CHC HEALTHCARE GROUP

PARENT COMPANY ONLY

FINANCIAL STATEMENTS AND INDEPENDENT

AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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

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, 2022 and 2021, 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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 2022 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 2022 parent company only financial statements are stated as follows:

Assessment of investments accounted for using equity method

Refer to Note 4(10) 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, 2022, 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$367,828 thousand and NT$4,536,853 thousand, respectively, and investment income amounting to NT$34,302 thousand and NT$135,049 thousand for the year then ended, respectively. Because Treasure of Health and Chiu Ho Medical Group's investments accounted for using equity method constituted 54% of the Company's total assets as of December 31, 2022, and investment income constituted 47% of the Company's profit before tax for the year ended December 31, 2022, 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, 2022 are stated as follows:

Impairment assessment of goodwill

Description

As of December 31, 2022, 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 22, 2023

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 182,787	2	$ 271,845	3
1110	Financial assets at fair value through profit or loss - current	6(2)	41,911	-	90,904	1
1180	Accounts receivable - related parties	7	-	-	210	-
1200	Other receivables		-	-	4	-
1210	Other receivables due from related parties	7	171,993	2	155,142	2
1220	Current tax assets		69	-	69	-
1410	Prepayments		7,168	-	6,751	-
11XX	**Total current assets**		403,928	4	524,925	6
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	300	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	10,537	-	12,406	-
1550	Investments accounted for using equity method	6(4)	8,649,650	95	8,509,830	93
1600	Property, plant and equipment		730	-	705	-
1755	Right-of-use assets	6(5)	2,924	-	9,942	-
1840	Deferred tax assets	6(20)	58,635	1	60,893	1
1990	Other non-current assets	8	6,431	-	5,856	-
15XX	**Total non-current assets**		8,729,207	96	8,599,632	94
1XXX	**Total assets**		$ 9,133,135	100	$ 9,124,557	100

(Continued)

CHC HEALTHCARE GROUP
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(6)	$ 100,000	1	$ 280,000	3
2150	Notes payable		135	-	135	-
2200	Other payables		24,630	1	24,790	-
2230	Current tax liabilities		77	-	-	-
2280	Lease liabilities - current	7	2,992	-	7,090	-
2320	Long-term liabilities, current portion	6(8) and 8	-	-	144,000	2
2399	Other current liabilities		927	-	917	-
21XX	**Total current liabilities**		128,761	2	456,932	5
	Non-current liabilities					
2530	Bonds payable	6(7)	1,510,024	16	1,499,378	16
2540	Long-term borrowings	6(8) and 8	1,352,000	15	1,080,000	12
2570	Deferred tax liabilities	6(20)	734	-	734	-
2580	Lease liabilities - non-current	7	-	-	2,992	-
25XX	**Total non-current liabilities**		2,862,758	31	2,583,104	28
2XXX	**Total liabilities**		2,991,519	33	3,040,036	33
	Equity					
	Share capital	6(11)				
3110	Common stock		1,615,531	18	1,610,536	18
	Capital surplus	6(7)(10)(12)				
3200	Capital surplus		3,544,423	39	3,533,299	39
	Retained earnings	6(13)				
3310	Legal reserve		391,867	4	353,704	4
3320	Special reserve		395,708	4	387,124	4
3350	Unappropriated retained earnings		581,510	6	595,565	7
	Other equity	6(3)				
3400	Other equity		(387,423)	(4)	(395,707)	(5)
3XXX	**Total equity**		6,141,616	67	6,084,521	67
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 9,133,135	100	$ 9,124,557	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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

			2022		2021	
	Items	Notes	Amount	%	Amount	%
4000	**Operating revenue**	6(14) and 7	$ 523,205	100	$ 544,496	100
5000	**Operating costs**	6(5)(9)(10)(19) and 7	(113,040)	(21)	(116,012)	(21)
5900	**Gross profit**		410,165	79	428,484	79
	Non-operating income and expenses					
7100	Interest income	6(15) and 7	2,996	-	5,786	1
7010	Other income	6(16)	4,545	1	2,033	-
7020	Other gains and losses	6(2)(17)	(9,866)	(2)	(4,326)	(1)
7050	Finance costs	6(18) and 7	(48,630)	(9)	(48,891)	(9)
7000	**Total non-operating income and expenses**		(50,955)	(10)	(45,398)	(9)
7900	**Profit before income tax**		359,210	69	383,086	70
7950	Income tax expense	6(20)	(2,639)	(1)	(1,453)	-
8200	**Profit for the year**		$ 356,571	68	$ 381,633	70
	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)	($ 1,869)	-	($ 4,334)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		10,146	2	(4,269)	-
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		7	-	(20)	-
8300	**Other comprehensive income (loss) for the year**		$ 8,284	2	($ 8,583)	(1)
8500	**Total comprehensive income for the year**		$ 364,855	70	$ 373,050	69
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(21)	$ 2.21		$ 2.43	
9850	Diluted earnings per share	6(21)	$ 1.98		$ 2.18	

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Capital Reserves				Retained Earnings			Other Equity Interest			
	Notes	Common stock	Capital surplus	Treasury stock transactions	Employee share options	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (loss) on financial assets at fair value through other comprehensive income	Treasury shares	Total equity
2021													
Balance at January 1, 2021		$ 1,570,439	$ 3,356,806	$ 173	$ 11,154	$ 59,145	$ 317,065	$ 387,852	$ 566,883	($ 41,290)	($ 345,834)	($ 34,956)	$ 5,847,437
Profit for the year		-	-	-	-	-	-	-	381,633	-	-	-	381,633
Other comprehensive income (loss)		-	-	-	-	-	-	-	-	(4,249)	(4,334)	-	(8,583)
Total comprehensive income (loss)		-	-	-	-	-	-	-	381,633	(4,249)	(4,334)	-	373,050
Appropriations of 2020 earnings	6(13)												
Legal reserve		-	-	-	-	-	36,639	-	(36,639)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(313,648)	-	-	-	(313,648)
Special reserve		-	-	-	-	-	-	(728)	728	-	-	-	-
Issuance of shares	6(11)	47,220	118,522	-	-	-	-	-	-	-	-	-	165,742
Decrease in treasury shares	6(11)	(10,000)	(21,391)	(173)	-	-	-	-	(3,392)	-	-	34,956	-
Exercise of employee stock options	6(10)(11)	2,877	8,451	-	(2,594)	-	-	-	-	-	-	-	8,734
Compensation cost of employee stock options	6(10)	-	-	-	1,131	-	-	-	-	-	-	-	1,131
Compensation cost of employee stock options of subsidiaries		-	-	-	2,075	-	-	-	-	-	-	-	2,075
Balance at December 31, 2021		$ 1,610,536	$ 3,462,388	$ -	$ 11,766	$ 59,145	$ 353,704	$ 387,124	$ 595,565	($ 45,539)	($ 350,168)	$ -	$ 6,084,521
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

