

**ShareHope Medicine Co., Ltd. and its
subsidiaries**

**Consolidated Financial Statements and
Independent Auditors' Review Report**

Q3 2023 and 2022

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Independent Auditors' Review Report

Submitted to the Board of Directors of ShareHope Medicine Co., Ltd. and subsidiaries for review

Introduction

The Consolidated Balance Sheet of ShareHope Medicine Co., Ltd. and its subsidiaries as of September 30, 2023 and 2022, and the Consolidated Statement of Comprehensive Income for the three months ended September 30, 2023 and 2022, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to Consolidated Financial Statements (including the Summary of Major Accounting Policies) for the nine months ended September 30, 2023 and 2022, have been reviewed by the independent auditors. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews and the review reports of other independent auditors (please refer to the Other Items section), nothing has come to our attention that causes us to believe that the accompanying Consolidated Financial Statements do not present fairly, in all material respects, the consolidated financial position of ShareHope Medicine Co., Ltd. and its subsidiaries as of September 30, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matters

We did not review the financial statements of certain subsidiaries of the Consolidated Company. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the review reports of other auditors. The total assets of such subsidiaries as of September 30, 2023 and 2022 amounted to \$444,667 thousand and \$414,799 thousand and accounted for 6.00% and 5.67% of the total consolidated assets, respectively; and the net operating revenue for the three months ended September 30 and nine months ended September 30, 2023 and 2022 amounted to \$21,854 thousand and \$14,777 thousand, \$57,685 thousand, and \$45,140, accounting for 0.78% and 1.40%, 2.06%, and 1.41% of the net consolidated operating revenue, respectively. The equity method investments as of September 30, 2023 amounted to \$17,648 thousand and accounted for 0.24% of the total consolidated assets, and the share of losses of affiliates applying the equity method to part of the equity method investments for the three months ended September 30 and for the nine months ended September 30, 2023 amounted to (\$510) thousand and (\$1,586) thousand, accounting for (0.81)% and (2.53)% of the net consolidated income before tax.

KPMG

Independent auditor:

KUO, HSIN-I

KOU, HUI-CHIH

Number of documents approved and
certified by the securities regulatory
November 10, 2023:

Tai-Tsai-Zheng-(6)-Zi- 0930106739
Jin-Kuan-Zheng-Shen-Zi-1040003949

ShareHope Medicine Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
September 30, 2023, December 31, and September 30, 2022

