,000	161,534,855	1,615,348,550	Exercise of Employee stock option	None	Note 32
Nov. 2022	10	250,000,000	2,500,000,000	161,543,105	1,615,431,050	Exercise of Employee stock option	None	Note 33
Jan. 2023	10	250,000,000	2,500,000,000	161,553,105	1,615,531,050	Exercise of Employee stock option	None	Note 34

Month/Year	Par value (NT$)	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Others
May 2023	10	250,000,000	2,500,000,000	163,785,694	1,637,856,940	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 35
July 2023	10	250,000,000	2,500,000,000	164,967,136	1,649,671,360	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 36
Nov. 2023	10	250,000,000	2,500,000,000	166,050,291	1,660,502,910	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 37
Feb. 2024	10	250,000,000	2,500,000,000	166,419,375	1,664,193,750	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 38
Apr. 2024	10	250,000,000	2,500,000,000	166,755,598	1,667,555,980	Exercise of Employee stock option and conversion of convertible corporate bond	None	Note 39

Note 1: Letter of Approval, dated 11/27/2009, Fu-Tsen-Yie-Shan-Zi No.09891131200.
Note 2: Letter of Approval, dated 12/18/2009, Gin-Sho-Shan-Zi No.09801290060.
Note 3: Letter of Approval, dated 02/09/2010, Gin-Sho-Shan-Zi No.09901029260.
Note 4: Letter of Approval, dated 03/17/2010, Gin-Sho-Shan-Zi No.09901050740.
Note 5: Letter of Approval, dated 12/22/2010, Gin-Sho-Shan-Zi No.09901281880.
Note 6: Letter of Approval, dated 06/09/2011, Gin-Sho-Shan-Zi No.10001115870.
Note 7: Letter of Approval, dated 11/08/2012, Gin-Sho-Shan-Zi No.10101231660.
Note 8: Letter of Approval, dated 10/11/2013, Gin-Sho-Shan-Zi No.10201208320.
Note 9: Letter of Approval, dated 10/17/2014, Gin-Sho-Shan-Zi No.10301216930.
Note 10: Letter of Approval, dated 01/26/2015, Gin-Sho-Shan-Zi No.10401007850.
Note 11: Letter of Approval, dated 04/24/2015, Gin-Sho-Shan-Zi No.10401068910.
Note 12: Letter of Approval, dated 07/23/2015, Gin-Sho-Shan-Zi No.10401147860.
Note 13: Letter of Approval, dated 10/14/2015, Gin-Sho-Shan-Zi No.10401214610.
Note 14: Letter of Approval, dated 01/08/2016, Gin-Sho-Shan-Zi No.10501000920.
Note 15: Letter of Approval, dated 04/14/2016, Gin-Sho-Shan-Zi No.10501069930.
Note 16: Letter of Approval, dated 08/03/2016, Gin-Sho-Shan-Zi No.10501170840.
Note 17: Letter of Approval, dated 10/18/2016, Gin-Sho-Shan-Zi No.10501243740.
Note 18: Letter of Approval, dated 01/17/2017, Gin-Sho-Shan-Zi No.10601006010.
Note 19: Letter of Approval, dated 04/19/2017, Gin-Sho-Shan-Zi No.10601049020.
Note 20: Letter of Approval, dated 07/18/2017, Gin-Sho-Shan-Zi No.10601101290.
Note 21: Letter of Approval, dated 10/20/2017, Gin-Sho-Shan-Zi No.10601143210.
Note 22: Letter of Approval, dated 07/01/2019, Gin-Sho-Shan-Zi No.10801077540 and dated 07/24/2019, Gin-Sho-Shan-Zi No. 10801088920.
Note 23: Letter of Approval, dated 11/04/2019, Gin-Sho-Shan-Zi No.10801138690.
Note 24: Letter of Approval, dated 08/03/2020, Gin-Sho-Shan-Zi No.10901132660.
Note 25: Letter of Approval, dated 10/14/2020, Gin-Sho-Shan-Zi No.10901195090.
Note 26: Letter of Approval, dated 01/15/2021, Gin-Sho-Shan-Zi No.11001009100.

Note 27: Letter of Approval, dated 04/28/2021, Gin-Sho-Shan-Zi No.11001063840.
Note 28: Letter of Approval, dated 07/14/2021, Gin-Sho-Shan-Zi No.11001121250.
Note 29: Letter of Approval, dated 11/12/2021, Gin-Sho-Shan-Zi No.11001193180.
Note 30: Letter of Approval, dated 01/19/2022, Gin-Sho-Shan-Zi No.11101007390.
Note 31: Letter of Approval, dated 04/18/2022, Gin-Sho-Shan-Zi No.11101065410.
Note 32: Letter of Approval, dated 08/12/2022, Gin-Sho-Shan-Zi No.11101133650.
Note 33: Letter of Approval, dated 11/22/2022, Gin-Sho-Shan-Zi No.11101200060.
Note 34: Letter of Approval, dated 01/17/2023, Gin-Sho-Shan-Zi No.11230009520.
Note 35: Letter of Approval, dated 05/09/2023, Gin-Sho-Shan-Zi No.11230063290.
Note 36: Letter of Approval, dated 07/25/2023, Gin-Sho-Shan-Zi No.11230142710.
Note 37: Letter of Approval dated 11/14/2023, Gin-Sho-Shan-Zi No.11230197500.
Note 38: Letter of Approval dated 02/05/2024 , Gin-Sho-Shan-Zi No.11330006500.
Note 39: Letter of Approval, dated 04/29/2024, Gin-Sho-Shan-Zi No.11330060980.

Units: share

Types of Shares	Authorized capital			Remarks
	Issued Shares (Note)	Un-issued Shares	Total	
Registered ordinary shares	166,845,149	83,154,851	250,000,000	

Note 1: The Company's stocks are listed stocks.
Note 2: Including the 89,551 shares of the employees' stock options and convertible bonds which had been exercised and converted but yet to be registered as of the book closure starting date.

(II) Status of Shareholders

April 14, 2024
Units: people; share

Shareholder Structure / Number	Government Institutions	Financial Institutions	Other Institutions	Individuals	Foreign Institutions and Individuals	Total
Number	0	4	46	14,326	89	14,465
No. of Shares Held	0	9,220,000	18,325,729	100,577,966	38,721,454	166,845,149
Shareholding ratio	0%	5.53%	10.98%	60.28%	23.21%	100.00%

Note: The Company does not have any shareholders who natural persons or institutions from China.

(III)Shareholding Distribution Status

Common Shares

April 14, 2024

Class of Shareholding (shares)	Number of shareholders	Shareholding (Shares)	Percentage (%)
1 - 999	4,228	585,931	0.35
1,000 - 5,000	8,229	15,927,583	9.55
5,001 - 10,000	984	7,743,705	4.64
10,001 - 15,000	315	4,054,099	2.43
15,001 - 20,000	168	3,081,218	1.85
20,001 - 30,000	163	4,214,675	2.53
30,001 - 40,000	97	3,458,622	2.07
40,001 - 50,000	62	2,893,791	1.73
50,001 - 100,000	99	7,037,793	4.22
100,001 - 200,000	47	6,728,566	4.03
200,001 - 400,000	30	8,412,876	5.04
400,001 - 600,000	13	6,331,814	3.80
600,001 - 800,000	10	7,092,213	4.25
800,001 - 1,000,000	2	1,686,000	1.01
Above 1,000,001	18	87,596,263	52.50
Total	14,465	166,845,149	100.00

(IV)List of major shareholders (list all shareholders with 5% or more shares, or the names of the top ten shareholders, and specify the number of shares and percentage held by each shareholder on the list)

April 14, 2024 Units: share

Shares / Major Shareholders	Shareholding	Percentage
Princeton Healthcare Limited	28,257,983	16.94%
Tien-Ying, Lee	9,413,985	5.64%
Indeed Co., Ltd	7,135,000	4.28%
Pei-Lin, Lee	6,285,151	3.77%
Shui-cheng Tu	6,013,033	3.60%
Errand Co., Ltd.	4,722,000	2.83%
Taiwan Life Insurance Co., Ltd.	4,086,000	2.45%
Su-Ching, Chen	3,863,808	2.32%
China Life Insurance Co., Ltd.	3,133,000	1.88%
Yan-Xian, Lu	2,300,000	1.38%

(V) Stock Price, Net Value, Earnings, Dividends, and Related Information for the Past Two Years

Units: NT$; 1,000 shares

Item \ Year			2022	2023	Until March 31 of the year
Share Price	High		50.30	75.70	62.70
	Low		35.05	43.10	55.80
	Average		41.42	61.46	59.26
Net Value per Share	Before Distribution		38.02	38.81	36.92
	After Distribution		36.01	Note 1	Note 1
Earnings per share	Weighted average shares		161,381	164,454	166,569
	Earnings per share		2.21	2.55	0.01
Dividend per Share	Cash dividends		2.01	Note 1	-
	Stock Dividend	Earning dividend	-	Note 1	-
		Capital surplus	-	Note 1	-
	Accumulated Undistributed Dividends		-	Note 1	-
Return on Investment Analysis	Price-earnings ratio (Note 2)		18.74	24.10	-
	Price-dividend ratio (Note 3)		20.61	Note 1	-
	Cash dividend yield (Note 4)		0.05	Note 1	-

Note 1: Based on the state of distribution as approved at the following year's shareholders meeting; the distribution of 2023 earnings has not yet been acknowledged by the shareholders meeting.
Note 2: Price-earnings ratio = Average per share closing price for the year/earnings per share.
Note 3: Price-dividend ratio = Average per share closing price for the year/cash dividend per share.
Note 4: Cash dividend yield = Cash dividend per share/average per share closing price for the year.

(VI) Dividend Policy and Implementation Status

1. Dividend policy set forth in the Articles of Incorporation

In accordance with law, taxes shall first be paid from any earnings remaining in the Company's final accounts at year-end, and then funds used to make up losses from past years; if there is still a remaining balance, 10% shall be contributed to the statutory reserve. However, when the statutory reserve has already reached the Company's paid-in capital, this requirement shall not apply. The Company shall then allocate or reverse the special reserve in accordance with the law. If there is still any profit remaining, it will be combined with accumulated undistributed earnings in previous years into accumulated distributable earnings to shareholders, and at least 50% shall be allocated for the earnings distribution proposal prepared by the Board of Directors and submitted to the shareholder's meeting for approval before being distributed.

Pursuant to the Company Act, the Company authorizes the Board of Directors to distribute all or a part of dividends or legal reserve and capital surplus specified in Article 241, Paragraph 1 of the Company Act in cash by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

The Company is currently in a growth stage and plans to adopt a balanced dividend policy in distributing dividends, with appropriate distribution of stock dividends and cash dividends. In the Company's dividend payment amount each year 20% to 100% is distributed

as cash dividends. However, the actual distribution ratio may be adjusted based on the actual profit status of the current year and future capital planning.

2. Distribution of shareholder dividends proposed in the latest shareholders' meeting

The Company's 2023 earnings distribution proposal was approved by a resolution of the Board of Directors on March 13, 2024, with the cash dividend of NT$2.01 per share for a total of NT$334,502,944, and awaits submission to the 2024 annual shareholders' meeting.

3. Expected material changes to the dividend policy: None.

(VII) Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the Company's business performance and earnings per share

The Company's 2023 earnings distribution proposal was approved by a resolution of the Board of Directors on March 13, 2024, with a cash dividend of NT$2.01 per share to be distributed; no stock dividends are consequently to be distributed and there will be no resulting impact.

(VIII) Remuneration to employees, directors and supervisors

1. Percentage or scope of remuneration to employees, directors and supervisors provided in Company's Articles of Incorporation

If there is an outstanding balance after subtracting cumulative losses from the Company's profits for the year (pre-tax profit before subtracting remuneration to employees and directors), at least 0.05% shall be appropriated as employee remuneration; and no more than 5% shall be distributed as directors' remuneration.

The distribution of employees bonuses and directors' remuneration in the preceding paragraph shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds or more of the directors, and be reported at a shareholders' meeting.

Employee bonuses may be paid in shares or cash. Employees of subsidiaries that meet certain criteria may also qualify. The distribution regulations are established by the chairman.

2. Basis for estimating the amount of remuneration of employees, directors and supervisors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period

The basis for estimating the Company's employee bonuses and directors' remuneration and the basis for calculating the number of shares distributed as stock dividends are based on the ratio specified in the Articles of Incorporation, and are recognized as expenses and liabilities. However, if the amount decided by the Board of Directors is significantly different from the estimate, the profit or loss for the current year will be adjusted retrospectively. If the actual amount decided by the shareholders' meeting is different from the estimate, it will be recognized as profit or loss in the following next year.

3. Distribution of remuneration passed by the Board of Directors

(1) The amount of employees' remuneration and directors' and supervisors' remuneration distributed in cash or stock. In case of any discrepancy between the amounts and the amortized estimates for the year, the differences, reasons, and responses shall be disclosed.

This has been approved by a resolution of the Board meeting on March 13, 2024, but is yet to be submitted to the 2024 annual shareholders meeting.

The employee bonuses and remuneration of directors and supervisors approved by the Board of Directors is as follows:

Distribution Items	Amount (NT$)
Cash dividend to employees	230,000
Stock dividend to employees	None
Remuneration to directors and supervisors	5,600,000

The foregoing proposed remuneration to employees and directors and supervisors approved by the Board of Directors is not different from the estimated amount in 2023.

(2) The amount of employee bonuses to be paid in stocks as a percentage of the sum of net income after tax on the standalone financial statements and total employee bonuses

The Company's remuneration to employees was resolved by the Board of Directors on March 13, 2024 without stock dividend planned; therefore, it is not applicable.

4. Actual distribution of employee bonuses and remuneration of directors and supervisors in the previous year (including dividend shares, amount and stock price), discrepancies, if any, from the amount of employee bonuses and directors and supervisors' remuneration previously recognized, and the causes and treatments for the discrepancies

For the 2022 earnings distributions proposal passed by the shareholders meeting on June 12, 2023, the actual cash dividend and stock dividend to employees, and remuneration to directors and supervisors are as follows:

Distribution Items	Amount (NT$)
Employee cash bonus	190,000
Employee stock bonus	None
Remuneration to directors and supervisors	5,600,000

The aforementioned dividend distribution is not different from the estimated amount in 2022 and the amount approved by a resolution of the Board of Directors on March 22, 2023.

(IX) The stock shares repurchased by the company:

None.

II. Bonds

(I) Corporate bond issuance

Type of corporate bond	The 4th domestic secured convertible corporate bond
Issuance (handling) date	August 4, 2020
Face value	NT$100,000
Place of issuance and transaction	Domestic
Issuance price	Issued at 101% of the par value
Total amount	NT$1,500,000,000
Interest rate	0%
Term	5-year Due date: August 4, 2025
Guarantee agency	First Commercial Bank CTBC Bank Taipei Fubon Bank
Trustee	Bank SinoPac
Underwriting institution	Fubon Securities Co., Ltd.
Certification Lawyer	Handsome Attorneys-at-Law Lawyer Yawen Qiu
Certification CPA	PricewaterhouseCoopers (PwC) Taiwan Yu-Fang Yen, CPA/Pei-Lin Tu, CPA
Repayment method	According to the provisions of Article 6 of the Rules Governing the Transfer of Corporate Bonds, except for that the holder of the convertible corporate bond has it converted into the common stock shares of the Company in accordance with Article 10 of the Rules, or the Company has it redeemed in advance according to Article 18 of the Rules, or has it redeemed from TPEx and canceled, the Company will pay in cash for 102.525% of the face value (actual yield rate 0.5%) of the convertible corporate bonds that are held by the bondholders at the maturity date.
Unpaid principal	NT$1,279,600,000
Redemption or early payment terms	Please refer to the Company’s 4th domestic secured convertible corporate bond issuance and conversion rules.
Restrictions	Please refer to the Company’s 4th domestic secured convertible corporate bond issuance and conversion rules.
Names of credit rating agencies, evaluation dates, corporate bond evaluation results	N/A

Type of corporate bond		The 4th domestic secured convertible corporate bond
Other rights attached	Common stock amount, overseas depositary receipts, or other securities that have been converted (exchanged or subscribed) as of the annual report printing date	Already converted to 4,609,044 ordinary shares.
	Issuance and Conversion (stock exchange or subscription) Rules	Please refer to the company's 4th domestic secured convertible corporate bond issuance and conversion rules.
The issuance and conversion, stock exchange or subscription method, and the impact of the issuance conditions on possible dilution of equity and existing shareholders' equity		When all remaining corporate bonds are converted into common stock shares based on the existing conversion price, an additional 27,283,582 shares must be issued, and the share capital expansion rate will be 16.35%, which will have limited impact on existing shareholders' equity.
Name of the depository agency for the exchange subject matter		N/A

(II) Convertible corporate bond information

Type of corporate bond		The 4th domestic secured convertible corporate bond		
Item \ Year		2022	2023	As of March 31 of the year
Convertible corporate bond market price	Max.	121.50	153.00	137.80
	Min.	107.00	111.20	123.00
	Average	114.90	136.23	129.34
Conversion price		48.4	46.9	46.9
Issuance (handling) date and conversion price at the time of issuance		Issuance date: August 4, 2020 Conversion price at the time of issuance: NT$53.9	Issuance date: August 4, 2020 Conversion price at the time of issuance: NT$53.9	Issuance date: August 4, 2020 Conversion price at the time of issuance: NT$53.9
Performance of conversion obligation		Issuance of new shares	Issuance of new shares	Issuance of new shares

(III) Exchangeable Bonds

None.

(IV) Shelf Registration for Issuing Bonds

None.

(V) Corporate Bonds with Warrants

None.

III. Preferred Stock Issuance

None.

IV. Global Depository Receipts

None.

V. Employee stock options and new restricted employee shares

(I) The outstanding employee stock options of the company and its impact on shareholder's equity

April 14, 2024

Type of Employee Stock Option	First employee stock option in 2017
Date of approval by competent authorities and total units	The total number of units on August 24, 2017 was 2,000 units
Date of issue	April 13, 2018
Number of units issued	2,000
Number of units that can be issued	0
Ratio of shares to be subscribed to total shares issued	1.2%
Duration of stock option	7 years
Performance method	Delivered by issuing new shares
Restricted period and rate (%)	The stock option holder shall exercise the stock option right in accordance with the following schedule and percentage once the employee stock option certificate has been obtained for two years: Exercisable stock options Percentage (cumulative) over time 2 years after receiving stock options 25% 3 years after receiving stock options 50% 4 years after receiving stock options: 75% 5 years after receiving stock options 100%
Number of executed shares acquired	1,729,750 shares
Value of executed stock options	NT$49,967,600
Number of outstanding stock options	161,750 shares
Subscription price per share for unexercised stock options	NT$26.5
Ratio of shares not subscribed to total shares issued (%)	0.1%
Impact on Shareholders' Equity	The stock options can be exercised after two years from the issuance date. The original shareholder's equity will be diluted year by year, which will not have a significant impact.

(II) The names of the managers and the top ten employees who have acquired employee stock options as of the date of report, and the acquisition and subscription status of the stock options

1. First employee stock option in 2017

April 14, 2024 Units: NT$ thousand, unless otherwise specified; 1,000 shares

Job Title		Name	Number of shares obtained	Ratio of shares acquired to total shares issued	Exercised				Unexercised			
					Number of shares subscribed	Subscription price	Subscription amount	Ratio of shares subscribed to total shares issued	Number of shares subscribed	Subscription price	Subscription amount	Ratio of shares subscribed to total shares issued
Managers	General Manager	Pei-Lin, Lee	210	0.13%	22.50 177.50	NT$30.5 (Note 1) NT$27.4 (Note 3)	5,549.75	0.12%	10	NT$26.5 (Note 4)	265	0.006%
	Executive director, Oncology Business Group	Yee-Min, Jen										
	General Manager	Ming-Lun, Lee										
	Chief Financial Officer	Yi-Chun, Chen										
Employee	Vice President	Chung-Ming Chuang	565	0.34%	101.25 98.25 151.75 135 58.75	NT$31.9 NT$30.5 (Note 1) NT$28.8 (Note 2) NT$27.4 (Note 3) NT$26.5 (Note 4)	15,852.775	0.33%	20	NT$26.5 (Note 4)	530	0.012%
	Vice President	Ming-Fa Hsieh										
	Vice President	Fang-chin Chang										
	Assistant vice presidents	Min-Tsung Chuang										
	Special Assistant	Kui-Hsiang Huang										
	Manager	Hsi-Hsiang Sang										
	Manager	Hsu-Hong Tai										
	Manager	Su-Hua Luo										
	Deputy Manager	Wen-Po Lu										
	Director	Chia-Hsun Wu										

Note 1: In response to the 2020 dividend distribution, the Company adjusted the employee stock option price from NT$31.9 to NT$30.5 on July 18, 2020 in accordance with the Company's Regulations Governing the Issuance of Employee Stock Options.

Note 2: In response to the 2021 dividend distribution, the Company adjusted the employee stock option price from NT$30.5 to NT$28.8 on August 3, 2021 in accordance with the Company's Rules Governing the Issuance of Employee Stock Options.

Note 3: In response to the 2022 dividend distribution, the Company adjusted the employee stock option price from NT$28.8 to NT$27.4 on July 19, 2022 in accordance with the Company's Rules Governing the Issuance of Employee Stock Options.

Note 4: In response to the 2023 dividend distribution, the Company adjusted the employee stock option price from NT$27.4 to NT$26.5 on July 18, 2023 in accordance with the Company's Rules Governing the Issuance of Employee Stock Options.

Note 5: The number of shares issued as of April 14, 2024 was 166,845,149 shares.

(III) Issuance of new restricted employee shares

The Company did not issue new restricted employee shares as of the annual report printing date.

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions

None.

VII. Financing Plans and Implementation

The Company has no issuance of securities or outstanding private placement of securities, or the issuance of private placement of securities have been completed in the last three years without significant effect resulted as of the last quarter prior to the annual report printing date.

Five. Operational Highlights

I. Business activities

(I) Business Scope

1. The Company: General investment.

2. The Group

(1) Main areas of business operations

Engaged in the distribution, repair and maintenance, and lease of the equipment for radiation oncology, neurology, medical imaging, ophthalmology, and surgery/surgical service, and the sale of related parts, consumables, medicines, and health supplements.

(2) Revenue ratio

Units: NT$ thousand

Product	2023	
	Amount	Revenue ratio
Sales of radiation oncology and neuroscience related equipment	1,244,933	32.11%
Other sales	148,089	3.82%
Sales of medicines and health supplements	962,447	24.82%
Rental revenue	1,174,358	30.29%
Service revenue	313,368	8.08%
Other operating revenues	33,942	0.88%
Total	3,877,137	100.00%

(3) The Group's current product (service) items:

①Products (Services)

A. Distributed radiation oncology equipment brands: Elekta, PTW, Ashland, C-RAD, IBA, and Klarity Medical, etc.

B. Distributed neuroscience equipment brands: Elekta, MEGIN, Leica, Baxter, IMRIS, SONY, CROWNJUN, CASCINATION, CYBERDYNE, MEDICAPTURE, MICROTEK and ADVANTECH, etc.

C. Distributed medical imaging equipment brands: Swissray, etc.

D. Distributed ophthalmology equipment brands: BAUSCH+LOMB, Ellex, Leica, BVI, Quantel, ALBOMED and Plasmapp, etc.

E. VUNO: Distribution of artificial intelligence (AI) medical solutions.

F. Neg (Nippon Electric Glass): Distribution of lead glass for medical use.

G. Autonomously developed information system sales and cooperation: iROIS.

H. Maintenance, repair, technical consultation, system upgrading, and parts replacement of distributed equipment.

I. Collaboration involving equipment for radiation oncology, neuroscience, and medical imaging: Including medical equipment, instruments, consumables, information software and hardware, and other specific equipment collaboration for all divisions, site planning, radiation shielding calculation, radiation information

consultation, and management services.

J. Ophthalmology equipment collaboration: Including medical equipment, surgical instruments, information software and hardware, and other specific equipment collaboration for hospital ophthalmology departments and ophthalmic clinics, site planning, information consultation, and management services.

K. Professional consulting: Provide relevant evaluations on the establishment, procurement, and update of medical device and equipment, consultation on the establishment of relevant software and hardware for medical institutions, and consultation on the construction of large medical equipment.

L. Medicine sales: Supply of medicines needed by hospitals and pharmacies.

②Distributed product brands and items

A. Radiation oncology

Distributed brands	Products
Elekta	Radiation oncology digital linear accelerator MRI linear accelerator Image-guided radiotherapy Electronic medical information management system Computer treatment planning system Radiotherapy patient fixation equipment Ultrasound image-guided radiotherapy system Remote after-loading intracavitary brachytherapy system Intracavitary brachytherapy device X-ray simulator Integrated X-ray intracavitary brachytherapy special photography system Low-dose prostate tissue interstitial implantation treatment system
PTW	Radiotherapy quality confirmation equipment Radiological diagnostic quality confirmation equipment Radiation calibration measurement system equipment
Ashland	Self-display dose verification film for quality validation
C-RAD	Radiotherapy laser scanning instant positioning system
IBA	Proton therapy system
Klarity Medical	Radiation oncology patient peripheral equipment

B. Neuroscience

Distributed brands	Products
Elekta	Leksell gamma knife – stereotactic radiosurgery

	system Stereotactic radiosurgery system
MEGIN	Magnetoencephalography (MEG) system
Leica	Surgical microscope
Baxter	Operating table, surgical lamp, surgical column Patient positioning accessories during surgery Surgery-related smart products and solutions
IMRIS	MRI hybrid surgical theatre
SONY	NUCLeUS
CROWNJUN	Surgical sutures and instruments
CASCINATION	Stereotactic navigation system
CYBERDYNE	Hybrid assistive limb
MEDICAPTURE	Medical image processing system
MICROTEK	Surgical microscope sterilization set
ADVANTECH	Smart medical products

C. Medical imaging

Distributed brands	Products
Swissray	Digital X-ray imaginary diagnostic system

D. Ophthalmology

Distributed brands	Products
BAUSCH+LOMB	Excimer laser system Corneal flap femtosecond laser system Cataract femtosecond laser system Corner template cutter
Ellex	Ophthalmoscope laser
Leica	Surgical microscope
BVI	Artificial intraocular lens
Quantel	Ophthalmic ultrasound
ALBOMED	Artificial vitreous
Plasmapp	Micro plasma sterilizer

(4) New products (services) to be developed by the Group

①Promotion of medical service cooperation (equipment collaboration and technology transfer training).

②Expansion of the scope of application in cooperating medical departments at medical institutions.

③Expansion of the cooperation with chain pharmacy channels.

④Development of irradiation business.

⑤Development of elderly care business.

⑥Investment in the veterinary care business.

(II) Industry overview

1. The Campany

The Company is an investment holding company. The subsidiaries of the Company are mainly engaged in medical equipment distribution, leasing, and services. Through the holding platform, the Company combines professionals and technical services in various medical fields, and integrates logistics management operations to reduce operating costs, so business performance has been growing stably since its incorporation. The Company will continue to lead the industry and increase profits with an operating model of medical industry holdings, and become a leader in the medical service business internationally.

2. The Group

(1) Current status and development of industry

The medical equipment industry covers a wide range of products. Referencing the Medical Device Act implemented on May 1, 2021 and the Medical Equipment Classification announced in 2000, medical equipment can be roughly divided into the medical equipment for diagnosis and monitoring, medical equipment for surgery and treatment, patient aid equipment and prosthesis, equipment for in vitro diagnosis, and other medical equipment apart from items in the above categories.

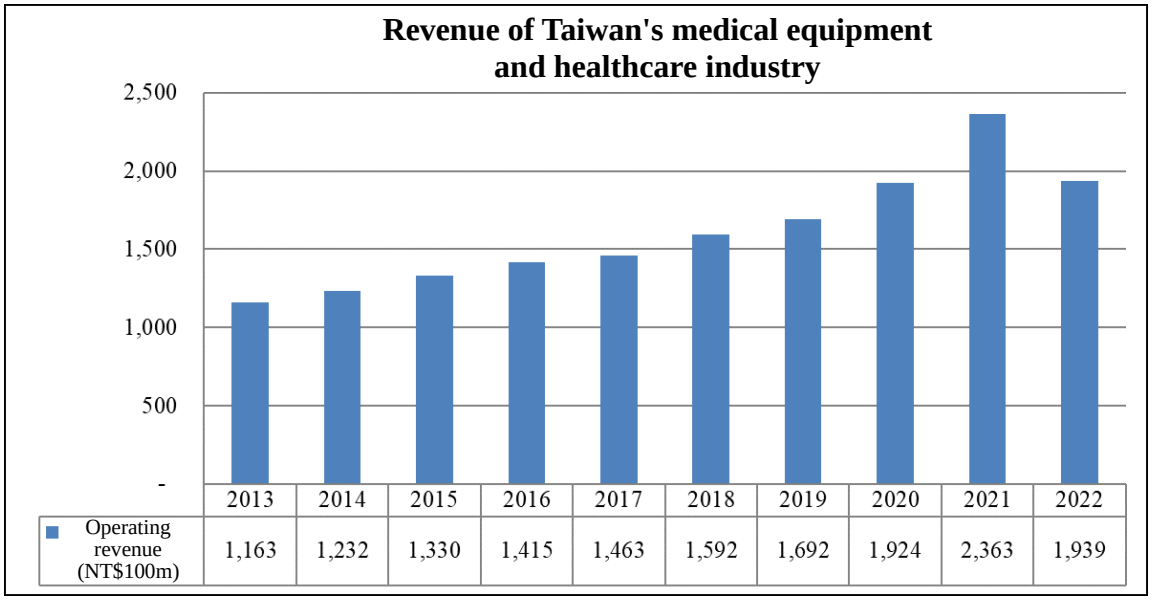
The Group organized by the Company and its subsidiaries focuses on the sale and collaboration of medical equipment for surgery and treatment, as well as the medical imaging equipment for diagnosis and monitoring. The radiation oncology equipment is mostly large medical device with relatively high technology aspect and mainly imported. For the sake of safety and accuracy of diagnosis, the brand has become the main consideration factor. Such products are usually subject to very high technological thresholds and, therefore, the relevant manufacturers are highly centralized. That is, the market is monopolized by few manufacturers.

Since the types of technologies related to the production of medical devices include electronics, electrical engineering, biotechnology, biochemistry, medical engineering, measurement and chemical engineering, etc., the research and development period is long and the product validation and clinical testing are needed, especially high-end medical equipment requires precision technology. Product distribution requires a large amount of working capital, and the medical equipment license application is time-consuming. Regardless of whether engaged in production or distribution, the barriers to market entry are quite high. As far as the market is concerned, the medical equipment industry is deeply affected by government policies, and medical insurance payment policies directly affect market demand. Also, the medical product certification and medical insurance payment system are slightly different in each country, therefore it is difficult to enter the market. However, once a product is successfully introduced into the market, its potential profits are also higher than those of other industries due to the protection of patents and

certifications and the long product life cycle.

A research report of BMI Research pointed out that the global medical device market was US$483.27 billion in 2022, an increase of 6.4% from 2021. The market is expected to grow to US$589.68 billion in 2025, with a CAGR of approximately 6.7% from 2021 to 2025. In terms of region, the overall top three markets consist of the Americas (51.7%), Western Europe (23.5%), and the Asia Pacific (18.2%). Benefiting from the global leadership of the United States' medical equipment market and the growing demand for medical care driven by the steadily increasing prevalence of chronic disease, Americas has long occupied a leading position in the global medical device market. The percentage accounted for by Western Europe in 2022 slightly decreased compared with 2021. This is mainly due to the severe depreciation of the Euro and the British Pound in 2022. If the market share is calculated using Euro, the Western European medical device market grew by 9.4% in 2022 compared with 2021. Driven by the massive demand of elderly people on healthcare, and market demand for medical device bouncing back after epidemic prevention measures were lifted, the Western Europe medical device market still has a secure position in the world. The Asia-Pacific has long been the third largest medical device market at US$88.1 billion in 2022. The market has considerable development potential thanks to multiple drivers of growth, including increasingly comprehensive government healthcare policies in multiple countries, increasing demand on medical care for the elderly, and the growth of emerging markets.

In terms of Taiwan's medical equipment and healthcare industry, according to the "Medical Equipment Classification" announced by the Ministry of Health and Welfare, medical equipment is divided into medical equipment for diagnosis and monitoring, medical equipment for surgery and treatment, patient aid equipment and prosthesis, equipment for in vitro diagnosis, and other medical equipment apart from items in the above categories. Considering that the rise of preventive health awareness has driven the development of medical equipment, equipment and supplies for disease prevention and health promotion have also been included in the scope of the industry to become aligned with industry development trends. Therefore, all fitness equipment including treadmills, flywheels, and steppers, as well as massage equipment are included in the scope of equipment and supplies for disease prevention and health promotion.



Source: 2023 Biotechnology Industry in Taiwan

The revenue of Taiwan's medical equipment and healthcare industry in 2022 was NT$193.9 billion (as shown in the figure above), down 17.9% compared with the revenue of NT$236.3 billion in 2021, and was mainly due the significant decrease in exports of fitness equipment in the category of equipment and supplies for disease prevention and health promotion due to the overall economic downturn. If only the revenue of medical equipment is calculated, it has maintained an upward trend, and the revenue in 2022 grew 7.4% compared with 2021, showing that Taiwan's medical equipment market is still strong. In view of the continued aging trend and rapidly growing elderly population, the number of people with medical needs will grow steadily, and demand for medical equipment will also increase continuously. At the same time, the technological level and complexity of medical equipment will also increase with the development of new technologies. It’s anticipated this will cause the unit price of medical equipment to rise while creating market opportunities. The medical equipment industry is consequently one of Taiwan's industries with major development potential.

In addition, the 2023 Biotechnology Industry in Taiwan shows that the import value of Taiwan's medical equipment and healthcare industry in 2022 was NT$100.9 billion, an increase of 4.2% from 2021, and the import value has increased every year over the past five years. Further analysis of the top category of imported products "Other articles of heading No. 9018", which are instruments and devices used by departments of internal medicine, surgery, dentistry, and veterinary medicine, accounted for 17% of overall imports. The category consists of high unit price advanced medical products manufactured by leading brands of advanced countries, including computed tomography scanners, magnetic resonance tomography scanners, and high-energy particle therapy equipment which Taiwan is still unable to produce and sell such items on its own, so not much change in imported items is expected without a significant change in Taiwan's industry structure. Although the size of the domestic market is not as large as that of Europe and the United

States, the domestic market demand and per capita medical supplies consumption are increasing year by year due to the aging population structure and the expectation of the public in medical care quality. In particular, with the aging population and the increasing demand for medical care driven by the increase in chronic diseases, under the healthcare system, the demand for overall medical resources is significant, the public's demand for medical quality and services has increased, and the growing demand for self-funded plastic surgery and ophthalmology, the demand for imported high-end novel medical supplies is also quite high. With the growth of domestic demand, it is expected that the growth of imported medical supplies will continue to grow in the future.

China's medical equipment market was approximately US$33.24 billion in 2022, making it the third largest medical equipment market in the world and the largest in Asia. In the future, with the reform of China's medical policies and the investment of related medical resources, overall demand in the healthcare market will continue to expand and is expected to drive the growth of the medical equipment industry. As for the Indonesian market, this country has a population of over 270 million, making it the largest in Southeast Asia and the fourth largest country in the world. Furthermore, Indonesia began implementing a national health insurance program (BPJS) in 2014, and is gradually emerging as a presence in the international medical market. In light of the popularization of health insurance in Indonesia, people are attaching greater importance to healthcare, and the country's huge domestic market, medical resources are rapidly being deployed in Indonesia, and its medical equipment market can be expected to have high growth potential.

The medical equipment industry is with a wide range of products and detailed classification. The Group currently focuses on the sale and collaboration of medical equipment and consumables for radiation oncology, neuroscience, medical imaging, and ophthalmology. It’s hereby stated as follows:

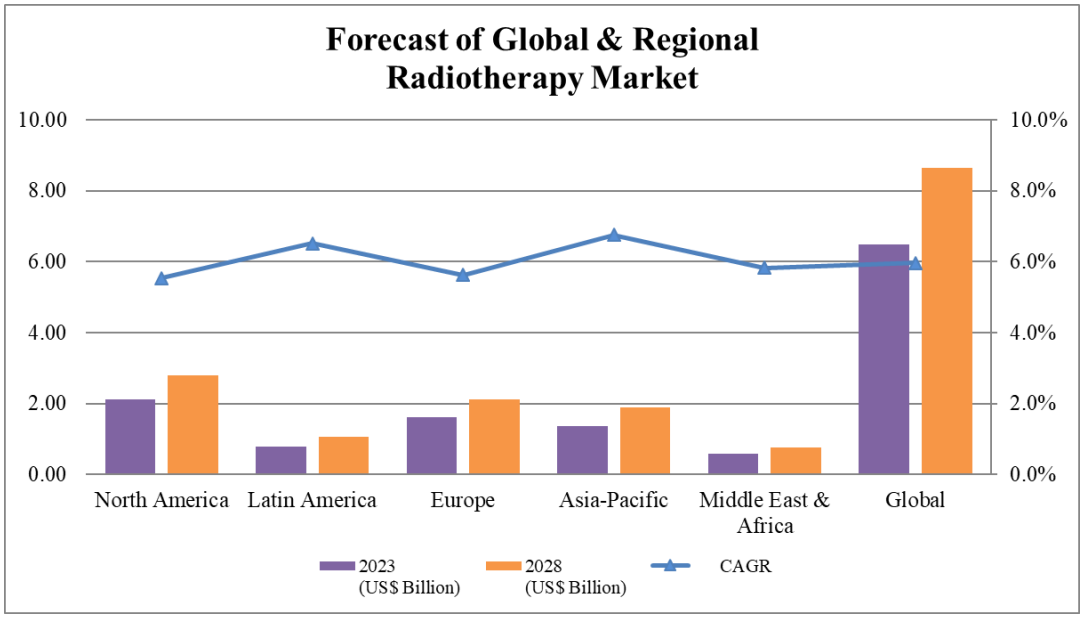
①Radiation oncology and neuroscience

A.State of the global radiotherapy market

According to an analysis report of Market Data Forecast, the CAGR of the global radiotherapy market from 2023 to 2028 will reach 6.0%. Factors driving the growth of the radiotherapy market include increasingly advanced and precise technology, the continued increase in the incidence of cancer worldwide, the increase in healthcare expenses of various countries, and the preference for non-surgical treatment approaches.

