

Stock Code: 4138



DYNAMIC MEDICAL TECHNOLOGIES INC.

Handbook for the 2021 Annual Meeting of Shareholders

Date: June 10, 2021

Location: No. 631, Zhongzheng Rd., Zhonghe Dist., New Taipei City 23552, Taiwan (R.O.C.)

(Note to Readers: If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.)

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I. Meeting Procedure

1. Call the meeting to order
2. Chairperson takes chair
3. Chairperson remarks
4. Company reports
5. Proposals
6. Discussion
7. Election Matters
8. Other Matters
9. Questions and motions
10. Adjournment

II. Annual Shareholders Meeting Agenda Schedule

Time: 9:00 AM on June 10(Tuesday), 2021

Place: No.631, Zhongzheng Rd., Zhonghe Dist., New Taipei City 23552, Taiwan
(R.O.C.)

1. Call the meeting to Order
2. Chairperson takes Chair
3. Chairperson remarks
4. Company reports
 - (1) 2020 Business Report and 2021 Business Plan.
 - (2) 2020 Audit Committee's Review Report.
 - (3) Report on the Endorsement and Guarantee Status.
 - (4) Implementation of Investments in China.
 - (5) 2020 Distribution report of employee compensation and director remuneration.
 - (6) The Regulations Governing Procedure for Board of Directors Meetings and Adoption of Codes of Ethical Conduct amended.
 - (7) Report on 2020 Cash Dividends.
5. Proposals
 - (1) 2020 Business Report and Financial Statements.
 - (2) 2020 Earnings Distribution Proposal.
6. Discussion
 - (1) Amendment to the Rules of Procedure for Shareholders Meetings.
 - (2) Amendment to the Regulations Governing Loaning of Funds.
 - (3) Amendment to the Regulations Governing the Acquisition and Disposal of Assets.
 - (4) Amendment to the Procedures for Election of Directors.
7. Election Matters: The 7th Election of Directors (including Independent Director).
8. Other Matters: Release the Prohibition on the new Directors from Participation in Competitive Business.
9. Questions and motions
10. Adjournment

III. Agenda of Annual Meeting of Shareholders

1. Call the meeting to order

(Report for attendance status of shareholdings)

2. Chairperson takes chair

3. Chairperson remarks

4. Company reports

- (1) 2020 Business Report and 2021 Business Plan: Please refer to Appendix 3 of “Annual Business Report” (P22)
- (2) 2020 Audit Committee’s Review Report: Please refer to Appendix 4 of ”Audit Committee’s Review Report” (P29)
- (3) Report on the Endorsement and Guarantee Status:

Explanation:

1. The Company adopts the upper limit of 50% of net value of the financial report in the most recent year that have been audited and examined by CPA in the most recent year. The net value on December 31, 2020 was 1,290,930 thousand NTD, and its subsidiary company, EXCELSIOR BEAUTY Co., Ltd.’s net value was 331,884 thousand NTD on December 31, 2020.
2. The Company’s total amount of endorsement guarantee to a single enterprise is not over the upper limit of 20% of net value as mentioned above.
3. The endorsed parties of the Company up to December 31, 2020 are listed as follows:

Unit: NT\$ Thousand

Parent company or subsidiary	Name of company as endorsers	Endorsed Party	Relationship with the (Note)	The Limited amount of Endorsement to a single enterprise	Balance of the maximum of Endorsement amount in current year.	Balance of Endorsement Amount at the end of the year	Actual disbursement amount	Ratio for Accumulated endorsement amount to the net value of financial report in the most recent year.	Upper limit of Endorsement amount
Parent	DYNAMIC MEDICAL TECHNOLOGIES INC.	Dynamic Medical Technologies (Hong Kong) Limited	2	258,186	59,970	54,682	-	4.24%	645,465
Subsidiary	EXCELSIOR BEAUTY CO., LTD.	DYNAMIC MEDICAL TECHNOLOGIES INC.	3	66,377	1,000	-	-	-%	165,942

Note: The relationship between endorser and endorsed party is indicated as follows 1.Business relationship between the parties. 2. A company directly and indirectly holds more than 50 percent of the voting shares..3. A company that directly and indirectly holds more than 50 percent of the voting shares in the company. 4. The company holds, directly and indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other 5. The company where all capital contributing shareholders make endorsements / guarantees for their jointly invested company in proportion to their shareholding percentages. 6. The company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project. 7. The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(4) Implementation of Investments in China:

Explanation: The Company's investments in China that approved by Investment Commission, MOEA till December 31 2020:

Unit:NT\$ Thousand

Name of Company	Contribution Amount	Shareholding Ratio	Major Business
Guangzhou Dynamic Inc. (note1)	\$119,574 (note2)	100%	Sales and Maintenance Businesses for Medical Appliances
Beijing Excelsior Beauty Limited	\$34,424	-% (note3)	Sales and Maintenance Businesses for Medical Appliances

Note:

1. Reinvested Chinese Company as trans-investment of current company through a third place.
2. The company slashed capital costs by NT\$75,252 Thousand on April, 2020.
3. Beijing Excelsior Beauty Limited had liquidated in November, 2018. The paid-in capital already remitted third party, still not remitted to Taiwan yet.

(5) 2020 Distribution report of employee compensation and director remuneration.

Explanation:

1. As adopted by the company's Board of Directors, the Company's 2020 profits in an amount of NTD 6,465,574 shall be distributed to employees as their compensation, whereas in an amount of NTD 5,390,575 shall be distributed to directors as their remuneration.
2. The above plans will be distributed by cash and no difference with recognized expense in 2020.

(6) The Regulations Governing Procedure for Board of Directors Meetings and Adoption of Codes of Ethical Conduct amended:

Explanation:

1. To adapt to needs of commercial practice and to comply with the revised laws, the Company proposed to amend its.
2. Please refer to Appendix 5 (P30) of this meeting handbook Comparison table of amendments.

(7) Report on 2020 Cash Dividends

Explanation:

1. The earnings distribution is allocated from Earnings in 2020 Available for Distribution. The common share holder will be entitled to receive a cash dividend of NT\$105,000,000 NT\$3.5 per share..
2. The cash dividend shall be the resolution adopted by the Board of Directors. According to the Company Act and Article of Incorporation, authorized chairman will separately determine the ex-dividend base date and process related matters of cash dividend distribution. If repurchase stocks of the Company or convert or retire treasury stocks that give impacts on the outstanding shares number to make distribution rate /per stock change, the Company authorizes the chairman to adjust the distribution yield of shareholders according to the resolution for distribution amount and of actual outstanding share number in shareholders' meeting. In addition, cash dividend is counted as integer of dollar, decimal shall be deleted.
3. The Company recognized as other revenue due to cash dividend of this time is under 1 NTD.

5. Proposals

Brief 1: Adoption of the 2020 Business Report and Financial Statements. **【Proposed by the Board】**

Explanation:

1. Individual financial report and consolidated financial reports for 2020 of the Company have been certified with auditor's report by CPA Marshal Wu and Charlotte Lin, KPMG.
2. Please refer to Appendix 3 (P22) of the Handbook, attached Business Report and Financial Statements of the company, and please refer to Appendix 6 (P32) of the Handbook for "2020 Auditor's report, Business Report and Financial statement.
3. Proposes to for approval.

Resolution:

Brief 2: Adoption of the Proposal for Distribution of 2020 Profits. **【Proposed by the Board】**

Explanation:

1. Handles according to the regulations of The Company Act and Article of Association.
2. Retain earning distribution of the Company for 2020 is listed as follows

DYNAMIC MEDICAL TECHNOLOGIES INC.
PROFIT DISTRIBUTION TABLE Year 2020

Item	Unit: NT\$ Amount
Beginning retained earnings	\$ 46,850,128
Other comprehensive income, before tax, actuarial gains on defined benefit plans	114,491
Adjustment of retained earnings	46,964,619
Add: net profit after tax	115,994,772
Less: legal reserve	(11,610,926)
Distributable net profit	151,348,465
Distributable items:	
Cash Dividend to shareholders (Note)	(105,000,000)
Unappropriated retained earnings	46,348,465

Note: Cash Dividend NT\$ 3.5 per share.

Chairman: FU, HUI-TUNG President: WU, KUO-LONG Chief Accounting: CHIANG, CHIH-HAO

3. Proposes to for approval.

Resolution:

6. Discussions

Brief 1: Amendment to the Rules of Procedure for Shareholders Meetings. Please proceed to discuss. **【Proposed by the Board】**

Explanation:

1. Revises a part of the Article according to practical operations.
2. Please refer to Appendix 7 (P48), the Handbook as a Comparison Table of Amendment to the Rules of Procedure for Shareholders Meetings.
3. Proposes to for discussion

Resolution:

Brief 2: Amendment to the Regulations Governing Loaning of Funds. Please proceed to discuss. **【Proposed by the Board】**

Explanation:

1. Revises a part of the Article according to regulations.
2. Please refer to Appendix 8 (P50), the Handbook as a Comparison Table of Amendments to the Regulations Governing Loaning of Funds.
3. Proposes to for discussion

Resolution:

Brief 3: Amendment to Regulations Governing the Acquisition and Disposal of Assets. Please proceed to discuss. **【Proposed by the Board】**

Explanation:

1. Revises a part of the Article according to regulations.
2. Please refer to Appendix 9 (P52), the Handbook as a Comparison Table of Amendments to the Regulations Governing the Acquisition and Disposal of Assets.
3. Proposes to for discussion

Resolution:

Brief 4: Amendment to Procedures for Election of Directors. Please proceed to discuss.

【Proposed by the Board】

Explanation:

1. Revises a part of the Article according to regulations.
2. Please refer to Appendix 10 (P54), the Handbook as a Comparison Table of Amendments to the Procedures for Election of Directors.
3. Proposes to for discussion

Resolution:

7. Election Matters

Brief: The 7th Election of Directors(including Independent Director) **【Proposed by the Board】**

Explanation : 1. The term of office of the 6th Directors and Independent Directors of the Company will expire on June 13, 2021. For the convening of the general shareholders' meeting of this year and compliance with the Company's Articles of Association which stipulate that there should be seven to nine Directors and no less than two Independent Directors, the Company plans to have nine 7th Directors (including three Independent Directors) elected.

2. According to the provisions of Article 199-1 of the Company Law, the term of office of the 6th Directors (including Independent Directors) of the Company will end on the date the new Directors are elected, and the 7th Directors (including Independent Directors) shall take over the duties on the date they are elected. The term of office of the 7th Directors (including Independent Directors) begins on June 10, 2021 and ends on June 9, 2024.

3. For the election of the 7th Directors and Independent Directors of the Company, except for the nomination of the Board of Directors of the Company, no nomination was made by the shareholders during the nomination period. Please refer to Appendix 11(P56) of this manual for a list of the candidates of Directors (including Independent Directors) nominated by the Board of Directors and confirmed qualified, as well as their academic records and work experience, numbers of shares held and other information.

Voting Results :

8. Other Matters

Brief : Proposes to discussion for Proposal of Release the Prohibition on the new Directors from Participation in Competitive Business. **【Proposed by the Board】**

Explanation:

1. According to the regulation , the behavior belongs to the scope of business that directors conduct for his/her own or for others shall explain the major content of the behavior to shareholders' meeting and acquire the approval", Article 209, The Company.
2. Directors of the Company may invest or operate other business that is the same with the scope of business of the Company, it shall propose to be approved by the shareholders' meeting. New directors have the situations as above; the Company agrees to release the directors or its representative's obligation of non-competition.
3. Propose to for discussion.

Resolution:

9. Questions and motions

10. Adjournment

IV. Appendices

Appendix 1: Rules of Procedure for Shareholders Meeting

Rules of Procedure for Shareholders Meetings

June 16, 2020 Revision by Annual Shareholders Meeting

Article 1: The shareholders meeting of the Company shall be in compliance with regulations of the rule unless otherwise other regulations stipulated in ordinances or Article of Association.

Article 2: 1.The shareholders' meeting shall be convened by Board of Directors unless otherwise other regulations of ordinances.

2. The Company shall upload electronic files for a notice of meeting, a form of power of attorney, causes of various proposals such as relevant approved proposal, discussion proposal, election or dismissal of director and independent director affairs etc. and relevant illustration materials on Market Observation Post System 30 days prior to an annual shareholders' meeting or 15 days prior to a special shareholder's meeting. Moreover, the Company shall make electronic files of the handbook for agenda and meeting supplementary materials for the shareholders' meeting and upload on Market Observation Post System 21 days before an annual shareholders' meeting or 15 days before special shareholders' meeting. The Company shall prepare agenda handbooks and meeting materials for shareholders' meeting 15 days before the date of meeting for satisfying the request of shareholders any time and display in the Company and agents for stock affairs, and it shall provide in the shareholders' meeting on the spot.

3.The convene cause shall be specified in the notice and announcement and the electronic form can be adopted in the case of agreement of the respondent.

4.The convene causes shall include election or dismissal of directors and independent directors, change of Article of Association, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, company dissolution, merger, division or every item in Paragraph 1, Article 185, The Company Act rather than proposing them as extempore motions and the main content shall be explained. The main contents may be posted on the website designated by the securities competent authority or The Company, and the website shall be stated in the notice of convening.

5.If re-election of the Board and the date of appointment thereof are both stated clearly on the reasons for convening a shareholders' meeting, then the date of appointment shall not be changed by extempore motion or other means during the same meeting after the re-election of the Board is completed.