Unit: NT\$ thousand

		September 30, 2023		December 31, 2022		September 30, 2022		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets													
Current assets:													
1100	Cash and cash equivalents (Note 6 (1))	\$	1,297,750	18	1,535,182	21	1,641,405	22					
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))		10,430	-	10,341	-	10,315	-					
1136	Financial assets at amortized cost - current (Note (8))		34,042	-	5,001	-	13,300	-					
1150	Notes receivable (Note 6 (4) and (27))		10,512	-	13,123	-	1,404	-					
1170	Net accounts receivable (Note 6 (4) and (27))		201,748	3	179,973	2	221,756	3					
1180	Accounts receivable - related parties, net (Note 6(4), (6), (27), and 7)		1,072,312	14	1,042,711	14	894,663	12					
1200	Other net accounts receivable (Note 6 (5))		90,841	1	55,603	1	4,050	-					
1210	Other accounts receivable - related parties (Note 6 (5) and Note 7)		28,641	-	26,445	-	62,577	1					
1220	Income tax assets for the period		144	-	50	-	5	-					
130X	Inventories (Note 6 (7))		310,137	4	272,537	4	296,251	4					
1410	Prepayments (Note 7)		52,950	1	48,512	1	58,188	1					
1470	Other current assets		11,361	1	3,000	-	3,771	-					
Total current assets			3,120,868	42	3,192,478	43	3,207,685	43					
Non-current assets:													
1510	Financial assets at fair value through profit or loss - non-current (Note 6 (2))		22,096	-	82,086	1	76,450	1					
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (3))		863,266	12	680,880	9	621,577	8					
1536	Financial assets at amortized cost - non-current (Note 8)		30,000	-	40,590	1	51,496	1					
1550	Equity method investments (Note 6 (9))		79,393	1	69,965	1	69,552	1					
1600	Property, plant and equipment (Note 6(11) and 8)		1,693,659	23	1,694,731	23	1,655,843	23					
1755	Right-of-use assets (Note 6(12))		437,142	6	461,074	6	476,327	7					
1760	Investment property (Note 6(13) and 8)		339,035	5	346,792	5	335,923	5					
1780	Intangible assets (Note 6(14))		341,456	5	342,674	5	342,805	5					
1840	Deferred income tax assets		11,324	-	10,975	-	11,530	-					
194D	Net long-term finance lease receivables (Note 6(6), (27) and 7)		25,018	-	11,879	-	14,219	-					
1990	Other non-current assets (Note 6(15) and 7)		447,108	6	443,632	6	458,610	6					
Total non-current assets			4,289,497	58	4,185,278	57	4,114,332	57					
Total assets		\$	7,410,365	100	7,377,756	100	7,322,017	100					
Liabilities and equity													
Current liabilities:													
2100	Short-term borrowings (Note 6(16) and 8)	\$	425,109	6	306,254	4	338,588	5					
2110	Short-term bills payable (Note 6(17))		54,951	1	54,892	1	54,966	1					
2130	Contract liabilities - current (Note 6(27))		25,555	-	5,525	-	7,579	-					
2150	Notes payable		102,221	1	100,470	1	93,308	1					
2170	Accounts payable		734,534	10	698,764	9	525,694	7					
2181	Accounts payable - related parties (Note 7)		1,471	-	3,556	-	2,592	-					
2200	Other payables (Note 6(21))		288,082	4	335,785	5	270,866	4					
2220	Other accounts payable - related parties (Note 7)		7,430	-	1,293	-	443	-					
2230	Income tax liabilities for the period		37,251	1	58,143	1	58,492	1					
2280	Lease liabilities - current (Note 6(19))		120,423	2	118,503	2	116,402	2					
2322	Long-term borrowings due within one year (Note 6(18) and 8)		29,482	-	31,753	-	33,099	-					
2323	Long-term accounts payable due in one year		2,724	-	2,658	-	-	-					
2399	Other current liabilities		18,571	-	11,964	-	12,860	-					
Total current liabilities			1,847,804	25	1,729,560	23	1,514,889	21					
Non-current liabilities:													
2540	Long-term borrowings (Note 6(18) and 8)		996,802	13	967,623	14	1,094,175	15					
2570	Deferred income tax liabilities		41,460	1	17,821	-	14,473	-					
2580	Lease liabilities - non-current (Note 6(19))		496,184	7	526,576	7	531,548	7					
2612	Long-term payables		9,135	-	11,187	-	-	-					
2640	Net defined benefit liabilities - non-current		8,164	-	7,972	-	9,302	-					
2645	Deposits received (Note 7)		20,264	-	18,022	-	14,187	-					
Total non-current liabilities			1,572,009	21	1,549,201	21	1,663,685	22					
Total liabilities			3,419,813	46	3,278,761	44	3,178,574	43					
Equity (Note 6(8), (10) and (24)):													
3110	Ordinary share capital		1,200,422	16	1,200,422	16	1,200,422	16					
3150	Stock dividends to be distributed		60,021	1	-	-	-	-					
3200	Additional paid-in capital		1,166,656	16	1,264,508	17	1,264,508	17					
3310	Statutory reserves		216,895	3	187,098	3	187,098	3					
3320	Special reserves		-	-	26,136	-	26,136	-					
3350	Undistributed earnings		687,378	9	734,669	11	772,214	11					
3410	Exchange difference from translation of the financial statements of foreign operations		(1,748)	-	(2,089)	-	(1,572)	-					
3420	Unrealized gains or losses on financial assets at fair value through other comprehensive income		164,056	2	8,515	-	(22,699)	-					
Total equity attributable to owners of the parent company			3,493,680	47	3,419,259	47	3,426,107	47					
36xx	Non-controlling interests		496,872	7	679,736	9	717,336	10					
Total equity			3,990,552	54	4,098,995	56	4,143,443	57					
Total liabilities and equity		\$	7,410,365	100	7,377,756	100	7,322,017	100					

(Please refer to the attached Notes to the Consolidated Financial Statements for details)

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

ShareHope Medicine Co., Ltd. and its subsidiaries
Consolidated Statement of Comprehensive Income
For the three months and nine months ended September 30, 2023 and 2022