With the rapidly advanced technology in treating cancer and increasing cancer patients, North America is expected to remain a market leader by region (as shown in the figure below), with a market value accounting for over 30% of the global market value, followed by Europe, Asia-Pacific, Latin America, the Middle East & Africa in that order. Among these areas, the Asia-Pacific region has benefited from the growing maturity of its medical infrastructure and increasingly mature policies

in various countries. In addition, in consideration of the increasing occurrence of cancer, the Asia-Pacific market is expected to have the strongest growth in 2023-2028, and its projected CAGR of 6.8% will be much higher than the global average. This market is consequently expected to have a bright future.



Source: Market Data Forecast

B. Global radiotherapy equipment market share

The global radiotherapy equipment linear accelerator market is an oligopoly. The two major manufacturers, the Swedish brand Elekta and the German company Siemens' brand Varian, have together captured over 90% share of the global market. Further analyzing the market share, Varian has an advantage in America; also, the two brands share the European market and Asian market equally.

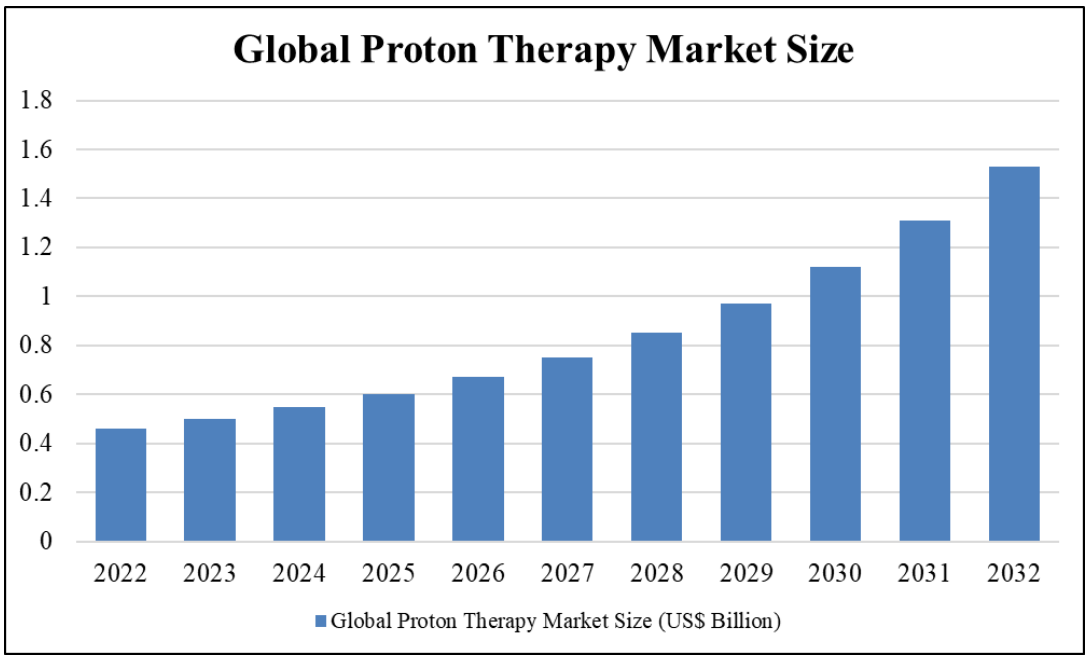
In addition to the linear accelerator that is currently popular in all advanced countries, Elekta and Philips have collaborated to create the world's first MR-linac. The head is mounted in a ring-shaped device that shields the magnetic field, avoiding the interference of magnetic field on the accelerator head. Under the circumstance, physicians are able to obtain clear MRI images in radiotherapy that help improve treatment accuracy. Moreover, MRI images have advantages over CT imaging in soft tissues and can avoid unnecessary medical radiation therefore, it is an exclusive product fairly competitive in market. Presently, the Group has included the product portfolio for active promotion.

In addition, proton therapy has been gradually introduced in recent years. The advantage of proton therapy is that it can effectively damage cancer cells while reducing the damage to normal tissues. When proton rays pass through the tissues, only less energy is released on the path of crossing when reaching the specific depth where the tumor is located with a large amount of energy released to fight the cancer cells and to significantly reduce the amount of radiation received by the normal

tissues behind the tumor. At the same time, the doctor can arrange a customized treatment plan for each patient according to his/her physical condition and treatment needs in order to effectively improve the cure rate and reduce the treatment-related side effects, which is a piece of great news for all cancer patients.

Considering the increasing number of patients suffering from chronic diseases such as cancer, in addition to evaluating the effect of treatment, patients are also increasingly paying attention to the impact of different radiotherapy technologies on their quality of life. Proton therapy is expected to play an increasingly critical role in cancer treatment considering that its advantages include effectively targeting the tumor site and releasing the radiation dose, which increases the local control rate, achieves treatment goals, and also reduces side effects, significantly improving patients' quality of life.

Referencing the information released by Precedence Research (as shown below), it predicts that the global proton therapy market will grow from US$460 million in 2022 to US$1.53 billion in 2032, with a CAGR of 12.77% during the period, which is much higher than the CAGR of the global radiotherapy market, clearly showing that proton therapy has become an emerging trend in radiotherapy. Its application continues to be expanded around the world, and the market has massive room for growth.



Source: Precedence Research

At present, the mainstream domestic equipment suppliers consist of Elekta, Siemens' brand Varian, and Accuray. The Elekta linear accelerator distributed by the Group has a nearly 50% market share in Taiwan, which outperforms the main competing brand, Varian. Also, in recent years, Elekta has become the first choice of domestic hospitals seeking to replace their existing equipment. Elekta is actively

engaging in R&D, and has successfully developed the world's first MR-linac; the Group currently has an exclusive distributorship for this product in the Taiwan market. This indicates that, in view of customers' purchasing considerations, the products distributed by the Group in the Taiwan market are highly competitive. If all the brands of radiotherapy devices distributed by the Group are calculated as a whole, it possesses a domestic market share of close to 60%. This also shows that the Group is a major distributor of radiation oncology equipment in Taiwan.

In recent years, the Group has also actively promoted the precision medicine – proton therapy system. The Group hopes that by introducing high-end medical equipment and technical services the public will be able to enjoy more precise treatment, more adequate medical resources, and higher quality medical services in order to improve the overall health and well-being of the citizens. The IBA equipment sold by the Group is used by more than half of the patients receiving proton therapy worldwide. The Group is relying on a dual business model of sales and medical management to introduce branded products in Taiwan's medical market.

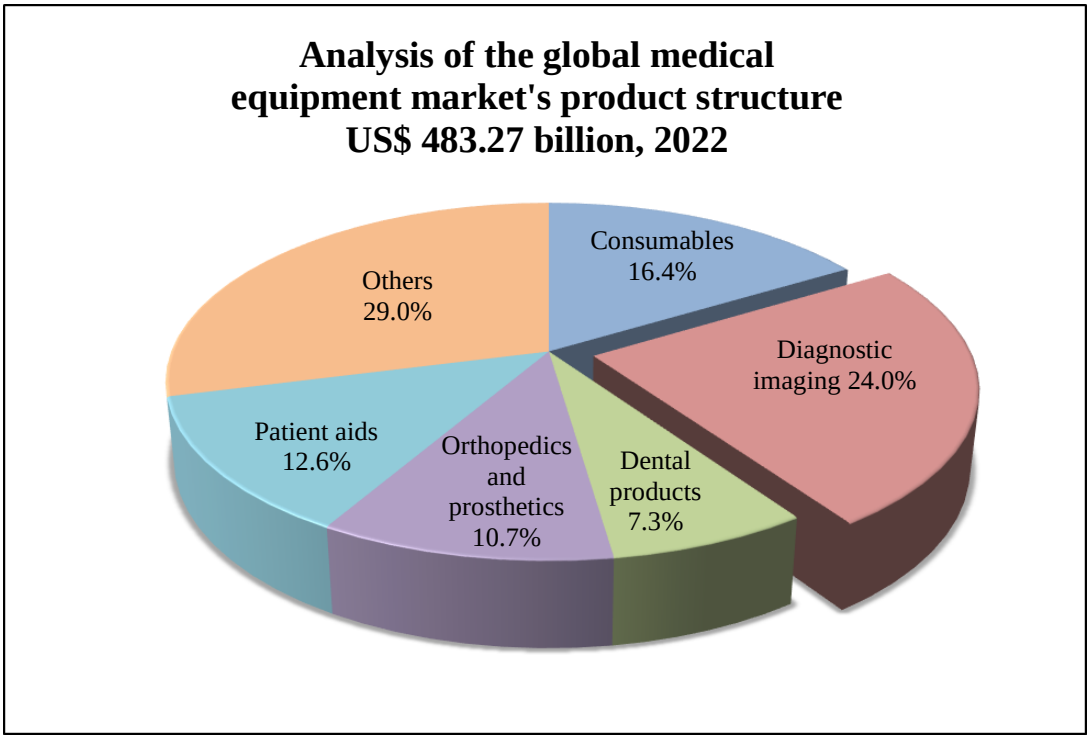
As far as the different types of radiation oncology equipment are concerned, the products distributed by the Group include radiation oncology linear accelerators and the TomoTherapy system, as well as the auxiliary equipment, such as Leksell gamma knife and treatment planning system, and the proton therapy system and the MR-Linac introduced in recent years. The product lines provided by the Group are quite complete in depth and breadth and should be able to meet domestic market demand.

②Medical imaging

A.Diagnostic imaging market development overview

BMI Research has medical device products divided into six categories, namely consumables, diagnostic imaging, dental products, orthopedics and prosthetics, patient aids, and others.

As shown below, the category "Others" of the global medical device market accounted for the highest proportion of the global medical supplies market in 2022, while it was not a single item, but a combination of many items. As the largest single category, diagnostic imaging products accounted for 24% of the market, which indicates that market demand for this type of product is very great. Diagnostic products include radiation diagnostic imaging equipment such as X-ray machines, computed tomography (CT), and positron emission tomography (PET), and also include such non-radiological diagnostic imaging equipment as medical ultrasound scanners and magnetic resonance imaging (MRI) equipment. In addition, the parts, accessories, consumables, etc. of diagnostic imaging equipment are also within the scope of such products.



Source: 2023 Biotechnology Industry in Taiwan

According to the classification and grading of medical equipment in Taiwan, the medical imaging products distributed by the Group include medical imaging equipment for diagnosis and monitoring, such as devices used to capture images of the internal structure of the body with non-invasive technology, including ultrasound imaging equipment, computer tomography (CT), X-ray machines, and MRI, etc. Since this type of equipment has an extremely high technological threshold, it is still generally imported into Taiwan. In view of such devices' prevailing high cost and major influence on diagnostic decision-making, hospitals and clinics typically prefer to purchase well-known international brands as a first priority. As a consequence, the medical imaging device market is dominated by GE, Philips, and Siemens.

The medical imaging devices distributed by the Group include major international brand computed tomography (CT) systems, MRI systems, nuclear medicine imaging systems, positron emission tomography (PET) systems, and mammography systems, etc. The Group offers a complete product line, as well as extensive technical support and after-sales service. The need for relevant product development strategies and all round medical management services comprises a high barrier to entry for late-coming firms.

B. Diagnostic imaging market development trends and strategies

(A) Technology trends – equipment integration (positron emission tomography combined with computed tomography, positron emission tomography combined with nuclear magnetic resonance), low-dose, portable/mobile, special-purpose equipment development, etc.

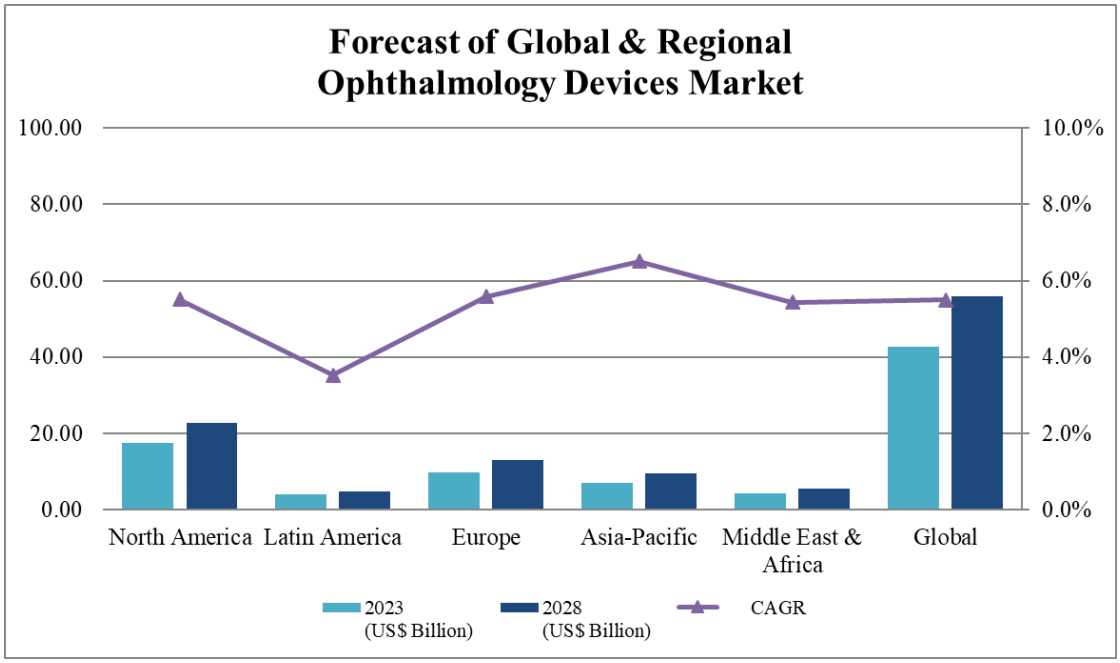
(B) The specification conversion drives the diagnostic imaging equipment market. In

addition to the original application, future special-purpose models will continue to be introduced, such as, the application for breast surgery, rehabilitation, plastic surgery, dentistry, and general surgery. The trend of aging population also drives the demand for medical diagnostic imaging equipment.

(C) Move towards digital diagnosis, introduce software for clinical use to support diagnosis and make medical decisions through the development of testing medical materials with AI technology, improve diagnostic efficiency, and implement precision medicine.

③Ophthalmology

Due to the prevalence of 3C products and the trend of aging population, in recent years, in addition to the myopia and presbyopia found in young generation, the problems and diseases caused by aging have also increased. Ophthalmology has become one of the star industries under the trend. According to data from Market Data Forecast (as shown below), the global ophthalmology device market will have a value of US$42.73 billion in 2023, and is projected to reach US$55.85 billion in 2028, with a CAGR of 5.5% in the period from 2023 to 2028. The number of patients with cataracts, refractive problems, and glaucoma is increasing gradually and will drive growth of the therapeutic equipment market. If analyzed by region, the Asia-Pacific ophthalmology device market is expected to have the highest CAGR (6.50%) during the period from 2023 to 2028, and market value is expected to grow from US$6.96 billion in 2023 to US$ 9.54 billion in 2028.



Source: Market Data Forecast

Commonly seen eye disorders in Taiwan include myopia, cataracts, and glaucoma. According to the results of a health survey conducted by the Health Promotion Administration, Ministry of Health and Welfare, the percentage of persons suffering from myopia and astigmatism prior to the age of 24 rises with age, and out of 100

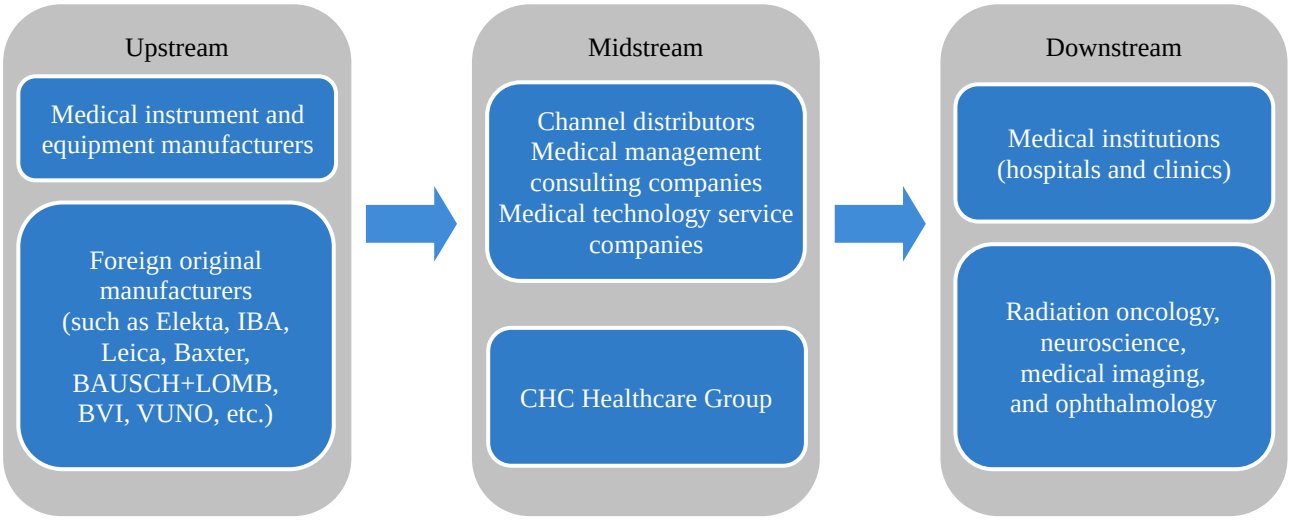
persons in the 18-24 age group, 73 have myopia, and 42 have astigmatism; The incidence of myopia and astigmatism gradually decrease after the age of 25, but more than one-half of individuals begin to have presbyopia after the age of 40, and close to 30% suffer from cataracts after the age of 65.

Many types of statistical data reveal the rising incidence of eye disorders in Taiwan, which are occurring at increasingly young ages. These trends are warning signs for the people of Taiwan. Many vision problems become more common with age, and may gradually become irreversible. Therefore, how to effectively prevent eye disorders, find them promptly, and correctly treat them as early as possible has become an important public issue. If patients do not correct or treat such disorders as early as possible, they are very likely to subsequently suffer from complications, such as peripheral retinal variation. For instance, if myopia is left untreated and uncorrected for an extended time, it may lead to glaucoma, macular degeneration, or even blindness or severe disability.

The Group distributes a wide variety of ophthalmology products, including excimer laser systems, cataract femtosecond laser systems, ophthalmoscope lasers, and surgical microscopes. Considering the trend of people diagnosed with cataracts at a younger age, and the prevalence of myopia, astigmatism, and presbyopia, the Group successfully introduced high-end multifocal/multifocal astigmatic intraocular lenses from Belgium in recent years. CHC looks forward to providing more diversified choices in intraocular lens replacement surgeries with a limit of one implantation under professional medical considerations, giving patients a better quality of life after surgery.

(2) Correlation between upstream, midstream, and downstream

As indicated below, the midstream distributors can make up for the upstream medical equipment manufacturers' insufficient marketing network and regional maintenance services, so that they can concentrate on the design, research and development, and production of medical device and equipment. In addition, the channel dealers through the comprehensive distribution network covering the market can construct a most cost-effective marketing channel, save marketing expenses, and help them quickly enter the market and increase market share. For downstream medical institutions, midstream distributors can quickly provide the medical equipment and technology they need to reduce associated costs and reduce operational risks. In general, the midstream channel dealers integrate the demands of the downstream medical institutions to purchase from the upstream manufacturers, through the division of labor of the upstream, midstream, and downstream industries in order to effectively improve the operational efficiency of the overall medical equipment industry with the flexible inventory management and diversified brand distribution adopted.



(3) Various product development trends

①Medical equipment technology development trends

A. Electronic digitization of equipment: The combination of medical device technology and electronic information, bio-engineering precision manufacturing, new materials, and other technologies into emerging high-tech medical device applications, and the need to integrate with other medical devices in medical workplaces through network transmission is growing and becoming the main trend in the development of the medical equipment industry.

B. Minimally invasive medical surgical equipment: Medical devices have been evolving from traumatic (invasive) surgery to minimally invasive surgical equipment or other new technologies, and this trend has been reflected in devices used for cancer treatment, neurosurgery, and ophthalmic presbyopic laser correction surgery. Due to the advance in technology, much conventional inpatient surgery may eventually be replaced by outpatient therapeutic methods.

C. Innovative medical equipment with revolutionary development potential: The medical industry has developed along with the rapid development of technologies, such as MR-Linac, compact proton therapy systems, MRI hybrid operating suites, hybrid assistive limb, and Excimer Lasers. These devices are different from the framework of traditional diagnosis and treatment. The production of equipment requires more advanced technology and future development is expected.

D. Medical equipment with artificial intelligence functionality: More and more medical devices with artificial intelligence (AI) functions have been approved and introduced in recent years. Medical devices with AI functions can receive large amounts of data, and automatically analyze and assess such data, while providing service, which can effectively assist in medical decision-making, optimize service processes, and enhance the relationship between medical personnel and patients.

②New trends in the development of radiotherapy technology

In recent years, radiation physics, radiation biology, and computer technology have

been developed rapidly, with a focus on newer radiotherapy technology developments and more accurate tumor localization. The former is mainly in the pursuit of more advanced methods of irradiation (such as the use of better physical sources of radiation, or the development of more complex radiation techniques) to achieve dose concentration, and the latter is to reduce the uncertainty of treatment during irradiation (such as correct positioning of the target position of the irradiated tumor).

The radiotherapy equipment distributed by the Group has evolved with the current global market and covers the latest radiotherapy technologies and functions described, for example, IMRT, IGRT, VMAT, PBS, etc. The Group is also actively introducing the latest international treatment equipment, such as proton therapy systems, MR-Linac, etc., and expects to improve the quality of Taiwan's medical treatment and benefit more patients through the introduction of new technologies and products.

③E-management of oncology records

Today, hospitals have moved towards informatization (computer and network technology), and oncology medical care requires the establishment and management of electronic information systems while integrating Picture Archiving and Communication System (PACS) to provide better therapeutic quality. Elekta provides such solution needed: MOSAIQ, an integrated electronic medical record system for the course of radiation oncology for each patient, including basic information, medical history and diagnosis at the outset, therapeutic prescription dose given by the doctor, treatment plan and medical imaging, as well as the cumulative dose during treatment, etc., so the doctor can browse the patient's treatment situation on the computer at any time.

In addition, the Group has successfully developed the Integrated Radiation Oncology Information System (iROIS), as an information platform allowing customers to integrate clinical patient treatment information between Hospital Information Systems (HIS) and Oncology Information Systems (OIS) employing radiotherapy. iROIS can also provide many warning and reminder functions, simultaneously boost clinical working efficiency and improve patients' safety, and effectively optimize radiation oncology operating procedures.

④Medical equipment collaboration and medical management services

The demand for large-scale medical device and equipment in Taiwan has increased year by year, and the acceptance of equipment collaboration has been increasing. The medical collaboration products provided by medical equipment dealers have become more extensive, and the scale of operations has also expanded. In addition to the medical device and equipment collaboration service provided, the Group in response to customer needs, such as site planning, construction, business consulting, education and training, repair and maintenance, upgrade services, etc., has further developed a full range of integrated services with increasingly diversified and comprehensive services provided. While stabilizing the Taiwanese market, the Group will also export its proud medical management services to China and Southeast Asia. The services will range from the

most basic medical device and equipment collaboration and business consulting to the management service of individual department and even the entire hospital. The initial target customer is mainly based on local large-scale medical institutions, and the Group expects to penetrate overseas markets by taking advantage of its own soft power. The medical management service not only provides all the medical equipment required by each department of the medical institution in order to eliminate the problem of integration efficiency on different systems, but also supports the education and training of equipment in various medical institutions at any time, providing professional skills or the planning of the medical staff training courses to deepen the dependence of the customer.

(4) Competitions

①Distribution of medical equipment (radiation oncology, neuroscience, medical imaging, and ophthalmology)

The medical products distributed by the Group are mostly manufactured by renowned large manufacturers in Europe and the United States, and are the leading brands in the world. In addition to the professional R&D team and the clinical test reports and academic papers of renowned foreign medical centers, the manufacturers have obtained EU CE certification, US FDA license and TFDA license from the Ministry of Health and Welfare with the relevant supporting documents made available. At present, competitors' products in the market are mostly limited to a few non-mainstream models, which are difficult to obtain customer recognition. Also, the competitor's brands are facing the dilemma of not having new functional models from the foreign manufacturers. Therefore, they are unable to compete against the leading brands with R&D capabilities that are distributed by the Group.

②Medical equipment collaboration and medical management services

The general leasing companies in the industry are mostly with financial backgrounds. The main operations are loaning funds, and the leasing projects are for factory equipment, aviation equipment, and general vehicles, etc. Currently, there are renowned large-scale leasing companies in the market, including Chailease, Hotai, and ORIX, but they are not specialized in medical equipment rental, and thus lack of professional integration services. The Group provides professional services to meet the needs of hospitals and clinics by not only providing medical equipment but also offering technical support from our technical team which is certified by the original manufacturers. The Group also provides the finest care and maintenance services, which ensure that the medical equipment provided to customers operates accurately. Furthermore, the Group has a stable financial situation and excellent long-term

relationships with correspondent banks, which will ensure that it can provide customers with suitable collaboration arrangements.

(III)Overview of technologies and R&D (R&D expenses invested and technologies or products successfully developed in the past year and up to the date of report)

1. The Company

The Company is an investment holding company and therefore is not involved in technology or R&D.

2. The Group

The Group is not in the manufacturing industry and currently does not have a dedicated R&D department, and there were no R&D expenses incurred in 2023.

(IV) Long-term and Short-term business development plan

1. The Company

The Company is an investment holding company, its subsidiaries mainly engage in the distribution, repair and maintenance, and lease of the equipment for radiation oncology, neurology, medical imaging, ophthalmology, and surgery/surgical service, and the sale of related parts, consumables, medicines, and health supplements. Long-term and short-term business development plans therefore reflect the Group as a whole. Please refer to the following.

2. The Group

(1) Short-term business development plan

①The Group continues to introduce the latest medical equipment and technologies, and seeks to become the distributor of medical products needed by other medical specialties, in order to develop diversified sales business and increase its market share.

②The Group is continuously training its professional technical team and expanding its medical management services at home and abroad, and by providing more timely and sounder services to upgrade medical service quality, aims to become the best choice for customers interested in cooperation in medical areas, while generating long-term stable revenue for the Group.

③The Group is relying on the integration of resources to accelerate expansion of its chain pharmacy channel, and is employing its medical industry channel experience to enhance the size and level of its physical and online pharmacy channel.

④The Group has gotten involved in the irradiation business, introduced systems from well-known international brands, and provides photon/electron irradiation services, while emphasizing safety, high performance and no residues. This is making it the first vendor in Taiwan to offer irradiation technology in line with the sustainable utilization ethos.

(2) Long-term business development plan

①The Group is expanding its business operations into Asia-Pacific medical markets,

integrating upstream and downstream medical resources, marketing the most complete product lines, and continuously improving its high-value-added medical technologies and services, so as to lay the foundation for its medical services leadership in the Asia-Pacific region.

②Externally, the Group is continuously introducing highly competitive new products to expand its service channels and increase strategic partners, and thereby achieve greater economy of scale;

internally, the Group is focusing on resource integration as a means of improving business performance and staying ahead of the rest of the industry.

③The Group is promoting the application scope of irradiation technology, and gradually increasing equipment load to meet the market demand of food, livelihood, medical, aerospace, and electronic industries, and securing our position as a pioneer in domestic sustainable irradiation technology services.

④The Group is developing its long-term care business, which includes elderly fitness, daytime care, elderly-friendly residential housing, and residential institutions, with a focus on preventive medicine and continuous care, reduction in the time spent by the elderly in bed, and helping seniors enjoy healthy, independent, and happy lives.

II. Market and Sales Overview

(I) The Company

N/A

(II) The Group

1. Market Analysis

(1) Sales (Provision) regions of main products (services)

Units: NT$ thousand; %

Sales region	2022		2023	
	Amount	Ratio	Amount	Ratio
Taiwan	2,869,079	96.46	3,825,256	98.66
China	95,867	3.22	43,817	1.13
Others	9,406	0.32	8,064	0.21
Total	2,974,352	100.00	3,877,137	100.00

(2) Market share

The main products distributed by the Group and their market share in Taiwan are as follows:

Product Items	Distributed brands	Market share
Radiation oncology equipment	Elekta and other	≥ 55%
Intracavitary brachytherapy systems	Elekta Nucletron	≥ 80%
Water phantom radiation quality	PTW	≥ 70%

Product Items	Distributed brands	Market share
measurement certification system		
Stereotactic radiosurgery system	Elekta Gamma Knife	≥ 60%
Surgical microscope – plastic & reconstruction surgery	Leica	≥ 65%
Imported brand multifunctional surgical bed	Baxter	≥ 25%
Surgical microscope – ophthalmology	Leica	≥ 40%
Excimer laser system	BAUSCH+LOMB	≥ 50%
Multi-focal/ multi-focal astigmatism Intraocular Lenses—self-paid	BVI	≥ 20%

(3) Overview of supply and demand and projected growth

①Market supply and demand changes in the future

The import value of Taiwan's medical equipment and healthcare industry in 2022 was NT$100.9 billion, an increase of 4.2% from 2021, and the import value has increased every year over the past five years. In terms of population, Taiwan had a population of 23.26 million as of the end of 2022, with an average life expectancy of 79.84 years, including 76.63 years for men and 83.28 years for women. These average life expectancies are higher than the global averages by 6.7 and 8.6 years respectively. Taiwan formally became an "aged society" in 2018 (when the proportion of people over 65 years of age exceeded 14%). At present, the trend toward a lower birth rate has resulted in negative population growth. Factors such as the low birth rate and loss of working population are indirectly increasing the rate of demographic aging, and the proportion of the population over 65 years of age reached 17.6% in 2022. It is expected that Taiwan will become a "super-aged society" by 2025, at which time the elderly population will exceed 20%. As the average life expectancy increases, the elderly population increases year by year, the rate of chronic diseases gradually increases, and demand for medical resources also steadily rises.

A.Radiation oncology specialist and neuroscience specialist

According to the data of the Ministry of Health and Welfare, a total of 208,438 persons died in 2022, of whom 51,927 persons died from malignant tumors, and accounted for nearly 25% of the total deceased. Malignant tumors have thus continued to be in first place among the top ten causes of death in Taiwan. This indicates that the treatment of malignant tumors has become one of the most serious medical challenges in Taiwan. According to the statistics up to the end of 2022 there was a total of 480 hospitals in Taiwan, among which 101 hospitals have radiation oncology department setup, but there are 144 hospitals with more than 300 beds in service. Such hospitals are large enough to open a radiation oncology department to treat more patients. All of the aforementioned phenomena show that there is still room for growth in the demand for cancer radiation equipment in Taiwan.

B. Diagnostic imaging specialist

Most medical imaging devices, including MRI machines and computer tomography (CT) machines, are very costly and have a great impact on diagnostic decision-making. As a consequence, hospitals tend to chiefly consider brand when making purchasing decisions. And due to the fact that medical imaging devices have an extremely high technological threshold, Taiwan largely depends on imports for the medical imaging equipment it needs. According to the 2023 Biotechnology Industry in Taiwan, of Taiwan's top ten medical device imports in 2022, "Other articles of heading No. 9018" ranked first with an import amount reaching NT$16.285 billion in 2022, up 18% compared to the previous year, and accounting for 17% of overall imports by the medical devices industry in 2022. The category includes medical imaging devices such as computed tomography scanners and magnetic resonance tomography scanners. With rising life expectancy and continued demographic aging in the future, a growing incidence of cardiovascular disease, rehabilitation, and orthopedic problems can be expected. This trend will continue to drive the growth of the medical imaging device market.

C. Ophthalmology

As of the end of 2022, there were approximately 4.09 million people in Taiwan over the age of 65, and these persons accounted for 17.6% of the total population. As a result, Taiwan has become an "aged society." With the growing elderly population and rising average life expectancy, the elderly are seeking a higher quality of life, which has increased demand for treatment of various eye diseases.

Further, the 3C products in the modern world, such as computers, mobile phones, and tablets have become indispensable tools to modern people. In the past, the ultraviolet rays of the sun are the only light hazard that is damaging to the human eyes, but now the light hazard from the use of 3C products indoors is also damaging to human eyes. The long-term direct view of the bright screen with the blue light from the 3C products causes eye diseases, such as cataracts and macular degeneration, not only in the elderly but also in younger generation.

In response to the way people use their eyesight in Taiwan and the trend of aging population, the Group actively introduces various ophthalmic equipment and related products needed to care for the eyes of citizens, such as Excimer Lasers, Femtosecond Lasers, ophthalmic Surgical microscope, and intraocular lenses.

②Economic development has accelerated demand for upgraded medical services

The prevention and treatment of diseases by modern medicine rely heavily on the diagnosis results of advanced medical equipment. With the economic development and the advancement of medical technology, the national living standard and average life expectancy have also steadily increased, and the quality requirements for the medical service market have risen sharply.

Observing the market, there are still many unmet medical needs. For example, the rise of remote, contactless, and digital medical care in order to avoid going to the hospital for medical treatment due to the impact of the COVID-19 pandemic. The rise of innovative medical models has directly led to the rise of market demand for technical services. With the rapid development of technology, innovative products, technologies, and service models will improve the convenience and accuracy of medical diagnosis and decision-making, and accelerate the process of medical digitalization. The market is expected to select more advanced medical devices and equipment, and breakthroughs are expected in medical services to create a new situation, so demand will continue to exist.

③Aging population is the driving force for the development of the elderly care business

Taiwan is currently an "aged society." As of the end of 2022, there was one senior over the age of 65 for every 5.7 persons, and elderly persons over the age of 65 accounted for more than 14% of the population in 20 out of Taiwan's 22 cities and counties, which means over 90% of counties and cities are aged cities and counties. According to the newest population estimates from the National Development Council, Taiwan is projected to enter the "super-aged society" stage by 2025, at which point the elderly will account for more than 20% of the population. The median age of Taiwan's population is expected to reach 59.6 years old in 2070, ranking only lower than South Korea among major countries in the world. The rate of population aging is the highest in the world. This shows that long-term care has officially become an important issue that Taiwan cannot ignore.

In view of the huge business opportunities created by this trend, the Group has begun collaborating with Japan's Sakurajyuji Group to enter Taiwan's long-term care market. In the future, the Group hopes to create comfortable, safe and elderly-oriented humanized spaces based on a differentiated strategy. Apart from improving continuous care, the Group will also promote the concept of preventive medicine, hoping to maximize the healthy life expectancy of the elderly, minimize the time spent in bed, enhance seniors' dignity and quality of life, and establish a new perspective on long-term care in Taiwan.

(4) Competitive niche

①A professional technical team

The high-end medical equipment distributed by the Group features precision design, and requires sophisticated technology throughout installation, upgrading, maintenance, and repair. The Group's technical team has been trained by the manufacturers, so the team is familiar with the mechanical structure and has sufficient and practical experience. The medical institutions are willing to cooperate continuously and the manufacturers are worry-free and rely on the Company for business promotion and market development with distribution rights secured soundly.

②The Group possesses professional medical experience, and maintains stable collaborative relationships with hospitals and clinics

The Group has been in the medical equipment industry for more than 45 years, and has differentiated itself from its competitors through its flexible business model. With extensive experience in cooperation with hospitals, as well as the provision of repair, maintenance and upgrading services, the Group has strengthened customer reliance, and has thus been able to establish deeper and more stable relationships with medical institutions.

③Comprehensive radiation oncology, neuroscience, medical imaging, and ophthalmology product lines and an ample marketing staff system

The Group distributes the medical equipment that is manufactured by European and American manufacturers, including product lines of radiation oncology, neuroscience, diagnostic imaging, and ophthalmology. There are sufficient products for selection. The Group continues to import the latest medical equipment for the selection of medical institutions. The Group has an experienced business and technical team to market the products to various medical institutions. The Group after the installation of equipment assigns professional technicians to conduct training courses for medical institutions and provide comprehensive services to medical institutions.

④Channel value highly recognized by foreign manufacturers

With over 45 years of experience in medical device and equipment industry, the Group has established excellent name recognition in the industry. Apart from the fact that foreign suppliers have actively negotiated distribution with the Group in view of the Group's professional service image, the Group has also selected suitable products from major brands for promotion based on customer needs and market trends.

In terms of channel value highly recognized by the suppliers, the Group has considerable initiative and relative bargaining power, which can help the Group gain favorable conditions for the company and increase the distributed brands with the professional marketing ability and complete distribution network. It indicates that the Group has strong distribution capabilities and successfully created the value of professional marketing channels for medical devices.

(5) Advantages and disadvantages of developing prospects, and countermeasures

①Advantageous factors

A.The Group's complete and diversified brands distribution

The Group distributes a full range of product lines, and distributes radiation oncology equipment brands including Elekta, PTW, Ashland, C-RAD, IBA, and Klarity Medical, etc. Brands of neuroscience equipment distributed by the Group are Elekta, MEGIN, Leica, Baxter, IMRIS, SONY, CROWNJUN, CASCINATION, CYBERDYNE, MEDICAPTURE, MICROTEK and ADVANTECH, etc. Distributed medical imaging equipment brands: Swissray, etc. Distributed

ophthalmology equipment brands: BAUSCH+LOMB, Ellex, Leica, BVI, Quantel, ALBOMED and Plasmapp, etc. VUNO's artificial intelligence (AI) medical solutions; as well as the medical lead glass made by Neg are also distributed by the Group. These are all internationally renowned brands with high popularity and market share, which have continued R&D investment to develop new products, new functions and new technologies to initiate the new market demands and maintain competitive edges.