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 359,210	$ 383,086
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(19)	7,354	7,289
Amortisation charge	6(19)	115	196
Loss on financial assets or liabilities at fair value through profit or loss	6(2)(17)	17,992	964
Interest expense	6(18)	37,985	38,321
Interest income	6(15)	(2,996)	(5,786)
Dividend income	6(16)	(3,080)	(1,048)
Compensation cost of employee stock options	6(10)(19)	595	1,131
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)	(379,968)	(404,163)
Amortisation of discount on bonds payable	6(18)	10,646	10,570
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		30,701	14,732
Accounts receivable - related parties		210	(210)
Prepayments		(417)	945
Other non-current assets		(340)	(62)
Changes in operating liabilities			
Other payables		(169)	3,835
Other current liabilities		10	72
Cash inflow generated from operations		76,610	49,872
Interest received during the year		3,149	9,161
Dividends received during the year		221,908	227,962
Interest paid during the year		(37,919)	(38,342)
Income tax paid		(304)	(1,724)
Net cash flows from operating activities		263,444	246,929
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in other receivables due from related parties	7	(17,000)	284,000
Acquisition of investments accounted for using equity method	6(4) and 7	(207,364)	(435,070)
Proceeds from capital reduction of investments accounted for using equity method	7	240,000	140,000
Acquisition of property, plant and equipment		(418)	(318)
Proceeds from disposal of property, plant and equipment		1,238	-
(Increase) decrease in other non-current assets		(350)	650
Net cash flows used in investing activities		16,106	(10,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans	6(22)	(1,950,000)	(1,170,000)
Increase in short-term loans	6(22)	1,770,000	1,350,000
Repayments of lease liabilities	6(22)	(7,090)	(6,965)
Proceeds from long-term debt	6(7)	1,352,000	-
Repayments of long-term debt	6(22)	(1,224,000)	(144,000)
Proceeds from issuance of shares	6(11)	-	165,742
Exercise of employee stock options		14,361	8,734
Payment of cash dividends	6(13)	(323,879)	(313,648)
Net cash flows from financing activities		(368,608)	(110,137)
Decrease (increase) in cash and cash equivalents		(89,058)	126,054
Cash and cash equivalents at beginning of year		271,845	145,791
Cash and cash equivalents at end of year		$ 182,787	$ 271,845

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

CHC Healthcare Group ("CHC" or the "Company") was established 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 affiliates. 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 22, 2023.

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") 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 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

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

New standards, interpretations and amendments endorsed by the FSC 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

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) IFRSs issued by IASB but not yet endorsed by the FSC

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

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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS17 and IFRS 9 - comparative information'	January 1, 2023
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

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 SIGNIFICANT 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) 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.

(6) 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.

(7) 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.

(8) 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.

(9) Derecognition of financial assets

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

(10) 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 equal or exceeds its interest in the subsidiary, the Company continues to recognise loss proportionately to its ownership.

D. Changes in parent's ownership interest in subsidiary that do not result in the parent losing control of the subsidiaries (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.

E. 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.

(11) 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:

Transportation equipment	5 years
Other equipment	2 ~ 5 years

(12) 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.

(13) 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.

(14) 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.

(15) 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'.

(16) 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.

(17) Offsetting financial instruments

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

(18) 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.

(19) 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.

(20) 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. 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.

(21) Treasury share

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

(22) 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.

(23) 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 policies.

(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, 2022	December 31, 2021
Checking accounts and demand deposits	$ 182,787	$ 176,022
Time deposits	-	95,823
	$ 182,787	$ 271,845

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 classified restricted cash and cash equivalents pledged to others as other non-current assets. Refer to Note 8 for details.

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

Items	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 68,785	$ 80,751
Unlisted stocks	-	1,014
Valuation adjustment	(26,874)	9,139
	$ 41,911	$ 90,904

Items	December 31, 2022	December 31, 2021
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives		
(Redemption rights to the fourth domestic issuance of secured convertible corporate bonds)	$ 1,050	$ 1,050
Valuation adjustment	(750)	(1,050)
	$ 300	$ -

For the years ended December 31, 2022 and 2021, net loss on financial assets at fair value through profit or loss was ($17,992) and ($964), respectively, shown as ‘other gains and losses’.

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Listed stocks	$ 340,215	$ 340,215
Valuation adjustment	(329,678)	(327,809)
	$ 10,537	$ 12,406

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 $10,537 and $12,406 as at December 31, 2022 and 2021, respectively.

B. The Company recognised ($1,869) and ($4,334) in other comprehensive income (loss) for fair value change for the years ended December 31, 2022 and 2021, respectively.

(4) Investments accounted for using equity method

	December 31, 2022	December 31, 2021
Chiu Ho Medical System Co., Ltd.	$ 4,536,853	$ 4,409,733
Tomorrow Medical System Co., Ltd.	1,002,080	821,673
Chiu Ho Scientific Co., Ltd.	159,277	186,712
Chiu Ho Biotech Co., Ltd.	242,947	276,764
Shin-Ho Instruments Co., Ltd.	195,591	209,029
Tong-Lin Instruments Co., Ltd.	453,761	478,958
Hua Lin Instruments Co., Ltd.	526,532	519,995
Hsin Lin Biotech Co., Ltd.	34,246	86,234
E Century Healthcare Corporation	736,043	792,125
CHC Healthcare (BVI) Limited	388,110	395,081
Treasure of Health Co., Ltd.	367,828	333,526
CHC Healthcare (UK) Limited	6,382	-
	$ 8,649,650	$ 8,509,830

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, 2022.