6.Shareholders holding over 1% of total number of outstanding shares may submit the proposal for the annual shareholders' meeting by written form, subject to one item. In the case of over one item of proposal, it shall not regard as proposal. A shareholder proposal for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. The proposal submitted by shareholders meeting with any item in Paragraph 4, Article 172-1, The Company Act may not be listed in the proposals by Board of Directors.

7.Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or

electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

8. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

9. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3: Shareholders shall show powers of attorney printed out by the Company at every time of shareholders' meeting and specify the limits of authority to delegate proxies for attending the shareholders' meeting.

One shareholder shall issue one power of attorney and delegate one person only, and shall deliver the power of attorney five days prior to the date of shareholders' meeting. Once powers of attorney are duplicated, the earliest one shall govern, not to subject to the case that making a statement of revocation of previous delegation. Upon arrival of powers of attorney, shareholders intend to attend in person or execute voting rights by written or electronic form, it shall send written notices. Once the revocation is overdue, the proxies delegated executing voting rights shall govern.

Article 4: The location of shareholders' meeting may be the site of the Company or the place where is convenient for shareholders' attendances, the start time of the meeting shall not earlier than 9:00 AM or later than 3:00PM, the location and time of the meeting shall take into account of the opinion of independent director fully.

Article 5: The Company shall specifies the reception of shareholders' check in time, location of checking counter and other noticeable events on the meeting notice.

The reception of checking time for shareholders shall be 30 minutes before the time of meeting and the location of checking counter shall be indicated concisely with sufficient and qualified staffs for service.

The shareholder or the proxy for the shareholder (Hereinafter referred to as "shareholders") may bring attendance certificate, attendance check in card or other attending certificates for attending the shareholders' meeting. The solicitor with proxy solicitation shall show identification certification for examination.

The Company shall set up an autograph book for attending shareholders to check in or attending shareholders shall hand in attendance card as checking in.

The Company shall hand over the agenda handbook, annual business report, attendance certificate, speech note, vote and other meeting materials to attending shareholders. For the meeting to hold the election of directors and independent directors, it shall attach with electoral vote. °

When a shareholder is the government or legal person, its proxy to attend the shareholders' meeting is not limited one person. If the legal person attends the shareholders' meeting acting on behalf of another shareholder, it shall designate one person to attend the meeting.

Article 6: In the case that Board of Directors convenes the shareholders' meeting, the chairman shall take charge of the chairperson, if the chairman is on leave or unable to execute his/her duty due to some reasons, the vice chairman shall act on behalf of the chairman. In the event that it has no vice chairman or the vice chairman is also on leave or unable

to execute the duty due to some reasons, the chairman shall appoint one of executive director as a proxy, if it does not set up the post of executive director, the chairman may appoint one director as a proxy. On the occasion that the chairman does not appoint any proxy, it shall be elected one between executive directors or directors.

The chairperson is surrogated by the executive director or director as the preceding Paragraph, it shall adopt an executive director or director serving over 6 months and understanding the financial status of the Company. For the chairperson is the proxy for an institutional director, it shall handle the same as the foresaid.

For the shareholders' meeting convened by Board of Directors convene, it shall have over a half of attendance of directors.

In the case that other conveners other than members of Board of Directors call the shareholders' meeting, the convener shall take charge of the chairperson. If conveners are above two persons, it may elect one person as the chairperson among/between them.

The Company may delegate attorneys, CPA or other relevant personnel attend the shareholders' meeting without executing voting rights.

Article 7: The Company shall perform recording and video-recording continuously for the whole process of the meeting from reception for checking in, process of the meeting in progress, process of voting and counting votes.

The audio data in the preceding Paragraph shall be preserved for one year. Unless shareholders bring an action pursuant to Article 189, it shall be preserved till the end of the suit.

Article 8: The attendance of shareholders' meeting shall be counted based on shares, and the attending number of shares may be counted according to the autograph book and attendance card combined with the execution of voting right via written or electronic from.

The chairperson shall call the meeting to order at the meeting time as schedule, while the attendance does not exceed a half of shareholders with total number of outstanding shares, the chairperson may declare to postpone the time of meeting, subject to 2 times of postponing. The total postponing time shall not surpass 1 hour. In case that the attendance does not exceed one third of shareholders with total number of outstanding shares after postponing two times, the chairperson shall declare to adjourn the meeting.

Once the attendance is still not over one third of shareholders with total number of outstanding shares after two time of postponing in the preceding Paragraph, it may deem as a tentative resolution according to Paragraph 1, Article 175, The Company Act and notify each shareholder with the tentative resolution and convene the shareholders' meeting within one month.

Before the end of the meeting, in the case that attending shareholders with number of shares over a half of the total number of outstanding shares, the chairperson shall submit for voting again in the shareholders' meeting for tentative resolutions according to Article 74, The Company Act.

Article 9: In the case that Board of Directors convenes the shareholders' meeting, the agenda shall be stipulated by Board of Directors. Relevant proposals (including extempore motion and the amendment to original agenda) shall be passed on a one agenda by one agenda basis. The meeting shall be conducted according to the arranged agenda and not be changed without resolution of the shareholders' meeting.

The shareholders' meeting is convened by other conveners other than Board of Directors, it shall apply the regulation of the preceding Paragraph.

The chairperson shall not declare adjournment without resolution before the end of the preceding two arranged agenda (extempore motion included). Once the chairperson

violates the rule of agenda and declares the adjournment, other members of Board of Directors shall rapidly assist attending shareholders to elect one of them to take charge of the chairperson position according to the legal procedures by over a half of attending shareholders with voting rights and then continue the meeting.

The chairperson shall provide sufficient chances of explanation and discussion toward proposals, and the revisions and extempore motions proposed by shareholders, it may declare to stop the discussion and propose to vote on the occasion that the chairperson regards it is suitable timing for voting, where appropriate voting time shall be arranged.

Article 10: Before making a statement by an attending shareholder, the shareholder shall fill in the gist of statement, account number of shareholder (or attendance number) or account name on a speech note, and the statement order may be determined by the chairperson. In case that attending shareholders do not make statements but submitting their speech notes, it is deemed to be nonexistence of the statement. Once the content of statement does not meet with the recording on the speech notes, the content of the statement shall govern

Every shareholder makes statements for the same proposal shall not over two times, unless otherwise acquiring the agreement of the chairperson. Every statement shall not exceed 5 minutes each time, in case those shareholders making statements that violate the regulation or surpass the range of agenda, the chairperson may stop the statement.

When attending shareholders making their statements, other shareholders shall not disturb the statement unless otherwise obtaining an agreement of the chairperson.

On the occasion that someone disturbs others' statements, the chairperson shall stop it.

When institutional shareholders designate above two representatives to attend the shareholders' meeting, only person makes statement for the same proposal.

After the attending shareholders make statements, the chairperson may reply personally or appointed relevant personnel to reply.

Article 11: The voting for shareholders' meeting shall be calculated by shares.

For the resolution in the shareholders' meeting, the share number of shareholders without voting rights shall not be counted in the total number of outstanding shares. When the resolution items in the meeting may be harmful for the interest of the Company as some shareholders are interested parties, these shareholders shall not participate in voting and surrogate executing of other shareholders' voting rights.

The number of share shall not be executed voting rights in preceding Paragraph is not counted in the total votes of attending shareholders.

Except for the trust business or the agent for stock affairs approved

by competent agent for securities, on the occasion that one person is surrogated

by two shareholders, the proxy voting rights shall not exceed 3% of voting rights for total number of outstanding shares, it shall not count for the exceeding voting rights.

Article 12: Each share has one voting right but not subject to the restriction or shareholders without holding voting right regulated in Paragraph 2, Article 179.

Upon convening shareholders' meeting, the Company should adopt electronic form or written to execute their voting rights; the execution method shall be specified on the notice of shareholders' meeting. Shareholders who execute their voting rights via written or electronic form are regarded to be attending the shareholders' meeting in person, while the extempore motions or revision of existing proposal in the shareholders' meeting of this time are deemed to be abstained from the voting right. Thus, the Company shall evade proposing extempore motions or revision of existing proposal.

When stockholders execute their voting right by written or electronic form in the preceding paragraph, the expression of intention shall be delivered to the Company two

days prior to the date of shareholders' meeting. In the event of duplicate expressions of intention, the first delivered one shall be adopted, not subject to the statement of revocation submitted for the previous expression of intention.

After shareholders executing voting rights by written or electronic form, if shareholders intend to attend in the shareholders' meeting in person, the expression of intention on execution of voting right shall be revoked as same as execution of voting right two days prior to the date of shareholders' meeting. Once the revocation is overdue, it still executes the voting right by written or electronic form. In the case that shareholders execute voting rights by written or electronic form and surrogate proxies to attend shareholders' meeting with powers of attorney, the voting rights executed by the proxies are taking effect.

Except for other regulations in The Company Act and Article of Association for the Company, voting for proposals shall be passed the agreement by over a half of attending shareholders with voting rights. Upon voting, it may regard as passed with no objection submitted after seeking the opinion by the chairperson, the effect is the same as voting rights. Otherwise, after the chairperson or the appointed person announce the total voting rights of attending shareholders for each proposal, and then shareholders conduct voting for each proposal. Further, the Company shall disclose the situation of agreement, objection or abstention on Market Observatory Post System on the current day of shareholders' meeting held.

On the occasion that it has revision or alternative proposal, the chairperson shall determine the voting sequence together with the original proposal. Once one of proposals has been approved, the other relevant proposals are regarded as veto, unnecessary to be voted again.

Scrutineer and votecounter for voting proposals are appointed by the chairperson, subject to the scrutinizers with identifications of shareholders.

The vote counting work for voting and electoral proposals in shareholders' shall be conducted in a public place and the voting result shall be declared on the Spot including statistic weight and preparing records.

Article 13: When shareholders' meeting holds elections of directors and independent directors, it shall be in accordance with the election rule of the Company. The result of election shall be declared on the spot, including the name list and electoral vote count for elected directors and independent directors. The foresaid electoral votes for the election event shall be reserved and sealed properly with the signature of ballot examiner for at least one year of preservation. In case that a shareholder prosecutes an action according to Article 189, The Company Act, it shall be preserved till the end of the suit.

Article 14: The resolution items in shareholders' meeting shall be produced to be the proceeding, with signature or seal of the chairperson and distribute to each shareholder within 20 days after the meeting. The preparation and distribution of the proceeding may be made in electronic form.

The distribution of the aforementioned proceeding may be announced through Market Observatory Post System.

The holding date/month/year, location, the name of the chairperson, resolution method, overview of agenda process and the results of voting (including the statistical tallies of the numbers of votes), tallies of the numbers of votes for each candidate of director if an election is held shall be record on the proceeding and reserved permanently during the period of existence of the Company.

- Article 15: For the number of shares solicited by solicitors and the number of shares surrogated by proxies, the Company shall prepare statistic tables by regulated format and disclose concisely the tables at the venue on the opening date of shareholders' meeting.
In the case that the resolution items in shareholders' meeting are in line with the regulation of relevant ordinances and the significant message regulated by Taiwan Stock Exchange Corporation or Taipei Exchange, the Company shall upload the content on Market Observatory Post System.
- Article 16: Staff for serving shareholders' meeting shall wear identification card or arm-badge. The chairperson shall direct picketers or security guards for assisting to maintain the order of venue. Picketers and security guards shall wear the arm-badge or identification card printed with the word of "Picketer".
On the occasion that audio amplifiers are equipped on venue, when a shareholder makes a statement through the equipment that is not allocated by the Company, the chairperson shall stop it.
When shareholders violate the rule of agenda without obeying the correction of the chairperson, where impeding the process of the meeting and ignoring the stopping instruction, the chairperson may direct the picketer or security guard to communicate with the shareholder to leave the venue.
- Article 17: Chairperson may announce to take a break under processing of the meeting. In the event of any force majeure incurring, chairperson may rule to suspend the meeting and announce the time to continue the meeting depends on situations.
When the location of the meeting cannot be used before the end of the proceeding (including the stage of questions and motions) on the agenda arranged in the shareholders' meeting.
Shareholders may resolve to postpone or continue the meeting within coming 5 days.
- Article 18: The Rule is implemented upon the resolution of shareholders' meeting and handling method is the same as in the case of revision on articles.

Appendix 2: Article of Incorporation

Article of Incorporation of DYNAMIC MEDICAL TECHNOLOGIES INC.

Revised by Annual shareholders' meeting on June 16, 2020

Chapter 1 General Principles

Article 1: The Company is named as DYNAMIC MEDICAL TECHNOLOGIES INC, which is organized in accordance with the regulation of company limited by share in The Company Act.

Article 2: Business items of the Company are shown as follows.