Unit: NT\$

		For the three months ended September 30, 2023		For the three months ended September 30, 2022		For the nine months ended September 30, 2023		For the nine months ended September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(27) and 7)	\$ 969,074	100	1,055,256	100	2,806,502	100	3,211,508	100
5000	Operating costs (Notes 6(7), (11), (12), (22) and 7)	(821,782)	(85)	(760,155)	(72)	(2,303,758)	(82)	(2,341,560)	(73)
	Gross profit	147,292	15	295,101	28	502,744	18	869,948	27
	Operating expenses (Notes 6(4), (11), (12), (19), (22), and 7):								
6100	Marketing expenses	(55,925)	(6)	(69,355)	(7)	(163,651)	(6)	(202,101)	(6)
6200	Administrative expenses	(122,833)	(13)	(150,198)	(14)	(348,512)	(13)	(382,708)	(12)
6300	R&D expenses	(4,038)	-	(6,203)	1	(9,923)	-	(12,940)	-
6235	Expected credit (impairment losses) gains on reversal	(27)	-	230	-	(1,952)	-	1,447	-
	Total operating expenses	(182,823)	(19)	(225,526)	(22)	(524,038)	(19)	(596,302)	(18)
6500	Other gains and losses, net (Note 6(29))	48,747	5	27,900	3	86,578	3	65,451	2
	Net operating income	13,216	1	97,475	9	65,284	2	339,097	11
	Non-operating income and expenses (Note 6(9), (19) and (30)):								
7100	Interest income	978	-	407	-	4,968	-	979	-
7010	Other income	6,995	1	70,187	7	21,026	1	93,676	3
7020	Other gains and losses	950	-	7,869	1	13,833	-	8,581	-
7050	Finance costs	(13,742)	(1)	(12,189)	(1)	(40,289)	(1)	(25,416)	(1)
7770	Share of losses of affiliates recognized by the equity method	(1,356)	-	(365)	-	(2,180)	-	(814)	-
	Total non-operating income and expenses	(6,175)	-	65,909	7	(2,642)	-	77,006	2
7900	Net income before tax	7,041	1	163,384	16	62,642	2	416,103	13
7950	Income tax expenses (Note 6(23))	(13,154)	(1)	(30,229)	(3)	(39,395)	(1)	(94,543)	(3)
	Net (loss) income for the period	(6,113)	-	133,155	13	23,247	1	321,560	10
8300	Other comprehensive income (Note 6(23) and (24)):								
8310	Items not reclassified to profit or loss								
8316	Unrealized valuation profits and losses on equity instrument investments at fair value through other comprehensive income	118,908	12	23,688	2	181,880	6	(12,575)	-
8320	Share of other comprehensive income of affiliates recognized by the equity method	6	-	(5)	-	6	-	(6)	-
8349	Less: income taxes related to non-reclassified items	18,643	2	5,685	1	23,882	1	1,817	-
	Total items not reclassified to profit or loss	100,271	10	17,998	1	158,004	5	(14,398)	-
8360	Items that may be reclassified to profit or loss subsequently								
8361	Exchange difference from translation of the financial statements of foreign operations	1,449	-	1,227	-	743	-	2,943	-
8399	Less: income taxes related to items that may be reclassified	335	-	223	-	133	-	542	-
	Total items that may be reclassified to profit or loss subsequently	1,114	-	1,004	-	610	-	2,401	-
8300	Other comprehensive income for the period	101,385	10	19,002	1	158,614	5	(11,997)	-
8500	Total comprehensive income for this period	<u><u>\$ 95,272</u></u>	<u><u>10</u></u>	<u><u>152,157</u></u>	<u><u>14</u></u>	<u><u>181,861</u></u>	<u><u>6</u></u>	<u><u>309,563</u></u>	<u><u>10</u></u>
	Net profit attributable to (Note 6(10)):								
8610	Owners of the parent company	\$ 9,672	2	114,074	11	79,863	3	333,304	10
8620	Non-controlling interests	(15,785)	(2)	19,081	2	(56,616)	(2)	(11,744)	-
		<u><u>\$ (6,113)</u></u>	<u><u>-</u></u>	<u><u>133,155</u></u>	<u><u>13</u></u>	<u><u>23,247</u></u>	<u><u>1</u></u>	<u><u>321,560</u></u>	<u><u>10</u></u>
	Total comprehensive income attributable to (Note 6(10)):								
8710	Owners of the parent company	\$ 113,415	12	137,975	13	235,745	8	338,016	11
8720	Non-controlling interests	(18,143)	(2)	14,182	1	(53,884)	(2)	(28,453)	(1)
		<u><u>\$ 95,272</u></u>	<u><u>10</u></u>	<u><u>152,157</u></u>	<u><u>14</u></u>	<u><u>181,861</u></u>	<u><u>6</u></u>	<u><u>309,563</u></u>	<u><u>10</u></u>
	Earnings per share (NTD) (Note 6(26))								
9750	Basic earnings per share	<u><u>\$ 0.08</u></u>		<u><u>0.91</u></u>		<u><u>0.63</u></u>		<u><u>2.63</u></u>	
9850	Diluted earnings per share	<u><u>\$ 0.08</u></u>		<u><u>0.90</u></u>		<u><u>0.63</u></u>		<u><u>2.61</u></u>	

(Please refer to the attached Notes to the Consolidated Financial Statements for details)

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

ShareHope Medicine Co., Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For the nine months ended September 30, 2023 and 2022