(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 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, 2022	December 31, 2021
	Book value	Depreciation charge
Buildings	$ 2,924	$ 9,942

	Year ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
Buildings	$ 7,018	$ 7,018

D. The Company has no additions to right-of-use assets for the years ended December 31, 2022 and 2021.

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

	Year ended December 31,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 110	$ 234
Expense on short-term lease contracts	15	222

F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases was $7,215 and $7,421, respectively.

(6) Short-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Bank borrowings		
Credit borrowings	$ 100,000	$ 280,000
Interest rate range	1.42%	0.80%~1.10%

For the years ended December 31, 2022 and 2021, the Company has no asset pledged as collateral for short-term borrowings.

(7) Bonds payable

	December 31, 2022	December 31, 2021
Bonds payable	$ 1,537,875	$ 1,537,875
Less: Discount on bonds payable	(27,851)	(38,497)
Current portion or exercise of put options	-	-
	$ 1,510,024	$ 1,499,378

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 19, 2022, November 29, 2021 and August 3, 2021, the Company adjusted the conversion price per share to 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) Regarding the fourth issuance of secured convertible bonds, the equity conversion options amounting to $25,350 were separated from the liability component and were recognised in 'capital surplus - others' in accordance with IAS 32 as of December 31, 2022. 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, 2022, 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, 2022	December 31, 2021
Bank borrowings			
Secured borrowings	2018.11~2027.10	$ 1,352,000	$ 1,224,000
Less: Current portion		-	(144,000)
		$ 1,352,000	$ 1,080,000
Interest rate		1.86%~1.87%	1.8%

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

(a) If the actual drawn amount is less than 80% of each available borrowing facility, the difference shall be imposed at a rate of 0.15% as a commitment fee at the end of the limit on borrowing facilities. The commitment fee shall be paid in full to the lead bank within 5 trading days after the end of the limit on borrowing facilities. Subsequently, the lead bank shall pay the commitment fee to syndicated banks based on its committed ratio.

(b) Loan funds must be used for a specified purpose.

(c) 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 150%.

iii. Interest coverage ratio must be 3 or higher.

iv. Tangible net assets must be $4,000,000 or higher.

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

(d) The Company shall directly/ indirectly hold a 100% equity interest in Tomorrow Medical System Co., Ltd., Hsing-Yeh Biotechnology Co., Ltd., Medlink Healthcare Limited and Chiu Ho Medical System Co., Ltd., and directly/indirectly hold at least a 66.67% equity interest in Hua Lin Instruments Co., Ltd., Tong-Lin Instruments Co., Ltd., E Century Healthcare Corporation, Chiu Ho Biotech Co., Ltd. and Chiu Ho Scientific Co., Ltd., respectively, and the Company has control over those companies' operations. Above equity interests can not be pledged or transferred to a third party in any assumption or method as well as trust.

If the Company fails to meet this requirement, First Commercial Bank will determine whether there has been a breach of contract and, if necessary, call a meeting with all the syndicate lenders to discuss the matter.

B. 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 First Commercial Bank as the lead 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 with the following terms and conditions:

(a) All the credit amounts obtained under 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 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 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. The first drawdown date of the credit contract was October 28, 2022.

C. Information on assets pledged as collateral for long-term borrowings is provided in Note 8.

(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, 2022 and 2021 were $2,265 and $2,169, respectively.

(10) Share-based payment

A. As of December 31, 2022 and 2021, 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:

	2022		2021	
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	1,358	$ 28.80	1,646	$ 30.50
Options forfeited	(4)	27.40	-	-
Options exercised	(499)	28.75	(288)	30.36
Options outstanding at December 31	855	27.40	1,358	28.80
Options exercisable at December 31	385		411	

C. As of December 31, 2022 and 2021, number of options outstanding granted to the employees of subsidiaries and second-tier subsidiaries were 533 thousand shares and 878 thousand shares, respectively, and number of options exercisable were 226 thousand shares and 265 shares, respectively.

D. For the years ended December 31, 2022 and 2021, the weighted-average stock price of stock options on exercise dates were NT$46.90 and NT$38.28 (in dollars), respectively.

E. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2022		December 31, 2021	
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	855	$ 27.40	1,358	$ 28.80

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,	
	2022	2021
Equity-settled	$ 595	$ 1,131

H. On July 19, 2022, November 29, 2021 and August 3, 2021, the exercise prices of employee stock options-106 were adjusted to NT$27.4, NT$28.8 and NT$28.8 (in dollars), respectively.

(11) Share capital

A. As of December 31, 2022, the Company's authorised capital was $2,500,000, consisting of 250 million shares of ordinary stock, and the paid-in capital was $1,615,531 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected. The aforementioned paid-in capital included 499 thousand shares of employee share options exercised for the year ended December 31, 2022. The Company has applied to the regulatory authority for registration of the changes in capital on January 13, 2023, and the registration was completed on January 17, 2023.

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

(In thousands of shares)

	2022	2021
At January 1	161,054	156,044
Employee stock options exercised	499	288
Cash capital increase - private placement	-	4,722
At December 31	161,553	161,054

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 June 15, 2022 and July 1, 2021 adopted a resolution to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 20,000 thousand shares. The capital increase shall be processed in installments (no more than three times) within one year from the date of the resolution of the stockholders' meeting. The stockholders authorised the Board of Directors to determine the actual pricing date and issuance price within the range of not less than the percentage of the resolution of the stockholders' meeting considering the situation of the specific person and the market in the future. As resolved by the Board of Directors on October 6, 2021, the first effective date was on October 13, 2021, and the number of shares issued was 4,722 thousand shares at the subscription price of $35.1 (in dollars) per share. The amount of capital raised through the private placement was $165,742 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

C. Treasury shares

As resolved by the Board of Directors on August 13, 2018, the Company reacquired its shares from the Stock Exchange Market to be reissued to employees from August 14, 2018 to October 13, 2018. The aforementioned acquisition of treasury shares had been completed on October 12, 2018 and the number of shares reacquired was 1,000 thousand shares, totaling $34,956. The registration of retirement of treasury shares not reissued to employees had been completed on November 12, 2021.