B. A professional technical service department

The Group's technical service department has dozens of technical engineers, medical physicists, and medical radiation professionals ready to help customers quickly and precisely create medical facilities. From the medical site planning, design and construction, to the medical equipment installation and testing, departmental management and consulting services, medical technician training, and all the way through equipment maintenance and subsequent upgrade services, the job covers one-stop full-customization medical management services, allowing customers to fully grasp market demands and ensure profitability and stable market shares.

C. Sound financial structure

The Group has a sound financial structure and has been engaged in the medical equipment market for over 45 years. The Group also has a highly effective management team, professional stability, excellent long-term collaborative relationships with banks, and uses funds with prudence.

D. Opportunities for expansion in China and Southeast Asia

With the successful experience in Taiwan, the Group has taken the initiative to engage in the medical equipment markets in China and Southeast Asia which present great growth potential in the Asia Pacific region. Presently, subsidiaries have been set up in China and Indonesia. In China, the business model that combines sales and medical management service is taken to gain access to the local medical market. In Indonesia, it works with Mayapada Hospital Group, a local medical service institution, to continuously promote medical management services to other medical institutions, thus providing an a comprehensive medical management service for the Indonesian market.

E. Equipment and medical service establishment

With the rapid development of technologies, new medical equipment is constantly on the scene, and the demand for new ones is also on the rise. However, most of the new examination and treatment equipment is costly and, as a result, the market for cooperation in medical equipment presents growth potential. Under a leasing program, not only can the cost of medical institutions be reduced, but also the equipment can be customized based on particular needs so that the equipment can be well integrated to achieve optimal utilization. The Group also deepens the development of equipment collaboration to transform it into the comprehensive medical management services, and sets up service locations in Taiwan, China and

Indonesia, in order to have the internal technical team provide real-time technical support from installation and maintenance services to equipment upgrading. The leasing program can also be combined with comprehensive services including departmental planning and construction, management consultation and medical technician training. The soft power of equipment and medical technology collaboration provided by the Group is deeply favored by medical institutions, making suppliers' long-term collaboration with us strongly desirable, as well as more stable and comprehensive partnership with upstream and downstream dealers.

②Unfavorable factors and countermeasures

A. Foreign medical equipment manufacturer distribution contract is the main source of products

At present, domestic high-end or large-scale medical equipment is still mainly imported from Europe and the United States. Although the Group and foreign medical equipment manufacturers have signed equipment distribution contracts, however, if there is a change in the distribution rights subsequently, it will affect the Company's operations. Countermeasures are as follows:

(A)Win the affirmation of foreign medical equipment manufacturers with the continuous efforts of creating excellent sales results, and train professional technical team to install machines, replace parts, and perform repair and maintenance services subsequently; also, take advantage of the marketing channels to help expand consumer market demand in order to obtain the affirmation of foreign medical equipment manufacturers, improve the dependency on the Group, establish stable cooperative relationship, result in an irreplaceable status, so that the distribution rights will not be replaced arbitrarily.

(B)Obtain the medical equipment certificate issued by the Ministry of Health and Welfare: The medical equipment to be imported into Taiwan must be inspected and registered according to the relevant regulations of the Ministry of Health and Welfare. The documents to be inspected are cumbersome and time-consuming, and must be handled by personnel familiar with professional requirements. The equipment registration certificate should be owned by the applicants so the foreign manufacturers cannot arbitrarily change the distribution rights and influence the import rights.

(C)Cooperate with foreign medical equipment manufacturers to arrange academic courses. In addition to regularly inviting foreign professional doctors or technical engineers to give lectures or courses in Taiwan, occasionally hold seminars in response to academic research or medical technology updates, sign contracts with large medical centers to conduct clinical research, and establish professional teaching centers so foreign manufacturers will have to rely on the Group to assist on the education promotion and regional markets development and to establish a partnership.

B. National Health Insurance adopts a total payment system to squeeze the profit of medical institutions

The income of various medical institutions is unstable, which has an impact on domestic medical-related industries. As a result, medical institutions have adopted a conservative attitude in preparing budget for the procurement of large-scale medical electronic equipment. Since there is a limit on the purchase amount, the Group strives to reach a balance between the selling price of the manufacturers and the buying price of the customers in order to generate profits. Countermeasures are as follows:

(A) Based on the Group's medical integration and comprehensive professional experience to analyze and assess costs for customers, and apply the innovative technology advantages to make comprehensive construction planning and arrangements. Also, provide a cooperation of medical equipment and technology to help customers shorten the learning curve and improve or maintain products and service price reasonably.

(B) Reduce the proportion of products paid by National Health Insurance. Introduce self-funded health care related items, such as MRI-Linac, compact proton therapy systems, and high-end intraocular lens, etc.

(C) The Group continues to expand its business scope, developing overseas markets, and increasing and diversifying business entities in order to reinforce corporate sustainability.

C. Difficulty in engineer recruitment

Because electronic equipment specialists are needed for the installation and maintenance of medical equipment, the Group takes the graduation from an electronic engineering department of a university as a basic qualification when recruiting engineers. However, the current reality is that a majority of university graduates with electronic engineering degrees prefer to work in the electronics industry, which makes it difficult for the Group to recruit electronic engineering talent. Countermeasures are as follows:

The Company works on attracting more professional talents with the incentives of a well-established labor-management communication platform of a listed company, a perfect welfare system, a reasonable salary policy, and diversified talents training channels.

2. Key applications and production processes of main products

(1) Key applications of main products

Product name	Intended use
Radiation oncology digital linear accelerator	Linear accelerator produces high-energy radiation for treatment by accelerating high-energy electrons in a vacuum linear accelerating tube, causing electrons to strike the tungsten target, releasing energy to produce high-energy (million volts) therapeutic radiation in order to destroy cancer (tumor) cells. Also, in terms of equipment technology, the linear accelerator used to perform 3D spatial conformal radiotherapy and intensity-modulated radiotherapy. These new radiotherapy technologies aim to increase the therapeutic dose in order to increase tumor control rates. The current popular models on the market can perform the latest image-guided treatments with integrating accelerators, X-ray sources, and instant electronic verification imaging systems. The doctor before operating on the patient will use the X-ray to confirm the tumor position. If necessary, the treatment position can be adjusted, which can effectively prevent the error caused by the patient's posture, increase the treatment accuracy, and reduce the side effects of the treatment.
MRI linear accelerator	The latest model introduced by Elekta combined with MRI and linear accelerator and the real-time nuclear magnetic resonance imaging to locate the patient's treatment position, and accurately identify the location of the tumor by the unique precision of the magnetic resonance imaging to improve treatment accuracy.
Computer treatment planning system	Before radiotherapy, use the device that inputs the computed tomography image of the patient, using a high-performance and high-computation computer, to plan the radiation angle, time, and dose of the radiotherapy, and also to evaluate the relative position of other important organs and their radiation dose.
Intracavitary brachytherapy device	Brachytherapy is to approach the lesion tissues with a sealed Ir-192 radiation source or placed at the therapy target, including interstitial implantation and intracavitary treatment, to achieve the desired radiation over short distances.
Radiotherapy/radiological diagnostic quality confirmation equipment	It refers to the radiological measurement tool and equipment, such as linear accelerator. It is used as a qualitative characteristic adjustment and calibration measurement for periodic radiation equipment in order to ensure radiation exposure quality.
Proton therapy system	Proton therapy system is high-end radiotherapy equipment. Its physical characteristics are that when the proton beam penetrates human tissue, its energy will go up with distance and go down at the end of the range (i.e. where the tumor is located) with Bragg peak generated to give high-dose radiation and kill cancer cells without damaging healthy tissues. Because proton therapy has spread-out Bragg peak (SOBP) characteristics, in addition to reducing the risk of damage to normal tissues during the treatment, the side effects of radiotherapy are minimized.
Leksell gamma knife – stereotactic radiosurgery system	This is a high precision 3D spatial stereotactic head radiosurgery device and is used to perform irradiation on tiny intracranial tumors or vascular lesions; also, more than one hundred independent beams are applied to

Product name	Intended use
	irradiate on one single target during the treatment.
Magnetoencephalography (MEG) system	Magnetoencephalography (MEG) equipment is used to examine changes in the brain's magnetic field change during neural activity. MEG records can be used to investigate the individual functions of the brain's sensory cortex, the functional interactions between specific brain regions, and study complex functions such as attention, language, and cognition; it can also be used to explore the resilience and adaptability of specific brain regions, assess specific brain functional regions before and after surgery, and determine the location of epileptic lesions.
Surgical microscope - neuroscience	Surgical microscope are specifically intended for use in the operating room, and provide an enlarged field of view during surgery. They allow physicians to accurately view blood vessels, soft tissues, nerves, and lymphatic vessel structures during surgery, and are necessary tools for organ transplant and tissue repair surgery.
Baxter operating room equipment	Baxter offers a series of state-of-the-art operating room equipment and services, including versatile operating tables, innovative exclusive operating room lighting technology, and surgical related consumables. Thanks to its intelligent product line, it can completely improve the workflow in the operating room and related clinical fields, offer optimal solutions to hospitals, and provide an efficient and safe surgical environment for medical staff.
MRI hybrid surgical theatre	The sky track MRI of IMRIS is the only device in the world that can perform multi-functional imaging diagnosis on patients without moving patients. It can confirm the result of surgical treatment in the process; also, it can greatly reduce the risk of infection caused by mobilizing patients and save time. If there is not a surgery scheduled, general routine angiography can be performed to greatly improve the utilization of equipment and to maximize the value of the equipment.
NUCLeUS	SONY's NUCLeUS can integrate images from different brands of medical equipment in the operating room, provide healthcare professionals with a single operating interface, and improve the efficiency of healthcare data management and workflow. This system can also share images to the hospital's intranet system and provide Live Surgery for a two-way interaction between the operating room and the conference room.
Surgical sutures	CROWNJUN's surgical sutures can greatly assist the suturing blood vessels. CROWNJUN has also successfully developed the world's finest microsurgical suture, which can be used to suture tiny blood vessels, lymphatic vessels and nerves in microsurgery, allowing tighter junctions between tissues or blood vessels. This suture can not only increase the surgical success rate, but also greatly enhance surgeons' surgical proficiency.
Stereotactic navigation system	This system is used for minimally invasive treatment of cancerous tumors in the liver, lungs, kidneys, pancreas and bones, and can provide

Product name	Intended use
	clear images and navigation during ablation surgery. Its image fusion function makes treatment plans more precise, and provides quality control directly after ablation; it can reduce the number of local recurrences, and allows shorter postoperative hospital stays and faster recovery compared with conventional surgery.
Hybrid assistive limb	The HAL® (Hybrid assistive limb) developed by CYBERDYNE is the world's first semi-robotic limb, which can improve, support and enhance the wearer's physical functions, assist the disabled to move, and enable them to achieve greater mobility. It is also believed to promote motor learning in the brain. Many medical studies published abroad indicate that HAL® can assist functional regeneration in patients with spinal cord injuries, stroke, and other neuromuscular disorders.
Digital X-ray imaginary diagnostic systems	Digital X-ray is a technology employing digitized X-ray images. It can project X-ray images directly onto a digital sensor panel, instantly digitize the images, and then display real-time, high-resolution images on a computer screen. The resulting images will not be distorted by the development process. This is a basic medical equipment item needed by all medical institutions.
Excimer laser system	Excimer refractive myopia laser platforms provide a safer and faster treatment model. Combining two advanced technologies: static iris recognition and dynamic iris recognition, an excimer platform can be used to accurately cut corneal tissue and reduce the number of diopters (in cases of myopia, hyperopia, astigmatism), so that patients can reduce or eliminate their dependence on glasses or contact lenses, or meet their professional or sports needs.
Femtosecond laser system	Femtosecond laser lens refraction surgery uses a laser light source that can generate femtosecond lasers, uses synchronous computer tomography and 3D real-time images to help ophthalmologists plan personalized crystal surgery procedures, compared to traditional cataract surgery, combined with femtosecond laser high-tech cataract pre-surgery, can improve the accuracy and predictability of vision correction.
Surgical microscope -ophthalmology	The Leica operating microscope designed for ophthalmic microsurgery has low illumination, high light transmittance, long depth of field, strong red reflection, and clear and undistorted view. Surgical microscope are used in cataract surgery, anterior chamber surgery, and cornea and glaucoma surgery.
Artificial intraocular lens	Intraocular Lenses is made of PMMA, silicone or acrylic to synthesize artificial lens with refractive properties according to the refractive characteristics of the lens in the human eye. The refractive focus function of the turbid lens helps the image projection to focus on the retina in order to restore the patient's vision.
Ophthalmic ultrasound	Ultrasound A-scan uses ultrasound to measure the axial length of the eye and the parameters obtained by measuring the distance between various parts of the eye to calculate the power of the intraocular lenses.

Product name	Intended use
	Ultrasound B-scan uses ultrasound cross-sections to observe retina diseases, vitreous diseases, and choroidal diseases.
Artificial vitreous	It is applicable to the anterior and posterior segment of ophthalmology, including intracapsular/extracapsular cataract extraction, intraocular lens implantation, corneal transplantation, glaucoma filtering surgery and retinal reposition surgery, etc. It is used as a substitute for glass body in the two operations, namely Pars Plana Vitrectomy and retinal detachment surgery. Based on its characteristics of lubrication, viscoelasticity, transparency, and protection of corneal endothelial cells, this product helps reduce the interaction between corneal endothelial cells and tissues, maintain the depth of the anterior chamber of the eyeball and the visibility during surgery, and can be performed before implanting the Artificial Vitreous, by covering it with the lens of the inner eye and the surface of the tip of the surgical instrument to avoid possible trauma caused by the surgical instrument.
Micro plasma sterilizer	The principle of plasma sterilization is to use radio wave energy in a vacuum state to stimulate extremely activated gases, causing ions and molecules to collide with each other and generate free radicals, which destroy the metabolic function of microorganisms. The micro plasma sterilizer can be provided for low-temperature sterilization of ophthalmic, dental, and other precision surgical instruments. This sterilization method has no toxic residues and does not require waiting for cooling time, which can greatly increase the sterilization turnover rate and extend the service life of instruments. Suitable for minimally invasive devices that are not resistant to heat or moisture.

(2) Production processes of main products

The Group is not in the manufacturing industry, so it is not applicable.

3. Supply status of main raw materials

The Group is not in the manufacturing industry, so it is not applicable.

4. List of major customers and suppliers

(1) The names of suppliers who have accounted for more than 10% of the Group's total purchase in any one of the last two years and the purchase amount and proportion; also, explain the reasons for the increase or decrease

Units: NT$ thousand

	2022				2023				Until Q1 2024			
Item	Name	Amount	As a percentage of total purchase (%)	Relationship with Issuer	Name	Amount	As a percentage of total purchase (%)	Relationship with Issuer	Name	Amount	Percentage of net purchase up to the last quarter of the year (%)	Relationship with Issuer
1	甲	206,340	13.66	None	甲	596,677	32.15	None	甲	47,494	12.43	None
	Others	1,304,351	86.34		Others	1,259,509	67.85		Others	334,646	87.57	
	Net purchase amount	1,510,691	100.00		Net purchase amount	1,856,186	100.00		Net purchase amount	382,140	100.00	

Analysis of increase and decrease:

The Group's suppliers, who have accounted for more than 10% of the total purchases, are mainly for the suppliers of radiation oncology instruments and ophthalmology instruments. Supplier 甲 is continuing to supply in response to market demand.

(2)The names of customers who have accounted for more than 10% of the Group’s total sales in any one of the last two years and the sales amount and proportion; also, explain the reasons for the increase or decrease

Units: NT$ thousand

	2022				2023				Until Q1 2024			
Item	Name	Amount	As a percentage of net sales (%)	Relationship with Issuer	Name	Amount	As a percentage of net sales (%)	Relationship with Issuer	Name	Amount	Percentage of net sales up to the last quarter of the year (%)	Relationship with Issuer
1	J	63,958	2.15	None	J	497,814	12.84	None	J	11,934	1.81	None
	Others	2,910,394	97.85		Others	3,379,323	87.16		Others	645,684	98.19	
	Net sales	2,974,352	100.00		Net sales	3,877,137	100.00		Net sales	657,618	100.00	

Analysis of increase and decrease:

The Group's sales revenue is mainly derived from radiation oncology instruments, which have relatively high selling price and longer service life, so demand is less likely to be concentrated in the same customer. Customer J accepted high-end radiation oncology equipment in 2023, which led to a substantial increase in related revenues.

5. Output volume and value for the last two years

The Group is not in the manufacturing industry, so it is not applicable.

6. Sales volume and value in the last two years

Units: pcs, set; NT$ thousand

Year / Sales QTY & value / Main products (or by department)	2022				2023			
	Domestic Sales		Exports		Domestic Sales		Exports	
	QTY	Amount	QTY	Amount	QTY	Amount	QTY	Amount
Sales of radiation oncology and neuroscience related equipment	10	337,644	1	66,407	13	1,235,745	0	9,188
Other sales	39,312	176,427	0	0	40,605	148,089	0	0
Sales of medicines and health supplements	70,236,876	955,703	0	0	71,757,863	962,447	0	0
Rental revenue	44	1,099,868	5	32,020	43	1,138,929	5	35,429
Service revenue	0	266,687	0	6,846	0	306,104	0	7,264
Other operating revenues	27	32,750	0	0	35	33,942	0	0
Total	70,276,269	2,869,079	6	105,273	71,798,559	3,825,256	5	51,881

Analysis of changes: The sales of equipment for radiation oncology and neurology increased due to the rise in the number of high-priced instruments sold in 2023; the decrease in other sales was mainly due to the drop in the units of ophthalmic instruments sold in 2023; The increase in rental revenue was mainly due to the stable growth of existing collaborative projects in 2023; Service revenue increased due to the increase in maintenance service revenue in 2023.

III. Human Resources

(I) The Company

Units: Number of People

Year		2022	2023	Until March 31 of the year
Number of employees	Administrator	16	15	15
	Marketing personnel (including sales and technical)	0	0	0
	General employees	38	41	40
	Total	54	56	55
Average age		41.0	41.4	41.6
Average years of service		8.33	8.6	9.0
Educational background (%)	Ph.D.	0.00	0.00	0.00
	Master's degree	25.93	19.64	20.00
	University/College	61.11	66.07	67.27
	Senior High School	12.96	14.29	12.73
	Below Senior High School	0.00	0.00	0.00

(II) The Group

Units: People

Year		2022	2023	Until March 31 of the year
Number of employees	Administrator	45	48	48
	Marketing personnel (including sales and technical)	115	120	125
	General employees	94	106	110
	Total	254	274	283
Average age		38.2	38.3	38.3
Average years of service		7.7	7.4	7.4
Educational background (%)	Ph.D.	0.39	0.36	0.35
	Master's degree	14.57	14.60	14.13
	University/College	74.02	72.63	72.44
	Senior High School	10.24	11.68	12.37
	Below Senior High School	0.78	0.73	0.71

IV. Environmental Protection Expenditure

Losses sustained due to environmental protection (including compensation and violations of environmental protection laws found in environmental protection inspection results, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the most recent year and up to the printing date of the annual report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimate.

None.

V. Labor Relations

(I) Lists the Company's employee welfare policies, continuing education, training, retirement systems and implementation status, the agreement between employees and employer and employees' rights and interests

1. Employee benefits

The Company is committed to creating a worry-free work environment for employees, strives to improve various systems, and provides good and comprehensive welfare measures, so that every employee and their families can enjoy a comfortable and pleasant life, and appreciate the care and consideration of the Company.

(1) Salary system

The Company has recruited talents and motivated employees with a fair and competitive compensation system. The payroll structure is determined by linking the overall goals of the Group and the department with individual work results through the

performance evaluation method developed by the Group. The Group's open and transparent promotion mechanisms provide greater responsibilities and better compensation and bonuses to employees with better performance, and help drive the development of the organization. The Company further provides equal rewards for the same work and equal promotion opportunities to men and women, and seeks to promote sustainable and inclusive economic growth.

Item	2022	2023
Percentage of supervisory positions filled by women	6.3%	5.8%
Percentage of female employees	42.9%	45.3%

In general, employees receive monthly salaries for 12 months annually, plus performance bonuses or year-end bonuses based on incentive programs. The performance / year-end bonuses issued to individual employees in 2023 were equivalent to 2.2 months of salary. In addition, compensations and stock dividends are also available, aimed for profits sharing as a feedback to the employee contributions to the Company.

① Year-end bonuses: According to the Employee Performance Evaluation Guidelines, the Company releases yearly bonuses based on the overall profitability at the end of the year.

② Distribution of employee compensation during year: Handled in accordance with Paragraph 1, Article 24-1 of the Articles of Incorporation: If there is an outstanding balance after subtracting cumulative losses from the Company's profits for the year (pre-tax profit before subtracting remuneration to employees and directors), at least 0.05% shall be appropriated as employee remuneration; distribution standards shall comply with the Group's "Employee Remuneration Distribution Guidelines," and this remuneration shall be distributed at the end of June each year.

③ Employee stock purchase, subscription for cash capital increase, and issuance of employee stock option certificates: Carried out based on overall operational needs, and related regulations are established for employees to follow.

④ Degree of salary adjustment during the year:

2022 average compensation adjustment	2023 average compensation adjustment	2024 average compensation adjustment
2.6%	2.0%	1.0%

(2) A comprehensive, considerate benefit system

①Insurance plan: The Company provides labor insurance and health insurance to each employee, so that they can be fully protected. In addition, the Company also plans a group insurance for employees starting from the date they report to duty, including life insurance, accident insurance, medical insurance and cancer insurance. If the employee is on a sabbatical leave due to a military service, major injury, or childbirth, he or she may continue to participate in the Company's group insurance, so that the protection can

be continued.

②Three festivals gift money.

③Retirement system: According to the "Labor Standards Act," a sound pension system and retirement-related measures are enacted. According to the "Labor Pensions Act," an amount equivalent to 6% of the monthly salary is paid to the personal account with the Bureau of Labor Insurance, Ministry of Labor, and together with the Company's sound financial structure to provide solid pensions appropriation and payment.

④Health management: In addition to the fully subsidized health checkup for the new recruits, the Company regularly applies to the Bureau of Labor Insurance for occupational hazard inspections every year, covering general health checkups, special health checkups, etc., and handles annual health checkups for all employees once in every two years.

⑤Staff dormitory: Considering the needs of short-term travel of employees and the safety and convenience of long-distance commuting employees, the Company has staff dormitory available to provide a comfortable living environment for employees who are traveling or in training.

⑥Employee Welfare Committee: The "CHC Healthcare Group Employee Welfare Committee" is established in accordance with the law to actively promote various employee welfare measures. Including funeral subsidies, medical subsidies, wedding subsidies, travel subsidies, birthday gifts, childbirth subsidies, continuing education subsidies, and cultural and recreational activities.

2. Continuing education and training

The Training and Professional Certificate Incentives Regulations was established to improve the quality of employees, enhance their work knowledge, and reserve technical and management talents in coordination with the Company's business development, seeking to effectively utilize human resources. This will encourage the Company's employees to pursue further education and obtain professional certificates to enhance their competitiveness.

(1)Training and education

①Pre-employment training: All new employees are counseled and oriented to understand the Company's organization, business overview, labor safety and health, and standard procedures.

②Internal training: Employees are given internal training to enhance their basic job competence and professional capability.

③External training: Depending on the employees' job needs and positions, the external training is given to enhance their professional skills and leadership capability.

④Overseas advanced study: To meet the future corporate development or job requirement, employees are recommended by their supervisors for going abroad to receive professional training.

(2)Application and issuance of incentives for various professional certificates

According to the standard reference certificate classification table, employees must

submit the original certificate or transcript, the original registration fee receipt in the current year, and the certificate incentives application form to the Human Resources and General Affairs Department in February, May, August, and November each year. The registration fee for the certificate will be reimbursed based on the original receipt.
Level A (Difficult): The reward for each certificate is NT$10,000.
Level B (Moderate): The reward for each certificate is NT$5,000.
Level C (Basic): The reward for each certificate is NT$3,000.

(3)Employee continuing education and training

Each department of the Company regularly holds product or professional skills training every month to enhance the professional functions of employees in the work field. In accordance with the Company's Training and Professional Certificate Incentives Regulations, individual applications for external training are made for work-related courses.

In 2023, the annual outsourced large-scale themed training for all employees was restarted, and an additional course was offered to improve supervisory and management functions. Statistics of the contents of employee training courses organized by the Human Resources and General Affairs Department in 2023 are as follows:

Course	Sessions	Total number of people	Total hours	Expenses (NT$)
New Generation Communication and Emotion Management	1	28	7	86,000
Redline Racing Experiential Learning Method	2	133	8	326,000
Total	3	161	15	412,000

Apart from continuing to offer product training classes chiefly intended to strengthen employees' working skills, the Company also conducts an annual training needs survey in Q4 of each year, and provides functional training, product training, special-topic talks, and various kinds of seminars in accordance with the annual education and training plans proposed by departmental managers. At the same time, all employees may use the self-learning channels provided by our online learning platform to improve their professional skills.

3.Retirement system and state of implementation

(1)With regard to work seniority before and after being subject to the Labor Standards Act, pensions shall be calculated according to the pension standards specified in Article 84-2 and Article 55 of the Labor Standards Act.

(2)When choosing to be subject to the pension plan as stipulated in the Labor Standards Act in accordance with the Labor Pension Act or reserving work seniority accumulated before applicability of the Labor Pension Act, pensions shall be paid according to the provisions of the preceding subparagraph.

(3)For employees who are subject to the pension plan stipulated in the "Labor Standards Act" and who are forced to retire in accordance with Subparagraph 2, Paragraph 1 of Article 35, if their mental disability or physical disability is caused by the execution of their duties, they are entitled to additional 20% of the pension according to the provisions of the preceding paragraph.

(4)For employees who are subject to the Labor Pension Act, the Company will deposit an amount equivalent to 6% of the employees' monthly salary into their personal pension accounts.

(5)Eligibility for retirement and application procedures are briefly described as follows~

① Employees may apply for retirement if they meet any one of the following conditions:

(1)Has worked for 15 years or more and reached the age of 55.

(2) Has worked for 25 years or more.

(3)Has worked for 10 years or more and reached the age of 60.

② The Company may not force employees to retire unless they meet any one of the following conditions:

(1)Reached the age of 65. (2) No longer able to work due to insanity or physical disability.

③ The determination of retirement age shall be based on household registration records and shall be calculated from the date of birth.

④ How to calculate seniority: If an employee has any of the following circumstances, his/her seniority shall be counted together: (1) He/She obtained approval (2) He/She is still in the probationary period (3) He/She has been transferred from the Company to other subsidiaries. The employee's years of service at the Company and the subsidiary he/she was transferred to may be combined.

⑤ Application for retirement must be submitted in writing one month in advance.

4. Employee shareholding trust

The employee stock ownership meeting of Cheng Yeh Holdings Co., Ltd. was established on March 13, 2024, and it was agreed that a certain amount of each member's monthly salary (hereinafter referred to as "Self-contribution") would be deposited and a certain percentage of incentives would be provided by the member's company to a trust for management funds and long-term purchase of the Company's stocks. The purpose is to instill employees with concepts of long-term savings, investment, and financial management, and accumulate personal wealth for retirement.

5. Employee-employer agreements and protection measures for employee rights and interests

In order to coordinate labor-management relations, improve mutual understanding, promote labor-management cooperation, and improve work efficiency, the Company regularly holds labor-management meetings in accordance with the "Regulations Governing Labor-Management Meetings" to communicate with each other. Both parties should negotiate and resolve problems based on the principle of harmony and good faith.

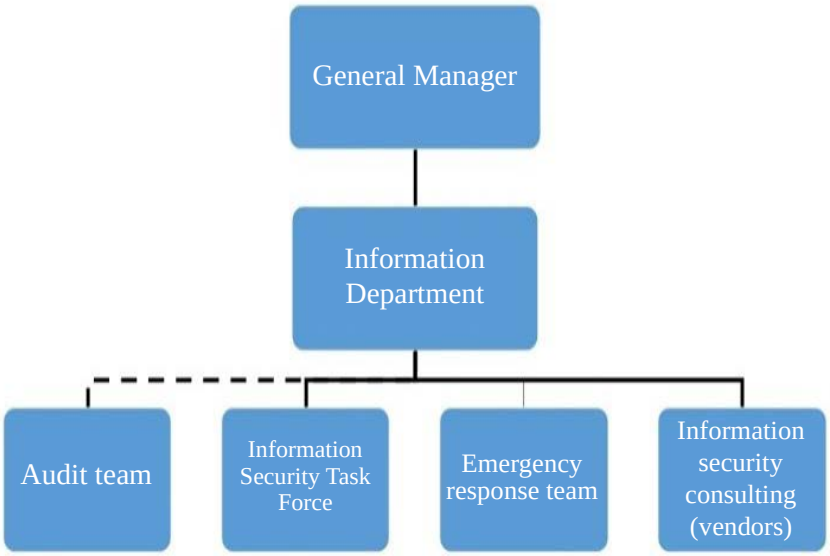
(II) Losses sustained due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the most recent year and up to the printing date of the annual report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimated

The Company has good welfare measures, management systems, and labor-management interactions. In the most recent year and up to the date of report, there have been no labor disputes or losses, and we will work towards the goal of no such incidents in the future.

VI. Cybersecurity management

(I) Please specify the Company's cybersecurity risk management framework, cybersecurity policy, specific management program, and resources devoted to cybersecurity management, etc.

1. Information security risk management framework



The Company has established an information department to bear exclusive responsibility for information security management, planning, oversight, promotion, and implementation, and provide regular reports on the state of information security management to the General Manager.

2. Cybersecurity policy

(1)Ensuring the security of the Company's data, systems, equipment, and network communications; blocking external intrusion and damage.

(2)Ensuring that system data account access rights and system changes are uniformly handled under authorization in accordance with the procedures stipulated by the Company.

(3)Destroying computer storage media reported as unserviceable in order to avoid the accidental leakage of data.

(4)Monitoring information system security status and activity records; effectively detecting and handling information security incidents.

(5)Maintaining the usability and integration of data and system; restoring normal operations in the wake of a disaster or destruction.

(6)Installing independent fire safety equipment including smoke detectors and temperature

sensors in server rooms.

(7) The Company has installed monitoring and measurement computer software applicable to medical equipment quality management systems, production, and services.

Before use of computer software, or after use in accordance with the actual situation, or after software changes, validation or authentication is performed to determine ability to achieve the planned results. The Company adopted the Taiwan medical equipment quality management system (QMS) during 2021.

3. Specific management programs (whether insurance information security insurance has been purchased; if not, describe relevant preventive measures in detail)

The Company currently has thoroughgoing information security maintenance measures. In view of the fact that information security insurance is still a new insurance type, and involves the grading of information security and claims forensic measures, the Group is still assessing the future applicability of such insurance.

However, to implement internal control and maintain information security policy, the Company's written internal control system includes computerized information system cycle, information management regulations, and accident recovery plan. Annual review and assessment of security-related sections and procedures ensures the appropriateness and effectiveness of the internal control system. The following is a detailed explanation of relevant internal control system items:

(1) Information security network architecture

①The Company internal system is located on a virtual network, which is kept isolated from the external network, and there is a multi-layer network security system, a firewall at the front end of the system, and an online screening system to defend against intrusion.

②E-mail employs Chunghwa Telecom's HIBOX mailboxes. Chunghwa Telecom's HIBOX e-mail has a security control system bearing responsibility for filtering the content of incoming and outgoing messages. This system can defend against external online attacks, can sequester threats including the newest malicious software, harmful website links, and trash email in real time.

③Antivirus software has been installed on all internal servers and terminals, and anti-virus code is constantly updated; the software can identify characteristics of malicious behavior in real time, intercept Trojan horse attacks and ransomware in real time, and can detect malicious programs and document folders, which has effectively reduced the risk of attack and damage by hackers.

(2) Management of system account numbers and user rights account numbers

The users' account numbers and user rights are established in accordance with the scope of their work and their duties and powers. Data access involves electronic form signing procedures; users may use and change data only after applying to the authorized executive and obtaining approval. To prevent unauthorized use, users' account numbers and user rights are immediately canceled as soon as they leave their original post.

(3) Information system preservation and backup

To ensure data security and normal information system functioning, on-site and off-site backup of systems and documents is performed on a daily basis, and system data

recovery testing is conducted on a regular annual basis. These measures have reduced the risk of data loss is due to human damage and no-warning natural disasters.

(4) Handling method for servers reported as unserviceable

In keeping with the legal compliance management system and information security policy, the hard drives from all servers reported as unserviceable are destroyed.

4. Resources devoted to cybersecurity management

(1) Addition/revision of cybersecurity-related procedures

Internal control system- computerized information system cycle, QMS MDP-01 medical device computerized software system validation management procedures, ISO 9001 QP-05 information management procedures.

(2) Cybersecurity awareness

Communications software information security issue control, phishing e-mail identification awareness, e-mail security authentication settings.

(3) Assessment of information security equipment

Information security testing reports.

(4) Purchase of additional off-site backup equipment

The Company has purchased two additional NAS storage units, which are used to facilitate daily backup of SAP data and headquarters data to a subsidiary for preservation.

(II) For the most recent year and up to the date of printing of the annual report, the losses suffered by the Company as a result of cybersecurity incidents, possible impact, and any response measures; please state any items that cannot be reasonably estimated.

During the most recent year and as of the date of the annual report, the Company had no losses due to major cybersecurity incidents.

VII. Important contracts (list the parties, main contents, restrictive clauses, and start and end date of supply/sales contracts, technical cooperation contracts, construction contracts, long-term loan contracts, and other important contracts that are sufficient to affect shareholders' equity that are still valid as of the date of report or expired in the most recent year)

(I) The Company: None.

(II) The Group:

Nature of contract	Parties	Beginning and ending date of the contract	Major content	Restrictive clauses
Purchase and distribution rights	C-RAD AB (Chiu Ho Medical System Co., Ltd.)	October 13, 2010 ~ no expiry date	Laser products	Sales in Taiwan area only
Purchase and distribution rights	Leica Microsystems IR Gmbh (Chiu Ho Medical System Co., Ltd.)	January 1, 2022 ~ December 31, 2024	Surgical microscope series	Sales in Taiwan area only
Purchase and distribution rights	Elekta Limited (Chiu Ho Medical System Co., Ltd.)	March 8, 2019 ~ April 30, 2024	Digital Linear Accelerator and Gamma Knife Series Related Equipment	Sales in Taiwan area only
Purchase and distribution rights	Elekta Limited (Chiu Ho Medical System Co., Ltd.)	May 1, 2024 ~ April 30, 2027	Digital Linear Accelerator and Gamma Knife Series Related Equipment	Sales in Taiwan area only
Purchase and distribution rights	PTW-Freiburg (Chiu Ho Medical System Co., Ltd.)	October 8, 1996 ~ no expiry date	Quality assurance measuring devices and products	Sales in Taiwan area only
Purchase and distribution rights	CYBERDYNE (Chiu Ho Medical System Co., Ltd.)	November 1, 2019 ~ no expiry date	Mechanical walker, powered exoskeleton system	Sales in Taiwan area only
Purchase and distribution rights	Hill-Rom (Chiu Ho Medical System Co., Ltd.)	April 14, 2022 ~ April 13, 2024	Operating table, surgical lamp, and accessories	Sales in Taiwan area only
Purchase and distribution rights	Ecolab (Chiu Ho Medical System Co., Ltd.)	March 1, 2019 ~ no expiry date	Disinfection sleeve series	Sales in Taiwan area only
Purchase and distribution rights	Swissray Medical AG (Chiu Ho Medical System Co., Ltd.)	February 2, 2012 ~ no expiry date	Digital radiography system	Sales in Taiwan, China, Hong Kong, and Macao area only
Purchase and distribution rights	Ion Beam Application SA (Chiu Ho Medical System Co., Ltd.)	October 9, 2012 ~ no expiry date	Proton therapy equipment	Sales in Taiwan area only
Purchase and distribution rights	Bausch & Lomb HK (Chiu Ho Scientific Co., Ltd)	January 1, 2017 ~ no expiry date	Eyeball diagnostic system, excimer laser and accessories	Sales in Taiwan area only
Purchase and distribution rights	Bausch & Lomb HK (Chiu Ho Scientific Co., Ltd)	April 18, 2024 ~ April 17, 2027	Eyeball diagnostic system, excimer laser and accessories	Sales in Taiwan area only
Purchase and distribution rights	Ellex Medical Pty., Ltd. (Tomorrow Medical System Co., Ltd.)	April 1, 2013 ~ no expiry date	Ophthalmic instrument products	Sales in Taiwan area only
Purchase and distribution rights	Ellex Medical Pty., Ltd. (Chiu Ho Scientific Co., Ltd.)	August 17, 2017 ~ no expiry date	Ophthalmic instrument products	Sales in Taiwan area only
Purchase and distribution rights	PhysIOL (Chiu Ho Medical System Co., Ltd.)	January 1, 2015 ~ no expiry date	Intraocular lens and introducer	Sales in Taiwan area only

Nature of contract	Parties	Beginning and ending date of the contract	Major content	Restrictive clauses
Purchase and distribution rights	Deerfield Imaging, Inc. (Chiu Ho Medical System Co., Ltd.)	April 5, 2018 ~ no expiry date	Surgical imaging system	Sales in Taiwan area only
Purchase and distribution rights	YUEH SHENG Medical Instrument (Shenzhen) Ltd. (Guanzhou Chiu Ho Medical System Co., Ltd.)	May 18, 2018 ~ December 31, 2023	Surgical electric knife	Sales in China area only
Purchase and distribution rights	KONO SEISAKUSHO Co,Ltd (Chiu Ho Medical System Co., Ltd.)	September 25, 2018 ~ no expiry date	Surgical suture	Sales in Taiwan area only
Purchase and distribution rights	CAScination AG (Chiu Ho Medical System Co., Ltd.)	July 11, 2022 ~ July 10, 2024	Guidance and navigation in interventional radiology	Sales in Taiwan area only
Purchase and distribution rights	ADVANTECH Co., Ltd. (Chiu Ho Medical System Co., Ltd.)	January 1, 2023 ~ December 31, 2024	Surgical screen, nursing cart, and medical flat screen display and surgical room image streaming system	Sales in Taiwan area only
Purchase and distribution rights	LEO Cancer Care Inc. (Chiu Ho Medical System Co., Ltd.)	November 1, 2021 ~ October 31, 2024	Radiotherapy products	Sales in Taiwan area only
Purchase and distribution rights	QUANTEL MEDICAL S.A.S (Chiu Ho Scientific Co., Ltd.)	July 26, 2021 ~ no expiry date	Ophthalmic ultrasonic products	Sales in Taiwan area only
Purchase and distribution rights	Plasmapp Co., Ltd (Chiu Ho Scientific Co., Ltd.)	3 years from the date of the permit is obtained	Sterilizer	Sales in Taiwan area only
Purchase and distribution rights	Alcare Co. (Chiu Ho Medical System Co., Ltd.)	May 1, 2023 ~ no expiry date	Patient immobilization device	Sales in Taiwan area only
Sales contract	Changhua Christian Medical Foundation Changhua Christian Hospital	May 18, 2016 ~ inspection and acceptance completed	Proton therapy system	To be handled according to the contract
Equipment use and technical service cooperation	Taipei Medical University Hospital	January 20, 2017 ~ expiry date of the cooperation agreement	Proton therapy related treatment system and technical service cooperation	To be handled according to the contract
Syndicated credit contract	The syndicate credit bank group with First Bank as the lead arranger	Contract signing date: 2022/09/21 (The credit expiration date is 5 years from the date of the first use of funds from any line of credit)	Repayment of existing loans and replenishment of working capital	To be handled according to the contract

Six.Financial Information

I. Five-Year Financial Summary

(I) The Group

Condensed Balance Sheets

Units: NT$ thousand

Item \ Year		Financial Data for the Last Five Years					Financial data as of March 31 of the year
		2019	2020	2021	2022	2023	
Current assets		3,509,528	3,485,229	3,783,844	3,851,549	4,331,689	4,432,720
Property, plant, and equipment		4,691,417	5,382,011	5,428,602	5,824,668	5,916,247	5,958,366
Intangible assets		159,151	159,151	631,278	610,157	631,150	625,360
Other assets		1,276,573	645,186	782,666	663,252	717,265	737,886
Total assets		11,205,325	11,543,821	12,567,281	12,830,901	13,613,427	13,767,045
Current liabilities	Before Distribution	3,049,091	1,053,386	1,486,217	1,054,032	1,426,005	1,877,269
	After Distribution	3,330,358	1,367,034	1,810,096	1,378,754	1,760,508 (Note 2)	1,877,269 (Note 2)
Non-current liabilities		2,838,895	4,490,434	4,767,207	5,373,773	5,411,916	5,403,946
Total liabilities	Before Distribution	5,887,986	5,543,820	6,253,424	6,427,805	6,837,921	7,281,215
	After Distribution	6,169,253	5,857,468	6,577,303	6,752,527	7,172,424 (Note 2)	7,281,215 (Note 2)
Equity attributable to shareholders of the parent		5,162,144	5,847,437	6,084,521	6,141,616	6,458,415	6,156,910
Share capital		1,416,335	1,570,439	1,610,536	1,615,531	1,664,194	1,667,556
Capital surplus		2,981,939	3,427,278	3,533,299	3,544,423	3,716,656	3,731,012
Retained earnings	Before Distribution	1,186,678	1,271,800	1,336,393	1,369,085	1,463,229	1,130,990
	After Distribution	905,411	958,152	1,012,514	1,044,363	1,128,726 (Note 2)	1,130,990 (Note 2)
Other equity		(387,852)	(387,124)	(395,707)	(387,423)	(385,664)	(372,648)
Treasury Stock		(34,956)	(34,956)	—	—	—	—
Non-controlling interests		155,195	152,564	229,336	261,480	317,091	328,920
Total equity	Before Distribution	5,317,339	6,000,001	6,313,857	6,403,096	6,775,506	6,485,830
	After Distribution	5,036,072	5,686,353	5,989,978	6,078,374	6,441,003 (Note 2)	6,485,830 (Note 2)

Note 1: The above financial data have been audited or reviewed by a certified public accountant.
Note 2: The distribution of 2023 earnings have been resolved by the Board of Directors.