Unit: NT\$ thousand

	Ordinary share capital	Additional paid-in capital	Statutory reserves	Special reserves	Undistributed earnings	Exchange difference from translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance on January 1, 2022	\$ 1,143,259	1,267,418	163,624	33,469	567,167	(3,173)	(22,962)	3,148,802	734,492	3,883,294
Net income for the period	-	-	-	-	333,304	-	-	333,304	(11,744)	321,560
Other comprehensive income for the period	-	-	-	-	-	1,601	3,111	4,712	(16,709)	(11,997)
Total comprehensive income for this period	-	-	-	-	333,304	1,601	3,111	338,016	(28,453)	309,563
Allocation and distribution of earnings:										
Appropriation of legal reserve	-	-	23,474	-	(23,474)	-	-	-	-	-
Common share cash dividend	-	-	-	-	(57,163)	-	-	(57,163)	(2,161)	(59,324)
Ordinary share stock dividend	57,163	-	-	-	(57,163)	-	-	-	-	-
Reversal of special reserves	-	-	-	(7,333)	7,333	-	-	-	-	-
The difference between the price and book value of subsidiaries' equity actually acquired and disposed of	-	1,664	-	-	-	-	-	1,664	-	1,664
Changes in ownership interests in subsidiaries	-	(4,574)	-	-	2,210	-	(2,848)	(5,212)	4,508	(704)
Increase of non-controlling interests	-	-	-	-	-	-	-	-	2,000	2,000
Share-based payment transaction	-	-	-	-	-	-	-	-	6,950	6,950
Balance as of September 30, 2022	\$ 1,200,422	1,264,508	187,098	26,136	772,214	(1,572)	(22,699)	3,426,107	717,336	4,143,443
Balance on January 1, 2023	\$ 1,200,422	1,264,508	187,098	26,136	734,669	(2,089)	8,515	3,419,259	679,736	4,098,995
Net income for the period	-	-	-	-	79,863	-	-	79,863	(56,616)	23,247
Other comprehensive income for the period	-	-	-	-	-	341	155,541	155,882	2,732	158,614
Total comprehensive income for this period	-	-	-	-	79,863	341	155,541	235,745	(53,884)	181,861
Allocation and distribution of earnings:										
Appropriation of legal reserve	-	-	29,797	-	(29,797)	-	-	-	-	-
Common share cash dividend	-	-	-	-	(60,021)	-	-	(60,021)	(2,426)	(62,447)
Ordinary share stock dividend	60,021	-	-	-	(60,021)	-	-	-	-	-
Reversal of special reserves	-	-	-	(26,136)	26,136	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	(97,852)	-	-	(3,451)	-	-	(101,303)	(126,754)	(228,057)
Increase or decrease of non-controlling interests	-	-	-	-	-	-	-	-	200	200
Balance as of September 30, 2023	\$ 1,260,443	1,166,656	216,895	-	687,378	(1,748)	164,056	3,493,680	496,872	3,990,552

(Please refer to the attached Notes to the Consolidated Financial Statements for details)

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

ShareHope Medicine Co., Ltd. and its subsidiaries
Consolidated Cash Flow Statement
For the nine months ended September 30, 2023 and 2022

Unit: NT\$

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from operating activities:		
Net income before tax for the period	\$ 62,642	416,103
Items adjusted:		
Income and expense items		
depreciation expense	218,028	210,948
Amortization expenses	22,988	18,271
Expected credit impairment losses (gains on reversal)	1,952	(1,447)
Net (gains) losses on financial assets at fair value through profit or loss	(11,270)	2,766
Interest expenses	40,289	25,416
Interest income	(4,968)	(979)
Dividend income	(1,643)	(2,922)
Share of losses of affiliates recognized by the equity method	2,180	814
Gains on disposal and retirement of properties, plants and equipment	(24,820)	(8,732)
Gains on disposal of subsidiaries' investments	-	(66)
Unrealized foreign exchange gains	(1,268)	(148)
Lease modification gains	(502)	(235)
Total income and expense items	240,966	243,686
Changes in assets/liabilities related to operating activities:		
Notes receivable (including related parties)	2,611	14,608
Accounts receivable (including related parties)	(45,645)	(38,985)
Lease payments receivable (including related parties)	(20,933)	5,812
Other receivables (including related parties)	2,762	7,889
Inventories	(21,254)	(5,586)
Prepayments	(4,438)	(14,299)
Other current assets	(8,361)	2,650
Notes payable (including related parties)	1,751	(5,994)
Accounts payable (including related parties)	33,685	(23,187)
Other payables (including related parties)	(24,817)	26,101
contract liability	20,030	299
Other current liabilities	6,607	(5,414)
Net defined benefit liabilities	(58)	(122)
Total net changes in assets and liabilities related to operating activities	(58,060)	(36,228)
Cash inflow from operation	245,548	623,561
Interests received	4,968	979
Interests paid	(39,789)	(23,953)
Income taxes paid	(57,614)	(103,070)
Cash inflow from operating activities	153,113	497,517

(Please refer to the attached Notes to the Consolidated Financial Statements for details)

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

**Chief Accounting Officer: Ya-mei
Huang**

ShareHope Medicine Co., Ltd. and its subsidiaries
Consolidated Cash Flow Statement (Continued)
For the nine months ended September 30, 2023 and 2022