(12) Capital surplus

A. Pursuant to Paragraph 4, Article 30 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, 2022, 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 for 2021 and 2020 earnings appropriations which were resolved at the shareholders' meeting on June 15, 2022 and July 1, 2021, respectively, are as follows:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 38,163		$ 36,639	
Special reserve	8,584		-	
Reversal of special reserve	-		(728)	
Cash dividends	323,879	$ 2.011	313,648	$ 2.01
	$ 370,626		$ 349,559	

The aforementioned earnings appropriations for the years ended December 31, 2021 and 2020 were in agreement with the amounts resolved by the Board of Directors during its meetings held on March 23, 2022 and March 19, 2021, respectively, and the ex-dividend dates resolved in the same meetings were July 19, 2022 and August 3, 2021, 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 2022 earnings as resolved by the Board of Directors on March 22, 2023 are as follows:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Legal reserve	35,657	
Reversal of special reserve	(8,284)	
Cash dividends	324,722	$ 2.01
	$ 352,095	

(14) Operating revenue

	Years ended December 31,	
	2022	2021
Investment revenue	$ 379,968	$ 404,163
Revenue from customer contracts		
Timing of revenue recognition-over time - internal customers - management service revenue	143,237	140,333
	$ 523,205	$ 544,496

(15) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 253	$ 62
Other interest income	2,743	5,724
	$ 2,996	$ 5,786

(16) Other income

	Years ended December 31,	
	2022	2021
Dividend income	$ 3,080	$ 1,048
Other income	1,465	985
	$ 4,545	$ 2,033

(17) Other gains and losses

	Years ended December 31, 2022	Years ended December 31, 2021
Gains on disposal of property, plant and equipment	$ 1,238	$ -
Net currency exchange gains (losses)	6,888	(3,344)
Net losses on financial assets and liabilities at fair value through profit or loss	(17,992)	(964)
Other losses	-	(18)
	($ 9,866)	($ 4,326)

(18) Finance costs

	Years ended December 31, 2022	Years ended December 31, 2021
Interest expense:		
Bank borrowings	$ 25,504	$ 25,757
Convertible bonds	10,646	10,570
Lease liability	110	234
Financial expense, others	12,370	12,330
	$ 48,630	$ 48,891

(19) Expenses by nature

	Years ended December 31, 2022		Years ended December 31, 2021	
	Operating Cost	Operating Expense	Operating Cost	Operating Expense
Employee benefit expense				
Wages and salaries	$ 75,508	$ -	$ 76,170	$ -
Employee stock options	595	-	1,131	-
Labour and health insurance fees	5,079	-	4,746	-
Pension costs	2,265	-	2,169	-
Directors' remuneration	6,196	-	6,252	-
Other personnel expenses	1,843	-	1,859	-
Depreciation charge	7,354	-	7,289	-
Amortisation expense	115	-	196	-
	$ 98,955	$ -	$ 99,812	$ -

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, 2022 and 2021, employees' compensation was accrued at $190 and $199, respectively; directors' remuneration was both accrued at $5,600. The aforementioned amounts were recognised in salary expenses.

Employees' compensation of $199 and directors' remuneration of $5,600 for 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 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, 2022	Years ended December 31, 2021
Current tax:		
Current tax on profits for the year	$ -	$ -
Tax on undistributed surplus earnings	381	842
Total current tax	381	842
Deferred tax		
Origination and reversal of temporary differences	2,258	611
Income tax expense	$ 2,639	$ 1,453

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

	Years ended December 31, 2022	Years ended December 31, 2021
Income tax calculated based on profit before tax and statutory tax rate	$ 71,842	$ 76,617
Expenses disallowed by tax regulation	9,244	2,715
Tax exempt income by tax regulation	(100,104)	(83,199)
Temporary differences not recognised as deferred tax assets	3,620	2,350
Taxable losses not recognised as deferred tax assets	16,956	873
Tax on undistributed surplus earnings	381	842
Change in assessment of realisation of deferred tax assets	700	1,255
Income tax expense	$ 2,639	$ 1,453

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

	Year ended December 31, 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
Currency translation differences	-	-	-	-
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

	Year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences				
- Deferred tax assets:				
Unrealised exchange loss	$ 912	$ 669	$ -	$ 1,581
Unused compensated absences	155	(25)	-	130
Currency translation differences	-	-	-	-
Income tax losses	60,437	(1,255)	-	59,182
	61,504	(611)	-	60,893
Temporary differences				
- Deferred tax liabilities:				
Effects of business combination	(734)	-	-	(734)
	$ 60,770	($ 611)	$ -	$ 60,159

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

December 31, 2022				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	$ 309,790	$ 292,410	$ -	2028

December 31, 2021				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	$ 309,790	$ 295,910	$ -	2028

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

	December 31, 2022	December 31, 2021
Deductible temporary differences	$ 118,895	$ 110,942

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(21) Earnings per share

	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

	Year ended December 31, 2021		
	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	$ 381,633	157,029	$ 2.43
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 381,633	157,029	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	275	
Employees' compensation	-	6	
Convertible bonds	23,500	28,363	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 405,133	185,673	$ 2.18

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, 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

	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liability	Total liabilities from financing activities
January 1, 2020	$ 100,000	$ 1,488,808	$ 1,368,000	$ 17,047	$ 2,973,855
Changes in cash flow from financing activities	180,000	-	(144,000)	(6,965)	29,035
Changes in other non-cash items	-	10,570	-	-	10,570
December 31, 2020	$ 280,000	$ 1,499,378	$ 1,224,000	$ 10,082	$ 3,013,460

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. (Note 2)	Subsidiary
Tomorrow Medical System Co., Ltd.	Subsidiary
Chiu Ho Scientific Co., Ltd.	Subsidiary
Chiu Ho Biotech Co., Ltd.	Subsidiary
Shin-Ho Instruments Co., Ltd.	Subsidiary
Tong-Lin Instruments Co., Ltd.	Subsidiary
Hua Lin Instruments Co., Ltd.	Subsidiary
Hsin Lin Biotech Co., Ltd.	Subsidiary
E Century Healthcare Corporation	Subsidiary
J. Ab Beauty Co., Ltd. (Note 1)	Subsidiary
Medlink Healthcare Limited (Note 2)	Subsidiary
Hsing-Yeh Biotechnology Co., Ltd.	Subsidiary
SenCare Healthcare Company	Subsidiary
Treasure of Health Co., Ltd. (Note 3)	Subsidiary
CHC Long-Term Care Corporation	Subsidiary

Note 1: 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.