1. F113030 Wholesale of Precision Instruments
2. F108040 Wholesale of Cosmetics
3. F208040 Retail Sale of Cosmetics
4. F108031 Wholesale of Drugs, Medical Goods
5. F208031 Retail sale of Medical Equipment
6. F113990 Wholesale of Other Machinery and Equipment
7. F213990 Retail Sale of Other Machinery and Equipment
8. JE01010 Rental and Leasing Business
9. I102010 Investment Consultancy.
10. I103060 Management Consulting Services
11. I199990 Other Consultancy
12. F102170 Wholesale of Food and Grocery
13. F203010 Retail sale of Food and Grocery.
14. F110020 Wholesale of Spectacles
15. F210020 Retail Sale of Spectacles
16. F113020 Wholesale of Household Appliance
17. F213010 Retail Sale of Household Appliance
18. F213040 Retail Sale of Precision Instruments
19. F113060 Wholesale of Metrological Instruments
20. F213050 Retail Sale of Metrological Instruments
21. F401010 International Trade
22. E601020 Electric Appliance Installation
23. E604010 Machinery Installation Construction
24. EZ05010 Apparatus Installation Construction
25. JA02990 Other Repair Shops
26. F108021 Wholesale of Drugs and Medicines
27. F208021 Retail Sale of Drugs and Medicines
28. F113010 Wholesale of Machinery.

29.F113050	Wholesale of Computing and Business Machinery Equipment
30.I301010	Software Design Services
31.I301020	Data Processing Services
32.I301030	Digital Information Supply Services
33.I401010	General Advertising Services
34.I501010	Product Designing
35.I503010	Landscape and Interior Designing
36.IZ13010	Internet Identify Services
37.JD01010	Industry and Commerce Credit Bureau Services
38.F107200	Wholesale of Chemistry Raw Material
39.F207200	Retail sale of Chemistry Raw Material
40.F109070	Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
41.F209060	Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
42.F401021	Restrained Telecom Radio Frequency Equipments and Materials Import
43.F116010	Wholesale of Photographic Equipment
44.F216010	Retail Sale of Photographic Equipment
45.F213030	Retail sale of Computing and Business Machinery Equipment
46.E605010	Computing Equipments Installation Construction
47.F113070	Wholesale of Telecom Instruments
48.F213060	Retail Sale of Telecom Instruments
49.F118010	Wholesale of Computer Software
50.F218010	Retail Sale of Computer Software
51.ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3: The Company shall make an external guarantee due to need of business.

Article 4: When the Company is the shareholders with limited liability for other companies, the total investment amount shall not subject to the restriction of 40% of paid-in capital according to Paragraph 1, Article 13, and The Company Act.

Article 5: The headquarters of the Company is situated in New Taipei City and it may set up subsidiary companies, retail sales, business office or other modes of branch at home and abroad through the resolution of Directors' meeting if necessary.

Chapter 2 Share

Article 6: The total capital of the Company is 500 million NTD, divided into 50 million shares with per vale of 10 NTD, it authorizes Board of Directors to issue the share separately depends on the necessity of business.
When the Company issues employee stock warrants, new restricted employee shares,

new shares for employees to acquire or repurchases shares and transfers to its employees in accordance with the law, employees entitled to receive share subscription warrant or shares, include the employees of parents or subsidiaries of the company meeting certain specific requirements.

Article 7: Unless otherwise specified that unable to print out in physical form, it shall conduct with registered form and issue after directors' acting on behalf of the company signatures or seals The Company shall combine together to print out shares for the total issuance number for the time upon issuing new stock or may be exempted from printing out of shares, but it shall be preserved or registered through the centralized securities depository enterprise.

Article 8: In case of change of record on Shareholders List, subject to be unable to conduct within 60days prior to the date of annual shareholders' meeting, 30 days prior to the special shareholders' meeting or 5 days before the base date of determining distribution of stock dividend, bonus and other interests. Any other stock affairs, it shall handle according to "Criteria Governing Handling of Stock Affairs by Public Stock Companies".

Article 8-1: The issuer of the Company for subscription price is not subject to the regulation of employee stock option, Article 53 of "Criteria Governing the Offering and Issuance of Securities by Issuers", but it shall be approved with the attendance of over a half of shareholders with total number of outstanding shares and agreement of two-thirds of attending shareholders with voting rights. It shall be reported and handled separately within one year after the resolution in the shareholders' meeting.

Article 8-2: The Company may transfer to employees at the price lower than the average price of buyback in actual case or the subscription price lower than market value (Net Asset Value of Each Share) for employee stock option corticated, subject to over a half of attendance of shareholders with total number of outstanding shares, and agreement of over two-thirds of attending shareholders with voting rights.

Chapter 3 Stockholders' Meeting

Article 9: The Company's shareholders' meeting shall be of two types, ordinary shareholders' meeting and extraordinary shareholders' meeting. Ordinary shareholders' meeting shall be convened at least once a year, and shall be convened within six months after close of each fiscal year. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations. The notice of convening shareholders' meeting shall be made by electronic form upon the agreement of respondent of the notice of the meeting.

Article 9-1: Annual shareholders' meeting shall be convened 30 days prior to date of the meeting and 15 days prior to date of special shareholders' meeting. The date, location and cause of convening shall be informed to every shareholder and make announcement.

After the respondents' agreement, the notice of convening shareholders shall be made by electronic form.

For shareholders holding under 1000 registered shares for the notice of convening in the preceding paragraph, it may be made by announcement.

Article 9-2: Shareholders holding over 1% of total number of outstanding shares may propose proposal for annual shareholders' meeting and the procedure shall be handled according to the regulation of Article 172-1, The Company Act.

The convening of regular shareholders' meeting shall be conducted according to the regulations of The Company Act.

Article 10: On the occasion that shareholders is unable to attend shareholders' meeting, a shareholder may delegate a deputy for attendance accords to the regulations of Article 177, The Company Act, and "Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 1, Article 25-1 Securities and Exchange Act.

Article 11: Unless otherwise other restrictions or non- voting right specified in Paragraph 2, Article 179, The Company Act, every share holds one voting right for shareholders of the Company.

Article 11-1: When the Company plans to revote public offering, it shall be conducted after submitting in shareholders' meeting for resolution and no change is permissible during the public, listing or emerging period.

Article 12: Unless otherwise specified in The Company Act, for the resolution of shareholders' meeting, it shall be made by the attendance with over a half of the shareholders' attendance and the agreement of over a half of attending shareholders.

Article 13: The resolution events of shareholders' meeting shall be recorded on the proceeding and then signed or sealed by the chairperson and dispatched the proceeding to each shareholder within 20 days after the meeting. The manufacturing and distribution of the proceeding shall be made in electronic form or the dispatch of the previous meeting; it shall be performed through announcement, sign-in book for attending Shareholders and shall according to Article 183, The Company Act. The proceeding, and sign-in book and power of attorneys of acting on behalf of other director's attendance shall be kept in the Company. For shareholders holding under 1000 registered shares, it may be informed by announcement.

Chapter 4 Directors and Managers

Article 14: The Company shall set up Directors for 7-9 persons with tenure of three years and the shareholders' meeting shall elect a person with behavioral competence and reappointment may occur upon reelected. The number of directors shall reach an agreement in directors' meeting.

Article 14-1: According to Article 14-2 and Article 183, Securities and Exchange Act, the Company shall set up independent directors no lower than 2 persons and no lower than one-fifth of total number of directors. It adopts the system to be nominated by candidate and then to be elected from shareholders holding over 1% of total number of outstanding shares. The Board of Directors shall propose the list of independent directors meeting with the qualification of independent directors and propose in shareholders' meeting. Shareholders shall elect from the list of candidates of independent directors. It shall be handled according to the regulations for professional proficiency, number of shareholding, limit of concurrent post, nomination method, election method and other events in The Company Act and Securities and Exchange Act.

Article 14-2: The Company shall set up Audit Committee according to the regulation of Article 14-4, Securities and Exchange Act. The Audit Committee shall take charge of implement the duties regulated about supervisor in the regulations of The Company Act, Securities and Exchange Act and other laws.
The Audit Committee shall comprise of the whole member of independent director, no less than three persons, and one of them is the convener and one of them shall be equipped with professional proficiency of accounting or finance.
The resolution of Audit Committee shall reach an agreement that exceeds a half of whole members.

Article 15: The Board of Directors shall be organized by the Directors. One of the Directors shall be elected as the Chairman of the Board in a board meeting where two thirds or more of the Directors are present, and the consent is obtained from half or more of the Directors present. A Vice Chairman may also be elected among the Directors to assist the Chairman. Internally the Chairman of the Board acts as the chairman of shareholders' meetings and board meetings, and externally represents the Company.

Article 15-1: Directors' meeting shall be convened by informing every director and independent director seven days prior to the meeting date. In the event of emergency, it may convene at any time.
The convening of the preceding paragraph may be made at any time by written mail, facsimiles, and E-mail etc.

Article 16: Unless otherwise specified in other regulations in The Company Act or Article of Association, it shall be made a resolution by directors' meeting with over a half of directors' attendances and over a half of the agreement of attending Directors.
The proceedings of Directors' meeting shall be recorded on the proceeding of directors' meeting and then issued to every director within 20 days after the meeting. The manufacturing and distribution of the proceeding of directors' meeting shall be made in written, e-mail or facsimile form.

Article 17: In the event of asking for leave or unable to execute his/her authority, the Chairman of the Board shall designate a Director to be deputed. Directors may elect one of

them in case of no designation hereof.

When holding video conference, the director may be regarded as attending in person for the case that director attending the video conference. The directors may issue a power of attorney on the occasion that it is unable to attend the directors' meeting to delegate other Director for acting on behalf of the director to attend the meeting. However, the deputy is subjected to be delegated by one person.

Article 18: Remuneration Committee shall audit salary, remuneration and transportation allowance and remuneration and authorize Board of Directors to determine them according to the participation in operating degree and value of contribution of the director based on reference of the industrial compensation level.

Article 19: The Company shall set up managers, the appointment, dismissal, and remuneration will be reached a resolution over a half of whole directors' attendance and agreement of over a half of attending directors.

Chapter 5 Accounting

Article 20: The fiscal year of The Company begins on January 1 and ends on December 31 every year.

Article 21: Board of Directors shall prepare the following financial reports: 1. Annual Business Report 2. Financial Report 3. Proposal for Appointment of Profit or Loss. The Company shall hand over these reports to Audit Committee for auditing, and passed by directors' meeting, and propose in the annual shareholders' meeting for admission.

Article 22: The Company shall make appropriations for employee bonus and remuneration to director and supervisor according to the proportion as below on the occasion of making profit in a year. It shall make appropriations not lower than 1% for employee bonus and not higher than 5% for remuneration for director. However, it shall preserve amount for cover the deficit and then make appropriations to employee bonuses and remunerations to Directors

The employee bonus in the preceding Paragraph can be paid by stock or cash. The distributed targets shall include the employee of its affiliate meeting with the conditions stipulated by Board of Directors, including the employees of parents or subsidiaries of the company meeting certain specific requirements, while the remuneration to director in the preceding paragraph shall be only paid by cash.

The two events in preceding paragraph shall be approved as the resolution in directors' meeting and report in the shareholders' meeting.

Article 22-1: After closing of accounts, if there are earnings, the Company shall first pay the tax, make up the losses for the preceding years and then set aside a legal reserve of 10% of the net profit, where such legal reserve amounts to the total paid-in capital, this provision shall not apply, and it may make a provision or reverse to special reserve for the surplus in accordance with operational needs or laws or regulations from

competent agencies. In the event of undistributed earnings of current year, it shall combine with accumulated undistributed earnings to apply for formulating earning distribution proposal to Board of Directors and propose it in the shareholders' meeting for distribution of dividends to shareholders.

The dividend policy of The Company shall conform to the development plans currently and in the future, and consider the investment environment, capital demand and domestic and international competitive conditions in addition to considering of stockholders' interest. The Company shall make an appropriation of not lower than 20% of distributable earnings cumulated each year as dividend bonus for shareholders; it may adopt cash or stock for distribution of dividends to shareholders, and the cash dividend is subjected to not lower than 20% of stock dividends. Unless otherwise it has significant capital expenditure plan in the future, the Company may distribute stock dividend after obtaining the agreement of shareholders' meeting.

Chapter 6 Supplementary Articles

Article 23: For the events not stipulated in The Article, it complies with the regulations of The Company Act.

Article 24: The Article of Association has stipulated since September 18, 1993.

1st Revision on February 3, 2004

2nd Revision on June 21, 2004

3rd Revision on July 16, 2004

4th Revision on November 9, 2004

5th Revision on May 10, 2005

6th Revision on June 5, 2006

7th Revision on June 11, 1998

8th Revision on June 10, 2009

9th Revision on November 2, 2009

10th Revision on December 9, 2010

11th Revision on May 2, 2011

12th Revision on June 15, 2012

13rd Revision on June 18, 2014

14nd Revision on June 7, 2016

15nd Revision on June 14, 2018

16nd Revision on June 12, 2019

17nd Revision on June 16, 2020

Appendix 3: Annual Business Report

Business Report

According to Medical Insight's 2020 Asia-Pacific Aesthetic Market Study, total Asia-Pacific sales of all aesthetic products reached nearly \$2.6 billion in 2018 and are expected to increase by 10% annual growth rate from 2019 to 2023. Asia-Pacific markets show some of the most robust growth compare to other regions.

Thanks to the popularity and transparency of aesthetic medical information, consumer awareness is rising, and the consumer is no longer pursuing a low-cost treatment. “Safety” and “Efficacy” are more valued and in line with the core spirit of Dynamic Medical Technologies Inc, which insists to only adhere to the most competitive and safe high-standard medical products in the international market.

Among the aesthetic medical device represented by the Company, “Picoway picosecond laser” and “Pro U Alexandrite Laser” have built great reputation in pigmentation removal and hair removal market separately and are well recognized by the medical field and the consumers. Their sales performance has continued to grow as well.