Unit: NT\$

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (27,020)	(116,581)
Disposal of financial assets at fair value through other comprehensive income	-	12,562
Capital returned due to capital reduction in financial assets at fair value through other comprehensive income	26,514	16,250
Disposal of financial assets at fair value through profit or loss	71,171	3,547
Acquisition of long-term equity method investments	(12,000)	(73,900)
Acquisition of financial assets at amortized cost	(18,451)	(18,450)
Acquisition of property, plant and equipment	(173,071)	(1,204,655)
Disposal of property, plant and equipment	3,005	107,024
(Increase) decrease in refundable deposits	(14,349)	667
Increase (decrease) in other receivables-related parties	(2,672)	2,065
Acquisition of intangible assets	(22,322)	(20,910)
Decrease (increase) in other non-current assets	10,934	(21,209)
Dividends received	1,643	2,922
Cash outflow from investing activities:	<u>(156,618)</u>	<u>(1,310,668)</u>
Cash flows from financing activities:		
Increase in short-term loans	118,855	62,493
Decrease in short-term bills payable	-	(54)
Borrowing of long-term loans	35,000	1,194,000
Repayment of long-term loans	(8,092)	(224,253)
Increase in deposits received	2,242	5,261
Lease principal payment	(93,967)	(92,775)
Distribution of cash dividends	(62,447)	(59,324)
Buyback cost of treasury stock	(227,434)	-
Changes in non-controlling interests	(28)	8,950
Cash (outflow) inflow from financing activities	<u>(235,871)</u>	<u>894,298</u>
Impact of exchange rate changes on cash and cash equivalents	1,944	3,085
(Decrease) increase in cash and cash equivalents for the period	(237,432)	84,232
Balance of cash and cash equivalents at the beginning of the period	1,535,182	1,557,173
Balance of cash and cash equivalents at the end of the period	<u><u>\$ 1,297,750</u></u>	<u><u>1,641,405</u></u>

(Please refer to the attached Notes to the Consolidated Financial Statements for details)

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

ShareHope Medicine Co., Ltd. and its subsidiaries

Notes to Consolidated Financial Statements

Q3 2023 and 2022

(Unless otherwise specified, all amounts are in NT\$)

I. Company History

ShareHope Medicine Co., Ltd. (hereinafter referred to as the Company) was established with the approval of the Ministry of Economic Affairs on October 13, 2003, with its registered address at 19th Floor, No. 168 Jingguo Road, Taoyuan District, Taoyuan City. The Company and its subsidiaries (hereinafter referred to as the Consolidated Company) are mainly engaged in wholesale and retail sales of medicines and hygiene materials, leasing of assets for medical institutions to undertake related medical services, and physical examinations for Taiwanese people and foreign labors, on-site medical support services, hemodialysis business management, ophthalmic medical management, clothing-related management services, manufacturing, processing and sales of various non-woven fabrics and management consulting for chain pharmacies in collaboration with medical institutions.

II. Date and Procedure of the Approval of the Financial Statements

The Consolidated Financial Statements was approved and issued by the Board of Directors on November 10, 2023.

III. Application of Newly Issued and Amended Standards and Interpretations

- (I) The impact of adopting newly issued and amended standards and interpretations approved by the Financial Supervisory Commission

The Consolidated Company adopted the following newly amended terms of the IFRSs on January 1, 2023, which made no significant impact on the Consolidated Financial Statements.

- Amendment to “Disclosure of Accounting Policies” under IAS 1
- Amendment to “Definition of Accounting Estimates” under IAS 8
- Amendment to “Deferred Income Tax Related to Assets and Liabilities Arising from a Single Transaction” under IAS 12

- (II) The impact of not yet adopting the IFRSs approved by the Financial Supervisory Commission

The Consolidated Company adopted the following newly amended terms of the IFRSs effective from January 1, 2024, based on evaluation, which will not have a significant impact on the Consolidated Financial Statements.

- Amendment to “Classification of Liabilities as Current or Non-current” under IAS 1
- Amendment to “Non-current Contractual Liabilities” under IAS 1
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendment to “Requirements for Sale and Leaseback Transactions” under IFRSs 16

- (III) Newly issued and amended standards and interpretations that have not yet been approved by the Financial Supervisory Commission

The Consolidated Company expects that the following unapproved newly issued and amended standards will not have a significant impact on the Consolidated Financial Statements.

- Amendment to “Sales or Investment of Assets between Investors and Their Affiliates or Joint Ventures” under IFRSs 10 and IAS 28
- Amendment to “Insurance Contracts” under IFRSs 17 and amendment to IFRSs 17
- Amendment to “Comparative Information on the Initial Application of IFRSs 17 and IFRSs 9” under IFRSs 17
- IAS 21 Lack of Exchangeability

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

IV. Summary of Major Accounting Policies

(I) Compliance statement

These Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to “Regulations”) and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC. The Consolidated Financial Statements do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual Consolidated Financial Statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the Consolidated Financial Statements are the same as those in the Consolidated Financial Statement for the year ended December 31, 2022. For the related information, please refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2022.