Note 2: On September 1, 2021, the Company's indirect subsidiary, Medlink Healthcare Limited, conducted a merger with the Company's subsidiary, Chiu Ho Medical System Co., Ltd., with Chiu Ho Medical System Co., Ltd. as the surviving company after the merger. After the merger, the Company's shareholding ratio in Chiu Ho Medical System Co. was 100%. This merger is a reorganisation within the Group and has no significant impact on the shareholders' equity of the Company.

Note 3: The Company acquired 51% of the share capital of this subsidiary on October 6, 2021.

(3) Significant transactions and balances with related parties

A. Management service revenues (shown as 'Operating revenue')

	Years ended December 31, 2022	Years ended December 31, 2021
Sales of services		
Chiu Ho Medical System Co., Ltd.	$ 59,040	$ 63,000
Tomorrow Medical System Co., Ltd.	14,280	13,878
Hua Lin Instruments Co., Ltd.	12,360	10,458
E Century Healthcare Corporation	15,720	15,258
Hsing-Yeh Biotechnology Co., Ltd.	12,120	11,478
Others	29,717	26,261
	$ 143,237	$ 140,333

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')

Lease objects	Lessors	Leasing period	Years ended December 31, 2022	Years ended December 31, 2021
Land and Buildings	Chiu Ho Medical System Co., Ltd.	2021.1.1~2022.5.31	$ 15	$ 168
	Chiu Ho Scientific Co., Ltd.		-	54
			$ 15	$ 222

The Company paid rent monthly.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable		
Treasure of Health Co., Ltd.	$ -	$ 210

(a) The accounts receivable are not overdue or impaired and are with good credit quality.

(b) As of December 31, 2021, there are no overdue financial assets.

(c) The maximum amount of the accounts receivable exposed to credit risks is the book value.

D. Other receivables due from related parties

(a) Loans to related parties (including interest receivable)

	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

	Year ended December 31, 2021				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest receivable
Chiu Ho Medical System Co., Ltd.	$ 250,000	$ 73,000	2%	$ 2,827	$ 895
Tomorrow Medical System Co., Ltd.	120,000	50,000	2%	1,129	619
Others	130,000	30,000	2%	1,768	259
		$ 153,000		$ 5,724	$ 1,773

The loans lent to subsidiaries are repayable within 1 year and the interest rate is at 2% per annum for both years ended December 31, 2022 and 2021.

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

	December 31, 2022	December 31, 2021
J. Ab Beauty Co., Ltd.	$ 369	$ 369

E. Lease transactions－lessee

(a) The Company leases offices from related parties. Rental contracts are all typically made for periods of 3 years. Rents are determined according to the market price and paid monthly.

(b) Lease liabilities

i. Outstanding balance

	December 31, 2022	December 31, 2021
Chiu Ho Medical System Co., Ltd.	$ 2,992	$ 10,082

ii. Interest expense

	Years ended December 31,	
	2022	2021
Chiu Ho Medical System Co., Ltd.	$ 110	$ 234

F. 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%

	Year ended December 31, 2021				
Company name	Capital increase price per share (in dollars)		Total transaction amount	Percentage of ownership before capital increase	Percentage of ownership after capital increase
Shin-Ho Instruments Co., Ltd.	$	10	$ 100,000	100%	100%

(b) Proceeds from capital reduction of subsidiaries

	Year ended December 31, 2022		Year ended December 31, 2021	
Company name	Percentage of capital reduction	Total transaction amount	Percentage of capital reduction	Total transaction amount
Hua Lin Instruments Co., Ltd.	0.00%	$ -	14.40%	$ 70,000
Chiu Ho Biotech Co., Ltd.	19.23%	50,000	21.21%	70,000
Hsin Lin Biotech Co., Ltd.	75.00%	60,000	0.00%	-
E Century Healthcare Corporation	13.33%	80,000	0.00%	-
Tong-Lin Instruments Co., Ltd.	12.50%	50,000	0.00%	-
		$ 240,000		$ 140,000

H. Endorsements and guarantees provided to related parties

(a) As of December 31, 2022 and 2021, the balances of financial guarantees provided by the Company to other subsidiaries as collateral for bank borrowings are as follows.

	December 31, 2022	December 31, 2021
Chiu Ho Medical System Co., Ltd.	$ 1,412,000	$ 1,412,000
Tomorrow Medical System Co., Ltd.	1,388,000	1,410,000
Others	1,021,000	1,021,000
	$ 3,821,000	$ 3,843,000

(b) As of December 31, 2022 and 2021, 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 and $2,440,000, respectively. 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,	
	2022	2021
Salaries and other short-term employee benefits	$ 41,942	$ 41,846
Post-employment benefits	324	324
Share-based payments	190	356
	$ 42,456	$ 42,526

8. PLEDGED ASSETS

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

	Book value		
Assets	December 31, 2022	December 31, 2021	Purpose
Other non-current assets			
- Restricted bank deposits	$ -	$ 5,650	Collateral for long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Except for significant commitment and guarantees and endorsements provided to related parties described in Notes 6(8) and 7(3)H, the Company has no other significant commitments and contingencies.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

For the needs of the Group's business development, on January 1, 2023, the indirect subsidiary, SenCare Healthcare Company, acquired 51% of the share capital of Ching-An Co., Ltd. and 50.7% of the capital contribution of Hsing-An Long-Term-Care Corporation in the amount of $54,361 and $8,659, respectively.