Among the facial injectables represented by the Company, “Hya-Dermis” Hyaluronic Acid filler, which the Company's has represented for many years, has become an important brand in Taiwan dermal fillers market with its features of “easy-to-shape” and “long-lasting”. The Company launched “Animers, a hyaluronic acid gel filler in Q2 of 2020. The special features of “smooth injection feeling” and “soft skin touch “ make the treatment result to meet the consumers’ expectation more. Furthermore, the Company launched the star product, “AestheFill”, from a Korean company, Regen Biotech in Q2 of 2020. The product is subcutaneous implanted filler with a new form of stimulation to proliferate from body collagen, which successfully catch the market’s attention upon launch, and has led the growth of overall sales performance of facial injectables of the Company.

Looking forward to 2021, the Company will continue developing new competitive product lines and expanding its business scope.

The following is a report on the Company's 2020 operating results and 2021 business plan:

1. Report on the 2020 Operating Results

(1) Achievements of business plan implementation:

A. Dynamic Medical's Consolidated Statements of Comprehensive Income

Unit: NT\$ Thousand

Item	2020	2019	Increase / Decrease Ratio
Operating Revenue	1,009,308	1,178,195	-14%
Gross Profit	318,042	334,168	-5%
Operating Expense	177,194	176,345	0%
Profit from Operations	140,848	157,823	-11%
Non-Operating Income and Expenses	7,842	2,152	264%
Pre-tax Income	148,690	159,975	-7%
Income Tax	32,048	33,903	-5%
Net Income	116,642	126,072	-7%
Other comprehensive income (loss) for the year	-7,023	-9,098	-23%
Total Comprehensive Income for the year	109,619	116,974	-6%
Net Income for the year attributable to Parent company	115,995	112,521	3%
Total Comprehensive Income for the year attributable to Parent company	109,720	103,183	6%
Basic EPS	3.87	3.75	3%

- (a) Operating Revenue decreased comparing to 2019 mainly due to the impact of COVID 19 pandemic on customers' consumption willingness.
- (b) Gross Profit decreased comparing to 2019 mainly due to the impact of COVID 19 pandemic on customers' consumption willingness. This year we proactively adjusted product categories and wrote-off the obsolete inventory provision, so the decrease in Gross Profit relative to Operating Revenue was low.
- (c) It was mainly due to the effect of COVID 19 epidemic, resulting decrease in Profit from Operations.
- (d) Non-Operating Income and Expenses increased comparing to 2019 mainly due to the decrease in loss of associates using equity method.
- (e) Other comprehensive loss for the year decreased mainly because the differential currency conversion of overseas operating subsidiaries' financial statement translation was decreased.

B. Dynamic Medical's Individual Statements of Comprehensive Income

Unit: NT\$ Thousand

Item	2020	2019	Increase / Decrease Ratio
Operating Revenue	797,276	980,258	-19%
Gross Profit	245,032	255,150	-4%
Operating Expense	120,471	123,872	-3%
Profit from Operations	124,561	131,278	-5%
Non-Operating Income and Expenses	19,385	4,881	297%
Pre-tax Income	143,946	136,159	6%
Income Tax	27,951	23,638	18%
Net Income	115,995	112,521	3%
Other comprehensive income (loss) for the year	-6,275	-9,338	-33%
Total Comprehensive Income for the year	109,720	103,183	6%
Basic EPS	3.87	3.75	3%

- (a) Operating Revenue decreased comparing to 2019 mainly due to the impact of COVID 19 pandemic on customers' consumption willingness.
- (b) Gross Profit decreased comparing to 2019 mainly due to the impact of COVID 19 pandemic on customers' consumption willingness. This year we proactively adjusted product categories and wrote-off the obsolete inventory provision, so the decline in Gross Profit relative to Operating Revenue was low.
- (c) It was mainly due to the effect of COVID 19 epidemic, resulting decrease in Profit from Operations.
- (d) Non-Operating Income and Expenses increased comparing to 2019 mainly due to the increase in profit of associates using equity method.
- (e) Other comprehensive loss for the year decreased mainly because the differential currency conversion of overseas operating subsidiaries' financial statement translation was decreased.

C. Implementation Status of Budget: Not applicable as the Company did not prepare financial forecasting.

(2) Financial Receipts and Expenditures

A. Dynamic Medical's Consolidated Statements of Cash Flow:

Unit:NT\$ Thousand

Item	2020	Explanation
Cash at the Beginning of the year	681,226	The balance of closing account in 2019
Net cash generated from operating activities	248,551	Primarily comes from the management of inventory purchase and decrease of Accounts receivable.
Net cash used in investing activities	17,288	Primarily comes from the dispose of Current Investments in debt instrument without active market.
Net cash used in financing activities	-151,443	Mainly comes from the distribution of cash dividend.
Change of Exchange Rate	-10,721	The impact of change in exchange rate to cash and cash equivalents
Cash at the End of the year	784,901	The balance of closing account in 2020.

B. Dynamic Medical's Individual Statements of Cash Flow:

Unit:NT\$ Thousand

Item	2020	Explanation
Cash at the Beginning of the year	450,456	The balance of closing account in 2019
Net cash used in operating activities	174,359	Primarily comes from the management of inventory purchase and decrease of Accounts receivable.
Net cash generated from investing activities	33,364	Mainly comes from the dividend of reinvestment companies.
Net cash used in financing activities	-106,120	Mainly comes from the distribution of cash dividend.
Cash at the End of the year	552,059	The balance of closing account in 2020.

(3)Comparison of Profitability Analysis:

A. Dynamic Medical's Consolidated Profitability Analysis

Item	2020	2019	Explanation
Return on Asset (%)	5.38	5.99	After-tax net income decreased mainly due to the decrease of operating income.
Return on Equity (%)	7.96	8.69	After-tax net income decreased mainly due to the decrease of operating income.
Profit Before Tax to Capital Stock (%)	49.56	53.33	After-tax net income decreased mainly due to the decrease of operating income.
Net Profit Margin (%)	11.56	10.70	Primarily comes from the proactive product categories adjustment and obsolete inventory provision write-off.
Basic EPS (dollar)	3.87	3.75	Primarily because after-tax net income attributable to Parent company was increased, even though total after-tax net income was decreased.

B. Dynamic Medical's Individual Profitability Analysis

Item	2020	2019	Explanation
Return on Total Asset (%)	6.91	6.55	After-tax net income increased mainly due to the increase of reinvest profit.
Return on Equity (%)	9.02	8.81	After-tax net income increased mainly due to the increase of reinvest profit.
Profit Before Tax to Capital Stock (%)	47.98	45.39	After-tax net income increased mainly due to the increase of reinvest profit.
Net Profit Margin (%)	14.55	11.48	Primarily comes from the proactive product categories adjustment and obsolete inventory provision write-off.
Basic EPS (dollar)	3.87	3.75	After-tax net income increased mainly due to the increase of reinvest profit.

(4) Research and development status: The company is not a manufacturing industry, and has not established a professional R&D (research and develop) department. Agency distribution is responsible for expanding business areas by various business units.

2. The 2021 Business Plan

(A) Overall Operating Principles:

- a. Improvement of profit level: With abundant product portfolio, we successively introduce new products with topicality, expand the aesthetic consumables sales performance, and enhance the overall profit level.
- b. Improvement of service standards: Strengthens on-the-job training for business, maintenance technology and marketing personnel and improves customer satisfaction.
- c. Sound management system: Carries out the spirit of corporate governance and its requirements and strengthens the audit mechanism for ensuring that the implementation of internal control system of the Company and reinvested companies in order to improve the operating management of the Company.
- d. Expansion of Channel Business: With the integration of medical and related fields upstream and downstream resources through the reinvested companies to facilitate the extension of channel and expanding source of profit.

(B) Expected sales growth of main products and their basis:

The focus of the sales product of the Company and the re-investment company in 2020 will be as follows:

- a. Diversified facial injectables to satisfy comprehensive demands of aesthetic medicine market

The Company is actively expanding facial injectables. In Q2 of 2020, the Company launched, AestheFill, from a Korean company, Regen Biotech. The product is a subcutaneous implanted filler with a new form of stimulation to proliferate from body

collagen (known as Sculptra / Ellanse on the market), which can safely and naturally stimulate the regeneration and newborn of body collagen. The biggest differences compared to hyaluronic subcutaneous implanted filler is that such product emphasized natural growth and long-term effect rather than immediate sculpture. It is suitable for consumers who would like to go back to youth naturally and it features market differentiation.

Moreover, the Company launched the domestic-made hyaluronic acid subcutaneous implanted filler gel, “Animers” in Q3 of 2020. The main market of the product will be hyaluronic acid gel. Smooth injection feeling and soft skin touch are the features of the product. In the future, the Company will break into the market by whole-new brand and product features and combining the sister brand, “Hyadermis” to provide diversified selections for customers. The two newly added consumables above will expand the current product lines and customer groups of the Company and add new sales momentum to DMT.

b. A New Star of Aesthetic medical devices, Prima

"Vbeam pulsed-dye laser" is the reputable vascular laser for years, and the Company launched its new model “Prima” in Q2 of 2020. Its convenient operations and dual-wavelength features drive the vascular laser market in Taiwan and enhance treatment quality.

c. The body sculpture treatment total solution

Our body sculpture treatment total solution includes “LPG” from France, “Cooltech” from Spain and “StarFormer” which is scheduled to be launched in 2021, which applied body sculpture devices with physical measures, cold body sculpting and magnetic stimulation, respectively. These advanced devices make the Company able to provide customers with a total solution of body sculpture covering both inside and outside of the body.

d. The development of re-investment company

The Company and listed biotechnology Korean company Caregen Co., Ltd. (KOSDAQ: 214370) have formed a joint venture of CYJ International Taiwan Inc., which markets a revolutionary hair growth product, "DR CYJ" and scalp treatment services in online platforms and 12 physical channels. The product has gained enormous success in the women's hair growth market and significantly boosted its revenues. To provide diverse choices for consumers in their pursuit for beauty, the Company will gradually extend treatments and products to skincare, face wash, and hair styling products starting from 2017. Daily beauty and skincare treatments have also been added to physical channels. To make facial and body treatments more comprehensive and to provide superior services to consumers, the Company has also introduced the 10th generation beauty device from the high-end French brand, LPG in 2020..

The company and the South Korean listed biotechnology company Medytox Inc. (KOSDAQ: 086900) joint venture to invest in Medytox Taiwan Ltd., its Neuronox botulinum had been officially submitted a new drug inspection registration to the Ministry of Health and Welfare in 2018. After the product registration is completed, it is expected that its cost-effective product advantages will attract high attention from the market and will drive operational growth.

(C) Important Policies of Production and Marketing

a. To target aesthetic medicine product in the market.

As the market leader, the Company will continue to develop and introduce products that meet the latest and safe aesthetic medicine trends. The Company will also provide skin and body shaping aesthetic medicine products to achieve the goal of leading the pharmaceutical market in Asia.

b. Complete aesthetic medicine consumable line

Four star product segmentations in aesthetic medicine market are Energy-based Aesthetic Devices, Body Shaping, Skin Tightening, and Facial Injectables, and Botulinum Toxin injectables. The Company maintains a stable growth in “Energy-Based aesthetic devices” and “Body shaping and skin tightening” while continuing to expand products of “Botulinum Toxin injectables” and “Facial Injectables” to cooperate with customers and serve consumers on the needs pursuing beauty. Meanwhile, our diversified products also enhanced the dependency of the Company to customers.

c. Comprehensive one-stop beauty treatment

The re-investment companies actively develop e-commerce channels , selling scalp and skin beauty products through a lively and diverse marketing strategy that is close to consumers. Simultaneously, to provide customers with a variety of “beautiful” services from head to toe, the company will actively integrate the beauty treatments and the "DR CYJ" beauty treatment service resources to provide customers with a one-stop "beautiful" enjoyment.

Looking forward to the future, the company will continue to move towards the fields of aesthetic medicine and biotechnology, so that the beautiful, as well as healthy seeds will be intensely cultivated in the Asian aesthetic medicine market, to achieve the goal of “glorious Asia, global vision.”

Chairman of the Board of Directors: FU, HUI-TUNG

General Manager: WU, KUO-LONG

Accounting Manager: CHIANG, CHIH-HAO

Appendix 4: Audit Committee's Review Report

DYNAMIC MEDICAL TECHNOLOGIES INC.

Audit Committee's Review Report

We have examined the 2020 financial reports together with business report and earnings distribution proposal prepared by Board of Directors and audited and certified by KPMG and issued with auditor's reports.

The above business report, financial report and earnings distribution proposal have been audited by Audit Committee, and we did not find any discrepancy. We hereby produce this report in accordance with provisions specified in Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and hereinafter submit it for your review.