(II) Consolidation basis

1. Subsidiaries included in the Consolidated Financial Statements

Name of investor	Name of subsidiary	Nature of business	Percentage of equity held			Explanat ion
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	Chungyuan Medical Management Co., Ltd. (hereinafter referred to as Chungyuan Medical Management Company)	Management Consulting Services	100.00%	100.00%	100.00%	
The Company	Mytrex Health Technologies Co., Ltd. (hereinafter referred to as Mytrex Health Company, formerly known as Mytrex Co., Ltd.)	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	61.46%	61.46%	61.46%	
The Company	ShareHope Medicine (HongKong) Co., Ltd. (hereinafter referred to as ShareHope Hong Kong Company)	Investment management	100.00%	100.00%	100.00%	
The Company	Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd. (hereinafter referred to as Minsheng Asia-Pacific (Beijing) Company)	Hospital management consulting services	100.00%	100.00%	100.00%	
The Company	Pregetic Medical Health Co., Ltd. (hereinafter referred to as Pregetic Health Company)	Health management services	38.90%	38.90%	38.90%	
The Company	Medzoneasia Co., Ltd. (hereinafter referred to as Medzoneasia, formerly known as Medzoneasia Co., Ltd.)	Wholesale and trading of medicines and provision of medical information software services	83.47%	60.21%	60.21%	Note 1
The Company	Shengshih Technology Co., Ltd. (hereinafter referred to as Shengshih Company, formerly known as Hungxin Management Consulting Co., Ltd.)	Management Consulting Services	100.00%	100.00%	100.00%	
The Company	Sheng Tai Food Technology Co., Ltd. (hereinafter referred to as "Sheng Tai Company")	Food and beverage retail	80.00%	- %	- %	Note 3
The Company	YWLT Co., Ltd. (hereinafter referred to as YWLT Company)	Biotechnology Services	100.00%	- %	- %	Note 4
Mytrex Health Company	Mytrex Industries Inc. (hereinafter referred to as Mytrex)	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	100.00%	100.00%	100.00%	
Mytrex Health Company	Mytrex USA Co. (formerly known as TSVC Co.)	Health care support services	88.89%	88.89%	88.89%	
Mytrex Health Company	Sheng Yo Rehabilitative Technologies, Inc. (hereinafter referred to as Sheng Yo Company)	Health management services	90.91%	90.91%	90.91%	
Mytrex Health Company	YES Health Co., Ltd. (hereinafter referred to as YES Health Company)	Wholesale and trading of medicines and management consulting for pharmacies	100.00%	-	-	Note 2
Medzoneasia	TECHGROUP Integrate Design Co., Ltd. (hereinafter referred to as TECHGROUP)	Medical information software services	51.00%	51.00%	51.00%	
Medzoneasia	Macro Global Corporation (hereinafter referred to as Macro Global Corporation, formerly known as Macro Co., Ltd.)	Wholesale and trading of medicines	-	100.00%	100.00%	Note 2

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

Name of investor	Name of subsidiary	Nature of business	Percentage of equity held			
			September 30, 2023	December 31, 2022	September 30, 2022	Explanation
Medzoneasia	YES Health Company	Wholesale and trading of medicines and management consulting for pharmacies	-	100.00%	100.00%	Note 2
Medzoneasia	Digimed	Information software services	60.00%	60.00%	60.00%	
YES Health Company	Digimed	Information software services	20.00%	20.00%	20.00%	
ShareHope (Hong Kong) Company	Minsheng (Tianjin) Investment Management Co., Ltd. (hereinafter referred to as Minsheng (Tianjin) Investment Company)	Investment management	100.00%	100.00%	100.00%	
Pregetic Health Company	Hung-Han Medical Health CO., LTD. (hereinafter referred to as Hung-Han Company)	Health management services	100.00%	100.00%	100.00%	
Pregetic Health Company	Fuyi Health Management Consulting Co., Ltd. (hereinafter referred to as Fuyi Company)	Health management services	100.00%	100.00%	100.00%	
Pregetic Health Company	Chinachem Biomedical Co., Ltd. (hereinafter referred to as Chinachem)	Healthcare services	50.00%	-	- %	
Hung-Han Company	Hanting Digital Technology Co., Ltd. (hereinafter referred to as Hanting Company)	Information software services	100.00%	100.00%	100.00%	
Hung-Han Company	Chinachem	Healthcare services	50.00%	100.00%	-	
Hung-Han Company	Macro Global Corporation	Wholesale and trading of medicines	100.00%	-	-	Note 2

Note 1: In March 2023, Medzoneasia bought back treasury stock, resulting in an increase in the Company's shareholding ratio.

Note 2: In February and March 2023, Medzoneasia respectively transferred all the equity they held in Macro Global Corporation and YES Health Company to Hung-Han Company and Mytrex Health Company, resulting in a change in the shareholding ratio.

Note 3: The Company and other investors jointly contributed to the establishment of Sheng Tai Company on July 5, 2023. The company has completed the statutory change registration procedures, so the Consolidated Company has acquired control over it and thus incorporated it into the Consolidated Financial Statements.

Note 4: The Company invested and established YWLT Company on August 11, 2023. The company has completed the statutory change of registration process, so the Consolidated Company has acquired control over it and thus incorporated it into the Consolidated Financial Statements.

2. Subsidiaries not included in the Consolidated Financial Statements: None.

(III) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off event.

(IV) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34 "Interim Reporting."

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. Current tax expenses and deferred income tax expenses are recognized proportionally based on the estimated annual current income tax expenses and deferred income tax expenses.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

V. Major Sources of Uncertainty in Major Accounting Judgments, Estimates and Assumptions

The preparation of the Consolidated Financial Statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Major sources of the uncertainty in major accounting judgements and estimates made by the management adopting accounting policies of the Consolidated Company in the preparation of the Consolidated Financial Statements were consistent with Note 5 of the Consolidated Financial Statements for the year ended December 31, 2022.