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, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 42,211	$ 90,904
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 10,537	$ 12,406
Financial assets at amortised cost		
Cash and cash equivalents	$ 182,787	$ 271,845
Accounts receivable (including related parties)	-	210
Other receivables (including related parties)	171,993	155,146
Other financial assets (shown as 'other non-current assets - other')	-	5,650
	$ 354,780	$ 432,851
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 100,000	$ 280,000
Notes payable	135	135
Other payables	24,630	24,790
Bonds payable	1,510,024	1,499,378
Long-term borrowings (including current portion)	1,352,000	1,224,000
	$ 2,986,789	$ 3,028,303
Lease liability	$ 2,992	$ 10,082

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, 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	-	-

	December 31, 2021			Year ended December 31, 2021 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	$ 9	27.68	$ 249	1%	$ 2
HKD:NTD	27,101	3.55	96,209	1%	962
Non-monetary Items					
USD:NTD	14,273	27.68	395,077		

iii. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to $6,888 and ($3,344), 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, 2022 and 2021 would have decreased/increased by $4,191 and $9,090, 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 decreased/increased by $1,054 and $1,241, 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, 2022 and 2021 would have increased/decreased by $13,520 and $12,240, 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, 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, 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 (including current portion)	25,123	25,123	1,419,310

Non-derivative financial liabilities:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short-term borrowings	$ 281,330	$ -	$ -
Notes payable	135	-	-
Other payables	24,790	-	-
Lease liability	7,215	3,000	-
Bonds payable and embedded derivative instruments	-	-	1,537,875
Long-term borrowings (including current portion)	164,843	1,096,909	-

(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, 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

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 89,890	$ -	$ 1,014	$ 90,904
Financial assets at fair value through other comprehensive income				
Equity securities	12,406	-	-	12,406
	$ 102,296	$ -	$ 1,014	$ 103,310

(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, 2022 and 2021, 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, 2022 and 2021.

	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

	2021	
	Equity investments	Derivative financial instruments
At January 1	$ -	$ 600
Gains and losses recognised in profit or loss	-	(600)
Acquired during the year	1,014	-
At December 31	$ 1,014	$ -

F. For the years ended December 31, 2022 and 2021, 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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument: Convertible bonds	$ 300	Binomial Model	Volatility Discount rate	29.20% (29.20%) 1.5415% (1.5415%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 1,014	Most recent non-active market price	Not applicable	-	Not applicable
Hybrid instrument:					
Convertible bonds	$ -	Binomial Model	Volatility Discount rate	19.10% (19.10%) 0.5655% (0.5655%)	The higher the volatility, the higher the fair value; The higher the discount rate, the lower the fair value

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, 2022 and 2021.

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: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 5.

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 6.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Limits on investments in Mainland China: Refer to table 7.

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 8.

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, 2022

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, 2022	Balance at December 31, 2022	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	$ 500,000	$ 300,000	$ 70,000	2%	Short-term financing	$ -	Operation	$ -	None	$ -	$ 614,161	$ 2,456,646	
0	The Company	Chiu Ho Scientific Co., Ltd.	Other receivables	Y	100,000	100,000	-	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
0	The Company	Shin-Ho Instruments Co., Ltd.	Other receivables	Y	300,000	200,000	60,000	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
0	The Company	Tomorrow Medical System Co., Ltd.	Other receivables	Y	400,000	300,000	30,000	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	Other receivables	Y	200,000	50,000	-	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
0	The Company	Hua Lin Instruments Co., Ltd.	Other receivables	Y	30,000	-	-	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
0	The Company	Chiu Ho Biotech Co., Ltd.	Other receivables	Y	30,000	30,000	-	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
0	The Company	Hsin Lin Biotech Co., Ltd.	Other receivables	Y	30,000	30,000	10,000	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
0	The Company	Tong-Lin Instruments Co., Ltd.	Other receivables	Y	50,000	50,000	-	2%	Short-term financing	-	Operation	-	None	-	614,161	2,456,646	
1	Chiu Ho Scientific Co., Ltd.	High-End Vision Eye Center	Other receivables	Y	3,500	1,000	1,000	2.5%	Business transaction	7,840	-	-	None	-	7,840	63,710	
2	Hsing-Yeh Biotechnology Co., Ltd.	Yeezen General Hospital	Other receivables	Y	170,000	70,000	70,000	2.5%	Business transaction	208,141	-	-	None	-	199,136	398,272	
						$ 1,131,000	$ 241,000										

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, 2022

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, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	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	$ 12,283,231	$ 1,412,000	$ 1,412,000	$ 298,096	$ -	22.99%	$ 18,242,847	Y	N	N	
0	The Company	Tomorrow Medical System Co., Ltd.	2	12,283,231	2,338,000	1,388,000	1,035,232	-	22.60%	18,424,847	Y	N	N	
0	The Company	Chiu Ho Scientific Co., Ltd.	2	12,283,231	150,000	150,000	34,052	-	2.44%	18,424,847	Y	N	N	
0	The Company	Hsing-Yeh Biotechnology Co., Ltd.	2	12,283,231	100,000	100,000	15,975	-	1.63%	18,424,847	Y	N	N	
0	The Company	Shin-Ho Instruments Co., Ltd.	2	12,283,231	771,000	771,000	588,016	-	12.55%	18,424,847	Y	N	N	
1	Hsing-Yeh Biotechnology Co., Ltd.	The Company	3	1,991,363	828,236	-	-	-	0.00%	2,987,045	N	Y	N	
1	Hsing-Yeh Biotechnology Co., Ltd.	Tomorrow Medical System Co., Ltd.	4	1,991,363	575,164	-	-	-	0.00%	2,987,045	N	N	N	
2	Chiu Ho Medical System Co., Ltd.	The Company	3	9,160,417	1,106,687	1,106,687	905,715	1,106,687	24.16%	13,740,625	N	Y	N	
2	Chiu Ho Medical System Co., Ltd.	Tomorrow Medical System Co., Ltd.	4	9,160,417	621,674	621,674	621,674	621,674	13.57%	13,740,625	N	N	N	
3	Chiu Ho (CHINA) Medical Technology Co., Ltd.	CHC (Guangzhou) Medical Technology Co., Ltd.	4	250,621	45,060	44,080	19,836	-	35.18%	$ 375,932	N	N	Y	
						$ 5,593,441	$ 3,518,596	$ 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, 2022