Condensed Comprehensive Income Statements

Units: NT$ thousand

Year / Item	Financial Data for the Last Five Years					Financial data as of March 31 of the year
	2019	2020	2021	2022	2023	
Operating revenue	2,950,052	2,554,911	2,439,564	2,974,352	3,877,137	657,618
Gross profits	806,002	830,710	849,481	902,314	1,068,160	139,771
Operating profit	529,571	513,106	493,328	475,760	613,476	20,350
Non-operating income and expenses	(52,978)	(49,110)	(2,259)	8,075	(54,046)	(6,775)
Profit before income tax	476,593	463,996	491,069	483,835	559,430	13,575
Profit of the continuing department	390,431	362,912	380,282	388,650	425,238	1,378
Loss of discontinued department	—	—	—	—	—	—
Profit for the year	390,431	362,912	380,282	388,650	425,238	1,378
Other comprehensive income (after tax) for the year	(25,451)	1,574	(9,370)	8,349	1,692	13,078
Total comprehensive income for the year	364,980	364,486	370,912	396,999	426,930	14,456
Profit attributable to owners of the parent	395,172	366,389	381,633	356,571	418,866	2,263
Profit (loss) attributable to non-controlling interest	(4,741)	(3,477)	(1,351)	32,079	6,372	(885)
Comprehensive income attributable to shareholders' of the parent	370,941	367,117	373,050	364,855	420,625	15,279
Comprehensive income attributable to non-controlling interest	(5,961)	(2,631)	(2,138)	32,144	6,305	(823)
Earnings per share	2.83	2.53	2.43	2.21	2.55	0.01

Note: The above financial data have been audited or reviewed by a certified public accountant.

(II) The Company

Condensed Balance Sheets

Units: NT$ thousand

Item \ Year		Financial Data for the Last Five Years				
		2019	2020	2021	2022	2023
Current assets		629,325	703,460	524,925	403,928	454,939
Property, plant, and equipment		975	601	705	730	628
Intangible assets		—	—	—	—	—
Other assets		70,262	68,144	66,749	65,066	58,894
Total assets		7,784,428	8,845,691	9,124,557	9,133,135	9,281,635
Current liabilities	Before Distribution	1,253,550	274,631	456,932	128,761	129,561
	After Distribution	1,534,817	588,279	780,811	453,483 (Note 2)	464,064 (Note 2)
Non-current liabilities		1,368,734	2,723,623	2,583,104	2,862,758	2,693,659
Total liabilities	Before Distribution	2,622,284	2,998,254	3,040,036	2,991,519	2,823,220
	After Distribution	2,903,551	3,311,902	3,363,915	3,316,241 (Note 2)	3,157,723 (Note 2)
Equity attributable to shareholders of the parent		5,162,144	5,847,437	6,084,521	6,141,616	6,458,415
Share capital		1,416,335	1,570,439	1,610,536	1,615,531	1,664,194
Capital surplus		2,981,939	3,427,278	3,533,299	3,544,423	3,716,656
Retained earnings	Before Distribution	1,186,678	1,271,800	1,336,393	1,369,085	1,463,229
	After Distribution	905,411	958,152	1,012,514	1,044,363 (Note 2)	1,128,726 (Note 2)
Other equity		(387,852)	(387,124)	(395,707)	(387,423)	(385,664)
Treasury shares		(34,956)	(34,956)	—	—	—
Non-controlling interests		—	—	—	—	—
Total equity	Before Distribution	5,162,144	5,847,437	6,084,521	6,141,616	6,458,415
	After Distribution	4,880,877	5,533,789	5,760,642	5,816,894 (Note 2)	6,123,912 (Note 2)

Note 1: The above financial data have been audited by a certified public accountant.
Note 2: The distribution of 2023 earnings have been approved by a resolution of the Board of Directors.

Condensed Comprehensive Income Statements

Units: NT$ thousand

Item \ Year	Financial Data for the Last Five Years				
	2019	2020	2021	2022	2023
Operating revenue	503,625	500,575	544,496	523,205	564,220
Gross profits	404,452	391,546	428,484	410,165	451,400
Operating profit	404,452	391,546	428,484	410,165	451,400
Non-operating income and expenses	(21,838)	(22,028)	(45,398)	(50,955)	(31,899)
Profit before income tax	382,614	369,518	383,086	359,210	419,501
Profit of the continuing department	395,172	366,389	381,633	356,571	418,866
Loss of discontinued department	—	—	—	—	—
Profit for the year	395,172	366,389	381,633	356,571	418,866
Other comprehensive income (after tax) for the year	(24,231)	728	(8,583)	8,284	1,759
Total comprehensive income for the year	370,941	367,117	373,050	364,855	420,625
Profit attributable to owners of the parent	—	—	—	—	—
Profit attributable to non-controlling interest	—	—	—	—	—
Comprehensive income attributable to shareholders' of the parent	—	—	—	—	—
Comprehensive income attributable to non-controlling interests	—	—	—	—	—
Earnings per share	2.83	2.53	2.43	2.21	2.55

Note: The above financial data have been audited by a certified public accountant.

(III)Name of CPA and audit opinions in the last five years

Year	Name of CPA firm	CPAs	Audit Opinion
2019	PricewaterhouseCoopers (PwC) Taiwan	Sheng-Wei, Teng, Audrey Tseng	Unqualified opinions
2020	PricewaterhouseCoopers (PwC) Taiwan	Yu-Fang Yen, Pei-Lin Tu	Unqualified opinions
2021	PricewaterhouseCoopers (PwC) Taiwan	Yu-Fang Yen, Pei-Lin Tu	Unqualified opinions
2022	PricewaterhouseCoopers (PwC) Taiwan	Yu-Fang Yen, Pei-Lin Tu	Unqualified opinions
2023	PricewaterhouseCoopers (PwC) Taiwan	Yu-Fang Yen, Sheng-Wei, Teng	Unqualified opinions

II. Five-Year Financial Analysis

Consolidated

Item \ Year		Financial Analysis of the Last Five Years					As of March 31 of the year
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt ratio	52.55	48.02	49.76	50.10	50.23	52.89
	Ratio of long-term capital to property, plant, and equipment	173.85	194.92	204.12	202.19	206.00	199.55
Solvency (%)	Current ratio	115.10	330.86	254.60	365.41	303.76	236.13
	Quick ratio	88.78	259.92	196.13	260.63	220.04	168.53
	Interest earned ratio (times)	602.23	596.57	705.98	611.50	555.18	144.20
Operating performance	Account receivable turnover (times)	2.74	2.38	2.40	2.75	3.15	2.16
	Average collection period	133	153	152	132	115	168
	Inventory turnover (times)	2.59	2.22	2.17	2.58	2.95	1.62
	Account payable turnover (times)	9.76	9.14	8.66	7.42	7.52	5.60
	Average days in sales	140	164	168	141	123	225
	Property, plant, and equipment turnover (times)	0.62	0.51	0.45	0.53	0.66	0.44
	Total assets turnover (times)	0.27	0.22	0.20	0.23	0.29	0.19
Profitability	Return on total assets (%)	4.23	3.85	3.69	3.66	3.96	0.76
	Return on shareholders' equity (%)	7.47	6.41	6.18	6.11	6.45	0.08
	Pre-tax income to paid-in capital (%)	33.65	29.55	30.49	29.95	33.62	3.26
	Profit ratio (%)	13.23	14.20	15.59	13.07	10.97	0.21
	Earnings per share (NT$)	2.83	2.53	2.43	2.21	2.55	0.01
Cash flows	Cash flow ratio (%)	39.85	86.96	46.61	62.30	67.50	23.72
	Cash flow adequacy ratio (%)	110.83	104.60	94.81	86.68	94.90	77.86
	Cash reinvestment ratio (%)	10.05	5.28	3.04	2.48	4.59	3.24
Leverage	Operational leverage	2.26	2.41	2.51	2.74	2.53	12.64
	Financial leverage	1.22	1.22	1.20	1.25	1.25	(1.96)

Reasons for the increase or decrease in the financial ratios over 20% of the last two years:

(1) The increase in property, plant and equipment turnover was mainly due to the increase in net sales in 2023.

(2) The increase in total assets turnover was mainly due to the increase in net sales in 2023.

(3) The increase in cash reinvestment ratio was mainly due to the increase in net cash provided by operating activities in 2023.

Note 1: The above financial data have been audited or reviewed by a certified public accountant.

Standalone

Item \ Year		Financial Analysis of the Last Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt ratio	33.69	33.90	33.32	32.75	30.42
	Ratio of long-term capital to property, plant, and equipment	669,833.64	1,426,133.11	1,229,450.35	1,233,475.89	1,457,336.62
Solvency (%)	Current ratio	50.20	256.15	114.88	313.70	351.14
	Quick ratio	49.79	253.35	113.40	308.14	346.25
	Interest earned ratio (times)	860.24	771.27	883.55	838.66	942.19
Operating performance	Account receivable turnover (times)	67.66	-	1,336.50	1,364.16	-
	Average collection period	5	-	0.273	0.268	-
	Inventory turnover (times)	-	-	-	-	-
	Account payable turnover (times)	-	-	-	-	-
	Average days in sales	-	-	-	-	-
	Property, plant, and equipment turnover (times)	358.84	635.25	833.84	729.21	830.96
	Total assets turnover (times)	0.06	0.06	0.06	0.06	0.06
Profitability	Return on total assets (%)	5.59	4.94	4.68	4.33	4.98
	Return on shareholders' equity (%)	7.80	6.66	6.40	5.83	6.65
	Pre-tax income to paid-in capital (%)	27.01	23.53	23.79	22.23	25.21
	Profit ratio (%)	78.47	73.19	70.09	68.15	74.24
	Earnings per share (NT$)	2.83	2.53	2.43	2.21	2.55
Cash flows	Cash flow ratio (%)	19.49	90.32	54.04	204.60	152.77
	Cash flow adequacy ratio (%)	16.66	27.82	37.83	44.27	80.31
	Cash reinvestment ratio (%)	(0.09)	(0.39)	(0.77)	(0.67)	(1.39)
Leverage	Operational leverage	1.19	1.24	1.23	1.24	1.22
	Financial leverage	1.14	1.16	1.13	1.13	1.12

Reasons for the increase or decrease in the financial ratios over 20% of the last two years:

(1) The decrease in account receivable turnover was mainly due to average accounts receivable balance amount for each period being zero in 2023.

(2) The decrease in average collection period was mainly due to average accounts receivable balance amount for each period being zero in 2023.

(3) The decrease in cash flow ratio was mainly due to the decrease in net cash flow from operating activities in 2023.

(4) The increase in cash flow adequacy ratio was mainly due to a reduction in cumulative capital expenditures during the most recent five years.

(5) The decrease in cash reinvestment ratio was mainly due to the decrease in net cash flow from operating activities in 2023.

Note 1: The above financial data have been audited by a certified public accountant.
Note 2: The equation for the calculation of each financial ratio is as follows:

1. Financial structure
   (1) Debt ratio = Total liabilities / Total assets
   (2) Ratio of long-term capital to property, plant, and equipment = (Total equity + noncurrent liabilities) / net property, plant, and equipment
2. Solvency
   (1) Current ratio = Current assets / Current liabilities
   (2) Quick ratio = (Current assets – inventory – prepaid expense) / Current liabilities
   (3) Interest earned ratio (times) = Net income before tax and interest expense / Current interest expense
3. Operating performance
   (1) Account receivable turnover (including accounts receivable and notes receivable from operating activities) = Net sales / Average accounts receivable balance amount for each period (including accounts receivable and notes receivable from operating activities)
   (2) Average collection period = 365 / Account receivable turnover
   (3) Inventory turnover = Cost of goods sold / Average inventory amount
   (4) Account payable turnover (including accounts payable and notes payable from operating activities) = Cost of goods sold / Average accounts payable balance amount for each period (including accounts payable and notes payable from operating activities)
   (5) Average days in sales = 365 / Inventory turnover
   (6) Property, plant, and equipment turnover = Net sales / Average property, plant, and equipment amount (net)
   (7) Total assets turnover = Net sales / Total average assets
4. Profitability
   (1) Return on total assets = [Net income (loss) + interest expense x (1- tax rate)] / Total average assets
   (2) Return on shareholders' equity = Net income (loss) / Total average equity
   (3) Profit ratio = Net income (loss) / Net sales
   (4) Earnings per share = (Profit and loss attributable to shareholders' equity of parent company – preferred stock dividend) / Weighted average shares issued
5. Cash flows
   (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities
   (2) Cash flow adequacy ratio = Net cash flow from operating activities in the last 5 years / (Capital expenditure + increase in inventory + cash dividend) in the last 5 years
   (3) Cash reinvestment ratio = (Net cash flow from operating activities – cash dividend) / (Gross amount of property, plant, and equipment + long-term investment + other noncurrent assets + working capital)
6. Leverage:
   (1) Operational leverage = (Net operating income – variable cost and expense) / Operating profit
   (2) Financial leverage = Operating profit / (Operating profit – Interest expense)

III. Supervisors’ or Audit Committee's review report in the most recent year

CHC Healthcare Group
Audit Committee’s Review Report

TO: 2024 Annual Shareholders’ Meeting of CHC Healthcare Group

The Company's Board of Directors has submitted the Consolidated Financial Statements and Parent Company Only Financial Statements for the Fiscal Year 2023, which have been audited by independent auditors Yu-Fang, Yen, and Sheng-Wei, Teng, of PricewaterhouseCoopers (PwC) Taiwan. Independent Auditors' Reports stated that, in their opinion, the financial position, operating results, and cash flows are fairly presented. Along with the 2023 business report and proposal for 2023 earnings distribution, the audit committee has reviewed and found no discrepancies. Therefore, under Article 14 of the Securities Exchange Act and Article 219 of the Company Act, we hereby report the above for your reference and verification.

CHC Healthcare Group

By

Ming-Liang, Kao

Convener of audit committee

March 13, 2024

IV. Financial Statements for the Years Ended December 31, 2023 and 2022, and Independent Auditors' Report

Please refer to page 177 to 273.

V. Standalone financial report of the company that has been audited by a certified public accountant in the most recent year, excluding the statement of major accounting items

Please refer to page 274 to 333.

VI. The impact of financial difficulty of the company and its affiliated enterprises on the financial status of the company detailed in the financial report of the most recent year and as of the annual report printing date

None.

Steven. Review of Financial Conditions, Operating Results, and Risk Management

I. Analysis of Financial Status (The main reasons for the significant changes in assets, liabilities, and equity in the last two years and their impacts, if the impact is significant, the future response measures should be explained)

(I) The Company

Units: NT$ thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Current assets	403,928	454,939	51,011	12.63
Financial assets at fair value through profit and loss – non-current	300	7,829	7,529	2,509.67
Financial assets at fair value through other comprehensive profit and loss – non-current	10,537	10,159	(378)	(3.59)
Investment accounted for using equity method	8,649,650	8,718,787	69,137	0.80
Property, plant, and equipment	730	628	(102)	(13.97)
Right-of-use assets	2,924	30,399	27,475	939.64
Other assets	65,066	58,894	(6,172)	(9.49)
Total assets	9,133,135	9,281,635	148,500	1.63
Current liabilities	128,761	129,561	800	0.62
Non-current liabilities	2,862,758	2,693,659	(169,099)	(5.91)
Total liabilities	2,991,519	2,823,220	(168,299)	(5.63)
Share capital	1,615,531	1,664,194	48,663	3.01
Capital surplus	3,544,423	3,716,656	172,233	4.86
Retained earnings	1,369,085	1,463,229	94,144	6.88
Other equity	(387,423)	(385,664)	1,759	(0.45)
Total equity	6,141,616	6,458,415	316,799	5.16
Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year) There were no fluctuations in the amounts for this period exceeding 10%, and the amounts did not reach 1% of the total assets for the current year. Impact of changes in financial status in the last two years:No significant impact on financial status. Future response plans: Not applicable.				

(II) The Group

Units: NT$ thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Current assets	3,851,549	4,331,689	480,140	12.47
Financial assets at fair value through profit and loss – non-current	60,260	67,789	7,529	12.49
Financial assets at fair value through other comprehensive profit and loss – non-current	29,578	36,959	7,381	24.95
Financial assets at amortized cost – non-current	204,337	199,745	(4,592)	(2.25)
Non-current contract assets	45,457	42,933	(2,524)	(5.55)
Investment accounted for using equity method	8,307	9,911	1,604	19.31
Property, plant, and equipment	5,824,668	5,916,247	91,579	1.57
Right-of-use assets	104,293	110,435	6,142	5.89
Investment property - net	1,429,043	1,549,304	120,261	8.42
Intangible assets	610,157	631,150	20,993	3.44
Other assets	663,252	717,265	54,013	8.14
Total assets	12,830,901	13,613,427	782,526	6.10
Current liabilities	1,054,032	1,426,005	371,973	35.29
Non-current liabilities	5,373,773	5,411,916	38,143	0.71
Total liabilities	6,427,805	6,837,921	410,116	6.38
Share capital	1,615,531	1,664,194	48,663	3.01
Capital surplus	3,544,423	3,716,656	172,233	4.86
Retained earnings	1,369,085	1,463,229	94,144	6.88
Other equity	(387,423)	(385,664)	1,759	(0.45)
Non-controlling interests	261,480	317,091	55,611	21.27
Total equity	6,403,096	6,775,506	372,410	5.82
Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year) Current assets: Mainly due to the increase in cash and cash equivalents in the current period. Current liabilities: Mainly due to the increase in other payables and long-term liabilities, current portion in the current period. Impact of changes in financial status in the last two years: No significant impact on financial status. Future response plans: Not applicable.				

II. Analysis of Operation Results

(I) Main reasons for significant changes in operating income, net operating profit, and net income before tax in the last two years

1.The Company

Units: NT$ thousand

Item \ Year	2022	2023	Increase/Decrease	
			Amount	Percentage of change (%)
Operating revenue	523,205	564,220	41,015	7.84
Operating costs	(113,040)	(112,820)	220	(0.19)
Operating profit	410,165	451,400	41,235	10.05
Non-operating income and expense	(50,955)	(31,899)	19,056	(37.40)
Profit before income tax	359,210	419,501	60,291	16.78
Income tax expense	(2,639)	(635)	2,004	(75.94)
Profit for the year	356,571	418,866	62,295	17.47
Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year) There were no fluctuations in the amounts for this period exceeding 10%, and the amounts did not reach 1% of the total assets for the current year.				

2.The Group

Units: NT$ thousand

Item \ Year	2022	2023	Increase/Decrease	
			Amount	Percentage of change (%)
Operating revenue	2,974,352	3,877,137	902,785	30.35
Operating costs	(2,072,038)	(2,808,977)	(736,939)	35.57
Gross profit	902,314	1,068,160	165,846	18.38
Operating expenses	(426,554)	(454,684)	(28,130)	6.59
Operating profit	475,760	613,476	137,716	28.95
Non-operating income and expense	8,075	(54,046)	(62,121)	(769.30)
Profit before income tax	483,835	559,430	75,595	15.62
Income tax expenses	(95,185)	(134,192)	(39,007)	40.98
Profit attributable to owners of the parent	356,571	418,866	62,295	17.47
Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year) Operating revenue, operating costs, gross profit, and operating profit: Mainly due to the growth in operating revenue, which led to a corresponding increase in operating costs, gross profit, and operating profit.				

(II) Expected sales volume and its reference, possible impact on the company's future financial business, and the response measures

1.The Company: N/A

2.The Group: Please refer to the "One. Letter to Shareholders".

III. Analysis of Cash Flow

(I) Analysis of changes in cash flow of the most recent year

1. The Company

Units: NT$ thousand

Item \ Year	2022	2023	Amount of increase (decrease)	Percentage of increase (decrease) (%)
Operating activities	263,444	197,932	(65,512)	(24.87)
Investing activities	16,106	149,861	133,755	830.47
Financing activities	(368,608)	(313,198)	55,410	(15.03)
Analysis of changes: Operating activities: Mainly due to the increase in net gain on financial assets or liabilities at fair value through profit or loss, and the increase in financial assets at fair value through profit or loss in the current period. Investing activities: Mainly due to the cash capital increase of subsidiaries in the previous period, where no such capital increase occurred in the current period. Financing activities: Mainly due to much more repayments of short-term loans in the previous period.				

2. The Group

Units: NT$ thousand

Item \ Year	2022	2023	Amount of increase (decrease)	Percentage of increase (decrease) (%)
Operating activities	656,659	962,588	305,929	46.59
Investing activities	(339,979)	(500,465)	(160,486)	47.20
Financing activities	(346,452)	(42,048)	304,404	(87.86)
Analysis of changes: Operating activities: Mainly due to the increase in net income for the current period and the decrease in inventory purchases compared with the previous period. Investing activities: Mainly due to the disposal of investment properties in the previous period, where no such disposal occurred in the current period. Financing activities: Mainly due to the increase in short-term loans and long-term debt during the current period.				

(II) Improvement plans for liquidity inadequacy

The Company and the Group do not have insufficient liquidity.

(III) Cash liquidity analysis of next year (2024)

The Company

Units: NT$ thousand

Cash balance at beginning of period (1)	Expected net cash flow from operating activities for the year (2)	Expected annual cash outflow Inflow (outflow) (3)	Cash surplus (Shortfall) amount (1)+(2)+(3)	Remedy for cash inadequacy and liquidity	
				Investment plan	Financial plan
217,382	341,589	(358,068)	200,903	N/A	N/A

1. Operating activities: The Company's cash flow from operating activities in the coming year

will mainly be from management consulting service fees, dividend income from subsidiaries and intra-group operating expenses.

2. Investment activities: The Company's cash flow from investment activities in the coming year will mainly be funds invested to support the business development of subsidiaries.
3. Remedy for cash inadequacy and liquidity: N/A.

IV. Major Capital Expenditure Items

(I) The Company

None.

(II) The Group

The acquisition of instrument and equipment (Stated as property, plant and equipment) and the land and buildings required for expansion and operation in response to the cooperation with medical institutions will have a positive effect on the financial business.

V. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

December 31, 2023Units: NT$ thousand

Item \ Explanation	Long-term investment amount	Policies	Investment profit and loss in 2023	Main reason for profit or loss	Improvement plan	Future investment plans
Chiu Ho Medical System Co., Ltd.	4,844,794	Medical instrument sale, leasing and services	300,012	The company is with good performance	N/A	N/A
TOMORROW MEDICAL SYSTEM CO., LTD	1,002,938	Medical instrument sale, leasing and services	17,290	The company is with good performance	N/A	N/A
Chiu Ho Scientific Co., Ltd.	153,046	Ophthalmic equipment sale, leasing and services	16,571	The company is with good performance	N/A	N/A
Hua Lin Instruments Co., Ltd.	461,622	Medical instrument leasing	32,882	The company is with good performance	N/A	N/A
Shin-Ho Instruments Co., Ltd.	128,019	Medical instrument leasing and irradiation business	(67,576)	Losses caused by the completion of the Company's cooperation.	Development of irradiation service business.	Development of new businesses
E Century Health Care Corporation	673,308	Medical instrument leasing	81,742	The company is with good performance	N/A	N/A
TONG-LIN INSTRUMENTS CO., LTD.	443,195	Medical instrument leasing	38,532	The company is with good performance	N/A	N/A
Chiu Ho Biotech Co., Ltd.	270,128	Medical instrument leasing	19,080	The company is with good performance	N/A	N/A
CHC Healthcare (BVI) Limited	362,342	Holdings and indirect investments	(19,795)	The decrease in the operating revenue of the company's investee resulted in the loss.	To develop business proactively	N/A
Treasure of Health Co., Ltd.	375,698	Drug and health supplements sale	7,870	The company is with good performance	N/A	N/A
CHC Healthcare (UK) Limited	3,697	Medical instrument sale	(3,008)	The company's initial operating costs were high, resulting in losses.	To develop business proactively.	N/A

Note: The exchange rate of each currency to New Taiwan dollar is based on the USD to NTD exchange rate of 30.71 and GBP to NTD exchange rate of 39.15 announced by the Bank of Taiwan on December 31, 2023. Throughout 2023, the average USD to NTD exchange rate was 31.15 and the average GBP to NTD exchange rate was 38.75.

VI. Analysis of Risk Management

(I) The impact of changes in interest rate, exchange rate, and inflation on the company's profit and loss and the future countermeasures

1. Changes in interest rate

The interest expenses of the Group are mainly due to the bank loans borrowed as working capital for business operation. The interest expenses incurred in 2023 totaled NT$76,189 thousands, which accounted for 1.97% of the net operating revenue of the year, which was a very small ratio, so the impact of the changes in the interest rate on the Group's profit and loss was limited.

In order to avoid the impact of interest rate fluctuations on the Group's cost of capital, the Group has been paying attention to interest rate trends at all times, maintaining close contract with the banks, and increasing the proprietary funds to reduce interest expenses and dependence on financial institutions.

2. Changes in exchange rate

The Group's purchases are mainly imports. The net foreign currency exchange loss in 2023 was NT$5,337 thousand, which was 0.14% of the net operating revenue of the year, and had no significant impact.

In order to effectively reduce the impact of the changes in exchange rate on the overall profitability of the Group, specific response measures are as follows:

(1) Setup foreign currency deposit accounts to manage foreign exchange positions, and trade foreign currency deposits on a timely manner to repay foreign currency payable for imports in order to reduce the impact of exchange rate fluctuation on profit and loss and achieve natural hedging effects.

(2) The financial staff maintains an appropriate net foreign exchange position based on the judgment of the future exchange rate trend in order to reduce the impact of exchange rate fluctuation on the Group's profitability.

3. Inflation

The Group's products are not necessities consumables; therefore, there is no immediate pressure on the sensitivity of inflation. However, the Group will still pay close attention to the fluctuation of market prices, plan the timing for incoming inventory, and maintain a good cooperative relationship with suppliers.

(II) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading, are the main reasons for the profits or losses generated thereby, and future response measures to be undertaken

1. Based on the principle of stability and the business philosophy of being pragmatic, the Company focuses long-term equity investments under the equity method, and does not engage in high-risk, high-leveraged investments.

2. The Company has formulated relevant regulations such as "Procedures for Lending Funds to Others", "Procedures for Endorsement and Guarantee" and "Procedures for Acquisition and Disposal of Assets" as the basis for the Company and its subsidiaries to follow when engaging in related operations. As of the date of report, the Company and its subsidiaries have not engaged in any derivatives transactions. In addition, lending funds to others and endorsement guarantees are handled in accordance with the policies and response measures established

above. Furthermore, the Group has always focused on its own business, so related risks are limited.

(III) Future research & development projects and corresponding budget

In consideration of the rising international awareness of health, safety, and environmental protection, as well as demand from industry, the Group plans to enter the irradiation market, and has obtained the approval of the Ministry of Science and Technology (MOST) to establish an irradiation facility in the Tongluo Science Park. The Group expects to engage in business lines including sterilization validation testing, X-ray photon/electron irradiation sterilization, and R&D of radiation-resistant materials and irradiation services. This project is expected to begin operation in 2024. The Group seeks to become the first provider of irradiation sterilization technology in line with the sustainable utilization principles in Taiwan. When the time comes, the Group will provide irradiation services stressing safety, high-performance, and freedom from residues, and set up a specialized laboratory and hire professional R&D and validation personnel dedicated to researching and developing new irradiation validation technology and providing higher-standard services, and also engage in research and development of radiation-resistant materials and new products, hoping to apply them to medical devices, in-vehicle materials, functional clothing materials and various packing materials in the future. The Group plans to invest NT$7,024 thousand in R&D during 2024.

(IV) Changes to local and overseas policies and laws that impact the Company's financial operations and response measures

The Group's daily operations are conducted in compliance with relevant domestic and foreign laws and regulations. As of the date of report, changes to important domestic and foreign policy and laws have not had a significant impact on the Group's financial position and business performance. In the future, the Group's management will also pay attention to changes in important domestic and foreign policy and laws, consult experts for their opinions when necessary, and take appropriate response measures to meet the Company's operational needs.

(V) Impact of changes in technology (including cybersecurity risks) and industry on the Company's finances, and response measures

1. Impact of cybersecurity risk on the Company's finances, and response measures

The Group has established comprehensive preventive measures to maintain network and computer information security, but cannot guarantee that the computer systems controlling and maintaining the Company's operations and important accounting functions, etc. can completely avoid all online attacks from third party zombie systems. Such online attacks may enter the Group's internal network system using illegal methods, and disrupt the Company's operations and impair the Company's goodwill. As a consequence, the Group is using the following response measures in a continuing effort to strengthen cybersecurity control mechanisms, and thereby reduce the Group's cybersecurity risk, so that the Group is not subject to new risks and attacks among fast-evolving information security threats.

(1) E-mail system: The Company employs Chunghwa Telecom's cloud e-mail system service,

and Cisco Systems' e-mail filter is used to block and filter out trash e-mail, and strengthen detection of phishing e-mail.

(2) Network protection: The Group uses Dell's EMC active network architecture; Firewalls employ load balancing protection management to strengthen network firewalls and network controls.

(3) Network redundancy: The Group uses Chunghwa Telecom's and Taipei Fiber's dual fiber-optic network redundancy to reduce risk of Internet service interruptions.

(4) The Group's partition nodes employ VPN interlinked applications to strengthen data protection.

(5) Data backups: Headquarters' systems and data are backed up to a subsidiary for off-site preservation on a daily basis.

(6) Regular implementation of information security awareness.

2. The impact of changes in technologies and industry on the company's finances, and response measures

The Group's main distribution products are world-renowned brands of radiation oncology, neurology, medical imaging, ophthalmology, and surgery. The technological changes and industrial changes will help the Group strengthen its supply chain relationship and provide new products to satisfy the needs of customers.

(VI) The impact of changes in corporate image on corporate risk management and the Company’s response measures

Internally, the Group is committed to corporate governance, pays attention to training and talent cultivation, and has achieved outstanding results in corporate governance evaluations conducted by the competent authority for consecutive years, laying a solid foundation for corporate sustainability. Externally, the Group shows the corporate culture of "connecting your health with our commitment", and gradually improves the accessibility and convenience of information acquisition. CHC also has corresponding communication channels to actively enhance two-way interaction with external stakeholders. If suggestions, concerns or complaints from stakeholders are received, they will be immediately forwarded to the responsible unit for timely response. If there is any negative impact, the dedicated unit will report it to the management, who will convene relevant departments to discuss remedial methods and procedures, and notify the Sustainability Committee and Board of Directors in a timely manner depending on the circumstances, in order to strengthen crisis management, prevent damage, and maintain a good corporate image. Up to the latest fiscal year and as of the date of the annual report, there have been no incidents of corporate crisis caused by changes in corporate image.

(VII) Expected benefits and possible risks of mergers and response measures

The Group is currently planning a long-term care campus, and is simultaneously searching for small organizations with development potential for investment. On January 1, 2023, the Group's subsidiary SenCare Healthcare Company acquired 51% equity in the Chin An Company and 50.7% of investment in the Xing-An Long-term Care Corporation. The Group hopes to quickly expand its long-term care operations through a dual business strategy encompassing both in-house establishment and acquisitions.

(VIII) Expected benefits and potential risks of capacity expansion and response measures

Subsidiary of the CHC Healthcare Group, Shin-Ho Biotech Co., Ltd., initiated the construction project for a radiation service factory in 2020. The factory has now been completed and is expected to commence operations officially in 2024. It will be Taiwan's first high-energy irradiation service factory, providing world-class radiation technology with high precision, efficiency, hygiene, safety, extensive applications, and compliance with sustainable principles. It will serve and drive numerous domestic industries towards safer, more efficient, and less polluted sterilization and radiation quality improvement, making Taiwan's related industries more in line with international trends.

Observing the domestic market, there are no similar firms in Taiwan offering dual-energy high-energy radiation services. The establishment of this factory will have a positive impact on the sterilization market for medical product manufacturing, agricultural imports and exports, and food, while also benefiting aerospace composite material processing, outer space satellite component testing, and semiconductor wafer modification irradiation.

The expansion of this factory can broaden the company's scope of business, serve diverse customers, take on more orders, thereby enhancing revenue performance, and gradually increasing the Company's profit level as service capacity reaches an economic scale. However, the risk factor lies in the significant initial investment for this expansion. If the subsequent operation does not meet expectations, depreciation of the factory and equipment will become a burden for the Company. Therefore, the Company has established a comprehensive business promotion and technical service team, actively seeking customer orders, with the expectation that the radiation factory's official operation will bring long-term stable revenue contributions to the Company.

The Company's business expansion and expansion have undergone meticulous market information collection, coupled with appropriate capital expenditure planning. While meeting customer needs and pursuing operational expansion, it also rigorously examines cost-effectiveness and financial plans to reduce operational risks and seek the Company's sustainable development.

(IX) The risks of the purchases or sales concentration and the countermeasures

1. Purchases

The net purchase from supplier 甲 who was the Group’s main supplier accounted for 32.15% of the total purchases in 2023, mainly because the Company’s subsidiary, Chiu Ho Medical System Co., Ltd., was the exclusive agent of Supplier 甲 for radiation oncology instruments and equipment in Taiwan. 甲 concentrated purchase is resulted due to the increase in purchase in response to a rising market demand. The Group continues to maintain partnerships with major suppliers, by training professional maintenance engineers to perform self-installation, parts replacement, and follow-up maintenance and together with the advantages of marketing channels to increase the supplier’s dependence on the Group in order to create an irreplaceable position that will protect the Group from being replaced by other agents arbitrarily.

2. Sales

The Group’s main sales targets are the department of radiation oncology and ophthalmology of major public hospitals, consortium corporations, military hospitals, and general clinics in Taiwan. The sales target is quite scattered and there is no concentrated sale.

(X) Impact and risks resulting from major equity transfer or replacement of the shares of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures

The Company's directors, supervisors, and major shareholders with 10% or more shares did not make any large-scale transfers or replacements in the past year and up to the date of report.

(XI) Impact, risk, and response measures related to any change in operating rights in the Company

There were no changes in management right in the most recent year and up to the date of report.