To

2021 Annual Shareholders' Meeting
DYNAMIC MEDICAL TECHNOLOGIES INC.

Convener of Audit Committee: CHEN, HSIEH-YU

March 19, 2021

Appendix 5: Comparison Table of Amendments to the “Rules of Procedure for Board of Directors Meetings” and “Guidelines for the Adoption of Codes of Ethical Conduct” Before and After Revision

Regulation		After Revision	Before Revision	Reasons for Revision
OR-113-01 Rules of Procedure for Board of Directors Meetings	Article 3	<p>Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.</p> <p>Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</p> <p>When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.</p>	<p>The Board of Directors of the Company shall be convened and chaired by the Chairman of the Board of Directors. However, for each first board of directors, the votes obtained by the shareholders' meeting shall represent the directors with the greatest right to vote, and the chairman of the meeting shall be the convenor, and when the convenor has more than two persons, one person shall be elected to each other.</p> <p>When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.</p>	<p>Shift Paragraph 1 in accordance with Article 10 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p> <p>Shift Paragraph 2 in accordance with Article 203, Paragraph 4 and Article 203, Paragraph 1 of the Company Act.</p>
OR-113-01 Rules of Procedure for Board of Directors Meetings	Article 15	<p>The following matters shall be proposed to the Board of Directors of the Company for discussion:</p> <ol style="list-style-type: none"> 1.The business plan of the Company. 2.Annual financial reports and second quarter financial reports that must be audited and attested by a CPA. <p>Below omit</p>	<p>The following matters shall be proposed to the Board of Directors of the Company for discussion:</p> <ol style="list-style-type: none"> 1. The business plan of the Company. 2. The annual and semi-annual financial report, but the semi-annual financial report is not applicable if it is not required by law to be audited by accountant. <p>Below omit</p>	<p>Shift Paragraph 1-2 in accordance with Article 14, Paragraph 5 of the Securities and Exchange Act.</p>
OR-117-04 Guidelines	5 Operating Cycle	<p><u>5.2Prevention of conflicts of interest: The director and managerial officer of the Company shall perform their</u></p>	<p><u>5.2Prevention of conflicts of interest: The director and managerial officer of the Company shall perform their</u></p>	<p>Revise the words</p>

Regulation		After Revision	Before Revision	Reasons for Revision
for the Adoption of Codes of Ethical Conduct		<p><u>duties in an objective and efficient manner and may not take advantage of their position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship.</u></p> <p>When the relationship between the enterprise to which the foregoing person belongs and the Company provides guarantees for or for the loan of funds, the transaction of significant assets, and the exchange of goods into or out of the Company, the directors and managers of the Company concerned shall take the initiative to explain to the Company that they have a potential conflict of interest with the Company.</p>	<p><u>duties in an objective and efficient manner and may not take advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship.</u></p> <p>When the relationship between the enterprise to which the foregoing person belongs and the Company provides guarantees for or for the loan of funds, the transaction of significant assets, and the exchange of goods into or out of the Company, the directors and managers of the Company concerned shall take the initiative to explain to the Company that they have a potential conflict of interest with the Company.</p>	
OR-117-04 Guidelines for the Adoption of Codes of Ethical Conduct	5 Operating Cycle	<p>5.8 Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to a company <u>supervisor</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation <u>or the code of ethical conduct</u>. <u>To encourage employees to report illegal conduct</u>, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p>	<p>5.8 Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage employees to report to a company managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or <u>the Code and provide sufficient information for the Company to handle subsequent matters appropriately</u>. The company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p>	Revise the words in accordance with Article 23 of the Ethical Corporate Management Best Practice Principles.

Appendix 6: Financial Report

Independent Auditors' Report

To the Board of Directors of Dynamic Medical Technologies Inc.:

Opinion

We have audited the financial statements of Dynamic Medical Technologies Inc. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, 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 audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Assessment on Receivables

Please refer to Note (4)(f), Note (5) and Note (6)(d) for the "Impairment Assessment on Receivables" section of the financial statements .

Description of the key audit matter:

The allowance for doubtful debts in the financial statements is based on the default risk of accounts receivable and the rate of expected loss. The evaluation of loss allowance of receivables has been identified as a key audit matter, as the evaluation of impairment loss allowance of receivables involves critical accounting estimates, which are subject to the judgment of the management.

How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures, in a response to the evaluation of loss allowance of receivables were assessing the reasonableness of the methodology and assumptions used by the management for the impairment assessment of receivables, and whether the methodology was adopted consistently testing the reasonableness of the documentation adopted by the management for assessing the impairment of receivables, reviewing the accuracy of the calculation of the allowance for receivables, and evaluating the adequacy of the Company's disclosure for impairment of receivables.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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 control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 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 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tsao-Jen Wu and Wan-Wan Lin.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2021

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial statements of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
DYNAMIC MEDICAL TECHNOLOGIES INC.

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS		2020.12.31		2019.12.31			LIABILITIES AND EQUITY		2020.12.31		2019.12.31	
		Amount	%	Amount	%				Amount	%	Amount	%
Current assets:							Current liabilities:					
1100	Cash and cash equivalents	\$ 552,059	33	450,456	27	2130	Current contract liabilities	\$ 186,388	11	180,804	11	
1136	Current financial assets at amortized cost	90,000	6	100,000	6	2171	Accounts payable	22,546	1	44,792	3	
1151	Notes receivable	63,097	4	103,643	6	2200	Other payables	118,850	7	135,976	8	
1170	Accounts receivable, net	101,156	6	71,481	4	2230	Current tax liabilities	16,176	1	19,647	1	
1300	Inventories	120,306	7	202,333	12	2250	Current provisions	8,032	1	9,543	1	
1470	Other current assets	13,725	1	9,537	1	2280	Current lease liabilities	5,519	-	5,521	-	
		<u>940,343</u>	<u>57</u>	<u>937,450</u>	<u>56</u>	2300	Other current liabilities	729	-	676	-	
								<u>358,240</u>	<u>21</u>	<u>396,959</u>	<u>24</u>	
Non-current assets:							Non-current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income	138,798	8	132,810	7		Non-current provisions	2,489	-	3,343	-	
1550	Investments accounted for using equity method	432,220	26	446,056	26	2550	Deferred tax liabilities	3,284	-	886	-	
1600	Property, plant and equipment	54,839	3	59,500	4	2570	Non-current lease liabilities	8,852	1	11,237	1	
1755	Right-of-use assets	14,566	1	16,838	1	2580		<u>14,625</u>	<u>1</u>	<u>15,466</u>	<u>1</u>	
1780	Intangible assets	195	-	69	-			<u>372,865</u>	<u>22</u>	<u>412,425</u>	<u>25</u>	
1840	Deferred tax assets	65,664	4	75,506	4		Total liabilities					
1900	Other non-current assets	1,746	-	3,561	-		Equity:					
1920	Guarantee deposits paid	8,999	1	10,067	1		Share capital:					
1930	Long-term notes and accounts receivable	3,411	-	9,430	1	3110	Ordinary share	300,000	18	300,000	18	
1975	Net defined benefit asset	3,014	-	2,848	-	3200	Capital surplus	627,726	38	627,726	37	
		<u>723,452</u>	<u>43</u>	<u>756,685</u>	<u>44</u>		Retained earnings:					
						3310	Legal reserve	156,621	9	145,369	9	
						3350	Unappropriated retained earnings	162,959	10	158,602	9	
						3400	Other equity	43,624	3	50,013	2	
							Total equity	<u>1,290,930</u>	<u>78</u>	<u>1,281,710</u>	<u>75</u>	
TOTAL ASSETS		<u>\$ 1,663,795</u>	<u>100</u>	<u>1,694,135</u>	<u>100</u>		TOTAL LIABILITIES AND EQUITY	<u>\$ 1,663,795</u>	<u>100</u>	<u>1,694,135</u>	<u>100</u>	

DYNAMIC MEDICAL TECHNOLOGIES INC.**STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019****(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue	\$ 797,276	100	980,258	100
5000 Operating costs	553,355	69	724,522	74
Gross profit from operations	243,921	31	255,736	26
5910 Less: Unrealized profit from sales	7,145	1	12,286	1
5920 Add: Realized profit from sales	8,256	1	11,700	1
	245,032	31	255,150	26
Operating expenses:				
6100 Selling expenses	89,541	11	87,310	9
6200 Administrative expenses	27,325	4	33,520	3
6450 Impairment loss determined in accordance with IFRS 9	3,605	-	3,042	-
	120,471	15	123,872	12
Net operating income	124,561	16	131,278	14
Non-operating income and expenses:				
7100 Interest income	1,265	-	2,374	-
7010 Other income	4,930	-	2,185	-
7020 Other gains and losses, net	(52)	-	2,869	-
7050 Finance costs	(99)	-	(135)	-
7375 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	13,341	2	(2,412)	-
	19,385	2	4,881	-
7900 Profit before tax	143,946	18	136,159	14
7951 Less: Income tax expenses	27,951	3	23,638	2
Profit	115,995	15	112,521	12
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Gains on remeasurements of defined benefit plans	143	-	194	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	5,988	-	(9,273)	(1)
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(872)	-	280	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	2,816	-	(3,243)	-
Items that may not be reclassified subsequently to profit or loss	2,443	-	(5,556)	(1)
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation	(10,897)	(1)	(4,728)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(2,179)	-	(946)	-
Items that may be reclassified subsequently to profit or loss	(8,718)	(1)	(3,782)	-
8300 Other comprehensive income (loss), net of tax	(6,275)	(1)	(9,338)	(1)
8500 Total comprehensive income	\$ 109,720	14	103,183	11
Earnings per share				
9750 Basic earnings per share (NT dollars)	\$ 3.87		3.75	
9850 Diluted earnings per share (NT dollars)	\$ 3.85		3.73	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

DYNAMIC MEDICAL TECHNOLOGIES

INC. STATEMENTS OF CHANGES IN

EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Share capital</u>		<u>Retained earnings</u>		<u>Exchange Differences on Translation of Foreign Financial Statements</u>	<u>Other equity</u>	<u>Total equity</u>
	<u>Ordinary Shares</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Unappropriated Retained Earnings</u>		<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	
Balance as January 1, 2019	\$ 300,000	625,942	134,871	150,924	5,409	54,097	1,271,243
Profit for the year ended December 31, 2019	-	-	-	112,521	-	-	112,521
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	155	(3,782)	(5,711)	(9,338)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	112,676	(3,782)	(5,711)	103,183
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	10,498	(10,498)	-	-	-
Cash dividends of ordinary share	-	-	-	(94,500)	-	-	(94,500)
Other changes in capital surplus:							
Changes in equity of subsidiaries accounted for using equity method	-	83	-	-	-	-	83
Share-based payments	-	1,701	-	-	-	-	1,701
Balance as December 31, 2019	300,000	627,726	145,369	158,602	1,627	48,386	1,281,710
Profit for the year ended December 31, 2020	-	-	-	115,995	-	-	115,995
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	114	(8,718)	2,329	(6,275)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	116,109	(8,718)	2,329	109,720
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	11,252	(11,252)	-	-	-
Cash dividends of ordinary share	-	-	-	(100,500)	-	-	(100,500)
Balance at December 31, 2020	\$ 300,000	627,726	156,621	162,959	(7,091)	50,715	1,290,930

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
DYNAMIC MEDICAL TECHNOLOGIES INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 143,946	136,159
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	25,267	24,320
Amortization expense	74	137
Expected credit loss	3,605	3,042
Interest expense	99	135
Interest income	(1,265)	(2,374)
Dividend income	(4,558)	(1,813)
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method	(13,341)	2,412
Impairment loss (gain on reversal of impairment loss) on non-financial assets	4,282	577
Share-based payments	-	1,701
Unrealized profit from sales	7,145	12,286
Realized profit from sales	(8,256)	(11,700)
Total adjustments to reconcile profit	<u>13,052</u>	<u>28,723</u>
Changes in operating assets and liabilities:		
Notes receivable	40,950	12,340
Accounts receivable, net	(33,684)	43,133
Inventories	62,940	34,878
Other current assets	(4,201)	8,097
Net defined benefits assets	(23)	(62)
Long-term notes and accounts receivable	6,019	4,709
Accounts payable	(22,246)	(18,802)
Other payable	(17,125)	178
Provisions	(2,365)	(709)
Contract liabilities	5,584	(59,666)
Other current liabilities	53	101
Total adjustments	<u>48,954</u>	<u>52,920</u>
Cash inflow generated from operations	192,900	189,079
Interest received	1,278	2,363
Income taxes paid	(19,819)	(30,908)
Net cash flows from operating activities	<u>174,359</u>	<u>160,534</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(90,000)	(100,000)
Proceeds from disposal of financial assets at amortised cost	100,000	70,000
Acquisition of property, plant and equipment	(395)	(3,533)
Increase in refundable deposits	1,068	(4,322)
Acquisition of intangible assets	(200)	-
Increase in other non-current assets	1,815	(1,195)
Dividends received	21,076	16,967
Net cash flows from (used in) investing activities	<u>33,364</u>	<u>(22,083)</u>
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(5,521)	(5,621)
Cash dividends paid	(100,500)	(94,500)
Interest paid	(99)	(135)
Net cash flows used in financing activities	<u>(106,120)</u>	<u>(100,256)</u>
Net increase in cash and cash equivalents	101,603	38,195
Cash and cash equivalents at beginning of period	450,456	412,261
Cash and cash equivalents at end of period	<u>\$ 552,059</u>	<u>450,456</u>

I Independent Auditors' Report

To the Board of Directors of Dynamic Medical Technologies Inc.:

Opinion

We have audited the consolidated financial statements of Dynamic Medical Technologies Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Assessment on Receivables

Please refer to Note (4)(g), Note (5) and Note (6)(d) for the "Impairment Assessment on Receivables" section of the consolidated financial statements .