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, 2022 Number of shares	Book value	Ownership (%)	Fair value	Footnote
The Company	Common stocks–Fubon Financial Holding Co., Ltd.	-	Financial asset at fair value through profit or loss - current	105,000	$ 5,911	0.00%	5,911	
The Company	Common stocks–Cathay Financial Holding Co., Ltd.	-	Financial asset at fair value through profit or loss - current	216,323	8,653	0.01%	8,653	
The Company	Common stocks–United Microelectronices Co., Ltd.	-	Financial asset at fair value through profit or loss - current	410,000	16,687	0.00%	16,687	
The Company	Common stocks–Apex International Co., Ltd. - KY	-	Financial asset at fair value through profit or loss - current	200,000	10,660	0.11%	10,660	
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	10,537	1.93%	10,537	
Chiu Ho Medical System Co., Ltd.	Preference stocks–Centaur (Note)	-	Financial asset at fair value through profit or loss - non-current	55,089	59,960	2.52%	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	-	3.71%	-	
Chiu Ho Medical System Co., Ltd.	Common stocks–AESolution Biomedical Co., Ltd.	The Company's chairman and the investee's chairman are the same person	Financial assets at fair value through other comprehensive income - non-current	855,400	19,041	6.69%	19,041	

Note: The name of the investee was ASTO CT Inc. and was changed to Centaur Health Holdings, Inc. on November, 2021.

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, 2022

Table 4

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	$ 208,141	97%	6 months	-	-	$ 183,588	88%	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, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	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): $183,588	1.12	$ 72,795	In collection	$ 30,021	$ -

Note: The subsequent collections were amounts collected as of March 22, 2023.

CHC Healthcare Group

Information on investees

For the year ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
The Company	Chiu Ho Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	$ 2,956,388	$ 2,956,388	407,000,000	100.00%	$ 4,536,853	$ 146,985	$ 135,049	Subsidiary
The Company	Tomorrow Medical System Co., Ltd.	Taiwan	Medical instrument sale, leasing and services	613,484	413,484	90,800,000	100.00%	1,002,080	18,279	18,279	Subsidiary
The Company	Chiu Ho Scientific Co., Ltd.	Taiwan	Ophthalmic equipment sale, leasing and services	151,422	151,422	9,853,841	100.00%	159,277	25,357	25,357	Subsidiary
The Company	Chiu Ho Biotech Co., Ltd.	Taiwan	Medical instrument leasing	197,182	247,182	21,000,000	100.00%	242,947	22,308	22,308	Subsidiary
The Company	Shin-Ho Instruments Co., Ltd.	Taiwan	Medical instrument leasing	219,171	219,171	21,300,000	100.00%	195,591	(13,469)	(13,469)	Subsidiary
The Company	Tong-Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	321,183	371,183	35,000,000	100.00%	453,761	54,553	54,597	Subsidiary
The Company	Hua Lin Instruments Co., Ltd.	Taiwan	Medical instrument leasing	381,815	381,815	41,600,000	100.00%	526,532	41,991	41,991	Subsidiary
The Company	Hsin Lin Biotech Co., Ltd.	Taiwan	Medical instrument leasing	25,929	85,929	2,000,000	100.00%	34,246	8,012	8,012	Subsidiary
The Company	E Century Healthcare Corporation	Taiwan	Medical instrument leasing	476,151	556,151	52,000,000	100.00%	736,043	71,641	71,641	Subsidiary
The Company	CHC Healthcare (UK) Limited	United Kingdom	Medical instrument sale	7,364	-	200,000	100.00%	6,382	(1,028)	(1,028)	Subsidiary
The Company	CHC Healthcare (BVI) Limited	British Virgin Islands	Holdings and indirect investments	522,432	522,432	940	100.00%	388,110	(17,071)	(17,071)	Subsidiary (Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
The Company	Treasure of Health Co., Ltd.	Taiwan	Drug and health supplements sale	$ 335,070	$ 335,070	1,978,800	51.00%	$ 367,828	$ 84,154	$ 34,302	Subsidiary
CHC Healthcare (BVI) Limited	CHC Healthcare (HK) Limited	Hong Kong	Medical instrument sale, leasing and services	3,986	3,593	100,000	100.00%	40,688	43	42	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%	189,524	(2,215)	(1,462)	Subsidiary
Chiu Ho Medical System Co., Ltd.	PT CHC Medika Indonesia	Indonesia	Medical instrument leasing	5,358	5,358	2,566	100.00%	58	(590)	(590)	Subsidiary (Note 1)
Chiu Ho Medical System Co., Ltd.	Hsing-Yeh Biotechnology Co., Ltd.	Taiwan	Medical instrument sale and leasing ; drug sale	1,513,464	1,513,464	93,600,000	100.00%	1,605,538	28,370	23,827	Subsidiary (Note 1)
Hsing-Yeh Biotechnology Co., Ltd.	CHENG-HSIN Biotechnology Co., Ltd.	Taiwan	Management consulting services and retail sales of food products and drugs	12,000	12,000	1,200,000	40.00%	8,307	(836)	(334)	Associate
SenCare Healthcare Company	CHC Long-term Care Corporation	Taiwan	Long-term care services	31,040	31,040	-	97.00%	27,720	(902)	(875)	Subsidiary (Note 2)

Note 1: Indirect investment company is organised as a limited liability company.
Note 2: Investee was organised as an associate.

CHC Healthcare Group

Information on investments in Mainland China

For the year ended December 31, 2022

Table 7

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, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
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	($ 17,836)	100%	($ 17,827)	$ 213,282	$ -	
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	700	100%	700	125,311	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	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	$ 3,841,858

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, 2022

Table 8

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Princeton Healthcare Limited	28,257,983	17.49%
Tien-Ying Lee	9,413,985	5.82%

CHC HEALTHCARE GROUP
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 1

Items	Description	Amount
Checking accounts		$ 135
Demand deposits - NTD		182,428
Demand deposits - USD	USD $7,255.70 (Note), at exchange rate of 30.71	223
Demand deposits - HKD	HKD $327.18 (Note), at exchange rate of 3.938	1
		$ 182,787

(Note) Foreign currency is expressed in dollars.