(XII) Litigation or non-litigation events

1. Material litigation, non-litigation, or administrative events that have been determined by verdict of a court or are still pending, the results of which may have a significant impact on shareholders' equity or securities prices, and the facts in dispute, the amount of the subject matter, date of commencement of litigation, main parties involved in litigation, and handling situation as of the date of report

None.

2. If the result of major litigious, non-litigious events, or administrative disputes, either concluded or ongoing, involving the company and its directors, supervisors, president, de facto responsible person, major shareholders with more than 10% shares, or subsidiaries may have a material impact on shareholders' equity or stock prices, disclose the facts in contention, amount, start date of litigation, main parties involved, and progress up to the date of report

None.

(XIII) Other material risks and countermeasures

None.

VII. Other material matters

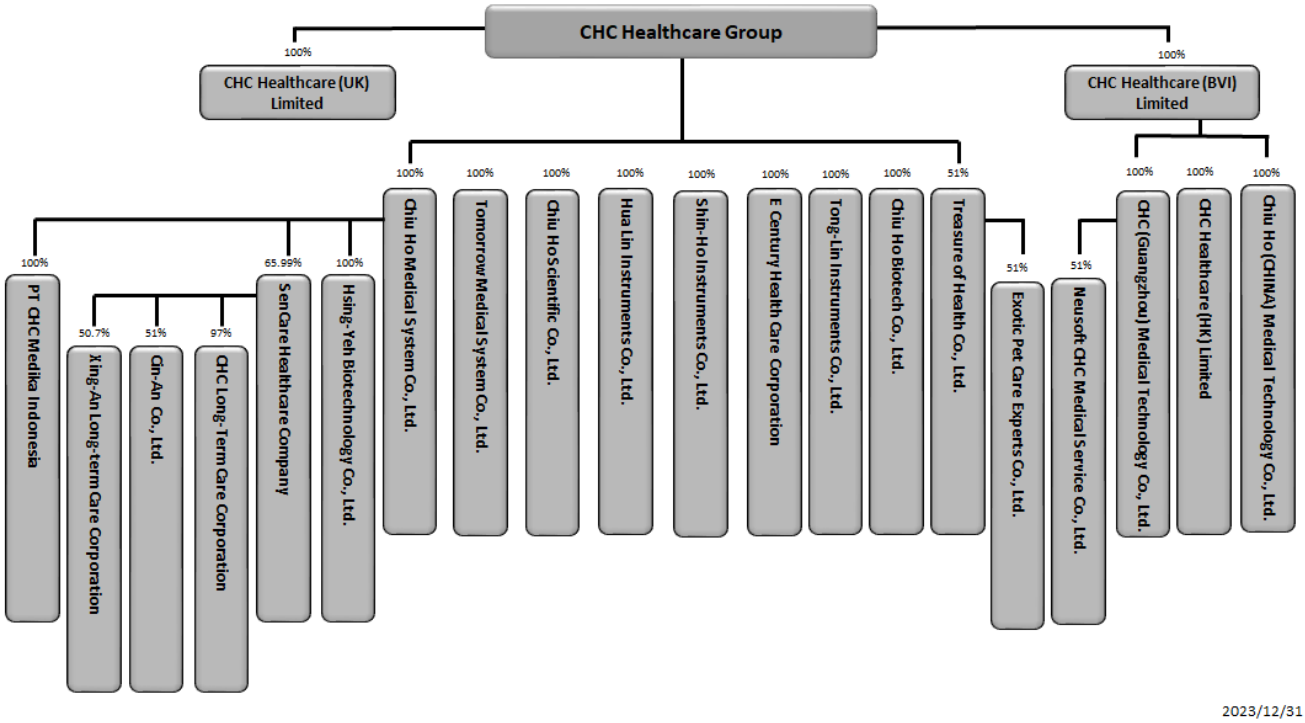
None.

Eight. Special Disclosures

I. Summary of Affiliated Companies

(I) Consolidated Affiliate Business Report

1. Organizational chart of affiliated enterprises



2. Background Information of the Affiliated Companies

December 31, 2023 Units: NT$, unless otherwise specified

Company	Incorporation date	Address	Paid-in capital	Main business operation or products
Chiu Ho Medical System Co., Ltd.	03/17/2000	5F, No. 88, Xingai Road, Neihu District, Taipei City	4,210,000,000	Medical instrument sales, leasing, and service
Tomorrow Medical System Co., Ltd.	03/20/2006	6F, No. 88, Xingai Road, Neihu District, Taipei City	908,000,000	Medical instrument sales, leasing, and service
Chiu Ho Scientific Co., Ltd.	03/17/2006	6F, No. 88, Xingai Road, Neihu District, Taipei City	98,538,410	Ophthalmic equipment sales, leasing, and service
Hua Lin Instruments Co., Ltd.	07/10/1999	6F, No. 88, Xingai Road, Neihu District, Taipei City	356,000,000	Medical instrument leasing
Shin-Ho Instruments Co., Ltd.	10/16/2002	No. 5, Tongke 9th Rd., Tongluo Township, Miaoli County, Hsinchu Science Park, Taiwan (R.O.C.)	213,000,000	Medical instrument leasing and irradiation business
E Century Health Care Corporation	12/06/2002	6F, No. 88, Xingai Road, Neihu District, Taipei City	440,000,000	Medical instrument leasing
Tong-Lin Instruments Co., Ltd.	02/25/2002	6F, No. 88, Xingai Road, Neihu District, Taipei City	350,000,000	Medical instrument leasing
Chiu Ho Biotech Co., Ltd.	12/16/2003	6F, No. 88, Xingai Road, Neihu District, Taipei City	239,639,880	Medical instrument leasing
CHC Healthcare (BVI) Limited	11/23/2010	Walkers Chambers P.O. Box 92, Road Town, Tortola, British Virgin Islands	USD940	Holding and indirect investment

Company	Incorporation date	Address	Paid-in capital	Main business operation or products
CHC Healthcare (HK) Limited	09/19/2012	Unit 806, 8/F Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong	HKD 1,000,000	Medical instrument sales, leasing, and service
CHC (Guangzhou) Medical Technology Co., Ltd.	07/13/2011	1009 GIE Tower, No. 403 HuangShi Rd. East, Yuexiu Dist., GuangZhou 510095, P.R.C	USD 9,502,777.42	Medical instrument sales, leasing, and service
Chiu Ho (China) Medical Technology Co., Ltd	05/30/2013	Room 1501, Fangheng Times Center, Building B, No. 10 Courtyard, Wangjing Street, Chaoyang District, Beijing City	USD 7,544,411.00	Medical instrument sales, leasing, and service
Hsing-Yeh Biotechnology Co., Ltd	09/21/2015	6F, No. 88, Xingai Road, Neihu District, Taipei City	936,000,000	Medical instrument sales, leasing, and drug sales
Neusoft CHC Medical Service Co., Ltd	03/28/2018	Room 227, No. 177-1, ChuangXin Street, Hun Nan District, Shenyang, Liaoning Province, 110179, China	RMB 7,200,000	Medical instrument sales, leasing, and service
SenCare Healthcare Company	09/27/2018	5F, No. 88, Xing'ai Rd., Neihu Dist., Taipei City	294,000,000	Management consulting and elderly residence
PT CHC Medika Indonesia	03/21/2017	Jl. Lebak Bulus 1 Lt. B1 Kav. 29 Kel. Cilandak Barat, Kec. Cilandak, Jakarta Selatan Indonesia	IDR 2,566,000,000	Medical instrument leasing
CHC Long-Term Care Corporation	12/31/2019	30, Lane 321, Yangxin N. Rd., Yangmei District, Taoyuan City	32,000,000	Long-term care service
Treasure of Health Co., Ltd.	03/27/2018	8F, 45 Zhongxing Rd., Xizhi District, New Taipei City	114,000,000	Sale of medicines and health supplements
CHC Healthcare (UK) Limited	10/22/2021	42-46 Station Road Edgware HA8 7AB	GBP 200,000	Medical instrument sales
Cin-An Co., Ltd.	09/01/2021	No. 327, Sec. 2, Tianxiang St., Zhunan Township, Miaoli County 350022, Taiwan (R.O.C.)	32,701,740	Elderly residence
Xing-An Long-term Care Corporation	06/30/2020	No. 327, Sec. 2, Tianxiang St., Zhunan Township, Miaoli County 350022, Taiwan (R.O.C.)	13,400,000	Long-term care service
Exotic Pet Care Experts Co., Ltd.	03/13/2023	8F, 45 Zhongxing Rd., Xizhi District, New Taipei City	8,000,000	Veterinary medical instrument leasing and drug sale

3. Information on identical shareholders of companies presumed to have control and subsidiary relationship: None.

4. Overall business scope of all affiliated businesses

The businesses of the Company and its affiliated enterprises include medical equipment wholesale, medical equipment retail, medical equipment leasing, holdings company, general investment, and pharmaceuticals sales. Their division of labor is as follows:

Name of enterprises	Division of labor
Chiu Ho Medical System Co., Ltd., Tomorrow Medical System Co., Ltd., and Chiu Ho Scientific Co., Ltd.	Medical instrument sales, leasing, and service
Hua Lin Instruments Co., Ltd., E Century Health Care Corporation, Tong-Lin Instruments Co., Ltd., Chiu Ho Biotech Co., Ltd., Neusoft CHC Medical Service Co., Ltd., and PT CHC Medika Indonesia	Medical instrument leasing
CHC Healthcare (BVI) Limited	Holding and indirect investment
CHC Healthcare (HK) Limited, CHC (Guangzhou) Medical Technology Co., Ltd., and Chiu Ho (China) Medical Technology Co., Ltd.,	Medical instrument sales, leasing, and service
Hsing-Yeh Biotechnology Co., Ltd	Medical instrument sales, leasing, and drug sales
SenCare Healthcare Company, Cin-An Co., Ltd	Management consulting and elderly residence
CHC Long-Term Care Corporation, Xing-An Long-term Care Corporation	Long-term care service
Treasure of Health Co., Ltd.	Sale of medicines and health supplements
CHC Healthcare (UK) Limited	Medical instrument sales
Shin-Ho Instruments Co., Ltd.	Medical instrument leasing and irradiation business
Exotic Pet Care Experts Co., Ltd.	Veterinary medical instrument leasing and drug sale

5.Directors, Supervisors, and Presidents of the Affiliated Companies

December 31, 2023 Units: Shares; %

Company	Job title	Name or representative	Shareholding	
			Shares	Shareholding ratio (%)
Chiu Ho Medical System Co., Ltd.	Chairman Director Director Supervisor	Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Yi-Chun Chen (Representative of the Company) Tien-Ying Lee (Representative of the Company)	421,000,000	100%
TOMORROW MEDICAL SYSTEM CO., LTD	Chairman Director Director Supervisor	Yi-Chun Chen (Representative of the Company) Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Tien-Ying Lee (Representative of the Company)	90,800,000	100%
Chiu Ho Scientific Co., Ltd.	Chairman Director Director Supervisor	Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Yi-Chun Chen (Representative of the Company) Tien-Ying Lee (Representative of the Company)	9,853,841	100%
Hua Lin Instruments Co., Ltd.	Chairman Director Director Supervisor	Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Yi-Chun Chen (Representative of the Company) Tien-Ying Lee (Representative of the Company)	35,600,000	100%
Shin-Ho Instruments Co., Ltd.	Chairman Director Director Supervisor	Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Yi-Chun Chen (Representative of the Company) Tien-Ying Lee (Representative of the Company)	21,300,000	100%
E Century Health Care Corporation	Chairman Director Director	Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Yi-Chun Chen (Representative of the Company)	44,000,000	100%

Company	Job title	Name or representative	Shareholding	
			Shares	Shareholding ratio (%)
	Supervisor	Tien-Ying Lee (Representative of the Company)		
TONG-LIN INSTRUMENTS CO., LTD.	Chairman Director Director Supervisor	Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Yi-Chun Chen (Representative of the Company) Tien-Ying Lee (Representative of the Company)	35,000,000	100%
Chiu Ho Biotech Co., Ltd.	Chairman Director Director Supervisor	Pei-Lin Lee (Representative of the Company) Ming-Lun Lee (Representative of the Company) Yi-Chun Chen (Representative of the Company) Tien-Ying Lee (Representative of the Company)	23,963,988	100%
CHC Healthcare (BVI) Limited	Chairman	Pei-Lin Lee (Representative of the Company)	940	100%
CHC Healthcare (HK) Limited	Chairman	Pei-Lin Lee	100,000	100%
CHC (Guangzhou) Medical Technology Co., Ltd.	General Manager	Chi-Kang Li (Representative of CHC Healthcare (BVI) Limited)	USD 9,502,777.42 (Note 1)	100%
Chiu Ho (CHINA) Medical Technology Co., Ltd	General Manager	Chi-Kang Li (Representative of CHC Healthcare (BVI) Limited)	USD 7,544,411.00 (Note 1)	100%
Hsing-Yeh Biotechnology Co., Ltd	Chairman Director Director Supervisor	Pei-Lin Lee (Representative of Chiu Ho Medical System Co., Ltd.) Ming-Lun Lee (Representative of Chiu Ho Medical System Co., Ltd.) Yi-Chun Chen (Representative of Chiu Ho Medical System Co., Ltd.) Tien-Ying Lee (Representative of Chiu Ho Medical System Co., Ltd.)	93,600,000	100%
Neusoft CHC Medical Service Co., Ltd	Chairman Director Director Director Director Supervisor Supervisor	Shaojie Wu (Representative of Neusoft Medical Technology Co., Ltd.) Donglong Han (Representative of Neusoft Medical Technology Co., Ltd.) Tien-Ying Lee (Representative of CHC (Guangzhou) Medical Technology Co., Ltd.) Ming-Lun Lee (Representative of CHC (Guangzhou) Medical Technology Co., Ltd.) Fangqin Zhang (Representative of CHC (Guangzhou) Medical Technology Co., Ltd.) Yi-Chun Chen (Representative of CHC (Guangzhou) Medical Technology Co., Ltd.) Sue Kong (Representative of Neusoft Medical Technology Co., Ltd.)	RMB 3,672,000 (Note 1)	51%
SenCare Healthcare Company	Chairman Director Director Director Director Supervisor Supervisor	Tien-Ying Lee (Representative of Chiu Ho Medical System Co., Ltd.) Pei-Lin Lee (Representative of Chiu Ho Medical System Co., Ltd.) Ming-Lun Lee (Representative of Chiu Ho Medical System Co., Ltd.) Sakurajyuji Co., Ltd. KAJI MASATO Yi-Chun Chen NISHIKAWA TOMOKI	19,400,000	65.99%
PT CHC Medika Indonesia	Director Supervisor	ANNY EKA YASIKA LIN MENG YU	2,566	100%
CHC Long-Term Care Corporation	Chairman Director Director Supervisor	Pei-Lin, Lee Tien-Ying Lee (Representative of SenCare Healthcare Company) Yi-Chun Chen Ming-Fa Hsieh	NTD 31,040,000 (Note 2)	97%
Treasure of Health Co., Ltd.	Chairman Director	Pei-Lin Lee (Representative of the Company) Tien-Ying Lee (Representative of the Company)	5,814,000	51%

Company	Job title	Name or representative	Shareholding	
			Shares	Shareholding ratio (%)
	Director Director Director Supervisor Supervisor	Ming-Lun Lee (Representative of the Company) Kun-Chang Su Yu-Chih Chuang Yi-Chun Chen Chun-Hui Li		
CHC Healthcare (UK) Limited	Chairman	Tzu-Lan Tung (Representative of the Company.)	200,000	100%
Chin An Company	Chairman Director Director Director Director Supervisor Supervisor	Tien-Ying, Lee (Representative of SenCare Healthcare Company) Pei-Lin, Lee (Representative of SenCare Healthcare Company) Ming-Lun Lee (Representative of SenCare Healthcare Company) Yung-Chih Ting (representative of Huaxin Co., Ltd.) Chih-Hui Kuo (Representative of Smart Enterprise Co., Ltd.) Yi-Chun, Chen Pin-Yu Chen	1,667,789	51%
Xing-An Long-term Care Corporation	Chairman Director Director Supervisor	Pei-Lin, Lee Tien-Ying, Lee (Representative of SenCare Healthcare Company) Yung-Chih Ting Chih-Hui Kuo (Representative of Smart Enterprise Co., Ltd.)	NTD 6,793,800 (Note 2)	50.7%
Exotic Pet Care Experts Co., Ltd.	Chairman Director Director Director Director Supervisor Supervisor	Ming-Lun Lee (Representative of Treasure of Health Co., Ltd.) Kun-Chang Su (Representative of Treasure of Health Co., Ltd.) Yu-Chih Chuang (Representative of Treasure of Health Co., Ltd.) Yu-Hsiu Wang Lung-Pao Lin Yi-Chun, Chen Yu-Chieh Wang	408,000	51%

Note 1: It is a company limited by shares that has not issued shares, so the capital contribution amount and capital contribution ratio was provided.
Note 2: It is a corporation that has not issued shares, so the capital contribution amount and capital contribution ratio was provided.

6. Affiliated enterprise operational overview

Units: NT$ thousand

Company	Capital stock	Total assets	Total liabilities	Net worth	Operating income	Operating profits	Profit and loss (after tax)	Earnings per share (NT$) (after tax)
Chiu Ho Medical System Co., Ltd.	4,210,000	6,080,180	1,191,724	4,888,456	1,755,539	360,388	300,318	0.71
TOMORROW MEDICAL SYSTEM CO., LTD	908,000	1,969,034	966,096	1,002,938	371,734	22,352	17,290	0.19
Chiu Ho Scientific Co., Ltd.	98,538	252,725	99,678	153,047	151,748	21,144	16,571	1.68
Hua Lin Instruments Co., Ltd.	356,000	666,364	204,284	462,080	217,588	43,238	33,339	0.86

Company	Capital stock	Total assets	Total liabilities	Net worth	Operating income	Operating profits	Profit and loss (after tax)	Earnings per share (NT$) (after tax)
Shin-Ho Instruments Co., Ltd.	213,000	1,009,601	881,582	128,019	0	(56,721)	(67,576)	(3.17)
E Century Health Care Corporation	440,000	781,016	112,984	668,032	321,241	100,778	81,742	1.70
TONG-LIN INSTRUMENTS CO., LTD.	350,000	509,736	66,400	443,336	188,608	47,692	38,488	1.10
Chiu Ho Biotech Co., Ltd.	239,640	353,364	83,236	270,128	102,007	23,268	19,080	0.80
CHC Healthcare (BVI) Limited	28	362,342	0	362,342	0	(83)	(19,795)	(21,058.51)
Treasure of Health Co., Ltd.	114,000	647,810	490,502	157,308	831,734	37,273	32,329	2.84
CHC Healthcare (UK) Limited	7,364	4,034	337	3,697	0	(3,013)	(3,008)	(15.04)
CHC Healthcare (HK) Limited	3,986	41,077	0	41,077	0	(57)	466	4.66
CHC (Guangzhou) Medical Technology Co., Ltd.	291,830	218,861	19,201	199,660	46,827	(10,258)	(9,960)	Note 3
Chiu Ho (CHINA) Medical Technology Co., Ltd	231,689	114,164	1,306	112,858	4,086	(11,025)	(10,323)	Note 3
Hsing-Yeh Biotechnology Co., Ltd	936,000	1,071,927	70,592	1,001,335	224,450	34,780	31,179	0.33
Neusoft CHC Medical Service Co., Ltd	31,155	7,135	45	7,090	0	(1,778)	(1,769)	Note 3
SenCare Healthcare Company	294,000	288,778	3,039	285,739	963	(3,140)	(1,475)	(0.05)
PT CHC Medika Indonesia	5,358	1,890	2,828	(938)	8,064	(1,037)	(1,031)	(401.79)
CHC Long-Term Care Corporation	32,000	28,886	471	28,415	0	(357)	(162)	Note 4
Chin An Co., Ltd	32,702	57,294	24,293	33,001	1,714	827	244	0.07
Xing-An Long-Term Care Corporation	13,400	14,608	285	14,323	1,764	1,107	923	Note 4
Exotic Pet Care Experts Co., Ltd.	8,000	11,476	4,161	7,315	3,080	(867)	(685)	(0.86)

Note 1: It is filled out in accordance with the individual financial report that is audited by a certified public accountant in conformity with the International Financial Reporting Standards.

Note 2: The exchange rate of each currency to New Taiwan dollar is based on the rate announced by the Bank of Taiwan on December 31, 2023 USD to NTD at 30.71, USD to RMB at 7.0961, IDR to NTD at 0.00198, and GBP to NTD at 39.15. The average exchange rates for the year 2023 are: USD to NTD at 31.15, USD to RMB at 7.0795, IDR to NTD at 0.00205, and GBP to NTD at 38.75. Additionally, the USD to HKD exchange rate as of December 31, 2023, from UBC Sauder School of Business is 7.8122, and the average USD to HKD exchange rate for the year 2023 is 7.8289.
Note 3: It is not applicable to a limited company that does not issue stock shares.
Note 4: Juridical association, unissued shares, therefore not applicable.

(II) Consolidated financial statements of the affiliated enterprises

The companies to be included in the Company's 2023 (from January 1, 2023 to December 31, 2023) consolidated financial statements of the affiliated enterprises in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same companies to be included in the consolidated financial statements of the parent company and subsidiaries in accordance with Article 27 of the International Accounting Standards; also, the relevant information in the consolidated financial statements of the affiliated enterprise that should be disclosed has already been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries. Therefore, the consolidated financial statements of the affiliated enterprise will not be prepared separately.

(III) Affiliation report

According to Article 369-12 of the Company Act, the Company is not a subsidiary of a public company, and is not required to prepare an affiliation report in accordance with regulations.

II. Private Placement Securities in the Most Recent Years

None.

III. The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years

None.

IV. Other supplemental information

None.

V. Matters, if any, that may affect shareholders' equity or securities price as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date of report

None.

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, 2023, 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 13, 2024

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 2023 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 2023 consolidated financial statements are stated as follows:

Impairment assessment of goodwill

Description

As of December 31, 2023, the Group generated goodwill of NT$150,617 thousand and NT$202,834 thousand as a result of the merger with Shih-Lu Co., Ltd. and with Treasure of Health Co., Ltd., respectively.

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.

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, 2023 and 2022.

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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 13, 2024

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, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,891,381	14	$ 1,472,849	11
1110	Financial assets at fair value through profit or loss - current	6(2)	69,380	1	41,911	-
1136	Current financial assets at amortised cost	6(4)	66,089	1	205,144	2
1140	Contract assets - current	6(23)	68,176	1	61,294	-
1150	Notes receivable, net	6(5)	38,837	-	46,322	-
1170	Accounts receivable, net	6(5)	738,357	5	581,428	5
1180	Accounts receivable due from related parties, net	7	260,123	2	251,851	2
1200	Other receivables		1,093	-	1,925	-
1210	Other receivables due from related parties	7	-	-	71,369	1
1220	Current tax assets		3,416	-	212	-
130X	Inventories	6(6)(9)	605,476	4	527,921	4
1410	Prepayments	6(7)	588,446	4	576,491	5
1470	Other current assets		915	-	12,832	-
11XX	**Total current assets**		4,331,689	32	3,851,549	30
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	67,789	1	60,260	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	36,959	-	29,578	-
1535	Non-current financial assets at amortised cost	6(4) and 8	199,745	1	204,337	2
1560	Contract assets - non-current	6(23)	42,933	-	45,457	-
1550	Investments accounted for using equity method	6(8)	9,911	-	8,307	-
1600	Property, plant and equipment	6(9) 7 and 8	5,916,247	43	5,824,668	45
1755	Right-of-use assets	6(10) and 7	110,435	1	104,293	1
1760	Investment property, net	6(12) and 8	1,549,304	11	1,429,043	11
1780	Intangible assets	6(13)(31)	631,150	5	610,157	5
1840	Deferred tax assets	6(29)	93,240	1	88,730	1
1930	Long-term notes and accounts receivable	6(5)	267,299	2	240,563	2
1940	Long-term notes and accounts receivable due from related parties	7	8,174	-	12,049	-
1990	Other non-current assets	6(9)(12)(14) and 8	348,552	3	321,910	3
15XX	**Total non-current assets**		9,281,738	68	8,979,352	70
1XXX	**Total assets**		$ 13,613,427	100	$ 12,830,901	100

(Continued)

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(15)	$ 359,075	3	$ 339,545	3
2130	Contract liabilities - current	6(23)	102,379	1	53,726	-
2150	Notes payable		21,216	-	20,993	-
2170	Accounts payable	7	375,894	3	325,733	3
2200	Other payables	6(9)(12)	194,966	1	121,185	1
2230	Current tax liabilities		118,057	1	79,858	1
2250	Provisions for liabilities - current		13,447	-	14,390	-
2280	Lease liabilities - current	7	33,632	-	27,081	-
2320	Long-term liabilities, current portion	6(17) and 8	202,546	1	67,020	-
2399	Other current liabilities		4,793	-	4,501	-
21XX	**Total current liabilities**		1,426,005	10	1,054,032	8
	Non-current liabilities					
2527	Contract liabilities - non-current	6(23)	657,915	5	645,381	5
2530	Bonds payable	6(16)(20)	1,317,066	10	1,510,024	12
2540	Long-term borrowings	6(17) and 8	3,066,933	23	2,913,273	23
2550	Provisions for liabilities - non-current	6(9)	17,980	-	18,032	-
2570	Deferred tax liabilities	6(29)	99,232	1	91,815	1
2580	Lease liabilities - non-current	7	207,590	1	158,010	1
2600	Other non-current liabilities	6(17)	45,200	-	37,238	-
25XX	**Total non-current liabilities**		5,411,916	40	5,373,773	42
2XXX	**Total liabilities**		6,837,921	50	6,427,805	50
	Equity attributable to owners of the parent					
	Share capital	6(16)(19)(20)				
3110	Common stock		1,664,194	12	1,615,531	13
	Capital surplus	6(16)(19)(21)				
3200	Capital surplus		3,716,656	27	3,544,423	27
	Retained earnings	6(22)				
3310	Legal reserve		427,524	3	391,867	3
3320	Special reserve		387,424	3	395,708	3
3350	Unappropriated retained earnings		648,281	5	581,510	5
	Other equity	6(3)				
3400	Other equity		(385,664)	(2)	(387,423)	(3)
31XX	**Total equity attributable to owners of the parent**		6,458,415	48	6,141,616	48
36XX	**Non-controlling interest**	4(3)	317,091	2	261,480	2
3XXX	**Total equity**		6,775,506	50	6,403,096	50
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 13,613,427	100	$ 12,830,901	100

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, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	**Operating revenue**	6(5)(11)(12)(23) and 7	$ 3,877,137	100	$ 2,974,352	100
5000	**Operating costs**	6(6)(9)(10)(12)(18)(19)(28) and 7	(2,808,977)	(72)	(2,072,038)	(70)
5950	**Gross profit**		1,068,160	28	902,314	30
	Operating expenses	6(9)(10)(12)(13)(18)(19)(28) and 7				
6100	Selling expenses		(218,424)	(6)	(184,049)	(6)
6200	General and administrative expenses		(235,983)	(6)	(238,348)	(8)
6450	Loss on expected credit impairment		(277)	-	(4,157)	-
6000	**Total operating expenses**		(454,684)	(12)	(426,554)	(14)
6900	**Operating profit**		613,476	16	475,760	16
	Non-operating income and expenses					
7100	Interest income	6(4)(10)(11)(24) and 7	20,683	-	12,530	-
7010	Other income	6(11)(12)(17)(25)	7,889	-	13,044	-
7020	Other gains and losses	6(2)(10)(26)	4,779	-	54,102	2
7050	Finance costs	6(27) and 7	(89,001)	(2)	(71,267)	(2)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(8)	1,604	-	(334)	-
7000	**Total non-operating income and expenses**		(54,046)	(2)	8,075	-
7900	**Profit before income tax**		559,430	14	483,835	16
7950	Income tax expense	6(29)	(134,192)	(3)	(95,185)	(3)
8200	**Profit for the year**		$ 425,238	11	$ 388,650	13
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	$ 7,381	-	($ 1,869)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(5,682)	-	10,220	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(29)	(7)	-	(2)	-
8300	**Other comprehensive income for the year**		$ 1,692	-	$ 8,349	-
8500	**Total comprehensive income for the year**		$ 426,930	11	$ 396,999	13
	Profit attributable to:					
8610	Owners of the parent		$ 418,866	11	$ 356,571	12
8620	Non-controlling interest		$ 6,372	-	$ 32,079	1
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 420,625	11	$ 364,855	12
8720	Non-controlling interest		$ 6,305	-	$ 32,144	1
	Earnings per share (in dollars)					
9750	**Basic earnings per share**	6(30)	$	2.55	$	2.21
9850	**Diluted earnings per share**	6(30)	$	2.26	$	1.98

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, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent											
			Capital Reserves			Retained Earnings			Other Equity Interest				
	Notes	Common stock	Capital surplus	Employee stock warrants	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (loss) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
2022													
Balance at January 1, 2022		$ 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
Consolidated net income		-	-	-	-	-	-	356,571	-	-	356,571	32,079	388,650
Other comprehensive income (loss)		-	-	-	-	-	-	-	10,153	(1,869)	8,284	65	8,349
Total comprehensive income (loss)		-	-	-	-	-	-	356,571	10,153	(1,869)	364,855	32,144	396,999
Appropriations of 2021 earnings	6(22)												
Legal reserve		-	-	-	-	38,163	-	(38,163)	-	-	-	-	-
Special reserve		-	-	-	-	-	8,584	(8,584)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(323,879)	-	-	(323,879)	-	(323,879)
Exercise of employee stock options	6(19)(20)	4,995	14,339	(4,973)	-	-	-	-	-	-	14,361	-	14,361
Compensation cost of employee stock options	6(19)	-	-	595	-	-	-	-	-	-	595	-	595
Compensation cost of employee stock options of subsidiaries	6(19)	-	-	1,163	-	-	-	-	-	-	1,163	-	1,163
Balance at December 31, 2022		$ 1,615,531	$ 3,476,727	$ 8,551	$ 59,145	$ 391,867	$ 395,708	$ 581,510	($ 35,386)	($ 352,037)	$ 6,141,616	$ 261,480	$ 6,403,096
2023													
Balance at January 1, 2023		$ 1,615,531	$ 3,476,727	$ 8,551	$ 59,145	$ 391,867	$ 395,708	$ 581,510	($ 35,386)	($ 352,037)	$ 6,141,616	$ 261,480	$ 6,403,096
Consolidated net income		-	-	-	-	-	-	418,866	-	-	418,866	6,372	425,238
Other comprehensive income (loss)		-	-	-	-	-	-	-	(5,622)	7,381	1,759	(67)	1,692
Total comprehensive income (loss)		-	-	-	-	-	-	418,866	(5,622)	7,381	420,625	6,305	426,930
Appropriations of 2022 earnings	6(22)												
Legal reserve		-	-	-	-	35,657	-	(35,657)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(324,722)	-	-	(324,722)	-	(324,722)
Reversal of special reserve		-	-	-	-	-	(8,284)	8,284	-	-	-	-	-
Conversion of convertible bonds	6(16)(20)	41,933	163,705	-	(3,396)	-	-	-	-	-	202,242	-	202,242
Exercise of employee stock options	6(19)(20)	6,730	18,636	(6,998)	-	-	-	-	-	-	18,368	-	18,368
Compensation cost of employee stock options	6(19)	-	-	99	-	-	-	-	-	-	99	-	99
Compensation cost of employee stock options of subsidiaries	6(19)	-	-	187	-	-	-	-	-	-	187	-	187
Employee stock options expired		-	-	(108)	108	-	-	-	-	-	-	-	-
Increase in non-controlling interest	6(31)	-	-	-	-	-	-	-	-	-	-	49,306	49,306
Balance at December 31, 2023		$ 1,664,194	$ 3,659,068	$ 1,731	$ 55,857	$ 427,524	$ 387,424	$ 648,281	($ 41,008)	($ 344,656)	$ 6,458,415	$ 317,091	$ 6,775,506

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, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 559,430	$ 483,835
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss		277	4,157
Depreciation charge	6(9)(10)(12)(28)	572,563	478,142
Amortisation charge	6(13)(28)	21,900	21,240
Loss on disposal of property, plant and equipment	6(26)	1,331	50,780
Property, plant and equipment transferred to expenses	6(9)	488	1,673
Gain on disposal of investment property	6(26)	-	(106,590)
Gain from lease modification	6(26)	(162)	-
Interest expense		104,333	68,538
Interest income	6(24)	(20,683)	(12,530)
Dividend income	6(25)	(1,565)	(3,508)
Government grant income	6(25)	(856)	-
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(8)	(1,604)	334
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(26)	(13,089)	17,992
Amortisation of discount on bonds payable	6(27)	9,874	10,646
Compensation cost of employee stock options	6(19)(28)	286	1,758
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(16,499)	30,701
Contract assets		(4,358)	(2,885)
Notes receivable		4,825	4,747
Accounts receivable		(119,686)	(153,494)
Accounts receivable due from related parties		(2,833)	(11,717)
Other receivables		1,140	4,391
Other receivables due from related parties		369	101
Inventories		(76,688)	(209,228)
Prepayments		(11,955)	(29,191)
Other current assets		11,917	3,147
Changes in operating liabilities			
Contract liabilities		48,653	8,192
Notes payable		223	10,425
Accounts payable		48,702	128,553
Other payables		20,326	7,054
Provisions for liabilities		(2,195)	(2,811)
Other current liabilities		292	860
Cash inflow generated from operations		1,134,756	805,312
Dividends received during the year		1,265	3,508
Interest paid during the year		(86,225)	(53,876)
Interest received during the year		20,683	12,530
Income tax paid		(107,891)	(110,815)
Net cash flows from operating activities		962,588	656,659

(Continued)

CHC HEALTHCARE GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at amortised cost		$ 143,647	$ 133,099
Decrease in other receivables due from related parties		71,000	91,500
Acquisition of property, plant and equipment	6(9)	(549,672)	(682,633)
Proceeds from disposal of property, plant and equipment		1,068	1,238
Acquisition of investment properties	6(12)	(29,390)	(2,077)
Proceeds from disposal of investment properties		-	166,015
Increase in refundable deposits		(121,739)	(64,515)
Decrease in refundable deposits		67,413	35,078
Increase in other non-current assets		(7,272)	(17,684)
Net cash flows from acquisition of subsidiaries	6(31)	(49,520)	-
Acquisition of intangible assets	6(13)	(26,000)	-
Net cash flows used in investing activities		(500,465)	(339,979)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(33)	2,104,311	3,481,275
Decrease in short-term loans	6(33)	(2,057,956)	(3,777,941)
Payments of lease liabilities	6(33)	(33,510)	(23,737)
Proceeds from long-term debt	6(33)	515,935	2,635,000
Repayments of long-term debt	6(33)	(271,848)	(2,348,300)
Increase in guarantee deposits received	6(33)	6,874	2,902
Decrease in guarantee deposits received	6(33)	(3,421)	(6,133)
Exercise of employee stock options		18,368	14,361
Payment of cash dividends	6(22)	(324,722)	(323,879)
Change in non-controlling interest		3,921	-
Net cash flows used in financing activities		(42,048)	(346,452)
Effect of changes in foreign currency exchange rates on cash and cash equivalents		(1,543)	8,694
Increase (decrease) in cash and cash equivalents		418,532	(21,078)
Cash and cash equivalents at beginning of year		1,472,849	1,493,927
Cash and cash equivalents at end of year		$ 1,891,381	$ 1,472,849

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, 2023 AND 2022
(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 health food, 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 13, 2024.

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®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 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.

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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 IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL 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 that came into effect 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 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:

		Main business	Ownership (%)		
Investor	Subsidiary	activities	December 31, 2023	December 31, 2022	Description
CHC	Chiu Ho Medical System Co., Ltd. (Chiu Ho Medical)	Medical instrument sale, leasing and services	100	100	
CHC	Tomorrow Medical System Co., Ltd. (Tomorrow)	Medical instrument sale, leasing and services	100	100	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
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	Note 1
CHC	Shin-Ho Instruments Co., Ltd. (Shin-Ho)	Medical instrument leasing and irradiation business	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	Note 1
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	51	
CHC	CHC Healthcare (UK) Limited (CHC (UK))	Medical instrument sale	100	100	Note 2
Chiu Ho Medical	Hsing-Yeh Biotechnology Co., Ltd. (Hsing-Yeh)	Medical instrument sale and leasing; drug sale	100	100	
Chiu Ho Medical	SenCare Healthcare Company (SenCare)	Consulting service, elderly residence and senior fitness	66	66	
Chiu Ho Medical	PT CHC Medika Indonesia (PT CHC)	Medical instrument leasing	100	100	
SenCare	CHC Long-Term Care Corporation (CHC LTC)	Long-term care services	97	97	
SenCare	Cin-An Co., Ltd. (Cin-An)	Elderly residence	51	-	Note 3

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
SenCare	Xing-An Long-term Care Corporation (Xing-An LTC)	Long-term care service	50.7	-	Note 3
Treasure of Health	Exotic Pet Care Experts Co., Ltd. (Exotic Pet Care)	Veterinary medical instrument leasing and drug sale	51	-	Note 4
CHC (BVI)	CHC Healthcare (HK) Limited (CHC (HK))	Medical instrument sale, leasing and services	100	100	
CHC (BVI)	CHC (Guangzhou) Medical Technology 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 subsidiary, Hsin Lin, merged with the Company's subsidiary, Chiu Ho Biotech, on December 31, 2023. Chiu Ho Biotech was the surviving company. After the merger, the shareholding ratio of the Company in Chiu Ho Biotech was 100%. The merger has no significant influence on the shareholder's equity of the parent company as it was a reorganisation within the Group.

Note 2: The Company invested and established CHC (UK) on May 17, 2022 and CHC(UK) was included in the consolidated financial statements starting from the establishment date.

Note 3: The Company's indirect subsidiary, SenCare, acquired Cin-An and Xing-An LTC on January 1, 2023 and Cin-An and Xing-An LTC were included in the consolidated financial statements thereafter.

Note 4: The Company's subsidiary, Treasure of Health, invested and established Exotic Pet Care on March 14, 2023 and Exotic Pet Care was included in the consolidated financial statements starting from the starting date.