Description of the key audit matter:

The allowance for doubtful debts in the consolidated financial statements is based on the default risk of accounts receivable and the rate of expected loss. The evaluation of loss allowance of receivables has been identified as a key audit matter as the evaluation of loss allowance of receivables involves critical accounting estimates, which are subject to the judgment of the management.

How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures, in a response to the evaluation of loss allowance of receivables were assessing the reasonableness of the methodology and assumptions used by the management for the impairment assessment of receivables, and whether the methodology was adopted consistently testing the reasonableness of the documentation adopted by the management for assessing the impairment of receivables, reviewing the accuracy of the calculation of the allowance for receivables, and evaluating the adequacy of the Group's disclosure for impairment of receivables.

Other Matter

Dynamic Medical Technologies Inc. has prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tsao-Jen Wu and Wan-Wan Lin.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial

statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
DYNAMIC MEDICAL TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS		<u>Amount</u>		<u>%</u>				<u>2020.12.31</u>		<u>2019.12.31</u>			
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		
Current assets:													
1100	Cash and cash equivalents (Notes (6)(a))	\$	784,901	37	681,226	31							
1136	Current financial assets at amortized cost (Notes (6)(c))		447,351	21	468,649	21	2130	Current contract liabilities(Notes (6)(s))	\$	306,505	15	295,460	13
1151	Notes receivable (Notes (6)(d) and (s))		68,489	3	103,673	5	2150	Notes payable		2	-	1,387	-
1170	Accounts receivable, net (Notes (6)(d), (s) and (7))		66,348	3	62,328	3	2170	Accounts payable (Notes (7))		27,099	1	57,431	3
1210	Other receivables due from related parties (Note (7))		2	-	648	-	2200	Other payables (Notes (7))		152,170	7	185,019	8
1300	Inventories (Note (6)(e))		147,124	7	229,816	10	2230	Current tax liabilities (Note (6)(p))		20,291	1	25,320	1
1470	Other current assets		22,957	1	19,111	-	2250	Current provisions (Note (6)(m))		8,393	-	9,891	-
			<u>1,537,172</u>	<u>72</u>	<u>1,565,451</u>	<u>70</u>	2280	Current lease liabilities (Notes (6)(l) and (7))		38,350	2	42,020	3
							2300	Other current liabilities		2,860	-	3,977	-
Non-current assets:										<u>555,670</u>	<u>26</u>	<u>620,505</u>	<u>28</u>
1517	Non-current financial assets at fair value through other comprehensive income (Notes (6)(b))		141,665	7	137,297	6							
1550	Investments accounted for using equity method (Note (6)(f))		11,056	1	13,152	1	2550	Non-current provisions (Note (6)(m))		2,490	-	3,343	-
1600	Property, plant and equipment (Note (6)(i))		114,499	5	134,894	6	2570	Deferred tax liabilities (Note (6)(p))		3,330	-	951	-
1755	Right-of-use assets (Note (6)(j))		153,364	7	171,216	8	2580	Non-current lease liabilities (Notes (6)(l) and (7))		118,148	6	131,353	6
1780	Intangible assets (Note (6)(k))		3,516	-	3,266	-				<u>123,968</u>	<u>6</u>	<u>135,647</u>	<u>6</u>
1840	Deferred tax assets (Note (6)(p))		70,917	3	80,936	4		Total liabilities		<u>679,638</u>	<u>32</u>	<u>756,152</u>	<u>34</u>
1920	Guarantee deposits paid		64,253	3	62,363	3							
1930	Long-term notes and accounts receivable (Notes (6)(d))		10,633	1	18,378	1		Equity attributable to owners of parent (Notes (6)(q)):					
1975	Net defined benefit asset, non-current (Note (6)(o))		3,014	-	2,848	-	3110	Ordinary share		300,000	14	300,000	13
1980	Other non-current financial assets (Notes (8))		31,000	1	31,000	1	3200	Capital surplus		627,726	29	627,726	28
1900	Other non-current assets		1,746	-	3,562	-		Retained earnings:					
			<u>605,663</u>	<u>28</u>	<u>658,912</u>	<u>30</u>	3310	Legal reserve		156,621	7	145,369	7
							3350	Unappropriated retained earnings		162,959	8	158,602	7
							3400	Other equity		43,624	2	50,013	3
								Total equity attributable to owners of parent		1,290,930	60	1,281,710	58
							36XX	Non-controlling interests (Note (6)(q))		172,267	8	186,501	8
								Total equity		<u>1,463,197</u>	<u>68</u>	<u>1,468,211</u>	<u>66</u>
								TOTAL LIABILITIES AND EQUITY		<u>\$ 2,142,835</u>	<u>100</u>	<u>2,224,363</u>	<u>100</u>
TOTAL ASSETS		\$	2,142,835	100	2,224,363	100							

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
DYNAMIC MEDICAL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Operating revenue (Note (6)(s) and (7))	\$ 1,009,308	100	1,178,195	100
5000 Operating costs (Note (6)(e))	691,266	68	844,027	72
Gross profit from operations	318,042	32	334,168	28
Operating expenses:				
6100 Selling expenses	139,264	14	107,606	9
6200 Administrative expenses	34,325	4	65,521	6
6450 Impairment loss determined in accordance with IFRS 9 (Note (6)(d))	3,605	-	3,218	-
	177,194	18	176,345	15
Net operating income	140,848	14	157,823	13
Non-operating income and expenses:				
7100 Total interest income (Note (6)(u))	6,439	1	8,361	1
7010 Other income (Note (6)(u))	4,784	-	2,138	-
7020 Other gains and losses, net (Note (6)(u))	(309)	-	3,614	-
7050 Finance costs (Note (6)(f))	(1,010)	-	(1,215)	-
7060 Share of loss of associates and joint ventures accounted for using equity method	(2,062)	-	(10,746)	(1)
Total non-operating income and expenses	7,842	1	2,152	-
7900 Profit before tax	148,690	15	159,975	13
7950 Less: Income tax expenses (Note (6)(p))	32,048	3	33,903	2
Profit	116,642	12	126,072	11
Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Gains on remeasurements of defined benefit plans	143	-	194	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	4,368	-	(8,753)	(1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	2,816	-	(3,243)	-
Items that may not be reclassified subsequently to profit or loss	1,695	-	(5,316)	(1)
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation	(10,897)	(1)	(4,728)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(2,179)	-	(946)	-
Items that may be reclassified subsequently to profit or loss	(8,718)	(1)	(3,782)	-
Other comprehensive income (loss), net of tax	(7,023)	(1)	(9,098)	(1)
8500 Total comprehensive income	<u>\$ 109,619</u>	<u>11</u>	<u>116,974</u>	<u>10</u>
Profit attributable to:				
8610 Owners of the parent	\$ 115,995	12	112,521	10
8620 Non-controlling interests	647	-	13,551	1
	<u>\$ 116,642</u>	<u>12</u>	<u>126,072</u>	<u>11</u>
Comprehensive income attributable to:				
8710 Owners of the parent	\$ 109,720	11	103,183	9
8720 Non-controlling interests	(101)	-	13,791	1
	<u>\$ 109,619</u>	<u>11</u>	<u>116,974</u>	<u>10</u>
Earnings per share (Note (6)(r))				
9750 Basic earnings per share (NT dollars)	<u>\$ 3.87</u>		<u>3.75</u>	
9850 Diluted earnings per share (NT dollars)	<u>\$ 3.85</u>		<u>3.73</u>	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
DYNAMIC MEDICAL TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Share capital		Retained earnings		Other equity		Total equity Attributable to Owners of Parent	Non-controlling Interests	Total equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
Balance at January 1, 2019	\$ 300,000	625,942	134,871	150,924	5,409	54,097	1,271,243	161,856	1,433,099
Profit for the year ended December 31, 2019	-	-	-	112,521	-	-	112,521	13,551	126,072
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	155	(3,782)	(5,711)	(9,338)	240	(9,098)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	112,676	(3,782)	(5,711)	103,183	13,791	116,974
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	10,498	(10,498)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(94,500)	-	-	(94,500)	-	(94,500)
Other changes in capital surplus:									
Changes in equity of associates and joint ventures accounted for using equity method	-	83	-	-	-	-	83	-	83
Compensation recognized for share-based payments	-	1,701	-	-	-	-	1,701	-	1,701
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	23,732	23,732
Changes in non-controlling interests	-	-	-	-	-	-	-	(12,878)	(12,878)
Balance at December 31, 2019	300,000	627,726	145,369	158,602	1,627	48,386	1,281,710	186,501	1,468,211
Profit for the year ended December 31, 2020	-	-	-	115,995	-	-	115,995	647	116,642
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	114	(8,718)	2,329	(6,275)	(748)	(7,023)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	116,109	(8,718)	2,329	109,720	(101)	109,619
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	11,252	(11,252)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(100,500)	-	-	(100,500)	-	(100,500)
Changes in non-controlling interests	-	-	-	-	-	-	-	(14,133)	(14,133)
Balance at December 31, 2020	\$ 300,000	627,726	156,621	162,959	(7,091)	50,715	1,290,930	172,267	1,463,197

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
DYNAMIC MEDICAL TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 148,690	159,975
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	80,181	64,586
Amortization expense	293	427
Expected credit loss	3,605	3,218
Net loss on financial assets or liabilities at fair value through profit or loss	-	20
Interest expense	1,010	1,215
Interest income	(6,439)	(8,361)
Dividend income	(4,784)	(1,859)
Share of loss of associates and joint ventures accounted for using equity method	2,062	10,746
Loss on disposal of property, plant and equipment	58	285
Impairment loss (gain on reversal of impairment loss) on non-financial assets	4,282	576
Share-based payments	-	1,701
Other adjustments to reconcile profit (loss)	(4)	-
Total adjustments to reconcile profit	80,264	72,554
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	35,588	12,309
Accounts receivable, net	(7,947)	22,471
Other receivable	646	(457)
Inventories	63,893	78,140
Other current assets	(4,239)	18,333
Net defined benefits assets	(23)	(62)
Long-term notes and accounts receivable	7,745	9,213
Total changes in operating assets	95,663	139,947
Changes in operating liabilities:		
Contract liabilities	11,045	(54,985)
Notes payable	(1,385)	(6,875)
Accounts payable	(30,332)	(14,161)
Other payable	(32,849)	(4,669)
Provisions	(2,333)	(1,799)
Refund liabilities	524	(860)
Other current liabilities	(1,641)	290
Total changes in operating liabilities	(56,971)	(83,059)
Total changes in operating assets and liabilities	38,692	56,888
Total adjustments	118,956	129,442
Cash inflow generated from operations	267,646	289,417
Interest received	6,452	8,350
Income taxes paid	(25,547)	(30,810)
Net cash flows from operating activities	248,551	266,957

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
DYNAMIC MEDICAL TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2019	2018
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	\$ (246,501)	(348,649)
Proceeds from disposal of financial assets at amortised cost	267,799	60,000
Acquisition of property, plant and equipment	(8,177)	(31,587)
Proceeds from disposal of property, plant and equipment	-	323
Increase in refundable deposits	(1,890)	(3,139)
Acquisition of intangible assets	(543)	(20)
Increase in other financial assets	-	(7,000)
Decrease in other non-current assets	1,816	(1,196)
Dividends received	4,784	1,859
Net cash inflows from business combination	-	17,356
Net cash flows from (used in) investing activities	17,288	(312,053)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(35,800)	(29,324)
Cash dividends paid	(100,500)	(94,500)
Interest paid	(1,010)	(1,215)
Change in non-controlling interests	(14,133)	(12,878)
Net cash flows used in financing activities	(151,443)	(137,917)
Effect of exchange rate changes on cash and cash equivalents	(10,721)	(4,646)
Net increase (decrease) in cash and cash equivalents	103,675	(187,659)
Cash and cash equivalents at beginning of period	681,226	868,885

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

Appendix 7: Comparison Table to Amendments to the Rules of Procedure for Shareholders Meeting Before and After Revision