CHC HEALTHCARE GROUP
STATEMENT OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 2

		Opening balance		Additions (Note 1)		Reductions (Note 2)		Ending balance		As of December 31, 2021	Market price or value per share		
Name	Investment types	Number of shares (per thousand shares)	Amount	Number of shares (per thousand shares)	Amount	Number of shares (per thousand shares)	Amount	Number of Shares (per thousand shares)	Amount	Ownership (%)	Price (in dollars)	Total price	Pledged to others as collateral
Chiu Ho Medical System Co., Ltd.	Ordinary share	390,000	$4,409,733	17,000	$ 135,944	-	($ 8,824)	407,000	$ 4,536,853	100%	11.25	$ 4,580,209	None
Tomorrow Medical System Co., Ltd.	Ordinary share	70,800	821,673	20,000	218,395	-	(37,988)	90,800	1,002,080	100%	11.04	1,002,080	None
Chiu Ho Scientific Co., Ltd.	Ordinary share	9,854	186,712	-	25,485	-	(52,920)	9,854	159,277	100%	16.16	159,277	None
Chiu Ho Biotech Co., Ltd.	Ordinary share	26,000	276,764	-	22,308	(5,000)	(56,125)	21,000	242,947	100%	11.57	242,947	None
Shin-Ho Instruments Co., Ltd.	Ordinary share	21,300	209,029	-	31	-	(13,469)	21,300	195,591	100%	9.18	195,591	None
Tong-Lin Instruments Co., Ltd.	Ordinary share	40,000	478,958	-	54,597	(5,000)	(79,794)	35,000	453,761	100%	12.97	453,945	None
Hua Lin Instruments Co., Ltd.	Ordinary share	41,600	519,995	-	41,991	-	(35,454)	41,600	526,532	100%	12.66	526,532	None
Hsin Lin Biotech Co., Ltd.	Ordinary share	8,000	86,234	-	8,012	(6,000)	(60,000)	2,000	34,246	100%	17.12	34,246	None
E Century Healthcare Corporation	Ordinary share	60,000	792,125	-	71,641	(8,000)	(127,723)	52,000	736,043	100%	14.05	730,767	None
Treasure of Health Co., Ltd.	Ordinary share	1,071	333,526	908	34,302	-	-	1,979	367,828	51%	32.21	63,739	None
CHC (UK)	Ordinary share	-	-	200	7,410	-	(1,028)	200	6,382	100%	31.91	6,382	None
CHC (BVI)	Ordinary share	0.94	395,081	-	10,100	-	(17,071)	0.94	388,110	100%	412,882.98	388,110	None
			$8,509,830		$ 630,216		($ 490,396)		$ 8,649,650			$ 8,383,825	

Note 1: Includes investment income arising from investments accounted for using equity method, subsidiaries' cash capital increase, acquisition of subsidiary, employee share options and changes in exchange differences on translation of foreign financial statements and changes in stock dividends from subsidiaries.

Note 2: Includes investment loss arising from investments accounted for using equity method, subsidiaries' cash dividends paid to the parent company, shares returned from reduction in subsidiaries, adjustments on unrealised gain or loss on equity instrument at fair value through other comprehensive income of foreign financial statements.

CHC HEALTHCARE GROUP
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 3

Bonds	Trustees	Issuance date	Coupon rate	Amount: Face value of issuance	Amount: Balance at December 31, 2022	Amount: Unamortised discounts	Amount: Carrying value	Repayment	Pledged to others as collateral
Fourth domestic secured convertible bonds	Bank SinoPac	2020.08.04	0%	$ 1,500,000	$ 1,537,875	($ 27,851)	$ 1,510,024	Refer to Note 6 (7)	Yes (Note)

Note: The guarantee banks of this convertible bonds is the entrusted bank, and the bank offers the guarantee amount on issuance.

CHC HEALTHCARE GROUP
STATEMENT OF OPERATING COSTS
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 4

Items	Amount	Notes
Wages and salaries	$ 76,103	
Directors' remuneration	6,196	
Cost of services	7,593	
Depreciation	7,354	
Other expenses	15,794	None of the balances of each remaining item is greater than 5% of this account balance.
	$ 113,040	

CHC HEALTHCARE GROUP
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 5

Function / Nature	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	$ 76,103	$ -	$ 76,103	$ 77,301	$ -	$ 77,301
Labour and health insurance fees	5,079	-	5,079	4,746	-	4,746
Pension costs	2,265	-	2,265	2,169	-	2,169
Directors' remuneration	6,196	-	6,196	6,252	-	6,252
Other personnel expenses	1,843	-	1,843	1,859	-	1,859
	$ 91,486	$ -	$ 91,486	$ 92,327	$ -	$ 92,327
Depreciation charge	$ 7,354	$ -	$ 7,354	$ 7,289	$ -	$ 7,289
Amortisation charge	$ 115	$ -	$ 115	$ 196	$ -	$ 196

Note:

1. As of December 31, 2022 and 2021, the Company had 56 and 55 employees, excluding 5 directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(1) Average employee benefit expense in current year was $1,672 ((Total employee benefit expense in current year–Total directors' compensation in current year)/(Number of employees in current year–Number of non-employee directors in current year)).

Average employee benefit expense in previous year was $1,722 ((Total employee benefit expense in previous year–Total directors' compensation in previous year)/ (Number of employees in previous year – Number of non-employee directors in previous year)).

(2) Average employee salaries in current year was $1,492 (Total employee salaries in current year / (Number of employees in current year - Number of non-employee directors in current year)).

Average employee salaries in previous year was $1,546 (Total employee salaries in previous year / (Number of employees in previous year - Number of non-employee directors in previous year)).

(3) Adjustments of average employee salaries was (3.49%) ((Average employee salaries in current year- Average employee salaries in previous year)/ Average employee salaries in previous year).

(4) The Company's Salary and Compensation Policy (including directors, supervisors, managers, and employees) is as follows:

A. Managers and employees: Compensation that the Company paid to the employees includes salary, holiday bonus, performance bonus and allowance. Pay level is determined in accordance with employees' responsibility and contribution to the Company and by reference to the general pay levels in the industry.

B. Directors: Policy of the remuneration that the Company paid to the directors is stipulated in the Articles of Incorporation of the Company and is approved by the shareholders at their meeting. In accordance with the Articles of Incorporation of the Company, when the directors conduct the Company's business, pay level is determined in accordance with directors' participation and value of contribution in the Company's operation and by reference to the general pay levels in the industry. The Company distributes directors' remuneration if it has any profit for the current year in accordance with the Article 24-1 of Incorporation of the Company.