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, 2023 and 2022, the non-controlling interest amounted to $317,091 and $261,480, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
	Principal place	December 31, 2023		December 31, 2022		
Name of subsidiary	of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
Treasure of Health	Taiwan	$ 166,085	49%	$ 158,523	49%	-

Summarised financial information of the subsidiaries:

Balance sheet

	Treasure of Health	
	December 31, 2023	December 31, 2022
Current assets	$ 406,693	$ 276,066
Non-current assets	671,001	594,900
Current liabilities	(324,951)	(186,245)
Non-current liabilities	(210,961)	(158,370)
Total net assets	$ 541,782	$ 526,351

Statement of comprehensive income

	Treasure of Health	
	Years ended December 31,	
	2023	2022
Revenue	$ 831,734	$ 826,880
Profit before income tax	19,368	84,113
Income tax expense	(3,936)	(16,856)
Profit for the year	15,432	67,258
Total comprehensive income for the year	$ 15,432	$ 67,258
Comprehensive income attributable to non-controlling interest	$ 7,562	$ 32,956

Statement of cash flows

	Treasure of Health	
	Years ended December 31,	
	2023	2022
Net cash (used in) provided by operating activities	($ 47,421)	$ 45,178
Net cash used in investing activities	(44,546)	(13,253)
Net cash provided by (used in) financing activities	119,855	(2,264)
Increase in cash and cash equivalents	27,888	29,661
Cash and cash equivalents, beginning of year	60,598	30,937
Cash and cash equivalents, end of year	$ 88,486	$ 60,598

(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 costs of completion and the estimated costs necessary to make the sale.

(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 (including auxiliary facilities)	3 ~ 50 years
Transportation equipment	5 years
Machinery and equipment	3 ~ 10 years
Leased assets-Machinery and equipment	0.83 ~ 50 years
Leased assets-others	0.33 ~ 25 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 3~55 years.

(19) Intangible assets

A. Trademark licenses and supply rights

Separately acquired supply rights are stated at historical cost. 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. Customer Relationship

Customer relationship acquired in a business combination is recognised at fair value at the acquisition date. Customer relationship has a finite useful life and is amortised on a straight-line basis over its useful life of 20 years.

C. 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 an 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) 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.

(26) 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.

(27) 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.

(28) 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 and does not give rise to equal taxable and deductible temporary differences. 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.

(29) Dividends

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

(30) 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.

(31) 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.

(32) 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 acquire 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.

(33) 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 polices.

(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

	December 31, 2023	December 31, 2022
Cash on hand	$ 1,425	$ 1,207
Checking accounts and demand deposits	1,715,956	1,421,642
Time deposits	174,000	50,000
	$ 1,891,381	$ 1,472,849

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

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 78,280	$ 68,785
Valuation adjustment	(8,900)	(26,874)
	$ 69,380	$ 41,911

Items	December 31, 2023	December 31, 2022
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 59,960	$ 59,960
Privately offered funds	6,000	-
Non-hedging derivatives (Redemption rights to the fourth domestic issuance of secured convertible corporate bonds)	909	1,050
Valuation adjustment	920	(750)
	$ 67,789	$ 60,260

For the years ended December 31, 2023 and 2022, net gain (loss) on financial assets at fair value through profit or loss were $13,089 and ($17,992), respectively, shown as 'other gains and losses'.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Listed stocks	$ 340,215	$ 340,215
Unlisted stocks	41,400	41,400
Valuation adjustment	(344,656)	(352,037)
	$ 36,959	$ 29,578

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 $36,959 and $29,578 as at December 31, 2023 and 2022, respectively.

B. The Group recognised $7,381 and ($1,869) in other comprehensive income (loss) for fair value change for the years ended December 31, 2023 and 2022, respectively.

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits with maturity over three months	$ 66,089	$ 205,144
Non-current items:		
Time deposits with maturity over three months and a year	$ 199,745	$ 204,337

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

	Years ended December 31,	
	2023	2022
Interest income	$ 5,284	$ 3,447

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)

	December 31, 2023	December 31, 2022
Notes receivable	$ 7,051	$ 10,306
Installment notes receivable	32,384	36,668
Less: Unrealised interest revenue-installment notes receivable	(597)	(652)
	38,838	46,322
Less: Allowance for doubtful accounts	(1)	-
	$ 38,837	$ 46,322

	December 31, 2023	December 31, 2022
Accounts receivable	$ 705,017	$ 538,378
Installment accounts receivable	30,423	45,356
Less: Unrealised interest revenue-installment accounts receivable	(6,315)	(7,172)
Lease payments receivable	23,171	14,063
Less: Unearned finance income of finance lease	(7,408)	(4,438)
	744,888	586,187
Less: Allowance for doubtful accounts	(6,531)	(4,759)
	$ 738,357	$ 581,428

A. The Group sold equipment under installment payment, subleased right-of-use asset - buildings under finance lease 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:

	December 31, 2023	December 31, 2022
Total long-term installment notes receivable	$ 10,809	$ 8,083
Less: Unrealised interest revenue - long-term installment notes receivable	(188)	(121)
Total long-term installment accounts receivable	161,308	187,693
Less: Unrealised interest revenue - long-term installment accounts receivable	(19,700)	(25,410)
Long-term lease payments receivable	142,778	86,534
Less: Unearned finance income of finance lease	(27,708)	(16,216)
	267,299	240,563
Less: Allowance for doubtful accounts	-	-
	$ 267,299	$ 240,563

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:

	December 31, 2023		
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
Current			
Not later than one year	$ 23,171	($ 7,408)	$ 15,763
Non-current			
Over one year	142,778	(27,708)	115,070
	$ 165,949	($ 35,116)	$ 130,833

	December 31, 2022		
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
Current			
Not later than one year	$ 14,063	($ 4,438)	$ 9,625
Non-current			
Over one year	86,534	(16,216)	70,318
	$ 100,597	($ 20,654)	$ 79,943

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

	December 31, 2023	December 31, 2022
Not past due	$ 983,916	$ 842,069
Up to 1 month	30,133	17,862
Up to 2 months	18,964	3,926
Up to 3 months	2,952	3,912
Up to 4 months	2,680	917
Up to 5 months	1,893	912
Up to 6 months	-	534
Over 6 months	10,487	2,940
	$ 1,051,025	$ 873,072

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:

	December 31, 2023	December 31, 2022
Not later than one year	$ 55,895	$ 74,200
Over one year	152,229	170,245
	$ 208,124	$ 244,445

E. As of December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables (including long-term receivables) from contracts with customers amounted to $673,938, $552,309, and $412,801, respectively.

F. For the years ended December 31, 2023 and 2022, 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 $8,141 and $6,997, respectively.

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

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	$ 612,554	($ 76,318)	$ 536,236
Inventory in transit	69,240	-	69,240
	$ 681,794	($ 76,318)	$ 605,476

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	$ 488,433	($ 65,636)	$ 422,797
Inventory in transit	105,124	-	105,124
	$ 593,557	($ 65,636)	$ 527,921

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,	
	2023	2022
Cost of goods sold	$ 1,799,460	$ 1,193,193
Repair supplies	86,511	68,960
Loss on decline in market value and obsolescence	10,682	7,675
Cost of inventories	1,896,653	1,269,828
Cost of rental	761,580	691,225
Cost of services	150,744	110,985
Total operating costs	$ 2,808,977	$ 2,072,038

(7) Prepayments

	December 31, 2023	December 31, 2022
Prepayments to suppliers	$ 547,899	$ 513,631
Excess business tax paid	15,206	42,277
Others	25,341	20,583
	$ 588,446	$ 576,491

(8) Investments accounted for using equity method

	December 31, 2023		December 31, 2022	
Associates	Ownership %	Book value	Ownership %	Book value
CHENG-HSIN Biotechnology Co., Ltd.	40%	$ 9,911	40%	$ 8,307

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

	Years ended December 31,	
	2023	2022
Profit (loss) for the year	$ 1,604	($ 334)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	$ 1,604	($ 334)

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
At January 1, 2023										
Cost	$ 759,015	$ 525,872	$ 1,524	$ 45,283	$ 6,242,020	$ 1,444,704	$ 25,714	$ 42,260	$ 817,654	$ 9,904,046
Accumulated depreciation and impairment	-	(44,254)	(1,359)	(24,192)	(3,263,798)	(718,984)	(4,216)	(22,575)	-	(4,079,378)
	$ 759,015	$ 481,618	$ 165	$ 21,091	$ 2,978,222	$ 725,720	$ 21,498	$ 19,685	$ 817,654	$ 5,824,668
2023										
Opening net book amount as at January 1	$ 759,015	$ 481,618	$ 165	$ 21,091	$ 2,978,222	$ 725,720	$ 21,498	$ 19,685	$ 817,654	$ 5,824,668
Additions (Note 1)	-	115,378	1,755	1,440	175,700	55,673	9,675	22,376	225,751	607,748
Disposals	-	-	(41)	-	-	(91)	(1,470)	(797)	-	(2,399)
Depreciation charge	-	(40,838)	(197)	(11,342)	(371,954)	(97,348)	(4,966)	(5,367)	-	(532,012)
Reclassifications (Note 2)	-	523,395	-	4,754	(1,305)	1,416	720	796	(508,688)	21,088
Net exchange differences	-	-	-	-	(1,652)	(30)	(4)	-	(1,160)	(2,846)
Closing net book amount as at December 31	$ 759,015	$ 1,079,553	$ 1,682	$ 15,943	$ 2,779,011	$ 685,340	$ 25,453	$ 36,693	$ 533,557	$ 5,916,247
At December 31, 2023										
Cost	$ 759,015	$ 1,164,644	$ 2,459	$ 45,193	$ 6,159,872	$ 1,471,542	$ 33,076	$ 64,260	$ 533,557	$10,233,618
Accumulated depreciation and impairment	-	(85,091)	(777)	(29,250)	(3,380,861)	(786,202)	(7,623)	(27,567)	-	(4,317,371)
	$ 759,015	$ 1,079,553	$ 1,682	$ 15,943	$ 2,779,011	$ 685,340	$ 25,453	$ 36,693	$ 533,557	$ 5,916,247

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 $12,565 and $67,023, respectively, additions to decommissioning cost in the amount of $1,200 (at the same time, additions to decommissioning liabilities in the amounts of $1,200 which was shown as “Non-current provisions”), capitalisation of amortised government granted loan interest expense of $2,418 (at the same time, additions to long-term borrowings of $2,418) and the cash payment in the amount of $549,672.

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

(a) Inventories transferred to property, plant and equipment amounted to $1,249.

(b) Property, plant and equipment transferred to inventories amounted to $2,114.

(c) Property, plant and equipment transferred to expenses amounted to $488.

(d) Other non-current assets transferred to property, plant and equipment amounted to $22,441.

	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
At January 1, 2022										
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)
	$ 759,015	$ 491,502	$ 209	$ 26,797	$ 2,045,726	$ 295,944	$ 11,659	$ 22,910	$ 1,774,840	$ 5,428,602
2022										
Opening net book amount as at January 1	$ 759,015	$ 491,502	$ 209	$ 26,797	$ 2,045,726	$ 295,944	$ 11,659	$ 22,910	$ 1,774,840	$ 5,428,602
Additions (Note 1)	-	4,785	-	2,515	69,355	121,417	10,337	5,217	437,167	650,793
Disposals	-	-	-	-	(51,803)	(2)	-	(213)	-	(52,018)
Depreciation charge	-	(14,669)	(45)	(6,403)	(336,122)	(77,512)	(3,095)	(5,231)	-	(443,077)
Reclassifications (Note 2)	-	-	-	(1,818)	1,250,502	385,848	2,594	(2,999)	(1,394,332)	239,795
Net exchange differences	-	-	1	-	564	25	3	1	(21)	573
Closing net book amount as at December 31	$ 759,015	$ 481,618	$ 165	$ 21,091	$ 2,978,222	$ 725,720	$ 21,498	$ 19,685	$ 817,654	$ 5,824,668
At December 31, 2022										
Cost	$ 759,015	$ 525,872	$ 1,524	$ 45,283	$ 6,242,020	$ 1,444,704	$ 25,714	$ 42,260	$ 817,654	$ 9,904,046
Accumulated depreciation and impairment	-	(44,254)	(1,359)	(24,192)	(3,263,798)	(718,984)	(4,216)	(22,575)	-	(4,079,378)
	$ 759,015	$ 481,618	$ 165	$ 21,091	$ 2,978,222	$ 725,720	$ 21,498	$ 19,685	$ 817,654	$ 5,824,668

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 $49,405 and $12,565, respectively, additions to decommissioning cost in the amount of $5,000 (at the same time, additions to decommissioning liabilities in the amounts of $5,000 which was shown as “Non-current provisions”), and the cash payment in the amount of $682,633.

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

(a) Inventories transferred to property, plant and equipment amounted to $4,804.

(b) Property, plant and equipment transferred to inventories amounted to $1,818.

(c) Property, plant and equipment transferred to expenses amounted to $1,673.

(d) Other non-current assets transferred to property, plant and equipment amounted to $238,482.

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,	
	2023	2022
Amount capitalised	$ 8,697	$ 15,408
Range of the interest rates for capitalisation	0.60%~6.40%	0.10%~4.25%

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, machinery and equipment 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, 2023	December 31, 2022
Land	$ 38,594	$ 41,006
Buildings	65,388	56,223
Transportation equipment (Business vehicles)	5,386	7,064
Machinery and equipment	1,067	-
	$ 110,435	$ 104,293

	Depreciation charge	
	Years ended December 31,	
	2023	2022
Land	$ 2,412	$ 2,412
Buildings	14,070	9,210
Transportation equipment (Business vehicles)	3,955	3,956
Machinery and equipment	133	-
	$ 20,570	$ 15,578

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $95,280 and $81,680, respectively.

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

	Years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	($ 3,949)	($ 2,713)
Expense on short-term lease contracts	(1,376)	(4,620)
Expense on leases of low-value assets	(111)	(109)
Finance income from sublease of right-of-use assets (shown as 'interest income')	6,310	3,959
Gain on lease modification (shown as 'other gains and losses')	162	-

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, 2023 and 2022, the Group's total cash outflow for leases were $38,946 and $31,179, respectively.

H. As of December 31, 2023 and 2022, the Group's undiscounted lease liabilities of housing leases that have not yet started but have been committed were $15,655 and $12,100, 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 25 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,	
	2023	2022
Sales profit	$ 724	$ 41
Finance income from the net investment in the finance lease (shown as 'others' in 'operating revenue')	651	1,000
Finance income from sublease of right-of-use assets (shown as 'interest income')	6,310	3,959

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

	December 31, 2023		December 31, 2022
2024	$ 44,174	2023	$ 41,070
2025	24,549	2024	24,014
2026	22,736	2025	14,416
2027	21,010	2026	12,603
2028	19,420	2027	10,877
2029	18,465	2028	9,934
2030 and onwards	45,848	2029 and onwards	26,979
	$ 196,202		$ 139,893

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, 2023 and 2022 are as follows:

	Years ended December 31,	
	2023	2022
Rent income	$ 60,733	$ 57,540
Contingent rental revenue	$ 1,113,766	$ 1,076,980

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

	December 31, 2023		December 31, 2022
2024	$ 56,963	2023	$ 55,314
2025	52,746	2024	50,866
2026	51,512	2025	48,517
2027	2,885	2026	47,284
2028	1,257	2027	370
2029	-	2028	-
2030 and onwards	-	2029 and onwards	-
	$ 165,363		$ 202,351

(12) Investment property

	Land	Buildings and structures	Total
At January 1, 2023			
Cost	$ 948,656	$ 707,477	$1,656,133
Accumulated depreciation and impairment	-	(227,090)	(227,090)
	$ 948,656	$ 480,387	$1,429,043
2023			
Opening net book amount as at January 1	$ 948,656	$ 480,387	$1,429,043
Additions from acquisitions (Note 1)	26,697	2,770	29,467
Acquired from business combinations	86,653	19,580	106,233
Reclassifications (Note 2)	5,900	-	5,900
Depreciation charge	-	(19,981)	(19,981)
Net exchange differences	-	(1,358)	(1,358)
Closing net book amount as at December 31	$ 1,067,906	$ 481,398	$1,549,304
At December 31, 2023			
Cost	$ 1,067,906	$ 728,382	$1,796,288
Accumulated depreciation and impairment	-	(246,984)	(246,984)
	$ 1,067,906	$ 481,398	$1,549,304

Note 1: The acquisition of investment property includes the beginning and ending balances of payable on machinery and equipment in the amounts of $952 and $1,029, respectively, and the cash payment in the amount of $29,390.

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

Other non-current assets transferred to investment property amounted to $5,900.

	Land	Buildings and structures	Total
At January 1, 2022			
Cost	$ 994,284	$ 727,912	$1,722,196
Accumulated depreciation and impairment	-	(216,739)	(216,739)
	$ 994,284	$ 511,173	$1,505,457
2022			
Opening net book amount as at January 1	$ 994,284	$ 511,173	$1,505,457
Additions - from subsequent expenditures (Note)	-	1,358	1,358
Disposals	(45,628)	(13,797)	(59,425)
Depreciation charge	-	(19,487)	(19,487)
Net exchange differences	-	1,140	1,140
Closing net book amount as at December 31	$ 948,656	$ 480,387	$1,429,043
At December 31, 2022			
Cost	$ 948,656	$ 707,477	$1,656,133
Accumulated depreciation and impairment	-	(227,090)	(227,090)
	$ 948,656	$ 480,387	$1,429,043

Note: The acquisition of investment property includes the beginning and ending balances of payable on machinery and equipment in the amounts of $1,671 and $952, respectively, and the cash payment in the amount of $2,077.

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

	Years ended December 31,	
	2023	2022
Rental income from the lease of the investment property	$ 60,592	$ 57,435
Direct operating expenses arising from the investment property that generated rental income during the year	$ 24,529	$ 23,004
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ -	$ 1,304

B. As of December 31, 2023 and 2022, the fair value of the investment property held by the Group amounted to $1,957,944 and $1,791,459, 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

	Trademark licenses	Supply rights	Goodwill	Other	Total
At January 1, 2023					
Cost	$ 130,135	$ 144,438	$ 361,985	$ -	$ 636,558
Accumulated amortisation	(12,513)	(13,888)	-	-	(26,401)
	$ 117,622	$ 130,550	$ 361,985	$ -	$ 610,157
2023					
Opening net book amount as at January 1	$ 117,622	$ 130,550	$ 361,985	$ -	$ 610,157
Additions - acquired seperately	-	26,000	-	-	26,000
Additions - acquired through business combinations	-	-	15,869	785	16,654
Amortisation charge	(10,011)	(11,610)	-	(40)	(21,661)
Closing net book amount as at December 31	$ 107,611	$ 144,940	$ 377,854	$ 745	$ 631,150
At December 31, 2023					
Cost	$ 130,135	$ 170,438	$ 377,854	$ 785	$ 679,212
Accumulated amortisation	(22,524)	(25,498)	-	(40)	(48,062)
	$ 107,611	$ 144,940	$ 377,854	$ 745	$ 631,150

	Trademark licenses	Supply rights	Goodwill	Total
At January 1, 2022				
Cost	$ 130,135	$ 144,438	$ 361,985	$ 636,558
Accumulated amortisation	(2,502)	(2,778)	-	(5,280)
	$ 127,633	$ 141,660	$ 361,985	$ 631,278
2022				
Opening net book amount as at January 1	$ 127,633	$ 141,660	$ 361,985	$ 631,278
Amortisation charge	(10,011)	(11,110)	-	(21,121)
Closing net book amount as at December 31	$ 117,622	$ 130,550	$ 361,985	$ 610,157
At December 31, 2022				
Cost	$ 130,135	$ 144,438	$ 361,985	$ 636,558
Accumulated amortisation	(12,513)	(13,888)	-	(26,401)
	$ 117,622	$ 130,550	$ 361,985	$ 610,157

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

	Years ended December 31,	
	2023	2022
Selling expenses	$ 21,661	$ 21,121

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

	December 31, 2023	December 31, 2022
Treasure of Health Co., Ltd.	$ 202,834	$ 202,834
Hsing-Yeh Biotechnology Co., Ltd.	150,617	150,617
Others	24,403	8,534
	$ 377,854	$ 361,985

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, 2023, the Group's goodwill arose from business combination amounting to $377,854, 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, 2023 and 2022 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, 2023 and 2022 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:

	December 31, 2023	December 31, 2022
Growth rate	2.60%	2.18%
Discount rate	7.49%~8.02%	8.19%~11.08%

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, 2023 and 2022. 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

	December 31, 2023	December 31, 2022
Guarantee deposits paid	$ 319,068	$ 265,118
Prepayments for investment	-	12,302
Prepayments for equipment	23,683	32,899
Restricted bank deposits	4,736	11,060
Deferred expenses	1,065	531
	$ 348,552	$ 321,910

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

(15) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Bank borrowings		
Unsecured borrowings	$ 359,075	$ 339,545
Interest rate range	1.71%~6.56%	1.42%~5.16%

(16) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 1,331,902	$ 1,537,875
Less: Discount on bonds payable	(14,836)	(27,851)
	1,317,066	1,510,024
Less: Current portion or exercise of put options	-	-
	$ 1,317,066	$ 1,510,024

A. 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 totaling $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 July 18, 2023, July 19, 2022, November 29, 2021 and August 3, 2021, the Company adjusted the conversion price per share to NT$46.9, NT$48.4, 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) As of December 31, 2023, the bonds totaling $200,900 (face value) had been converted into 4,193 thousand shares of common stock.

(g) Regarding the fourth issuance of secured convertible bonds, the equity conversion options amounting to $21,955 were separated from the liability component and were recognised in 'capital surplus - others' in accordance with IAS 32 as of December 31, 2023. 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, 2023, the effective interest rate of the bonds payable after such separation was 0.7077%.

B. There were no assets pledged as collateral for the fourth domestic bonds.

(17) Long-term borrowings

Type of borrowings	Borrowing period	December 31, 2023	December 31, 2022
Bank borrowings			
Secured borrowings	2018.3~2042.2	$ 2,573,829	$ 2,405,211
Unsecured borrowings	2018.11~2029.12	695,650	575,082
		3,269,479	2,980,293
Less: Long-term borrowings, current portion		(202,546)	(67,020)
		$ 3,066,933	$ 2,913,273
Interest rate range		0.85%~3.85%	0.60%~4.05%

A. 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%~0.85% during the granting period. The granting period would end in December 2026 and the borrowing interest rate would be 1.345%~2.095% 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 December 31, 2023 and 2022 was $31,436 and $26,857 (shown as 'other non-current liabilities).

(d) Income from long-term deferred revenue-government grants is related to property, plant and equipment and is recognised in profit or loss on a straight-line basis over the useful lives of related assets. For the years ended December 31, 2023 and 2022, the Group recognised government grant income $856 and $0(shown as 'other gain and losses'), respectively.

B. On September 21, 2022, the Company and its subsidiary, Tomorrow Medical System Co., Ltd. signed a syndicated loan agreement in the amount of $2,580,000 with syndicate of banks including First Commercial Bank, in order to repay the Group's existing financial liabilities and increase the working capital. In accordance with the syndicated loan agreement, the loan can be redrawn within the contract period. For each drawdown, the term shall not exceed 6 months and the amount of drawdown shall not be less than 50 million. For the amount that has not been paid at maturity, there is no need for the part of the same amount to make an additional procedure of remittance and loan. Therefore, the abovementioned financing will be listed as long-term borrowings and agreed to the following terms:

(a) All the credit amounts which obtained according to the contract shall be used for the credit purposes specified in the contract.

(b) 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 170%.

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.

(c) The Company shall maintain directly/ indirectly a 100% equity interest in Chiu Ho Medical System Co., Ltd., Tomorrow Medical System Co., Ltd., and Hsing-Yeh Biotechnology Co., Ltd. and the control over those companies' operations.
If the Company fails to meet abovementioned 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.

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, 2023 and 2022 were $10,163 and $9,017 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, 2023 and 2022 were $1,387 and $1,310, respectively.

(19) Share-based payment

A. As of December 31, 2023 and 2022, 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:

	2023		2022	
Stock options	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	855	$ 27.40	1,358	$ 28.80
Options forfeited	(10)	26.50	(4)	27.40
Options exercised	(673)	27.29	(499)	28.75
Options outstanding at December 31	172	26.50	855	27.40
Options exercisable at December 31	172		385	

C. For the years ended December 31, 2023 and 2022, the weighted-average stock price of stock options on exercise dates were NT$66.42 and NT$46.90 (in dollars), respectively.

D. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

		December 31, 2023		December 31, 2022	
Issue date approved	Expiry date	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	172	$ 26.50	855	$ 27.40

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 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,	
	2023	2022
Equity-settled	$ 286	$ 1,758

G. On July 18, 2023, July 19, 2022, November 29, 2021 and August 3, 2021, the exercise prices of employee stock options-106 were adjusted to NT$26.5, NT$27.4, NT$28.8 and NT$28.8 (in dollars), respectively, according to the rules of the employee stock option plan.

(20) Share capital

A. As of December 31, 2023, the Company's authorised capital was $2,500,000, consisting of 250 million shares of ordinary stock, and the paid-in capital was $1,664,194 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected. The aforementioned paid-in capital included 673 thousand shares of employee share options exercised and 4,193 thousand shares of convertible bonds converted for the year ended

December 31, 2023. The Company has applied to the regulatory authority for registration of the changes in capital on January 10, 2024, and the registration was completed on February 5, 2024.

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

(In thousands of shares)

	2023	2022
At January 1	161,553	161,054
Employee stock options exercised	673	499
Conversion of convertible bonds	4,193	-
At December 31	166,419	161,553

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.

(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, 2023, 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 appropriations of 2022 and 2021 earnings which were resolved at the shareholders' meeting on June 12, 2023 and June 15, 2022, respectively, are as follows:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 35,657		$ 38,163	
Special reserve	-		8,584	
Reversal of special reserve	(8,284)		-	
Cash dividends	324,722	$ 2.01	323,879	$ 2.01
	$ 352,095		$ 370,626	

The aforementioned earnings appropriations for the years ended December 31, 2022 and 2021 were in agreement with the amounts resolved by the Board of Directors during its meetings held on March 22, 2023 and March 23, 2022, respectively, and the ex-dividend dates resolved in the same meetings were July 18, 2023 and July 19, 2022, 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 2023 earnings as resolved by the Board of Directors on March 13, 2024 are as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 41,887	
Reversal of special reserve	(1,760)	
Cash dividends	334,503	$ 2.01
	$ 374,630	

(23) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 2,693,987	$ 1,834,467
Rental revenue	1,174,358	1,131,888
Others	8,792	7,997
	$ 3,877,137	$ 2,974,352

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, 2023	Sale of medical instruments and drugs	Repairs and maintenance and other services	Others	Total
Revenue from external customer contracts	$ 2,346,677	$ 313,368	$ 33,942	$2,693,987
Timing of revenue recognition				
At a point in time	$ 2,346,677	$ 928	$ 33,942	$2,381,547
Over time	-	312,440	-	312,440
	$ 2,346,677	$ 313,368	$ 33,942	$2,693,987

Year ended December 31, 2022	Sale of medical instruments and drugs	Repairs and maintenance and other services	Others	Total
Revenue from external customer contracts	$ 1,528,184	$ 273,533	$ 32,750	$1,834,467
Timing of revenue recognition				
At a point in time	$ 1,528,184	$ 243	$ 32,750	$1,561,177
Over time	-	273,290	-	273,290
	$ 1,528,184	$ 273,533	$ 32,750	$1,834,467

B. Contract assets and liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets	$ 111,109	$ 106,751	$ 103,866
Contract liabilities	$ 760,294	$ 699,107	$ 681,141

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

	Years ended December 31,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 47,440	$ 34,886

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, 2023 and 2022, amounted to $1,484,124 and $1,415,163, respectively.

Management expects that the transaction price allocated to the unsatisfied contracts as of December 31, 2023 and 2022 will be recognised as revenue from 2023 to 2032.

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,	
	2023	2022
Interest income from bank deposits	$ 8,925	$ 2,109
Interest income from financial assets measured at amortised cost	5,284	3,447
Finance income from sublease of right-of-use assets	6,310	3,959
Other interest income	164	3,015
	$ 20,683	$ 12,530

(25) Other income

	Years ended December 31,	
	2023	2022
Rent income	$ 141	$ 2,632
Dividend income	1,565	3,508
Government grant income	856	-
Other income	5,327	6,904
	$ 7,889	$ 13,044

(26) Other gains and losses

	Years ended December 31,	
	2023	2022
Losses on disposal of property, plant and equipment	($ 1,331)	($ 50,780)
Gains on disposal of investment property	-	106,590
Gains arising from lease modifications	162	-
Net currency exchange (losses) gains	(5,337)	19,689
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	13,089	(17,992)
Other losses	(1,804)	(3,405)
	$ 4,779	$ 54,102

(27) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	$ 51,131	$ 35,985
Convertible bonds	9,874	10,646
Long-term contract liabilities	12,534	9,774
Lease liability	3,801	2,487
Financial expense, others	11,661	12,375
	$ 89,001	$ 71,267

(28) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense		
Wages and salaries	$ 295,457	$ 288,592
Employee stock options	286	1,758
Labour and health insurance fees	22,807	20,223
Pension costs	11,550	10,327
Other personnel expenses	11,048	8,562
Depreciation charge	572,563	478,142
Amortisation charge	21,900	21,240
	$ 935,611	$ 828,844

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, 2023 and 2022, employees' compensation was accrued at $230 and $190, respectively; directors' remuneration was both accrued at $5,600. The aforementioned amounts were recognised in salary expenses.

Employees' compensation of $190 and directors' remuneration of $5,600 for 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 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,	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 141,972	$ 95,187
Tax on undistributed surplus earnings	226	383
Prior year income tax underestimation	688	1,512
Total current tax	142,886	97,082
Deferred tax		
Origination and reversal of temporary differences	(8,694)	(1,897)
Income tax expense	$ 134,192	$ 95,185

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

	Years ended December 31,	
	2023	2022
Income tax calculated based on profit before tax and statutory tax rate	$ 211,781	$ 187,797
Expenses disallowed by tax regulation	-	6,958
Tax exempt income by tax regulation	(97,524)	(125,431)
Temporary differences not recognised as deferred tax assets	4,561	3,620
Taxable loss not recognised as deferred tax assets	756	19,646
Change in assessment of realisation of deferred tax assets	13,473	700
Prior year income tax underestimation	688	1,512
Effect from Alternative Minimum Tax	231	-
Tax on undistributed surplus earnings	226	383
Income tax expense	$ 134,192	$ 95,185

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

	Years ended December 31,	
	2023	2022
Currency translation differences	($ 7)	($ 2)

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

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	December 31
Temporary differences					
- Deferred tax assets:					
Unrealised allowance for inventory obsolescence	$ 13,127	$ 2,137	$ -	$ -	$ 15,264
Unrealised exchange loss	1,137	(674)	-	-	463
Warranty obligations	2,925	(200)	-	-	2,725
Long-term contract liabilities interest expense	8,857	2,507	-	-	11,364
Others	3,867	(496)	-	-	3,371
Income tax losses	58,817	1,236	-	-	60,053
	88,730	4,510	-	-	93,240
Temporary differences					
- Deferred tax liabilities:					
Land revaluation increment tax	(39,395)	-	-	(10,507)	(49,902)
Book-tax difference on intangible assets from business combinations	(49,635)	4,256	-	(1,087)	(46,466)
Others	(2,785)	(72)	(7)	-	(2,864)
	(91,815)	4,184	(7)	(11,594)	(99,232)
	($ 3,085)	$ 8,694	($ 7)	($ 11,594)	($ 5,992)

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	December 31
Temporary differences					
- Deferred tax assets:					
Unrealised allowance for inventory obsolescence	$ 11,589	$ 1,538	$ -	$ -	$ 13,127
Unrealised exchange loss	4,464	(3,327)	-	-	1,137
Warranty obligations	3,488	(563)	-	-	2,925
Long-term contract liabilities interest expense	6,902	1,955	-	-	8,857
Others	3,565	302	-	-	3,867
Income tax losses	59,182	(365)	-	-	58,817
	89,190	(460)	-	-	88,730
Temporary differences					
- Deferred tax liabilities:					
Land revaluation increment tax	(39,395)	-	-	-	(39,395)
Book-tax difference on intangible assets from business combinations	(53,859)	4,224	-	-	(49,635)
Others	(916)	(1,867)	(2)	-	(2,785)
	(94,170)	2,357	(2)	-	(91,815)
	($ 4,980)	$ 1,897	($ 2)	$ -	($ 3,085)

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

	December 31, 2023			
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
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	295,411	1	2028
2019	3,262	2,528	2,528	2029
2020	4,842	4,842	4,842	2030
2021	7,036	7,036	7,036	2031
2022	15,706	15,706	14,030	2032
2023	72,690	72,690	66,512	2033
	$ 473,483	$ 402,605	$ 102,341	

December 31, 2022				
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	292,411	1	2028
2019	3,262	2,528	2,528	2029
2020	4,842	4,842	4,842	2030
2021	7,036	7,036	7,036	2031
2022	15,125	15,125	13,449	2032
	$ 405,663	$ 329,334	$ 35,248	

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

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 148,226	$ 118,922

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

	Recent assessment
The Company, SenCare Healthcare Company, Hsing-Yeh Biotechnology Co., Ltd., Chiu Ho Biotech Co., Ltd., Shin-Ho Instruments Co., Ltd., E Century Healthcare Corporation, Hua Lin Instruments Co., Ltd., Tong-Lin Instruments Co., Ltd., Treasure of Health Co., Ltd., CHC Long-Term Care Corporation , Tomorrow Medical System Co., Ltd., Chiu Ho Scientific Co., Ltd., Hsin Lin Biotech Co., Ltd., Chiu Ho Medical System Co., Ltd., Xing-An Long-Term Care Corporation	Through 2021

(30) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 418,866	164,454	$ 2.55
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 418,866	164,454	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	225	
Employees' compensation	-	4	
Convertible bonds	18,639	28,888	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 437,505	193,571	$ 2.26

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 356,571	161,381	$ 2.21
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 356,571	161,381	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	314	
Employees' compensation	-	5	
Convertible bonds	22,716	30,112	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 379,287	191,812	$ 1.98

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 January 1, 2023, the Company's indirect subsidiary, SenCare, acquired 51% of the share capital of Cin-An and 50.7% of the capital contribution of Xing-An LTC for $54,361 and $8,659, respectively, and obtained control over Cin-An and Xing-An LTC, operating elderly residence and providing long-term care service in the Republic of China, respectively. 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 Cin-An and Xing-An LTC 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:

Cin-An	January 1, 2023
Purchase consideration	
Cash paid	$ 54,361
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	38,469
	92,830
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and bank deposits	100
Invested properties	106,233
Long-term borrowings	(16,388)
Deferred income tax liabilities	(11,437)
Total identifiable net assets	78,508
Goodwill	$ 14,322

Xing-An LTC	January 1, 2023
Purchase consideration	
Cash paid	$ 8,659
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	6,916
	15,575
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and bank deposits	13,400
Customer relationship	785
Deferred income tax liabilities	(157)
Total identifiable net assets	14,028
Goodwill	$ 1,547

(32) Supplemental cash flow information

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

(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, 2023	$ 339,545	$1,510,024	$ 3,007,150	$ 185,091	$ 10,382	$ 5,052,192
Changes in cash flow from financing activities	46,355	-	244,087	(33,510)	3,453	260,385
Changes in acquisition of subsidiaries	-	-	16,388	-	-	16,388
Impact of changes in foreign exchange rate	-	-	(292)	-	(71)	(363)
Changes in other non-cash items	(26,825)	(192,958)	34,438	89,641	-	(95,704)
December 31, 2023	$ 359,075	$1,317,066	$ 3,301,771	$ 241,222	$ 13,764	$ 5,232,898

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Guarantee deposits received	Total liabilities from financing activities
January 1, 2022	$ 636,211	$1,499,378	$ 2,715,606	$ 126,959	$ 13,561	$ 4,991,715
Changes in cash flow from financing activities	(296,666)	-	286,700	(23,737)	(3,231)	(36,934)
Impact of changes in foreign exchange rate	-	-	326	-	52	378
Changes in other non-cash items	-	10,646	4,518	81,869	-	97,033
December 31, 2022	$ 339,545	$1,510,024	$ 3,007,150	$ 185,091	$ 10,382	$ 5,052,192

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

Names of related parties	Relationship with the Group
Yeezen General Hospital	Substantive related party
High-END VISION EYE CENTER	Substantive related party
Swissray Medical AG	Substantive related party
Shin Shin Healthcare Co., Ltd.	Substantive related party
SWISSRAY ASIA HEALTHCARE COMPANY LIMITED	Substantive related party
SOAR MEDICAL TECH CO., LTD.	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
Yu-Zhi Zhuang	Substantive related party
Yu-Hsiu Wang	Substantive related party
Errand Co., Ltd.	Substantive related party
EARK Exotic Animal Hospital (Note)	Substantive related party
CHENG-HSIN Biotechnology Co., Ltd.	Associate

Note: It was named ARK Exotic Animal Hospital and changed to EARK Exotic Animal Hospital on September 1, 2023.

(3) Significant transactions and balances with related parties

A. Operating revenue

(a) Sales revenue

	Years ended December 31,	
	2023	2022
Sales of goods:		
Yeezen General Hospital	$ 174,913	$ 162,451
Substantive related party	108,099	120,101
Associate	286	501
	$ 283,298	$ 283,053

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., Chiu Ho Medical System Co., Ltd. and Exotic Pet Care Experts Co., Ltd. and the abovementioned related parties have no other similar transactions that can be used for comparison. The collection period is approximately

2~6 months.

(b) Rental revenue

	Years ended December 31,	
	2023	2022
Rental revenue:		
Substantive related party	$ 100,708	$ 94,160

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 2020 to 2028. 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. and Exotic Pet Care Experts 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

	Years ended December 31,	
	2023	2022
Royalty income:		
Substantive related party	$ 4,602	$ 5,063

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.