March 12, 2021 the seventh amendment of the 18 th Board of Directors

Revised Version	Before Revised	Description
<p>Article 2 Omit Paragraph 1 The Company shall upload electronic files for a notice of meeting, a form of power of attorney, causes of various proposals such as relevant approved proposal, discussion proposal, election or dismissal of director affairs etc. and relevant illustration materials on Market Observation Post System 30 days prior to an annual shareholders' meeting or 15 days prior to a special shareholder's meeting. Moreover, the Company shall make electronic files of the handbook for agenda and meeting supplementary materials for the shareholders' meeting and upload on Market Observation Post System 21 days before an annual shareholders' meeting or 15 days before special shareholders' meeting. The Company shall prepare agenda handbooks and meeting materials for shareholders' meeting 15 days before the date of meeting for satisfying the request of shareholders any time and display in the Company and agents for stock affairs, and it shall provide in the shareholders' meeting on the spot. Omit Paragraph 3. The convene causes shall include election or dismissal of directors change of Article of Association, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, company dissolution, merger, division or every item in Paragraph 1, Article 185 of the Company Act & Paragraph 1, Article 26 and Paragraph 6, Article 43 of the Securities and Exchange Act & Paragraph 1, Article 56 and Paragraph 2, Article 60 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers rather than proposing them as extempore motions and the main content shall be explained. Omit Paragraph 5. Shareholders holding over 1% of total number of outstanding shares may submit the proposal for the annual shareholders' meeting by written form, subject to one item. in the case of over one item of proposal, it shall not regard as proposal. he proposal submitted by shareholders meeting with any item in Paragraph 4, Article 172-1, The Company Act may not be listed in the proposals by Board of Directors. A shareholder proposal for urging a company to promote public interests or fulfill its social responsibilities, subject to one item in the case of over one item of proposal, it shall not regard as proposal.</p>	<p>Article 2 Omit Paragraph 1 The Company shall upload electronic files for a notice of meeting, a form of power of attorney, causes of various proposals such as relevant approved proposal, discussion proposal, election or dismissal of director and independent director affairs etc. and relevant illustration materials on Market Observation Post System 30 days prior to an annual shareholders' meeting or 15 days prior to a special shareholder's meeting. Moreover, the Company shall make electronic files of the handbook for agenda and meeting supplementary materials for the shareholders' meeting and upload on Market Observation Post System 21 days before an annual shareholders' meeting or 15 days before special shareholders' meeting. The Company shall prepare agenda handbooks and meeting materials for shareholders' meeting 15 days before the date of meeting for satisfying the request of shareholders any time and display in the Company and agents for stock affairs, and it shall provide in the shareholders' meeting on the spot. Omit Paragraph 3. The convene causes shall include election or dismissal of directors and independent directors, change of Article of Association, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, company dissolution, merger, division or every item in Paragraph 1, Article 185, The Company Act rather than proposing them as extempore motions and the main content shall be explained. The main contents may be posted on the website designated by the securities competent authority or The Company, and the website shall be stated in the notice of convening. Omit Paragraph 5. Shareholders holding over 1% of total number of outstanding shares may submit the proposal for the annual shareholders' meeting by written form, subject to one item. In the case of over one item of proposal, it shall not regard as proposal. A shareholder proposal for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. The proposal submitted by shareholders meeting with any item in Paragraph 4, Article 172-1, The Company Act may not be listed in the proposals by Board of Directors. Below omit.</p>	<p>1.Revise the text. 2.Shift Paragraph 5 in accordance with Article 185, Paragraph 1 of the Company Act, avoid invalid proposal. 3.Shift Paragraph 6 in accordance with Article 172, Paragraph 5 of the Company Act and the provisions in letter Ching Shang Tzu No. 10700105410 issued by Ministry of Economics and Finance.</p>
<p>Article 5 Omit Paragraph 1-4 The Company shall hand over the agenda handbook, annual business report, attendance certificate, speech note, vote and other meeting materials to attending shareholders. For the meeting to hold the election of directors it shall attach with electoral vote. ° Below omit.</p>	<p>Article 5 Omit Paragraph 1-4 The Company shall hand over the agenda handbook, annual business report, attendance certificate, speech note, vote and other meeting materials to attending shareholders. For the meeting to hold the election of directors and independent directors, it shall attach with electoral vote. ° Below omit.</p>	<p>In accordance with practical operations.</p>

Revised Version	Before Revised	Description
<p>Article 8 Omit Paragraph 1 The chairperson shall call the meeting to order at the meeting time as schedule, and at the same time publish the number of non-voting rights and the number of shares attended and other relevant information. , while the attendance does not exceed a half of shareholders with total number of outstanding shares, the chairperson may declare to postpone the time of meeting, subject to 2 times of postponing. The total postponing time shall not surpass 1 hour. In case that the attendance does not exceed one third of shareholders with total number of outstanding shares after postponing two times, the chairperson shall declare to adjourn the meeting. Below omit.</p>	<p>Article 8 Omit Paragraph 1 The chairperson shall call the meeting to order at the meeting time as schedule, while the attendance does not exceed a half of shareholders with total number of outstanding shares, the chairperson may declare to postpone the time of meeting, subject to 2 times of postponing. The total postponing time shall not surpass 1 hour. In case that the attendance does not exceed one third of shareholders with total number of outstanding shares after postponing two times, the chairperson shall declare to adjourn the meeting. Below omit.</p>	<p>Shift Paragraph 2 in order to enhance corporate governance and safeguard the rights and interests of shareholders.</p>
<p>Article 13 When shareholders' meeting holds elections of directors, it shall be in accordance with the election rule of the Company. The result of election shall be declared on the spot, including the name list and electoral vote count for elected directors. Omit Paragraph 2</p>	<p>Article 13 When shareholders' meeting holds elections of directors and independent directors, it shall be in accordance with the election rule of the Company. The result of election shall be declared on the spot, including the name list and electoral vote count for elected directors and independent directors. Omit Paragraph 2</p>	<p>Shift Paragraph 1 in order to enhance corporate governance and safeguard the rights and interests of shareholders.</p>

Appendix 8: Comparison Table for the Operational Procedures for Loaning of Funds Before and After Revision

August 6, 2020, the eighth amendment of the fifteenth Board of Directors

Revised Version	Before Revised	Description
<p>Article 3 Paragraph 1 Unusual financial common objects</p> <ol style="list-style-type: none"> 1. Accounts receivable by the Company exceeding a certain period of time (more than three months) and amounting to more than 2% of the capital amount shall be loaned by the Board of Directors upon resolution, except where it can be proved that the Company has taken collection, legal action or proposed specific and feasible control measures. 2. If the amount of money not incurred by the Company as a result of normal business activities exceeds 2% of the capital amount, and the amount paid is not contractual, the amount paid is not in conformity with the performance obligations under the contract or the payment has disappeared for more than three months and has not been recovered, it shall be a loan of funds by resolution of the Board of Directors. 	<p>Addition</p>	<p>Modified with the act.</p>
<p>Article 4 The aggregate amount of loans</p> <ol style="list-style-type: none"> 1. The accumulated total of loans granted by the company to a company with business relationship with the subsidiaries or first-tier subsidiaries shall not exceed 40% of the net worth of the company. Besides, the amount of an individual loan granted shall not exceed 25% of the total business transaction amount in the past year between the parties. “Business transaction amount” refers to the amount of purchase or sale between the parties, whichever is higher. Article 3 The first paragraph of article 1 shall apply. 2. Where funds are lent to a company’s subsidiaries or first-tier subsidiaries, or business with short-term financial need, the total individual loan shall not exceed 40% of the amount of the net worth of the company, and the amount of an individual loan granted shall not exceed 25% of the net worth of the company. Article 3 The first paragraph of article 2 shall apply. 3. The company that directly and indirectly holds 100% of the voting shares of foreign companies engages in loaning funds, or the foreign company that directly and indirectly owns 100% of the voting shares of the company engages in lending loaning funds to the company, shall still be subject to the restrictions of the preceding paragraph. 	<p>Article 4 The aggregate amount of loans</p> <ol style="list-style-type: none"> 1. The accumulated total of loans granted by the company to a company with business relationship with the subsidiaries or first-tier subsidiaries shall not exceed 40% of the net worth of the company. Besides, the amount of an individual loan granted shall not exceed 25% of the total business transaction amount in the past year between the parties. “Business transaction amount” refers to the amount of purchase or sale between the parties, whichever is higher. 2. Where funds are lent to a company’s subsidiaries or first-tier subsidiaries, or business with short-term financial need, the total individual loan shall not exceed 40% of the amount of the net worth of the company, and the amount of an individual loan granted shall not exceed 25% of the net worth of the company. 3. The company that directly and indirectly holds 100% of the voting shares of foreign companies engages in loaning funds, or the foreign company that directly and indirectly owns 100% of the voting shares of the company engages in lending loaning funds to the company, shall still be subject to the restrictions of the preceding paragraph. 	<p>Modified with the act.</p>

Revised Version	Before Revised	Description
<p>Article 5 Duration of loans and calculation of interest When complying with Article 3 Capital Loans and Objects, the following terms and interest-bearing methods shall be followed:</p> <ol style="list-style-type: none"> 1. The term of the Loan of the Company's funds shall not exceed one year or one business cycle (whichever is longer) from the date of lending. 2. Interest-bearing method: shall not be lower than the average interest rate of the Company's short-term loans to financial institutions, the Company's interest collection on behalf of the Company, to pay interest once a month as the principle. However, when there is a real need for capital borrowing between parents and subsidiaries, the term of accommodation and interest-bearing methods shall be determined separately. 	<p>Article 5 Duration of loans and calculation of interest</p> <ol style="list-style-type: none"> 1.The term of the Loan of the Company's funds shall not exceed one year or one business cycle (whichever is longer) from the date of lending. 2.Interest-bearing method: shall not be lower than the average interest rate of the Company's short-term loans to financial institutions, the Company's interest collection on behalf of the Company, to pay interest once a month as the principle. However, when there is a real need for capital borrowing between parents and subsidiaries, the term of accommodation and interest-bearing methods shall be determined separately. 	Modified with the act.
<p>Article 7: The Company's capital loan and others processing procedures are as follows:</p> <ol style="list-style-type: none"> 1. When the Company handles the loan of funds with others, Submit to Article 3 Capital Loans and Objects,, the operating unit shall fill in the "fund loan and others application form", with the contract, state the loan of funds to another company, object, type, reason and amount, and provide basic information and financial information, apply to the company's financial unit, the financial unit should be detailed assessment, and handle credit work. The evaluation project includes its necessity and reasonableness, whether the loan of funds from the funds to others due to the business relationship is comparable to the amount of the business dealings, the operational risk to the Company, the financial position and shareholders' equity, and whether the valuation of the collateral and collateral should be obtained. 2. Submit to Article 3 Capital Loans and Objects. The personnel of the financial unit of the company shall consolidate the relevant information and evaluation results of the preceding item and sign off to the chairman of the board of directors according to the level. Here's a brief look 	<p>Article 7: The Company's capital loan and others processing procedures are as follows:</p> <ol style="list-style-type: none"> 1.When the Company handles the loan of funds with others, the operating unit shall fill in the "fund loan and others application form", with the contract, state the loan of funds to another company, object, type, reason and amount, and provide basic information and financial information, apply to the company's financial unit, the financial unit should be detailed assessment, and handle credit work. The evaluation project includes its necessity and reasonableness, whether the loan of funds from the funds to others due to the business relationship is comparable to the amount of the business dealings, the operational risk to the Company, the financial position and shareholders' equity, and whether the valuation of the collateral and collateral should be obtained. 2.The personnel of the financial unit of the company shall consolidate the relevant information and evaluation results of the preceding item and sign off to the chairman of the board of directors according to the level. Here's a brief look 	Modified with the act.

Appendix 9: Comparison Table for the Operational Procedures for Acquisition or Disposal of Assets Before and After Revision

March 12, 2021 the seventh amendment of the 18 th Board of Directors

Article 8 (Revised Version)

The powers and responsibility unit rule the company's acquisition or disposal of assets within the scope of the following authorization(Table 1):

Table 1:

Items	Amount	Responsibility Unit		
		Board of Directors	Chairman of Board of Directors	General Manager
Investment in the Securities (Except for Bond Fond)	Less than NT\$50,000,000 (Excluded)		Resolved	Verified
	More than NT\$50,000,000	Resolved	Verified	Verified
Bond Fond	-		Resolved	Verified
Real Estate	Less than NT\$50,000,000 (Excluded)		Resolved	Verified
	More than NT\$50,000,000	Resolved	Verified	
Real Estate's Right-of-Use Assets thereof	NT\$25,000,000~100,000,000 (Excluded)		Resolved	Verified
	More than NT\$100,000,000	Resolved	Verified	
Equipment	NT\$1,000,000~NT\$5,000,000 (Excluded)		Resolved	Verified
	More than NT\$5,000,000	Resolved	Verified	
Equipment's Right-of-Use Assets thereof	NT\$5,000,000~NT\$20,000,000 (Excluded)	Resolved	Verified	
	Less than NT\$20,000,000 (Excluded)		Resolved	Verified
Memberships	More than NT\$20,000,000	Resolved	Verified	
	NT\$2,000,000 (Excluded)		Resolved	Verified
Intangible Assets such as Patent Rights, Copyrights, Trademark Rights and Concessions.	Less than NT\$5,000,000 (Excluded)		Resolved	Verified
	More than NT\$5,000,000	Resolved	Verified	-
Claims of Financial institutions (including receivables, discounting of purchase of remittances and loans, collection items).	-		Resolved	Verified
Assets Acquired or Disposed of by Merging, Splitting, Acquiring or Obtaining Shares in accordance with the Act.	-	Resolved	Verified	Verified
Other Important Assets.	Less than NT\$5,000,000		Resolved	Verified
	More than NT\$5,000,000	Resolved	Verified	

Notes : If the deciding unit is not the member of Board of Directors, it shall be reported to the most recent Board of Directors meeting.