VI. Explanation of Significant Accounting Items

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim Consolidated Financial Statements for the current period and the 2022 Consolidated Financial Statements. Please refer to Note 6 of the 2022 annual Consolidated Financial Statements.

(I) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and working capital	\$ 5,911	5,051	4,986
Cheques, demand deposits and foreign currency deposits	1,241,148	1,479,706	1,586,033
Cash equivalents - repurchase bonds	50,691	50,425	50,386
	<u><u>\$ 1,297,750</u></u>	<u><u>1,535,182</u></u>	<u><u>1,641,405</u></u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Fund beneficiary certificates	\$ 10,430	10,341	10,315
TPEX listed stocks	-	61,912	56,316
Non-TWSE/TPEX listed stocks	22,096	20,174	20,134
	<u><u>\$ 32,526</u></u>	<u><u>92,427</u></u>	<u><u>86,765</u></u>
Current	\$ 10,430	10,341	10,315
Non-current	22,096	82,086	76,450
	<u><u>\$ 32,526</u></u>	<u><u>92,427</u></u>	<u><u>86,765</u></u>

On February 21, 2023, the Consolidated Company disposed of all the equity at fair value through profit or loss in Crystalvue Medical Corporation. At disposal, its fair value was \$71,171, and the accumulated gain or loss on disposal was \$34,300.

Please refer to Note 6 (30) for the amount recognized in profit or loss based on fair value remeasurement.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

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

Equity instruments at fair value through other comprehensive income:

	September 30, 2023	December 31, 2022	September 30, 2022
Stocks issued by non-TWSE/TPEX listed companies	\$ 358,774	306,190	289,020
Stocks issued by non-listed foreign companies	373,059	273,661	261,079
Limited partnership interests	131,433	101,029	71,478
	\$ 863,266	680,880	621,577

The investments in equity instruments are held by the Consolidated Company as long-term strategic investments and not for trading purposes, and thus they have been designated to be measured at fair value through other comprehensive income.

Please refer to Note 6 (31) for credit risk and market risk information.

(IV) Notes and accounts receivable and finance lease receivables - current

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 10,512	13,123	1,404
Accounts receivable - measured at amortized cost	205,581	183,826	226,041
Accounts receivable-related parties - measured at amortized cost	1,063,695	1,038,039	887,209
Accounts receivable-finance lease payments - measured at amortized cost	388	388	-
Accounts receivable-related parties - finance lease payments - measured at amortized cost	12,593	6,026	9,610
Less: loss allowances	(6,562)	(4,608)	(5,208)
Unrealized interest income	(1,635)	(987)	(1,233)
	\$ 1,284,572	1,235,807	1,117,823

The Consolidated Company estimates the expected credit losses on notes and accounts receivable and financial lease receivables (including related parties) by a simplified approach, that is by measuring lifetime expected credit losses. For this purpose, such notes and accounts receivable and financial lease receivables (including related parties) are grouped based on the common credit risk characteristics that represent customers' abilities to pay all amounts due under contractual terms, with forward-looking information incorporated, including overall economic and related industry information.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

The expected credit losses on notes and accounts receivable and finance lease receivables (including related parties) of the Consolidated Company are analyzed as follows:

	September 30, 2023		
	The carrying amount of notes and accounts receivable and finance lease receivables (including related parties)	Weighted average expected credit loss rate	Loss allowances for lifetime expected credit losses
Not overdue	\$ 1,260,172	0%~0.02%	339
Less than 60 days overdue	8,987	0%~15%	861
61~90 days overdue	7,587	0%~100%	47
91-120 days overdue	6,338	0%~40%	1,193
More than 121 days overdue	8,050	0%~100%	4,122
	<u>\$ 1,291,134</u>		<u>6,562</u>

	December 31, 2022		
	The carrying amount of notes and accounts receivable and finance lease receivables (including related parties)	Weighted average expected credit loss rate	Loss allowances for lifetime expected credit losses
Not overdue	\$ 1,223,714	0%~0.34%	223
Less than 60 days overdue	9,327	0%~10.00%	5
61~90 days overdue	109	0%~100%	-
91-120 days overdue	641	0%~40.00%	-
More than 121 days overdue	6,624	0%~100%	4,380
	<u>\$ 1,240,415</u>		<u>4,608</u>

	September 30, 2022		
	The Carrying Amount of Notes and Accounts Receivable and Finance Lease Receivables	Weighted average expected credit loss rate	Loss allowances for lifetime expected credit losses
Not overdue	\$ 1,105,018	0.00%~0.02%	248
Less than 60 days overdue	3,291	0.00%~0.09%	3
61~90 days overdue	8,062	0.00%~100%	-
91-120 days overdue	659	0.00%~40.00%	-
More than 121 days overdue	6,001	0.00%~100%	4,957
	<u>\$ 1,123,031</u>		<u>5,208</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