B. Purchases

	Years ended December 31,	
	2023	2022
Purchases of goods:		
Substantive related party	$ 8,017	$ 4,823
Purchases of services:		
Substantive related party	1,730	657
	$ 9,747	$ 5,480

The subsidiaries, Chiu Ho Scientific Co., Ltd., Chiu Ho Medical System Co., Ltd., and Treasure of Health Co., Ltd. and Sen Care Healthcare Company and the abovementioned related parties have no other similar transactions that can be used for comparison. In terms of the transactions between Treasure of Health Co., Ltd and the abovementiond related parties, goods are purchased based on the price lists in force and terms that would be

available to third parties. The payment period is between 1 and 3 months.

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

	December 31, 2023	December 31, 2022
Chen Lin Charity Foundation	$ 1,000	$ 1,000

The subsidiary, Chiu-Ho Medical System Co., Ltd., donated to Chen Lin Charity Foundation.

D. Notes and accounts receivable

(a) Receivables from related parties:

	December 31, 2023	December 31, 2022
Yeezen General Hospital	$ 202,704	$ 195,283
Substantive related party	36,116	30,622
	238,820	225,905
Less: Allowance for doubtful accounts	-	-
	$ 238,820	$ 225,905

(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, 2023 and 2022 is provided as follows:

There is no such reconciliation as of December 31, 2023.

	December 31, 2022		
	Total installment accounts receivable	Unrealised interest income	Net installment accounts receivable
Current			
Substantive related parties	$ 1,076	($ 8)	$ 1,068
Loss allowance	-	-	-
	$ 1,076	($ 8)	$ 1,068

(c) As of December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables due from related parties from contracts with customers amounted to $207,662, $196,578, and $179,165, respectively.

(d) 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 2028. 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, 2023 and 2022, reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2023		
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
Current			
Yeezen General Hospital	$ 5,604	($ 322)	$ 5,282
CHENG-HSIN Biotechnology Co., Ltd.	16,091	(70)	16,021
Loss allowance	-	-	-
	$ 21,695	($ 392)	$ 21,303
Non-current			
Yeezen General Hospital	$ 8,558	($ 384)	$ 8,174
Loss allowance	-	-	-
	$ 8,558	($ 384)	$ 8,174

	December 31, 2022		
	Undiscounted lease payments	Unearned finance income	Net investment in the lease
Current			
Yeezen General Hospital	$ 6,335	($ 279)	$ 6,056
CHENG-HSIN Biotechnology Co., Ltd.	20,672	(286)	20,386
Loss allowance	(1,564)	-	(1,564)
	$ 25,443	($ 565)	$ 24,878
Non-current			
Yeezen General Hospital	$ 5,585	($ 170)	$ 5,415
CHENG-HSIN Biotechnology Co., Ltd.	6,704	(70)	6,634
Loss allowance	-	-	-
	$ 12,289	($ 240)	$ 12,049

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

	December 31, 2023	December 31, 2022
Not past due	$ 181,655	$ 181,250
Past due		
Up to 1 month	20,713	24,392
Up to 2 months	19,496	14,239
Up to 3 months	17,740	16,716
Up to 4 months	11,301	11,119
Up to 5 months	17,392	15,402
Up to 6 months	-	782
Over 6 months	-	1,564
	$ 268,297	$ 265,464

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.

(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, 2023				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest receivable
Yeezen General Hospital	$ 70,000	$ -	2.5%	$ 142	$ -
High-END VISION EYE CENTER	1,000	-	2.5%	4	-
	$ 71,000	$ -		$ 146	$ -

	Year ended December 31, 2022				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest receivable
Yeezen General Hospital	$ 170,000	$ 70,000	2.5%	$ 2,939	$ -
High-END VISION EYE CENTER	3,500	1,000	2.5%	70	-
	$ 173,500	$ 71,000		$ 3,009	$ -

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

	December 31, 2023	December 31, 2022
Substantive related party	$ -	$ 369

F. Accounts payable - related parties

	December 31, 2023	December 31, 2022
Substantive related party	$ 1,873	$ 614

The payables to related parties arise mainly from purchases and the payment term is 2~3 months. The payables bear no interest.

G. Property transactions

(a) Acquisition of property, plant and equipment

	Year ended December 31, 2023
Substantive related party	$ 2,257

There is no such transaction for the year ended December 31, 2022.

(b) Disposal of property, plant and equipment

	Year ended December 31, 2023	
	Disposal proceeds	Gain (loss) on disposal
Yeezen General Hospital	$ 819	$ 31

There is no such transaction for the year ended December 31, 2022.

H. Lease transactions - lessee

(a) The subsidiary, Treasure of Health Co., Ltd., leases offices and warehouses from Kun-Zhang Su and Errand Co.,Ltd. Rental contracts are made for periods of 10 years. Rents are paid at the beginning of the month.

(b) Acquisition of right-of-use assets

	Year ended December 31,	
	2023	2022
Kun-Zhang Su	$ -	$ 14,281
Errand Co., Ltd.	8,785	19,530
	$ 8,785	$ 33,811

(c) Lease liabilities

(i) Outstanding balance:

	December 31, 2023	December 31, 2022
Kun-Zhang Su	$ 11,830	$ 13,525
Errand Co., Ltd.	25,411	18,496
	$ 37,241	$ 32,021

(ii) Interest expense

	Year ended December 31,	
	2023	2022
Kun-Zhang Su	$ 222	$ 119
Errand Co., Ltd.	447	163
	$ 669	$ 282

(4) Key management compensation

	Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 43,877	$ 41,942
Post-employment benefits	324	324
Share-based payments	32	190
	$ 44,233	$ 42,456

8. PLEDGED ASSETS

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

	Book value		
Assets	December 31, 2023	December 31, 2022	Purpose
Financial assets at amortised cost - non-current			
-Time deposits	$ 199,745	$ 204,337	Performance and customs duty guarantee related to operations
Other non-current assets			
-Restricted bank deposits	4,736	11,060	Collateral for long-term borrowings
Property, plant and equipment (including investment property)			
-Land	895,491	808,838	Collateral for long-term borrowings
-Buildings and structures	1,063,817	442,251	Collateral for long-term borrowings
-Leased assets - machinery and equipment	247,597	293,787	Collateral for long-term borrowings
-Equipments pending acceptance	124,320	-	Collateral for long-term borrowings
	2,331,225	1,544,876	
	$ 2,535,706	$ 1,760,273	

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, 2023 and 2022, capital expenditures on property, plant and equipment and inventories contracted for but not yet incurred were $500,444 and $628,084, respectively.

C. As of December 31, 2023 and 2022, amounts available under unused letters of credit were $97,273 and $415,255, respectively.

D. As of December 31, 2023, privately offered funds investment quota contracted but not yet invested amounted to $24,000. There was no such transaction as of December 31, 2022.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 137,169	$ 102,171
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	$ 36,959	$ 29,578

	December 31, 2023	December 31, 2022
Financial assets at amortised cost		
Cash and cash equivalents	$ 1,891,381	$ 1,472,849
Financial assets at amortised cost	265,834	409,481
Notes receivable	38,837	46,322
Accounts receivable (including related parties)	998,480	833,279
Other receivables (including related parties)	1,093	73,294
Other financial assets (shown as 'other non-current assets')	4,736	11,060
Long-term notes and accounts receivable (including related parties)	275,473	252,612
Guarantee deposits paid	319,068	265,118
	$ 3,794,902	$ 3,364,015
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 359,075	$ 339,545
Notes payable	21,216	20,993
Accounts payable	375,894	325,733
Other payables	194,966	121,185
Bonds payable	1,317,066	1,510,024
Long-term borrowings (including current portion and long-term deferred revenue)	3,269,479	2,980,293
Guarantee deposits received	13,764	10,382
	$ 5,551,460	$ 5,308,155
Lease liability	$ 241,222	$ 185,091

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 risk from multiple foreign currencies, primarily the US dollar. Foreign exchange 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, IDR or GBP). 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, 2023			Year ended December 31, 2023 Sensitivity analysis	
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 8,830	30.71	$ 271,169	1%	$ 2,712
USD:HKD	1,324	7.81	40,660	1%	407
Financial liabilities					
Monetary items					
USD:NTD	5,631	30.71	172,928	1%	1,729
EUR:NTD	1,694	33.98	57,562	1%	576
SGD:NTD	622	23.29	14,486	1%	145

	December 31, 2022			Year ended December 31, 2022	
				Sensitivity analysis	
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss
Financial assets					
Monetary items					
USD:NTD	$ 7,859	30.71	$ 241,350	1%	$ 2,414
EUR:NTD	1,228	32.72	40,180	1%	402
USD:HKD	1,310	7.80	40,230	1%	402
Financial liabilities					
Monetary items					
USD:NTD	5,808	30.71	178,364	1%	1,784
EUR:NTD	990	32.72	32,393	1%	324
SGD:NTD	949	22.88	21,713	1%	217

iv. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to ($5,337) and $19,689, 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, 2023 and 2022 would have increased/decreased by $13,457 and $10,187, 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 $3,696 and $2,958, 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, 2023 and 2022 would have decreased/increased by $32,896 and $30,072, 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, 2023 and 2022, the provision matrix is as follows:

December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~1%	$ 1,276,306	$ 43
Up to 1 month	0.00%~2.59%	51,220	48
Up to 2 months	0.00%~31.48%	38,460	719
Up to 3 months	0.00%~43.08%	20,692	-
Up to 4 months	0.00%~100%	13,981	-
Up to 5 months	0.00%~100%	19,285	1,893
Up to 6 months	0.00%~100%	-	-
Over 6 months	30%~100%	10,487	3,829
		$ 1,430,431	$ 6,532

December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~1.36%	$ 1,130,070	$ 173
Up to 1 month	0.00%~24.70%	42,254	64
Up to 2 months	0.00%~28.98%	18,165	189
Up to 3 months	0.00%~29.07%	20,628	165
Up to 4 months	0.00%~100%	12,036	655
Up to 5 months	0.00%~100%	16,314	650
Up to 6 months	0.00%~100%	1,316	349
Over 6 months	30%~100%	4,504	4,078
		$ 1,245,287	$ 6,323

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 and other receivables are as follows:

	2023				
	Accounts receivable (including related parties)	Contract assets (including related parties)	Notes receivable (including related parties)	Lease payments receivable (including related parties)	Other receivables (including related parties
At January 1	$ 4,759	$ -	$ -	$ 1,564	$ 432
Provision for impairment	1,840	-	1	-	-
Reversal of impairment	-	-	-	(1,564)	-
Effect of foreign exchange	(68)	-	-	-	(8)
At December 31	$ 6,531	$ -	$ 1	$ -	$ 424

	2022				
	Accounts receivable (including related parties)	Contract assets (including related parties)	Notes receivable (including related parties)	Lease payments receivable (including related parties)	Other receivables (including related parties
At January 1	$ 2,602	$ -	$ -	$ -	$ -
Provision for impairment	2,159	-	-	1,564	434
Effect of foreign exchange	(2)	-	-	-	(2)
At December 31	$ 4,759	$ -	$ -	$ 1,564	$ 432

(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:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 364,488	$ -	$ -	$ -
Notes payable	21,216	-	-	-
Accounts payable	375,894	-	-	-
Other payables	194,966	-	-	-
Lease liability	39,007	32,267	82,258	111,053
Bonds payable and embedded derivative instruments	-	1,331,902	-	-
Long-term borrowings (including current portion)	264,036	390,803	2,699,778	126,633

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 342,974	$ -	$ -	$ -
Notes payable	20,993	-	-	-
Accounts payable	325,733	-	-	-
Other payables	121,185	-	-	-
Lease liability	30,292	27,503	58,062	85,735
Bonds payable and embedded derivative instruments	-	-	1,537,875	-
Long-term borrowings (including current portion)	115,473	196,195	2,721,069	185,331

(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 current portion 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, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 69,380	$ -	$ -	$ 69,380
Debt instruments	-	-	59,960	59,960
Derivative instruments	-	-	2,598	2,598
Privately offered funds	-	-	5,231	5,231
Financial assets at fair value through other comprehensive income				
Equity securities	10,159	-	26,800	36,959
	$ 79,539	$ -	$ 94,589	$174,128

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 41,911	$ -	$ -	$ 41,911
Debt instruments	-	-	59,960	59,960
Derivative instruments	-	-	300	300
Financial assets at fair value through other comprehensive income				
Equity securities	10,537	-	19,041	29,578
	$ 52,448	$ -	$ 79,301	$131,749

(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, 2023 and 2022, 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, 2023 and 2022.

	2023				
	Equity securities	Privately offered funds	Debt instruments	Derivative financial instruments	Total
At January 1	$ 19,041	$ -	$ 59,960	$ 300	$ 79,301
Gains and losses recognised in profit or loss	-	(769)	-	2,886	2,117
Gains and losses recognised in other compreherisive income	7,759	-	-	-	7,759
Acquired during the year	-	6,000	-	-	6,000
Convertible bonds converted during the year	-	-	-	(588)	(588)
At December 31	$ 26,800	$ 5,231	$ 59,960	$ 2,598	$ 94,589

	2022			
	Equity securities	Debt instruments	Derivative financial instruments	Total
At January 1	$ 20,055	$ 59,960	$ -	$ 80,015
Gains and losses recognised in profit or loss	-	-	300	300
Acquired during the year	-	-	-	-
Sold during the year	(1,014)	-	-	(1,014)
At December 31	$ 19,041	$ 59,960	$ 300	$ 79,301

G. For the years ended December 31, 2023 and 2022, 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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 26,800	Market comparable companies	Price to book ratio multiple	3.54 (3.54)	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
Privately offered funds	5,231	Net asset value	Not applicable	-	Not applicable
Non-derivative debt instrument:					
Unlisted stocks	59,960	Discounted cash flow method	Weighted average capital cost	14.64% (14.64%)	The higher the weighted average capital cost, the lower the fair value
Hybrid instrument:					
Convertible bonds	2,598	Binomial Model	Volatility	35.35% (35.35%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value
			Discount rate	1.4014% (1.4014%)	

	Fair value at December 31, 2022	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	3.17 (3.17)	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
Non-derivative debt instrument:					
Unlisted stocks	59,960	Discounted cash flow method	Weighted average capital cost	14.64% (14.64%)	The higher the weighted average capital cost, the lower the fair value
Derivative debt instrument:					
Convertible bonds	300	Binomial Model	Volatility	29.20% (29.20%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value
			Discount rate	1.5415% (1.5415%)	

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, 2023 and 2022.

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: Refer to table 1.

B. Provision of endorsements and guarantees to others: Refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Refer to table 4.

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: Refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

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 subsidaires 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): Refer to table 7.

(3) Information on investments in Mainland China

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

A. Basic information: Refer to table 8.

B. Limits on investments in Mainland China: 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

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, 2023 and 2022 is as follows:

	Years ended December 31,			
	2023		2022	
	Revenue (Note)	Non-current assets	Revenue (Note)	Non-current assets
Taiwan	$ 3,825,256	$ 8,045,912	$ 2,869,079	$ 7,848,916
China	43,817	229,083	94,867	210,250
Others	8,064	155	9,406	183
	$ 3,877,137	$ 8,275,150	$ 2,974,352	$ 8,059,349

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

(5) Major customer information

	Years ended December 31,	
	2023	2022
	Revenue	Revenue
Customer A	$ 261,541	$ 247,899

CHC Healthcare Group and Subsidiaries

Loans to others

For the year ended December 31, 2023

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 December 31, 2023	Balance at December 31, 2023	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 Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
0	The Company	Chiu Ho Medical System Co., Ltd.	Other receivables	Y	$ 400,000	$ 250,000	$ -	2%	Short-term financing	$ -	Operation	$ -	None	$ -	$ 645,841	$ 2,583,365	
0	The Company	Chiu Ho Scientific Co., Ltd.	Other receivables	Y	100,000	50,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Shin-Ho Instruments Co., Ltd.	Other receivables	Y	450,000	450,000	100,000	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Tomorrow Medical System Co., Ltd.	Other receivables	Y	350,000	150,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	Other receivables	Y	100,000	100,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Chiu Ho Biotech Co., Ltd.	Other receivables	Y	30,000	30,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Hsin Lin Biotech Co., Ltd.	Other receivables	Y	60,000	-	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Tong-Lin Instruments Co., Ltd.	Other receivables	Y	50,000	30,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Hua Lin Instruments Co., Ltd.	Other receivables	Y	50,000	50,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Treasure of Health Co., Ltd.	Other receivables	Y	100,000	100,000	60,000	2%~2.5%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
1	Chiu Ho Scientific Co., Ltd.	High-End Vision Eye Center	Other receivables	Y	1,000	-	-	2.5%	Business transaction	10,226	-	-	None	-	10,226	61,218	
2	Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Other receivables	Y	70,000	-	-	2.5%	Business transaction	218,703	-	-	None	-	200,266	400,533	
3	Chiu Ho (CHINA) Medical Technology Co., Ltd.	CHC Guangzhou Medical Technology Co., Ltd.	Other receivables	Y	24,516	24,231	-	3.45%	Short-term financing	-	Operation	-	None	-	22,571	45,143	
						$ 1,234,231	$ 160,000										

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 exceend 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, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: 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, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	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	$ 12,916,829	$ 1,532,000	$ 1,250,000	$ 156,910	$ -	19.35%	$ 19,375,244	Y	N	N	
0	The Company	Tomorrow Medical System Co., Ltd.	2	12,916,829	1,388,000	1,388,000	928,000	-	21.49%	19,375,244	Y	N	N	
0	The Company	Chiu Ho Scientific Co., Ltd.	2	12,916,829	150,000	150,000	49,159	-	2.32%	19,375,244	Y	N	N	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	2	12,916,829	100,000	-	-	-	0.00%	19,375,244	Y	N	N	
0	The Company	Shin-Ho Instruments Co., Ltd.	2	12,916,829	771,000	771,000	673,480	-	11.94%	19,375,244	Y	N	N	
1	Chiu Ho Medical System Co., Ltd.	The Company	3	9,776,912	1,106,687	1,106,687	905,715	1,106,687	22.64%	14,665,369	N	Y	N	
1	Chiu Ho Medical System Co., Ltd.	Tomorrow Medical System Co., Ltd.	4	9,776,912	621,674	621,674	621,674	621,674	12.72%	14,665,369	N	N	N	
2	Chiu Ho (CHINA) Medical Technology Co., Ltd.	CHC (Guangzhou) Medical Technology Co., Ltd.	4	225,716	44,450	43,270	15,145	-	38.34%	338,574	N	N	Y	
						$ 5,330,631	$ 3,350,083	$ 1,728,361						

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 statemetns.

(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 partines 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, 2023

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, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Common stocks - Apex International Co., Ltd. - KY	-	Financial asset at fair value through profit or loss - current	200,000	$ 10,080	0.11%	$ 10,080	
The Company	Common stocks - Taiwan Semiconductor Manufacturing Company Limited	-	Financial asset at fair value through profit or loss - current	100,000	59,300	0.00%	59,300	
The Company	JAFCO Taiwan II Holdings Corp.	-	Financial assets at fair value through profit or loss - non-current	-	5,231	-	5,231	
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	397,620	10,159	1.65%	10,159	
Chiu Ho Medical System Co., Ltd.	Preference stocks - Centaur	-	Financial asset at fair value through profit or loss - non-current	55,089	59,960	2.20%	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	-	3.33%	-	
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	26,800	6.69%	26,800	

CHC Healthcare Group and Subsidiaries

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Shin-Ho Instruments Co., Ltd.	Plant construction of Tongluo irradiation business factory	2023/01/19	589,410	Payment based on the contract terms and progress	Xu Yuan Construction Co., Ltd.	-	-	-	-	$ -	Not applicable because of engaging others to build on rented land	For operation	-

Note: The Company's Board of Directors approved a total budget of NTD$950,000,000 for facility building and equipment purchasing on March 19, 2021. Shin-Ho Instruments Co., Ltd received user license and reclassified to property, plant and equipment-Building and structures on January 19, 2023.

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, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Substantive related party	Sale of goods	$ 218,703	97%	6 months	-	-	$ 189,736	92%	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, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	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): $189,736	1.17	$ 71,325	In collection	$ 31,608	$ -
CHC Healthcare Group	Shin-Ho Instruments Co., Ltd.	Subsidiary	Other receivables: $100,000	0.00	-	-	-	-

Note 1: Turnover rate shown as 0.00 is because the amount is shown as other receivables in parent company only financial statement and is not applicable to turnover rate. Please refer to table 1 for the amount regarding loaning to others.
Note 2: The subsequent collections were amounts collected as of March 13, 2024.

CHC Healthcare Group and Subsidiaries

Information on investees

For the year ended December 31, 2023

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, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	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	421,000,000	100.00%	$ 4,844,794	$ 300,318	$ 300,012	Subsidiary
The Company	Tomorrow Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	613,484	613,484	90,800,000	100.00%	1,002,938	17,290	17,290	Subsidiary
The Company	Chiu Ho Scientific Co., Ltd.	Taiwan	Ophthalmic equipment sale, leasing and services	151,422	151,422	9,853,841	100.00%	153,046	16,571	16,571	Subsidiary
The Company	Chiu Ho Biotech Co., Ltd.	Taiwan	Medical instrument leasing	226,822	197,182	23,963,988	100.00%	270,128	17,949	17,949	Subsidiary
The Company	Shin-Ho Instruments Co., Ltd.	Taiwan	Medical instrument leasing and irradiation business	219,171	219,171	21,300,000	100.00%	128,019	(67,576)	(67,576)	Subsidiary
The Company	Tong-Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	321,183	321,183	35,000,000	100.00%	443,195	38,488	38,532	Subsidiary
The Company	Hua Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	321,815	381,815	35,600,000	100.00%	461,622	33,339	32,882	Subsidiary
The Company	Hsin Lin Biotech Co., Ltd.	Taiwan	Medical instrument leasing	-	25,929	-	-	-	1,462	1,131	Subsidiary (Note 1)
The Company	E Century Healthcare Corporation	Taiwan	Medical instrument leasing	396,151	476,151	44,000,000	100.00%	673,308	81,742	81,742	Subsidiary
The Company	CHC Healthcare (UK) Limited	United Kingdom	Medical instrument sale	7,364	7,364	200,000	100.00%	3,697	(3,008)	(3,008)	Subsidiary
The Company	CHC Healthcare (BVI) Limited	British Virgin Islands	Holdings and indirect investments	522,432	522,432	940	100.00%	362,342	(19,795)	(19,795)	Subsidiary (Note 2)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
The Company	Treasure of Health Co., Ltd.	Taiwan	Drug and health supplements sale	$ 335,070	$ 335,070	5,814,000	51.00%	$ 375,698	$ 32,329	$ 7,870	Subsidiary
CHC Healthcare (BVI) Limited	CHC Healthcare (HK) Limited	Hong Kong	Medical instrument sale, leasing and services	3,986	3,986	100,000	100.00%	41,064	466	466	Subsidiary
Chiu Ho Medical System Co., Ltd.	SenCare Healthcare Company	Taiwan	Consulting service, elderly residence and senior fitness	194,000	194,000	19,400,000	65.99%	188,551	(1,475)	(973)	Subsidiary
Chiu Ho Medical System Co., Ltd.	PT CHC Medika Indonesia	Indonesia	Medical instrument leasing	5,358	5,358	2,566	100.00%	(938)	(1,031)	(1,031)	Subsidiary (Note 2)
Chiu Ho Medical System Co., Ltd.	Hsing-Yeh Biotechnology Co., Ltd.	Taiwan	Medical instrument sale and leasing ; drug sale	1,513,464	1,513,464	93,600,000	100.00%	1,606,698	31,179	26,636	Subsidiary
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%	9,911	4,028	1,604	Associate
SenCare Healthcare Company	CHC Long-term Care Corporation	Taiwan	Long-term care services	31,040	31,040	-	97.00%	27,563	(162)	(157)	Subsidiary (Note 3)
SenCare Healthcare Company	Cin-An Co., Ltd.	Taiwan	Elderly residence	54,361	-	1,667,789	51.00%	54,437	244	76	Subsidiary
SenCare Healthcare Company	Xing-An Long-term Care Corporation	Taiwan	Long-term care services	8,659	-	-	50.70%	9,111	923	452	Subsidiary (Note 3)
Tredsure of Health Co., Ltd.	Exotic Pet Care Experts Co., Ltd.	Taiwan	Veterinary medical instrument leasing and drug sale	4,080	-	408,000	51.00%	3,738	(685)	(342)	Subsidiary

Note 1: The Group conducted a reorganisation where Hsin Lin merged with Chiu Ho Biotech on December 31, 2023. Chiu Ho Biotech was the surviving company.
Note 2: Indirect investment company is organised as a limited liability company.
Note 3: Investee is organised as an association.

CHC Healthcare Group and Subsidiaries

Information on investments in Mainland China

For the year ended December 31, 2023

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
CHC (Guangzhou) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	$ 291,830	(2) Indirect investment through CHC(BVI), a wholly-owned subsidiary of the Company	$ 291,830	$ -	$ -	$ 291,830	($ 9,960)	100%	($ 9,951)	$ 199,578	$ -	
Chiu Ho (CHINA) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	231,689	(2) Indirect investment through CHC(BVI), a wholly-owned subsidiary of the Company	231,689	-	-	231,689	(10,323)	100%	(10,323)	112,858	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	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	$ 523,519	$ 523,519	$ 4,065,303

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 Comission 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, 2023

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Princeton Healthcare Limited	28,257,983	16.97%
Tien-Ying Lee	9,413,985	5.65%

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHC Healthcare Group

Opinion

We have audited the accompanying parent company only balance sheets of CHC Healthcare Group (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company 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 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 Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only 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 Company's 2023 parent company only financial statements are stated as

follows:

Assessment of investments accounted for using equity method

Refer to Note 4(9) for accounting policy on investments accounted for using equity method, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for using equity method, and Note 6(4) for details of investments accounted for using equity method.

Impairment assessment of Chiu Ho Medical System Co., Ltd. and Treasure of Health Co., Ltd., the Company's subsidiaries

As of December 31, 2023, the Company's subsidiaries, Treasure of Health Co., Ltd. (Treasure of Health), and Chiu Ho Medical System Co., Ltd. and its subsidiaries ("Chiu Ho Medical Group"), recognised investments accounted for using equity method amounting to NT$375,698 thousand and NT$4,844,794 thousand, respectively, and investment income amounting to NT$7,870 thousand and NT$300,012 thousand for the years then ended, respectively. Because the investments in Treasure of Health and Chiu Ho Medical Group accounted for using equity method constituted 56% of the Company's total assets as of December 31, 2023, and investment income constituted 73% of the Company's profit before tax for the year ended December 31, 2023, which are significant to the Company's financial statements, we identified the assessment of investments accounted for using equity method as a key audit matter as well as the key audit matters, impairment assessment of goodwill and property, plant and equipment, included in Chiu Ho Medical Group's financial statements. The key audit matters in relation to Treasure of Health and Chiu Ho Medical Group's financial statements for the year ended December 31, 2023 are stated as follows:

Impairment assessment of goodwill

Description

As of December 31, 2023, after identifying the smallest cash generating unit which can generate independent cash flows, Treasure of Heath and Chiu Ho Medical Group used the recoverable amount of each cash generating unit to assess whether goodwill arising from business combination may be impaired. Since the assumptions used by management to assess whether goodwill is impaired involve subjective judgement and have high uncertainty, we considered the impairment assessment of goodwill as a key audit matter.

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 Treasure of Health and Chiu Ho Medical 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 the 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 Chiu Ho Medical Group's leasing businesses were not as profitable as expected due to fierce competition in the healthcare industry. Chiu Ho Medical Group assesses the impairment based on the estimated recoverable amounts of leased 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 judgement and a high degree of uncertainty, we considered the impairment assessment of leased assets as a key audit matter.

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 Chiu Ho Medical 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.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal controls as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 it is not a guarantee that an audit conducted in accordance with the Standards of Auditing of 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the parent company only 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 Company to cease to continue as a going concern.
E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 parent company only financial statements for 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 13, 2024

The accompanying parent company only 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 parent company only 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
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 217,382	2	$ 182,787	2
1110	Financial assets at fair value through profit or loss - current	6(2)	69,380	1	41,911	-
1200	Other receivables		300	-	-	-
1210	Other receivables due from related parties	7	161,548	2	171,993	2
1220	Current tax assets		-	-	69	-
1410	Prepayments		6,329	-	7,168	-
11XX	**Total current assets**		454,939	5	403,928	4
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	7,829	-	300	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	10,159	-	10,537	-
1550	Investments accounted for using equity method	6(4)	8,718,787	94	8,649,650	95
1600	Property, plant and equipment		628	-	730	-
1755	Right-of-use assets	6(5)	30,399	-	2,924	-
1840	Deferred tax assets	6(20)	58,625	1	58,635	1
1990	Other non-current assets		269	-	6,431	-
15XX	**Total non-current assets**		8,826,696	95	8,729,207	96
1XXX	**Total assets**		$ 9,281,635	100	$ 9,133,135	100

(Continued)

CHC HEALTHCARE GROUP
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(6)	$ 100,000	1	$ 100,000	1
2150	Notes payable		135	-	135	-
2200	Other payables		21,607	-	24,630	1
2230	Current tax liabilities		131	-	77	-
2280	Lease liabilities - current	7	6,702	-	2,992	-
2399	Other current liabilities		986	-	927	-
21XX	**Total current liabilities**		129,561	1	128,761	2
	Non-current liabilities					
2530	Bonds payable	6(7)	1,317,066	14	1,510,024	16
2540	Long-term borrowings	6(8)	1,352,000	15	1,352,000	15
2570	Deferred tax liabilities	6(20)	734	-	734	-
2580	Lease liabilities - non-current	7	23,859	-	-	-
25XX	**Total non-current liabilities**		2,693,659	29	2,862,758	31
2XXX	**Total liabilities**		2,823,220	30	2,991,519	33
	Equity					
	Share capital	6(7)(10)(11)				
3110	Common stock		1,664,194	18	1,615,531	18
	Capital surplus	6(7)(10)(12)				
3200	Capital surplus		3,716,656	40	3,544,423	39
	Retained earnings	6(13)				
3310	Legal reserve		427,524	5	391,867	4
3320	Special reserve		387,424	4	395,708	4
3350	Unappropriated retained earnings		648,281	7	581,510	6
	Other equity	6(3)				
3400	Other equity		(385,664)	(4)	(387,423)	(4)
3XXX	**Total equity**		6,458,415	70	6,141,616	67
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 9,281,635	100	$ 9,133,135	100

The accompanying notes are an integral part of these parent company only financial statements.

CHC HEALTHCARE GROUP
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	**Operating revenue**	6(14) and 7	$ 564,220	100	$ 523,205	100
5000	**Operating costs**	6(5)(9)(10)(19) and 7	(112,820)	(20)	(113,040)	(21)
5900	**Gross profit**		451,400	80	410,165	79
	Non-operating income and expenses					
7100	Interest income	6(15) and 7	3,365	1	2,996	-
7010	Other income	6(16)	1,553	-	4,545	1
7020	Other gains and losses	6(2)(17)	12,994	2	(9,866)	(2)
7050	Finance costs	6(18) and 7	(49,811)	(9)	(48,630)	(9)
7000	**Total non-operating income and expenses**		(31,899)	(6)	(50,955)	(10)
7900	**Profit before income tax**		419,501	74	359,210	69
7950	Income tax expense	6(20)	(635)	-	(2,639)	(1)
8200	**Profit for the year**		$ 418,866	74	$ 356,571	68
	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)	($ 378)	-	($ 1,869)	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		7,759	2	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(5,650)	(1)	10,146	2
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		28	-	7	-
8300	**Other comprehensive income for the year**		$ 1,759	1	$ 8,284	2
8500	**Total comprehensive income for the year**		$ 420,625	75	$ 364,855	70
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(21)	$	2.55	$	2.21
9850	Diluted earnings per share	6(21)	$	2.26	$	1.98

The accompanying notes are an integral part of these parent company only financial statements.

CHC HEALTHCARE GROUP
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Capital Reserves			Retained Earnings			Other Equity Interest		Total equity
		Common stock	Capital surplus	Employee stock warrants	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
2022											
Balance at January 1, 2022		$ 1,610,536	$ 3,462,388	$ 11,766	$ 59,145	$ 353,704	$ 387,124	$ 595,565	($ 45,539)	($ 350,168)	$ 6,084,521
Profit for the year		-	-	-	-	-	-	356,571	-	-	356,571
Other comprehensive income (loss)		-	-	-	-	-	-	-	10,153	(1,869)	8,284
Total comprehensive income (loss)		-	-	-	-	-	-	356,571	10,153	(1,869)	364,855
Appropriations of 2021 earnings	6(13)										
Legal reserve		-	-	-	-	38,163	-	(38,163)	-	-	-
Special reserve		-	-	-	-	-	8,584	(8,584)	-	-	-
Cash dividends		-	-	-	-	-	-	(323,879)	-	-	(323,879)
Exercise of employee stock options	6(10)(11)	4,995	14,339	(4,973)	-	-	-	-	-	-	14,361
Compensation cost of employee stock options	6(10)	-	-	595	-	-	-	-	-	-	595
Compensation cost of employee stock options of subsidiaries		-	-	1,163	-	-	-	-	-	-	1,163
Balance at December 31, 2022		$ 1,615,531	$ 3,476,727	$ 8,551	$ 59,145	$ 391,867	$ 395,708	$ 581,510	($ 35,386)	($ 352,037)	$ 6,141,616
2023											
Balance at January 1, 2023		$ 1,615,531	$ 3,476,727	$ 8,551	$ 59,145	$ 391,867	$ 395,708	$ 581,510	($ 35,386)	($ 352,037)	$ 6,141,616
Profit for the year		-	-	-	-	-	-	418,866	-	-	418,866
Other comprehensive income (loss)		-	-	-	-	-	-	-	(5,622)	7,381	1,759
Total comprehensive income (loss)		-	-	-	-	-	-	418,866	(5,622)	7,381	420,625
Appropriations of 2022 earnings	6(13)										
Legal reserve		-	-	-	-	35,657	-	(35,657)	-	-	-
Cash dividends		-	-	-	-	-	-	(324,722)	-	-	(324,722)
Reversal of special reserve		-	-	-	-	-	(8,284)	8,284	-	-	-
Conversion of convertible bonds	6(7)(11)	41,933	163,705	-	(3,396)	-	-	-	-	-	202,242
Exercise of employee stock options	6(10)(11)	6,730	18,636	(6,998)	-	-	-	-	-	-	18,368
Compensation cost of employee stock options	6(10)	-	-	99	-	-	-	-	-	-	99
Compensation cost of employee stock options of subsidiaries		-	-	187	-	-	-	-	-	-	187
Employee stock options expired		-	-	(108)	108	-	-	-	-	-	-
Balance at December 31, 2023		$ 1,664,194	$ 3,659,068	$ 1,731	$ 55,857	$ 427,524	$ 387,424	$ 648,281	($ 41,008)	($ 344,656)	$ 6,458,415

The accompanying notes are an integral part of these parent company only financial statements.

CHC HEALTHCARE GROUP
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 419,501	$ 359,210
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(19)	7,281	7,354
Amortisation charge	6(19)	162	115
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(17)	(13,089)	17,992
Interest expense	6(18)	39,937	37,985
Interest income	6(15)	(3,365)	(2,996)
Dividend income	6(16)	(1,052)	(3,080)
Compensation cost of employee stock options	6(10)(19)	99	595
Gain on disposal of property, plant and equipment	6(17)	-	(1,238)
Share of profit of associates and joint ventures accounted for using equity method	6(14)	(423,600)	(379,968)
Amortisation of discount on bonds payable	6(18)	9,874	10,646
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(16,499)	30,701
Accounts receivable due from related parties		-	210
Other receivables due from related parties		369	-
Prepayments		839	(417)
Other non-current assets		-	(340)
Changes in operating liabilities			
Other payables		(3,136)	(169)
Other current liabilities		59	10
Cash inflow generated from operations		17,380	76,610
Interest received during the year		3,441	3,149
Dividends received during the year		217,538	221,908
Interest paid during the year		(39,925)	(37,919)
Income tax paid		(502)	(304)
Net cash flows from operating activities		197,932	263,444
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in other receivables due from related parties	7	10,000	(17,000)
Acquisition of investments accounted for using equity method	6(4) and 7	-	(207,364)
Proceeds from capital reduction of investments accounted for using equity method	7	140,000	240,000
Acquisition of property, plant and equipment		(139)	(418)
Proceeds from disposal of property, plant and equipment		-	1,238
Increase in other non-current assets		-	(350)
Net cash flows from investing activities		149,861	16,106
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans	6(22)	(890,000)	(1,950,000)
Increase in short-term loans	6(22)	890,000	1,770,000
Payments of lease liabilities	6(22)	(6,844)	(7,090)
Proceeds from long-term debt	6(22)	200,000	1,352,000
Repayments of long-term debt	6(22)	(200,000)	(1,224,000)
Exercise of employee stock options		18,368	14,361
Payment of cash dividends	6(13)	(324,722)	(323,879)
Net cash flows used in financing activities		(313,198)	(368,608)
Increase (decrease) in cash and cash equivalents		34,595	(89,058)
Cash and cash equivalents at beginning of year		182,787	271,845
Cash and cash equivalents at end of year		$ 217,382	$ 182,787

The accompanying notes are an integral part of these parent company only financial statements.

CHC HEALTHCARE GROUP
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

CHC Healthcare Group ("CHC" or the "Company") was establihsed in November 2009. The Company was established for the purpose of enhancing the comprehensive performance in Greater China and implementing organisational restructuring with Chiu Ho Medical System Co., Ltd. and other affliates. The Company was listed on the Taiwan Stock Exchange on October 24, 2012. The Company is primarily engaged in holding investments in various businesses.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 13, 2024.

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®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

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

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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

(3) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 21, 'Lack of exchangeability'	January 1, 2025

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, these parent company only 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 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 Company'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) Foreign currency translation

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

(4) 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.

(5) 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 Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) 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 Company 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 Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were 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 Company and the amount of the dividend can be measured reliably.

(7) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing

component, at each reporting date, the Company 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 Company recognises the impairment provision for lifetime ECLs.