- Investment in the Securities (Except for Bond Fond)
- Bond Fond
- Real Estate
- Real Estate's Right-of-Use Assets thereof
- Equipment's Right-of-Use Assets thereof

Article 8 (Before Revised)

The powers and responsibility unit rule the company's acquisition or disposal of assets within the scope of the following authorization(Table 2):

Table 2:

Items	Amount	Responsibility Unit		
		Board of Directors	Chairman of Board of Directors	General Manager
Investment in the Securities (Except for Bond Fond)	Less than NT\$50,000,000 (Excluded)		Resolved	Verified
	More than NT\$50,000,000	Resolved	Verified	Verified
Bond Fond	-		Resolved	Verified
Real Estate's Right-of-Use Assets thereof	Less than NT\$100,000,000 (Excluded)		Resolved	Verified
	More than NT\$100,000,000	Resolved	Verified	
Equipment's Right-of-Use Assets thereof	Less than NT\$20,000,000 (Excluded)		Resolved	Verified
	More than NT\$20,000,000	Resolved	Verified	
Real Estate	Less than NT\$5,000,000 (Excluded)		Resolved	Verified
	More than NT\$5,000,000	Resolved	Verified	
Equipment	Less than NT\$500,000 (Excluded)			Resolved
	NT\$500,000~NT\$5,000,000 (Excluded)		Resolved	Verified
	More than NT\$5,000,000	Resolved	Verified	
Memberships	NT\$2,000,000 (Excluded)		Resolved	Verified
	More than NT\$2,000,000	Resolved	Verified	
Intangible Assets such as Patent Rights, Copyrights, Trademark Rights and Concessions.	Less than NT\$5,000,000		Resolved	Verified
	More than NT\$5,000,000	Resolved	Verified	-
Claims of Financial institutions (including receivables, discounting of purchase of remittances and loans, collection items).	-	Resolved	Verified	Verified
Assets Acquired or Disposed of by Merging, Splitting, Acquiring or Obtaining Shares in accordance with the Act.	-	Resolved	Verified	Verified
Other Important Assets.	Less than NT\$5,000,000		Resolved	Verified
	More than NT\$5,000,000	Resolved	Verified	

Notes 1: It can be implemented after the approval of the Board of Directors. If the deciding unit is not the member of Board of Directors, it shall be reported to the most recent Board of Directors meeting.

Notes 2: The amount of equipment that is lower than NT\$5,000,000 (excluded) and the amount of memberships is lower than NT\$2,000,000 (excluded), it is no need to report to the most recent Board of Directors meeting afterward.

Notes 3: The amount of the acquisition or disposal of the equipment for business use with the subsidiaries, which is lower than NT\$5,000,000 and the deciding unit is not the member of Board of Directors, shall be reported to the most recent Board of Directors meeting for recognition.

Appendix 10: Comparison Table of Amendments to the “Procedures for Election of Directors” Before and After Revision

March 12, 2021 the seventh amendment of the 18 th Board of Directors

Revised Version	Before Revised	Description
<p>Article 5 :</p> <p>Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act</p> <p>Omit Paragraph 2</p> <p>When the number of independent directors’ falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>Article 5 :</p> <p>Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected</p> <p>Omit Paragraph 2</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>Shift Paragraph 1 in accordance with Article 192, Paragraph 1 simplify “Procedures for Election of Directors”</p> <p>Shift Paragraph 3 in accordance with the provisions in letter Financial Supervisory Securities Corporate-1070345233 issued by Financial Supervisory Commission</p>
<p>Article 10 :-</p>	<p>Article 10 :</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and</p>	<p>Delete Article 10 in accordance with the provisions in letter Financial Supervisory Securities Corporate-1080311451 issued by Financial Supervisory Commission</p>

Revised Version	Before Revised	Description
	the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.	
<p>Article 10 :</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1.The ballot was not prepared by the board of directors. 2.A blank ballot is placed in the ballot box. 3.The writing is unclear and indecipherable or has been altered. 4.The candidate whose identity cards do not match. 5.Other words or marks are entered in addition to the the number of voting rights allotted. 	<p>Article 11 :</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual. 	<ol style="list-style-type: none"> 1.Revise the text. 2.Shift Paragraph 4,5 and delete Paragraph 6 in accordance with Article 173 of the Company Act and he provisions in letter Financial Supervisory Securities Corporate-1080311451 issued by Financial Supervisory
<p>Article 11 :</p> <p>Omit</p>	<p>Article 12 :-</p> <p>Omit</p>	<p>Revise the text.</p>
<p>Article 12 :</p> <p>Omit</p>	<p>Article 13 :-</p> <p>Omit</p>	<p>Revise the text.</p>
<p>Article 13 :</p> <p>Omit</p>	<p>Article 14 :-</p> <p>Omit</p>	<p>Revise the text.</p>

Appendix 11 : The Announcement List of the Director Candidates

The 18th proponent, 6th Board of Directors' meeting on March 12,2021

The 19th evaluation, 6th Board of Directors' meeting on April 29,2021

Title	Name	Main Qualifications	Current Position
Director	Company representative of Excelsior Medical Co., Ltd: Chang Ming-Cheng	Bachelor of Science, Department of Clinical Laboratory Sciences and Medical Biotechnology, College of Medicine, National Taiwan University Bachelor of Business Administration, College of Business, University of Ottawa, Canada Manager of Taiwan's Braun Co., Ltd. Vice General Manager of Medical HealthCare Co., Ltd. General Manager of EG Healthcare, General Manager of Excelsior Renal Service Co., Ltd.	President of Excelsior Medical Co., Ltd. Director of Jiata excelsior Co., Ltd. Director of Dynamic Medical Technologies Director of Bestsmile Co., Ltd. Director of Visionfront Corporation Director of Excelsior Renal Service Co., Ltd. Director of Arich Enterprise Co., Ltd. Director of Yu Kang International Medicine Co., Ltd. President of Hongshun Investment Co., Ltd. Director of Excelsior Healthcare foundation Director of Renal Laboratories Sdn. Bhd. Director of Medi-Chem System Sdn. Bhd.
Director	Company representative of Excelsior Medical Co., Ltd: Huang Chieh-Ching	Master of Business Management Institute of Da-Yeh University Audit Assistant Manager of Deloitte Vice President of Administration of Xintai General Hospital Special Assistant to the Medical Dean of Catholic St. Paul Hospital Chief Financial Officer of Excelsior Medical Co., Ltd. Chief Financial Officer of Dynamic Medical Technologies Inc. Director of Beijing Excelsior Beauty Limited Supervisor of Bestsmile Co., Ltd.	Director of Dynamic Medical Technologies Director of Scivision Biotech Inc.
Director	Company representative of Excelsior Medical Co., Ltd: Hsuen Fu-Chuan	Taipei Medical University School of Pharmacy Taipei Medical University, School of Health Care Administration, on-the-job training	President of Fu Kang Medical Industry Co., Ltd. Director of Arich Enterprise Co., Ltd.
Director	Fu Hui-Tung	Master of Business Administration, University of Southern Queensland, Australia Laboratory Department, Central Taiwan Medical Technology College	Chairman of Excelsior Medical Co., Ltd. Chairman of Jia he Investment Co, Ltd. Director of Bestchain Healthtaiwan Co., Ltd. Chairman of Dynamic Medical Technologies Inc. Director of Visionfront Corporation Director of Excelsior Beauty Co., Ltd. Chairman of Xuan Hui Investment Co., Ltd. Chairman of Excelsior Healthcare Co., Ltd. Director of Excelsior Group Holdings Ltd. Chairman of Asia Best Healthcare Co., Ltd Chairman of Arich Enterprise Co., Ltd. Chairman of Excelsior Medical (HK) Co.,

Title	Name	Main Qualifications	Current Position
			Ltd. Director of Yu Chia Entrepriise Management Consulting (Shanghai), Ltd. Director of Focus Health Co., Ltd. Director of CYJ International Company Limited Chairman of EXCELSIOR ASSET MANAGEMENT CO., LTD. Director of Financial corporation for Excelsior Health Foundation Chairman of Investment(Malaysia) Co. Ltd
Director	Fu Jo-Hsuan	Bachelor of Business Administration, Department of Information Management, National Central University Abeam Consulting Pte. Ltd General manager of EXCELSIOR RENAL SERVICE CO. Chairman of Tripleai Technology Co., Ltd. General manager of Dynamic Medical Technologies	Director of Excelsior Medical Co., Ltd. Chairman of Excelsior Investment Co. Director of Excelsior Group Holdings Co., Ltd. General manager of EXCELSIOR RENAL SERVICE CO.LTD General manager of Jiata Excelsior Co., Ltd. Director of Bestchain Healthtaiwan Co., Ltd. Director of Dynamic Medical Technologies Director of Excelsior Beauty Co., Ltd. Director of Xuan Hui Investment Co., Ltd. Director of Dynamic Medical Technologies (Hong Kong) Limited Director of Yu Chia Entrepriise Management Consulting (Shanghai), Ltd. Chairman of CYJ International Taiwan Inc. Director of Medytox Taiwan Inc. Director of Excelsior Asset Management Co., Ltd Director of Financial corporation for Excelsior Health Foundation Director of Renal Laboratories Sdn. Bhd Director of Medi-Chem System Sdn. Bhd Director of Asia Best Healthcare Long-term Care Corporation Director of Chia En Long-term Care Corporation
Director	Wang Ming-Ting	Master of Business Administration, University of Southern Queensland, Australia Department of Accounting and Statistics, National Taichung College of Business Section Manager of Accounting Section and Examination Section, Taiwan Land Development Investment Trust Corporation Specialist of Bank Of Communications Director of Jia Yi Application Technology Co., Ltd. Director of Sino Excelsior Investment Incorporation Bauil Biotech co., Ltd supervisor Members of the Remuneration Committee of Taiwan Fertilizer Co., Ltd Members of the Remuneration of Unic technology corp.	Director of Excelsior Medical Co., Ltd. Director of Excelsior Investment Co. Director of Excelsior Group Holdings Co., Ltd. Supervisor of Bestchain Healthtaiwan Co., Ltd. Director of Dynamic Medical Technologies Inc. Supervisor of Excelsior Beauty Co., Ltd. Director of Xuan Hui Investment Co., Ltd. Director of Arich Enterprise Co., Ltd. Chairman of Yu Kang International Medicine Co., Ltd. Director of Join Fun Co., Ltd. Supervisor of CYJ International Taiwan Inc President & Director of Excelsior Asset Management Co., Ltd Director of Financial corporation for Excelsior Health Foundation Supervisor of Chia En Long-term Care Corporation

Title	Name	Main Qualifications	Current Position
Independent Director	Shih Mei-Hui	National Chung Hsing University accountancy Manager of Deloitte & Touche Accounting Manager of CSB Battery Technologies Chief Financial Officer of CHINESE UNITED SEMICONDUCTOR EQUIPMENT MANUFACTURING INC.	CPA of Yide Joint Certified Public Accountants Member of the Remuneration Committee of Excelsior Medical Co., Ltd. Supervisor of Shanghai Village Culinary Co., Ltd. Director of Sibio Enterprise Management Consultants Limited
Independent Director	Yang Yu-Ming	Feng Chia University Accountancy Taiwan University Law Division Officer of Rong Cong Accounting Firm Commissioner of OTC Senior Manager of Polaris Securities Co., Ltd. Chief Financial Officer of Wayi International Digital Entertainment Co., Ltd Supervisor of KWAN'S INTERNATIONAL CO., LTD. Independent Director of Hong-Wei Electrical Industry Co., Ltd.	Independent Director of China Communications Media Group Co., Ltd Independent Director of Arich Enterprise Co., Ltd.
Independent Director	Liao Yi-Hsing	Ph.D. Accounting, Taipei National University of the Republic Chairman, Office of Human Resources Department of Accounting at Chung Yuan Christian University Full Professor, Department of Accounting at Chung Yuan Christian University Chairman, Department of Accounting at Chung Yuan Christian University Associate Professor, Department of Accounting at CYCU, Lecturer, Department of Accounting at CYCU CPA R.O.C,1995 CIA R.O.C,1996	Independent Director of Unic technology corp. Professor, Department of Accounting at Chung Yuan Christian University

Appendix 12: Procedures for Election of Directors (Before amendment)

Procedures for Election of Directors

Revised by Annual shareholders' meeting on June 14, 2018

Article 1 : To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 : Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 : The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4 : The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent

Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5 : Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 : The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 : The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 : The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine

the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 : Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 : If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11 : A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13 : The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 14 : These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 13: The Shareholdings situation of Directors

1. Paid-in Capital of the Company is NTD 300,000,000, with total number of outstanding shares: 30,000,000 shares.
2. According to Article 26, Securities & Exchange Act and Article 2, Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shareholding number shall be 4,500,000 shares
3. As the Company set up audit committee, it has no regulatory shareholding number application for supervisors.
4. Independent directors' shareholding number is not counted in the regulatory shareholding number of whole directors and shareholding percentage for ratio calculation will be lower to 80%.
5. Shareholding numbers of individual directors and whole directors recorded on the shareholder list on April 12, 2021 as a book closure date of annual shareholders' meeting for this time are listed as follows:

Position	Name	Date Elected	Share hold While Elected		Book Closure Date, up to April 12 ,2021	
			Number of Share	Shareholding Ratio	Number of Share	Shareholding Ratio
Chairman	Fu Hui-Tung	2018.06.14	0	0	0	0
Director	Wang Ming-Ting	2018.06.14	0	0	0	0
Director	Fu Jo-Hsuan	2018.06.14	0	0	0	0
Director	Excelsior Medical Co., Ltd: legal representative : Chang Ming-Cheng Huang Chieh-Ching Hsuen Fu-Chuan	2018.06.14	11,550,425	38.50%	11,550,425	38.50%
Independent Director	Chen Hsieh-Yu	2018.06.14	0	0	0	0
Independent Director	Shih Mei-Hu	2018.06.14	0	0	0	0
Independent Director	Yang Yu-Ming	2018.06.14	0	0	0	0
Total shares held by whole directors of the Company.			11,550,425	38.50%	11,550,425	38.50%