(8) Derecognition of financial assets

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

(9) Investments accounted for using equity method – subsidiaries

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company 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.
B. Unrealised gains or losses occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries are consistent with the policies adopted by the Company.
C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise loss proportionately to its ownership.
D. According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit and other comprehensive income in the parent company only financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the parent company only financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

(10) 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 Company 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:

Other equipment	2 ~ 5 years

(11) 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 Company. 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 Company 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.

(12) Impairment of non-financial assets

The Company 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. 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.

(13) 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.

(14) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company 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'.

(15) Derecognition of financial liabilities

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

(16) 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 expenses in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expenses 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' remuneration

Employees' compensation and directors' 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(17) 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-market 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 the subscription price and shares are determined.

(18) 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 expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. 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 parent company only 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 and does not give rise to equal taxable and deductible temporary differences. 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 Company 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.

(19) Dividends

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

(20) Revenue recognition

A. Investment revenue

The Company recognises share of profit or loss of subsidiaries and associates generated after acquisition in revenue or cost.

B. Sales of services

(a) The Company provided administrative resources and management services to subsidiaries, and the revenue will have to be recognised based on the stage of completion at the balance sheet date.

(b) If the outcome of providing services cannot be estimated reliably, revenue is recognised only to the extent that costs incurred are likely to be recoverable. If the incurred costs are

likely to be recovered, revenue is recognised to the extent that costs incurred are likely to be recoverable; if the incurred costs are not likely to be recovered, revenue shall not be recognised, and the incurred costs shall be recognised in expenses.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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. The related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Except for the accounting estimations (detailed in (2) below), the management does not make any judgement that significant affect the recognised amounts in parent company only financial statements when applying the Company's accounting polices.

(2) Critical accounting estimates and assumptions

The Company makes accounting estimates in applying reasonable expectation concerning future events. However, assumptions and estimates may differ from the actual results. 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:

Impairment assessment of investments accounted for using equity method

The Company assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Company assesses the recoverable amount of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hold	$ 10	$ -
Checking accounts and demand deposits	217,372	182,787
	$ 217,382	$ 182,787

A. The Company 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 Company has no cash and deposits pledged to others.

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

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 78,280	$ 68,785
Valuation adjustment	(8,900)	(26,874)
	$ 69,380	$ 41,911
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Privately offered funds		
Non-hedging derivatives	$ 6,000	$ -
(Redemption rights to the fourth domestic issuance of secured convertible corporate bonds)	909	1,050
Valuation adjustment	920	(750)
	$ 7,829	$ 300

For the years ended December 31, 2023 and 2022, net gain (loss) on financial assets at fair value through profit or loss was $13,089 and ($17,992), respectively, shown as 'other gains and losses'.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Listed stocks	$ 340,215	$ 340,215
Valuation adjustment	(330,056)	(329,678)
	$ 10,159	$ 10,537

A. The Company 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 $10,159 and $10,537 as at December 31, 2023 and 2022, respectively.

B. The Company recognised ($378) and ($1,869) in other comprehensive loss for fair value change for the years ended December 31. 2023 and 2022, respectively.

(4) Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Chiu Ho Medical System Co., Ltd.	$ 4,844,794	$ 4,536,853
Tomorrow Medical System Co., Ltd.	1,002,938	1,002,080
Chiu Ho Scientific Co., Ltd.	153,046	159,277
Chiu Ho Biotech Co., Ltd.	270,128	242,947
Shin-Ho Instruments Co., Ltd.	128,019	195,591
Tong-Lin Instruments Co., Ltd.	443,195	453,761
Hua Lin Instruments Co., Ltd.	461,622	526,532
Hsin Lin Biotech Co., Ltd.	-	34,246
E Century Healthcare Corporation	673,308	736,043
CHC Healthcare (BVI) Limited	362,342	388,110
Treasure of Health Co., Ltd.	375,698	367,828
CHC Healthcare (UK) Limited	3,697	6,382
	$ 8,718,787	$ 8,649,650

Details of the Company's subsidiaries are provided in Note 4(3) of the Company's consolidated financial statements as of and for the year ended December 31, 2023.

(5) Leasing arrangements-lessee

A. The Company leases buildings from subsidiary, Chiu Ho Medical System Co., Ltd. Rental contracts are typically made for periods of 3~5 years. Rents are paid at the beginning of the month. 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 office and warehouse.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Book value	Book value
Buildings	$ 30,399	$ 2,924

	Year ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings	$ 6,938	$ 7,018

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $34,413 and $0, respectively.

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

	Year ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 356	$ 110
Expense on short-term lease contracts	-	15

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $7,200 and $7,215, respectively.

(6) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Bank borrowings		
Unsecured borrowings	$ 100,000	$ 100,000
Interest rate	1.71%	1.42%

For the years ended December 31, 2023 and 2022, the Company has no asset pledged as collateral for short-term borrowings.

(7) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 1,331,902	$ 1,537,875
Less: Discount on bonds payable	(14,836)	(27,851)
	1,317,066	1,510,024
Less: Current portion or exercise of put options	-	-
	$ 1,317,066	$ 1,510,024

A. 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 totaling $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 month 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 July 18, 2023, July 19, 2022, November 29, 2021 and August 3, 2021, the Company adjusted the conversion price per share to NT$46.9, NT$48.4, 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 months 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 month 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) As of December 31, 2023, the bonds totaling $200,900 (face value) had been converted into 4,193 thousand shares of common stock.

(g) Regarding the fourth issuance of secured convertible bonds, the equity conversion options amounting to $21,955 were separated from the liability component and were recognised in 'capital surplus - others' in accordance with IAS 32 as of December 31, 2023. 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, 2023, the effective interest rate of the bonds payable after such separation was 0.7077%.

B. There were no assets pledged as collateral for the fourth domestic bonds.

(8) Long-term borrowings

Type of borrowings	Borrowing period	December 31, 2023	December 31, 2022
Bank borrowings			
Secured borrowings	2022.10~2027.10	$ 1,352,000	$ 1,352,000
Less: Current portion		-	-
		$ 1,352,000	$ 1,352,000
Interest rate range		2.15%~2.19%	1.86%~1.87%

A. On September 21, 2022, the Company and its subsidiary, Tomorrow Medical System Co., Ltd., signed a syndicated loan agreement in the amount of $2,580,000 with syndicate of banks including First Commercial Bank, in order to repay the Group's existing financial liabilities and increase the working capital. In accordance with the syndicated loan agreement, the loan can be redrawn within the contract period. For each drawdown, the term shall not exceed 6 months and the amount of drawdown shall not be less than 50 million. For the amount that has not been paid at maturity, there is no need for the part of the same amount to make an additional procedure of remittance and loan. Therefore, the aforementioned financing will be listed as long-term borrowings and agreed to the following terms:

(a) All the credit amounts which obtained according to the contract shall be used for the credit purposes specified in the contract.

(b) The Company will periodically submit 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 be equal to or less than 170%.

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 maintain distribute this fee among the syndicate lenders.

(c) The Company shall maintain directly/ indirectly a 100% equity interest in Chiu Ho Medical System Co., Ltd., Tomorrow Medical System Co., Ltd., and Hsing-Yeh Biotenology Co., Ltd. and the control over those companies' operations.

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. Information on assets pledged as collateral for long-term borrowings is provided in Note 7(3)F.

(9) Pensions

A. The Company has 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 contributes 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.

B. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $2,364 and $2,265, respectively.

(10) Share-based payment

A. As of December 31, 2023 and 2022, 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 (Note 2)	7 years	(Note 1)

Note 1: After two years from the grant date, employees are allowed to exercise their stock options according to the vesting schedule and proportion specified in the plan.

Note 2: 1,262 thousand shares of which were granted to the employees of subsidiaries and second-tier subsidiaries.

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

	2023		2022	
Stock options	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	855	$ 27.40	1,358	$ 28.80
Options forfeited	(10)	26.50	(4)	27.40
Options exercised	(673)	27.29	(499)	28.75
Options outstanding at December 31	172	26.50	855	27.40
Options exercisable at December 31	172		385	

C. As of December 31, 2023 and 2022, number of options outstanding granted to the employees of subsidiaries and second-tier subsidiaries were 144 thousand shares and 533 thousand shares, respectively, and number of options exercisable were 144 thousand shares and 226 shares, respectively.

D. For the years ended December 31, 2023 and 2022, the weighted-average stock price of stock options on exercise dates were NT$66.42 and NT$46.90 (in dollars), respectively.

E. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

		December 31, 2023		December 31, 2022	
Issue date approved	Expiry date	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	172	$ 26.50	855	$ 27.40

F. 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 per unit (in dollars)
Employee stock options-106	2018.4.13	$ 34.50	$ 34.5	30.02%	5.25 years	0%	0.75%	$8.46~ $10.91

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

	Years ended December 31,	
	2023	2022
Equity-settled	$ 99	$ 595

H. On July 18, 2023, July 19, 2022, November 29, 2021 and August 3, 2021, the exercise prices of employee stock options-106 were adjusted to NT$26.5, NT$27.4, NT$28.8 and NT$28.8 (in dollars), respectively.

(11) Share capital

A. As of December 31, 2023, the Company's authorised capital was $2,500,000, consisting of 250 million shares of ordinary stock, and the paid-in capital was $1,664,194 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected. The aforementioned paid-in capital included 673 thousand shares of employee share options exercised and 4,193 thousand shares of convertible bonds converted for the year ended December 31, 2023. The Company has applied to the regulatory authority for registration of the changes in capital on January 10, 2024, and the registration was completed on February 5, 2024.

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

	(In thousands of shares)	
	2023	2022
At January 1	161,553	161,054
Employee stock options exercised	673	499
Conversion of convertible bonds	4,193	-
At December 31	166,419	161,553

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.

(12) 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, 2023, 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(10) for information on capital surplus - employee stock options.

(13) 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 2022 and 2021 earnings appropriations which were resolved at the shareholders' meeting on June 12, 2023 and June 15, 2022, respectively, are as follows:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 35,657		$ 38,163	
Special reserve	-		8,584	
Reversal of special reserve	(8,284)		-	
Cash dividends	324,722	$ 2.01	323,879	$ 2.01
	$ 352,095		$ 370,626	

The aforementioned earnings appropriations for the years ended December 31, 2022 and 2021 were in agreement with the amounts resolved by the Board of Directors during its meetings held on March 22, 2023 and March 23, 2022, respectively, and the ex-dividend dates resolved in the same meetings were July 18, 2023 and July 19, 2022, 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 2023 earnings as resolved by the Board of Directors on March 13, 2024 are as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 41,887	
Reversal of special reserve	(1,760)	
Cash dividends	334,503	$ 2.01
	$ 374,630	

(14) Operating revenue

	Years ended December 31,	
	2023	2022
Investment revenue	$ 423,600	$ 379,968
Revenue from customer contracts		
Timing of revenue recognition-over time		
- internal customers - management service revenue	140,620	143,237
	$ 564,220	$ 523,205

(15) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 941	$ 253
Other interest income	2,424	2,743
	$ 3,365	$ 2,996

(16) Other income

	Years ended December 31,	
	2023	2022
Dividend income	$ 1,052	$ 3,080
Other income	501	1,465
	$ 1,553	$ 4,545

(17) Other gains and losses

	Years ended December 31,	
	2023	2022
Gains on disposal of property, plant and equipment	$ -	$ 1,238
Net currency exchange gains	10	6,888
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	13,089	(17,992)
Other losses	(105)	-
	($ 12,994)	($ 9,866)

(18) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	$ 27,930	$ 25,504
Convertible bonds	9,874	10,646
Lease liability	356	110
Financial expense, others	11,651	12,370
	$ 49,811	$ 48,630

(19) Expenses by nature

	Years ended December 31,			
	2023		2022	
Employee benefit expense	Operating Cost	Operating Expense	Operating Cost	Operating Expense
Wages and salaries	$ 74,706	$ -	$ 75,508	$ -
Employee stock options	99	-	595	-
Labour and health insurance fees	5,270	-	5,079	-
Pension costs	2,364	-	2,265	-
Directors' remuneration	6,260	-	6,196	-
Other personnel expenses	2,125	-	1,843	-
Depreciation charge	7,281	-	7,354	-
Amortisation charge	162	-	115	-
	$ 98,267	$ -	$ 98,955	$ -

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' 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, 2023 and 2022, employees' compensation was accrued at $230 and $190, respectively; directors' remuneration was both accrued at $5,600. The aforementioned amounts were recognised in salary expenses.

   Employees' compensation of $190 and directors' remuneration of $5,600 for 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

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

(20) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 231	$ -
Tax on undistributed surplus earnings	224	381
Prior year income tax underestimation	170	-
Total current tax	625	381
Deferred tax		
Origination and reversal of temporary differences	10	2,258
Income tax expense	$ 635	$ 2,639

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

	Years ended December 31,	
	2023	2022
Income tax calculated based on profit before tax and statutory tax rate	$ 83,900	$ 71,842
Expenses disallowed by tax regulation	1,526	9,244
Tax exempt income by tax regulation	(90,619)	(100,104)
Temporary differences not recognised as deferred tax assets	4,560	3,620
Taxable losses not recognised as deferred tax assets	643	16,956
Tax on undistributed surplus earnings	224	381
Effect from Alternative Minimum Tax	231	-
Prior year income tax underestimation	170	-
Change in assessment of realisation of deferred tax assets	-	700
Income tax expense	$ 635	$ 2,639

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

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences				
- Deferred tax assets:				
Unrealised exchange loss	$ 3	($ 3)	$ -	$ -
Unused compensated absences	150	(7)	-	143
Income tax losses	58,482	-	-	58,482
	58,635	(10)	-	58,625
Temporary differences				
- Deferred tax liabilities:				
Effects of business combination	(734)	-	-	(734)
	$ 57,901	($ 10)	$ -	$ 57,891

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences				
- Deferred tax assets:				
Unrealised exchange loss	$ 1,581	($ 1,578)	$ -	$ 3
Unused compensated absences	130	20	-	150
Income tax losses	59,182	(700)	-	58,482
	60,893	(2,258)	-	58,635
Temporary differences				
- Deferred tax liabilities:				
Effects of business combination	(734)	-	-	(734)
	$ 60,159	($ 2,258)	$ -	$ 57,901

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

December 31, 2023				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	$ 309,790	$ 292,410	$ -	2028

December 31, 2022				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	$ 309,790	$ 292,410	$ -	2028

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

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 147,348	$ 118,895

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(21) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 418,866	164,454	$ 2.55
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 418,866	164,454	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	225	
Employees' compensation	-	4	
Convertible bonds	18,639	28,888	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 437,505	193,571	$ 2.26

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 356,571	161,381	$ 2.21
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 356,571	161,381	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	314	
Employees' compensation	-	5	
Convertible bonds	22,716	30,112	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 379,287	191,812	$ 1.98

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 shareholders. 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.

(22) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Total liabilities from financing activities
January 1, 2023	$ 100,000	$ 1,510,024	$ 1,352,000	$ 2,992	$ 2,965,016
Changes in cash flow from financing activities	-	-	-	(6,844)	(6,844)
Changes in other non-cash items	-	(192,958)	-	34,413	(158,545)
December 31, 2023	$ 100,000	$ 1,317,066	$ 1,352,000	$ 30,561	$ 2,799,627

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Total liabilities from financing activities
January 1, 2022	$ 280,000	$ 1,499,378	$ 1,224,000	$ 10,082	$ 3,013,460
Changes in cash flow from financing activities	(180,000)	-	128,000	(7,090)	(59,090)
Changes in other non-cash items	-	10,646	-	-	10,646
December 31, 2022	$ 100,000	$ 1,510,024	$ 1,352,000	$ 2,992	$ 2,965,016

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

Names of related parties	Relationship with the Company
Chiu Ho Medical System Co., Ltd.	Subsidiary
Tomorrow Medical System Co., Ltd.	Subsidiary
Chiu Ho Scientific Co., Ltd.	Subsidiary
Chiu Ho Biotech Co., Ltd. (Note 1)	Subsidiary
Shin-Ho Instruments Co., Ltd.	Subsidiary
Tong-Lin Instruments Co., Ltd.	Subsidiary
Hua Lin Instruments Co., Ltd.	Subsidiary
Hsin Lin Biotech Co., Ltd. (Note 1)	Subsidiary
E Century Healthcare Corporation	Subsidiary
J. Ab Beauty Co., Ltd. (Note 2)	Subsidiary
Hsing-Yeh Biotechnology Co., Ltd.	Subsidiary
SenCare Healthcare Company	Subsidiary
Treasure of Health Co., Ltd.	Subsidiary
CHC Long-Term Care Corporation	Subsidiary

Note 1: The Company's subsidiary, Hsin Lin, merged with the Company's subsidiary, Chiu Ho Biotech, on December 31, 2023. Chiu Ho Biotech was the surviving company. After the merger, the shareholding ratio of the Company in Chiu Ho Biotech was 100%. The merger has no significant influence on the shareholder's equity of the parent company as it was a reorganisation within the Group.

Note 2: The shareholders resolved to dissolve the Company's subsidiary, J. Ab Beauty Co., Ltd., at their meeting on April 20, 2018. Consequently, the Company no longer controls J. Ab Beauty Co., Ltd. thereafter. The liquidation of J. Ab Beauty Co., Ltd. was completed on July 23, 2019.

(3) Significant transactions and balances with related parties

A. Management service revenues (shown as 'Operating revenue')

	Years ended December 31,	
	2023	2022
Sales of services		
Chiu Ho Medical System Co., Ltd.	$ 49,920	$ 59,040
Tomorrow Medical System Co., Ltd.	13,080	14,280
Chiu Ho Scientific Co., Ltd.	11,040	10,320
Tong-Lin Instruments Co., Ltd.	11,436	9,960
Hua Lin Instruments Co., Ltd.	13,116	12,360
E Century Healthcare Corporation	17,676	15,720
Hsing-Yeh Biotechnology Co., Ltd.	12,960	12,120
Others	11,392	9,437
	$ 140,620	$ 143,237

Management service revenue pertains to revenue arising from administrative resources, technical consultation on medical practices and management services rendered by the Company to related parties and the prices and payment terms are decided by both parties.

B. Rent expenses (shown as 'Operating costs')

			Years ended December 31,	
Lease objects	Lessors	Leasing period	2023	2022
Land and Buildings	Chiu Ho Medical System Co., Ltd.	2021.1.1~2022.5.31	$ -	$ 15
	Chiu Ho Scientific Co., Ltd.		-	-
			$ -	$ 15

The Company paid rent monthly.

C. Other receivables due from related parties

(a) Loans to related parties (including interest receivable)

	Year ended December 31, 2023				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest receivable
Chiu Ho Medical System Co., Ltd.	$ 70,000	$ -	2%	$ 173	$ -
Tomorrow Medical System Co., Ltd.	30,000	-	2%	20	-
Shin-Ho Instruments Co., Ltd.	160,000	100,000	2%	1,766	1,323
Treasure of Health Co., Ltd.	60,000	60,000	2%~2.5%	225	225
Others	10,000	-	2%	182	-
		$ 160,000		$ 2,366	$ 1,548

	Year ended December 31, 2022				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest receivable
Chiu Ho Medical System Co., Ltd.	$ 143,000	$ 70,000	2%	$ 1,424	$ 924
Tomorrow Medical System Co., Ltd.	50,000	30,000	2%	820	388
Shin-Ho Instruments Co., Ltd.	60,000	60,000	2%	225	225
Others	30,000	10,000	2%	274	87
		$ 170,000		$ 2,743	$ 1,624

The loans lent to subsidiaries are repayable within 1 year.

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

	December 31, 2023	December 31, 2022
J. Ab Beauty Co., Ltd.	$ -	$ 369

D. Lease transactions－lessee

(a) The Company leases offices from related parties. Rental contracts are all typically made for periods of 3~5 years. Rents are determined according to the market price and paid monthly.

(b) Lease liabilities

i. Outstanding balance

	December 31, 2023	December 31, 2022
Chiu Ho Medical System Co., Ltd.	$ 30,561	$ 2,992

ii. Interest expense

	Years ended December 31,	
	2023	2022
Chiu Ho Medical System Co., Ltd.	$ 356	$ 110

E. Others

(a) Capital increase of subsidiaries

	Year ended December 31, 2022			
Company name	Capital increase price per share (in dollars)	Total transaction amount	Percentage of ownership before capital increase	Percentage of ownership after capital increase
Tomorrow Medical System Co., Ltd.	10	$ 200,000	100%	100%

There was no capital increase of subsidiaries for the year ended December 31, 2023.

(b) Proceeds from capital reduction of subsidiaries

Company name	Year ended December 31, 2023 Percentage of capital reduction	Year ended December 31, 2023 Total transaction amount	Year ended December 31, 2022 Percentage of capital reduction	Year ended December 31, 2022 Total transaction amount
Hua Lin Instruments Co., Ltd.	14.42%	$ 60,000	0.00%	$ -
Chiu Ho Biotech Co., Ltd.	-	-	19.23%	50,000
Hsin Lin Biotech Co., Ltd.	-	-	75.00%	60,000
E Century Healthcare Corporation	15.38%	80,000	13.33%	80,000
Tong-Lin Instruments Co., Ltd.	-	-	12.50%	50,000
		$ 140,000		$ 240,000

F. Endorsements and guarantees provided to related parties

(a) As of December 31, 2023 and 2022, the balances of financial guarantees provided by the Company to other subsidiaries as collateral for bank borrowings are as follows.

	December 31, 2023	December 31, 2022
Chiu Ho Medical System Co., Ltd.	$ 1,250,000	$ 1,412,000
Tomorrow Medical System Co., Ltd.	1,388,000	1,388,000
Others	921,000	1,021,000
	$ 3,559,000	$ 3,821,000

(b) As of December 31, 2023 and 2022, the Company and its subsidiary, Tomorrow Medical System Co., Ltd., signed a syndicated loan agreement with First Commercial Bank, and the total syndicated loan amounted to $2,580,000 for both years. This syndicated loan is jointly guaranteed by the Company and the Company's chairman, Mr. Pei-Lin Lee, and pledged the land and buildings of the subsidiaries, Chiu Ho Medical System Co., Ltd. and Hsing-Yeh Biotechnology Co., Ltd., as collateral.

(4) Key management compensation

	Years ended December 31, 2023	Years ended December 31, 2022
Salaries and other short-term employee benefits	$ 43,877	$ 41,942
Post-employment benefits	324	324
Share-based payments	32	190
	$ 44,233	$ 42,456

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Except for significant commitments and guarantees and endorsements provided to related parties described in Notes 6(8) and 7(3)F, the Company has no other significant commitments and contingencies.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 77,209	$ 42,211
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 10,159	$ 10,537
Financial assets at amortised cost		
Cash and cash equivalents	$ 217,382	$ 182,787
Other receivables (including related parties)	161,848	171,993
	$ 379,230	$ 354,780
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 100,000	$ 100,000
Notes payable	135	135
Other payables	21,607	24,630
Bonds payable	1,317,066	1,510,024
Long-term borrowings	1,352,000	1,352,000
	$ 2,790,808	$ 2,986,789
Lease liability	$ 30,561	$ 2,992

B. Financial risk management policies

(a) The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by the Company treasury department under policies approved by the Board of Directors. The Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company'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 Company conducts business worldwide and imports state-of-the-art medical equipment and supplies from various countries and is therefore exposed to foreign exchange risk from multiple foreign currencies, primarily USD and HKD. Foreign exchange risk arises from net investments in foreign operations.

ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). 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, 2023			Year ended December 31, 2023 Sensitivity analysis	
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 1	30.71	$ 31	1%	$ -
Non-monetary Items					
USD:NTD	11,801	30.71	362,409	-	-
GBP:NTD	94	39.15	3,680	-	-

	December 31, 2022			Year ended December 31, 2022	
				Sensitivity analysis	
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 7	30.71	$ 215	1%	$ 2
Non-monetary items					
USD:NTD	12,638	30.71	388,113	-	-
GBP:NTD	172	37.09	6,379	-	-

iii. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to $10 and $6,888, respectively.

Price risk

i. The Company 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 Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company has set stop-loss points and therefore does not expect to incur significant losses from equity price risk.

ii. The Company's investments in equity securities comprise domestic and foreign listed and unlisted stocks. The prices of equity 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, 2023 and 2022 would have increased/ decreased by $7,461 and $4,191, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/ decreased by $1,016 and $1,054, 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 Company's interest rate risk arises from long-term borrowings. Long-term borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at variable rates. The Company's borrowings at variable rates are primarily denominated in NTD.

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, 2023 and 2022 would have decreased/ increased by $13,520 and $13,520, respectively. The main factor is

that changes in interest expense result from floating rate borrowings.

(b) Credit risk

The Company provides endorsements and guarantees based on the Company's policies and procedures on endorsements and guarantees, either to subsidiaries. No collateral is requested for the endorsements and guarantees as the Company can control the credit risk of the subsidiary. The maximum credit risk is the guaranteed amount.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

ii. The table below analyses the Company'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:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short-term borrowings	$ 100,855	$ -	$ -
Notes payable	135	-	-
Other payables	21,607	-	-
Lease liability	7,200	7,200	17,400
Bonds payable and embedded derivative instruments	-	1,331,902	-
Long-term borrowings	29,568	29,568	1,376,444

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short-term borrowings	$ 100,710	$ -	$ -
Notes payable	135	-	-
Other payables	24,630	-	-
Lease liability	3,000	-	-
Bonds payable and embedded derivative instruments	-	-	1,537,875
Long-term borrowings	25,123	25,123	1,419,310

(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 Company'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 Company's investment in equity investment without active market is included in Level 3.

B. 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, accounts receivable (including related parties), other receivables (including related parties), other financial assets, short-term borrowings, notes payable, other payables, long-term borrowings (including current portion), bonds payable and lease liability.

C. 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, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 69,380	$ -	$ -	$ 69,380
Derivative instruments	-	-	2,598	2,598
Privately offered funds	-	-	5,231	5,231
Financial assets at fair value through other comprehensive income				
Equity securities	10,159	-	-	10,159
	$ 79,539	$ -	$ 7,829	$ 87,368

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 41,911	$ -	$ -	$ 41,911
Derivative instruments	-	-	300	300
Financial assets at fair value through other comprehensive income				
Equity securities	10,537	-	-	10,537
	$ 52,448	$ -	$ 300	$ 52,748

(b) The methods and assumptions the Company 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.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022.

	2023	
	Privately offered funds	Derivative financial instruments
At January 1	$ -	$ 300
Gains and losses recognised in profit or loss	(769)	2,886
Acquired during the year	6,000	-
Convertible bonds converted during the year	-	(588)
At December 31	$ 5,231	$ 2,598

	2022	
	Equity investments	Derivative financial instruments
At January 1	$ 1,014	$ -
Gains and losses recognised in profit or loss	-	300
Sold during the year	(1,014)	-
At December 31	$ -	$ 300

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. 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.

H. 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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Privately offered funds	$ 5,231	Net asset value	Not applicable	-	Not applicable
Hybrid instrument:					
Convertible bonds	2,598	Binomial Model	Volatility	35.35% (35.35%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value
			Discount rate	1.4014% (1.4014%)	

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument:					
Convertible bonds	$ 300	Binomial Model	Volatility	29.20% (29.20%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value
			Discount rate	1.5415% (1.5415%)	

I. The Company 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, 2023 and 2022.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: Refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Refer to table 4.

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: Refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting period: None exceeds $100 million.

(2) Information on investees

Information on investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

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

C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None exceeds $100 million.

(4) Major shareholders information

Refer to table 9.

14. SEGMENT INFORMATION

Segment information is presented in the consolidated financial statements in accordance with the regulations of IFRS 8.

CHC Healthcare Group

Loans to others

For the year ended December 31, 2023

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 December 31, 2023	Balance at December 31, 2023	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 Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
0	The Company	Chiu Ho Medical System Co., Ltd.	Other receivables	Y	$ 400,000	$ 250,000	$ -	2%	Short-term financing	$ -	Operation	$ -	None	$ -	$ 645,841	$ 2,583,365	
0	The Company	Chiu Ho Scientific Co., Ltd.	Other receivables	Y	100,000	50,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Shin-Ho Instruments Co., Ltd.	Other receivables	Y	450,000	450,000	100,000	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Tomorrow Medical System Co., Ltd.	Other receivables	Y	350,000	150,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	Other receivables	Y	100,000	100,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Chiu Ho Biotech Co., Ltd.	Other receivables	Y	30,000	30,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Hsin Lin Biotech Co., Ltd.	Other receivables	Y	60,000	-	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Tong-Lin Instruments Co., Ltd.	Other receivables	Y	50,000	30,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Hua Lin Instruments Co., Ltd.	Other receivables	Y	50,000	50,000	-	2%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
0	The Company	Treasure of Health Co., Ltd.	Other receivables	Y	100,000	100,000	60,000	2%~2.5%	Short-term financing	-	Operation	-	None	-	645,841	2,583,365	
1	Chiu Ho Scientific Co., Ltd.	High-End Vision Eye Center	Other receivables	Y	1,000	-	-	2.5%	Business transaction	10,226	-	-	None	-	10,226	61,218	
2	Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Other receivables	Y	70,000	-	-	2.5%	Business transaction	218,703	-	-	None	-	200,266	400,533	
3	Chiu Ho (CHINA) Medical Technology Co., Ltd.	CHC Guangzhou Medical Technology Co., Ltd.	Other receivables	Y	24,516	24,231	-	3.45%	Short-term financing	-	Operation	-	None	-	22,571	45,143	
						$ 1,234,231	$ 160,000										

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 exceend 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

Provision of endorsements and guarantees to others

For the year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: 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, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	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	$ 12,916,829	$ 1,532,000	$ 1,250,000	$ 156,910	$ -	19.35%	$ 19,375,244	Y	N	N	
0	The Company	Tomorrow Medical System Co., Ltd.	2	12,916,829	1,388,000	1,388,000	928,000	-	21.49%	19,375,244	Y	N	N	
0	The Company	Chiu Ho Scientific Co., Ltd.	2	12,916,829	150,000	150,000	49,159	-	2.32%	19,375,244	Y	N	N	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	2	12,916,829	100,000	-	-	-	0.00%	19,375,244	Y	N	N	
0	The Company	Shin-Ho Instruments Co., Ltd.	2	12,916,829	771,000	771,000	673,480	-	11.94%	19,375,244	Y	N	N	
1	Chiu Ho Medical System Co., Ltd.	The Company	3	9,776,912	1,106,687	1,106,687	905,715	1,106,687	22.64%	14,665,369	N	Y	N	
1	Chiu Ho Medical System Co., Ltd.	Tomorrow Medical System Co., Ltd.	4	9,776,912	621,674	621,674	621,674	621,674	12.72%	14,665,369	N	N	N	
2	Chiu Ho (CHINA) Medical Technology Co., Ltd.	CHC (Guangzhou) Medical Technology Co., Ltd.	4	225,716	44,450	43,270	15,145	-	38.34%	338,574	N	N	Y	
						$ 5,330,631	$ 3,350,083	$ 1,728,361						

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 statemetns.

(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 partines 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

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

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, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Common stocks - Apex International Co., Ltd. - KY	-	Financial asset at fair value through profit or loss - current	200,000	$ 10,080	0.11%	10,080	
The Company	Common stocks - Taiwan Semiconductor Manufacturing Company Limited	-	Financial asset at fair value through profit or loss - current	100,000	59,300	0.00%	59,300	
The Company	JAFCO Taiwan II Holdings Corp.	-	Financial assets at fair value through profit or loss - non-current	-	5,231	-	5,231	
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	397,620	10,159	1.65%	10,159	
Chiu Ho Medical System Co., Ltd.	Preference stocks - Centaur	-	Financial asset at fair value through profit or loss - non-current	55,089	59,960	2.20%	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	-	3.33%	-	
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	26,800	6.69%	26,800	

CHC Healthcare Group

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Shin-Ho Instruments Co., Ltd.	Plant construction of Tongluo irradiation business factory	2023/01/19	589,410	Payment based on the contract terms and progress	Xu Yuan Construction Co., Ltd.	-	-	-	-	$ -	Not applicable because of engaging others to build on rented land	For operation	-

Note: The Company's Board of Directors approved a total budget of NTD$950,000,000 for facility building and equipment purchasing on March 19, 2021. Shin-Ho Instruments Co., Ltd received user license and reclassified to property, plant and equipment-Building and structures on January 19, 2023.

CHC Healthcare Group

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, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Substantive related party	Sale of goods	$ 218,703	97%	6 months	-	-	$ 189,736	92%	Note

Note 1: Sales amount includes rental revenue.

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

CHC Healthcare Group

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	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): $189,736	1.17	$ 71,325	In collection	$ 31,608	$ -
CHC Healthcare Group	Shin-Ho Instruments Co., Ltd.	Subsidiary	Other receivables: $100,000	0.00	-	-	-	-

Note 1: Turnover rate shown as 0.00 is because the amount is shown as other receivables in parent company only financial statement and is not applicable to turnover rate. Please refer to table 1 for the amount regarding loaning to others.
Note 2: The subsequent collections were amounts collected as of March 13, 2024.

CHC Healthcare Group

Information on investees

For the year ended December 31, 2023

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, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	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	421,000,000	100.00%	$ 4,844,794	$ 300,318	$ 300,012	Subsidiary
The Company	Tomorrow Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	613,484	613,484	90,800,000	100.00%	1,002,938	17,290	17,290	Subsidiary
The Company	Chiu Ho Scientific Co., Ltd.	Taiwan	Ophthalmic equipment sale, leasing and services	151,422	151,422	9,853,841	100.00%	153,046	16,571	16,571	Subsidiary
The Company	Chiu Ho Biotech Co., Ltd.	Taiwan	Medical instrument leasing	226,822	197,182	23,963,988	100.00%	270,128	17,949	17,949	Subsidiary
The Company	Shin-Ho Instruments Co., Ltd.	Taiwan	Medical instrument leasing and irradiation business	219,171	219,171	21,300,000	100.00%	128,019	(67,576)	(67,576)	Subsidiary
The Company	Tong-Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	321,183	321,183	35,000,000	100.00%	443,195	38,488	38,532	Subsidiary
The Company	Hua Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	321,815	381,815	35,600,000	100.00%	461,622	33,339	32,882	Subsidiary
The Company	Hsin Lin Biotech Co., Ltd.	Taiwan	Medical instrument leasing	-	25,929	-	-	-	1,462	1,131	Subsidiary (Note 1)
The Company	E Century Healthcare Corporation	Taiwan	Medical instrument leasing	396,151	476,151	44,000,000	100.00%	673,308	81,742	81,742	Subsidiary
The Company	CHC Healthcare (UK) Limited	United Kingdom	Medical instrument sale	7,364	7,364	200,000	100.00%	3,697	(3,008)	(3,008)	Subsidiary
The Company	CHC Healthcare (BVI) Limited	British Virgin Islands	Holdings and indirect investments	522,432	522,432	940	100.00%	362,342	(19,795)	(19,795)	Subsidiary (Note 2)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
The Company	Treasure of Health Co., Ltd.	Taiwan	Drug and health supplements sale	$ 335,070	$ 335,070	5,814,000	51.00%	$ 375,698	$ 32,329	$ 7,870	Subsidiary
CHC Healthcare (BVI) Limited	CHC Healthcare (HK) Limited	Hong Kong	Medical instrument sale, leasing and services	3,986	3,986	100,000	100.00%	41,064	466	466	Subsidiary
Chiu Ho Medical System Co., Ltd.	SenCare Healthcare Company	Taiwan	Consulting service, elderly residence and senior fitness	194,000	194,000	19,400,000	65.99%	188,551	(1,475)	(973)	Subsidiary
Chiu Ho Medical System Co., Ltd.	PT CHC Medika Indonesia	Indonesia	Medical instrument leasing	5,358	5,358	2,566	100.00%	(938)	(1,031)	(1,031)	Subsidiary (Note 2)
Chiu Ho Medical System Co., Ltd.	Hsing-Yeh Biotechnology Co., Ltd.	Taiwan	Medical instrument sale and leasing ; drug sale	1,513,464	1,513,464	93,600,000	100.00%	1,606,698	31,179	26,636	Subsidiary
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%	9,911	4,028	1,604	Associate
SenCare Healthcare Company	CHC Long-term Care Corporation	Taiwan	Long-term care services	31,040	31,040	-	97.00%	27,563	(162)	(157)	Subsidiary (Note 3)
SenCare Healthcare Company	Cin-An Co., Ltd.	Taiwan	Elderly residence	54,361	-	1,667,789	51.00%	54,437	244	76	Subsidiary
SenCare Healthcare Company	Xing-An Long-term Care Corporation	Taiwan	Long-term care services	8,659	-	-	50.70%	9,111	923	452	Subsidiary (Note 3)
Tredsure of Health Co., Ltd.	Exotic Pet Care Experts Co., Ltd.	Taiwan	Veterinary medical instrument leasing and drug sale	4,080	-	408,000	51.00%	3,738	(685)	(342)	Subsidiary

Note 1: The Group conducted a reorganisation where Hsin Lin merged with Chiu Ho Biotech on December 31, 2023. Chiu Ho Biotech was the surviving company.
Note 2: Indirect investment company is organised as a limited liability company.
Note 3: Investee is organised as an association.

CHC Healthcare Group

Information on investments in Mainland China

For the year ended December 31, 2023

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
CHC (Guangzhou) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	$ 291,830	(2) Indirect investment through CHC(BVI), a wholly-owned subsidiary of the Company	$ 291,830	$ -	$ -	$ 291,830	($ 9,960)	100%	($ 9,951)	$ 199,578	$ -	
Chiu Ho (CHINA) Medical Technology Co., Ltd.	Medical instrument sale, leasing and services	231,689	(2) Indirect investment through CHC(BVI), a wholly-owned subsidiary of the Company	231,689	-	-	231,689	(10,323)	100%	(10,323)	112,858	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	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	$ 523,519	$ 523,519	$ 4,065,303

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 Comission 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

Major shareholders information

December 31, 2023

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Princeton Healthcare Limited	28,257,983	16.97%
Tien-Ying Lee	9,413,985	5.65%

CHC Healthcare Group

Responsible person: Pei-Lin, Lee