The changes in the loss allowances for notes and accounts receivable and finance lease receivables (including related parties) of the Consolidated Company are analyzed in the table below:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Beginning balance	\$ 4,608	6,624
Impairment losses (gains on reversal)	1,952	(1,447)
Foreign currency translation gains and losses	2	31
Ending balance	<u>\$ 6,562</u>	<u>5,208</u>

(V) Other receivables

	September 30, 2023	December 31, 2022	September 30, 2022
Receivables from chain pharmacies	\$ 23,714	23,760	-
Receivables for disposal of premises	37,525	-	-
Other receivables-related parties	28,641	26,445	62,577
Others	30,485	32,725	4,945
Less: loss allowances	(883)	(882)	(895)
	<u>\$ 119,482</u>	<u>82,048</u>	<u>66,627</u>

The table of changes in loss allowances for other receivables of the Consolidated Company is as follows:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Beginning balance	\$ 882	868
Foreign currency translation gains and losses	1	27
Ending balance	<u>\$ 883</u>	<u>895</u>

Please refer to Note 6(31) for other credit risk information.

(VI) Finance lease receivables

The Consolidated Company subleases machinery and equipment for a period of two to ten years, with an implied interest rate of 2% to 12.23% under the lease agreements, covering the entire remaining period of the main lease agreement. Therefore, such subleases are classified as finance leases.

The maturity analysis of lease payments is presented in the following table based on the undiscounted lease payments to be received after the reporting date:

	September 30, 2023	December 31, 2022	September 30, 2022
Less than one year	\$ 12,978	6,415	9,608
1~2 years	10,177	3,732	5,500
2~3 years	5,946	3,154	3,154
3~4 years	3,495	3,154	3,154
4~5 years	2,720	1,985	2,374
More than 5 years	4,884	1,598	1,999
Gross investment in the lease	40,200	20,038	25,789
Unearned finance income	(3,836)	(2,732)	(3,193)
Present value of lease payments receivable	<u>\$ 36,364</u>	<u>17,306</u>	<u>22,596</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Current	\$ 11,346	5,427	8,377
Non-current	25,018	11,879	14,219
	\$ 36,364	17,306	22,596

The Consolidated Company estimates the financial lease receivables by a simplified approach, that is by measuring lifetime expected credit losses. For this purpose, such financial lease receivables are grouped based on the characteristics of the credit risks related to the ability to pay all amounts due under contractual terms, with forward-looking information incorporated, including overall economic and related industry information.

No loss allowance had to be provisioned due to increased risk of expected credit losses on the financial lease receivables of the Consolidated Company on September 30, 2023, December 31 and September 30, 2022.

(VII) Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Medicines and medical materials	\$ 42,781	36,852	122,554
Raw materials	27,144	30,274	28,402
Work in progress	708	2,210	1,612
Finished good	24,804	29,147	25,674
Commodity	211,338	174,054	117,586
Medical equipment	3,362	-	423
	\$ 310,137	272,537	296,251

Particulars of cost of sales are as follows:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cost of inventories sold	\$ 675,121	617,910	1,917,691	1,914,207
Inventory falling price loss				
(recovery benefit)	1,467	479	787	(5,089)
Obsolete inventories	151	219	457	923
Scrap income	(200)	(422)	(568)	(1,168)
Inventory surplus	58	-	13	3
Others	10,146	6,285	16,167	19,366
	\$ 686,743	624,471	1,934,547	1,928,242

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(VIII) Changes in ownership interests in subsidiaries

1. Disposal of some equity in subsidiaries without loss of control

In February 2023, Medzoneasia transferred 100% of its equity in Macro Global Corporation to Hung-Han Company, with the base date for equity delivery being February 15, 2023. The transaction is an adjustment of the Group's organizational structure and thus shall be accounted for as an equity transaction.

The impact of the above transaction on Medzoneasia is as follows:

	For the nine months ended September 30, 2023
The carrying amount of equity in Macro Global Corporation sold	\$ (74,113)
The consideration for transfer to Hung-Han Company	74,596
	<u>\$ 483</u>
Additional paid-in capital - the difference between the price and book value of subsidiaries' equity actually acquired	<u>\$ 483</u>

In March 2023, Medzoneasia transferred 100% of its equity in YES Health Company to Mytrex Health Company, with the base date for equity delivery being March 1, 2023. The transaction is an adjustment of the Group's organizational structure and thus shall be accounted for as an equity transaction.

The impact of the above transaction on Medzoneasia is as follows:

	2023
The carrying amount of equity in YES Health Company sold	\$ (233,204)
Consideration for transfer to Mytrex Health Company	230,000
	<u>\$ (3,204)</u>
Additional paid-in capital - the difference between the price and book value of subsidiaries' equity actually acquired	\$ (483)
Deficit yet to be compensated	(2,721)
	<u>\$ (3,204)</u>

The impact of the above transaction on The Company is as follows:

	2023
Undistributed earnings	<u>\$ (1,691)</u>

The Company, Pregetic Health Company, and Mytrex Health Company each transferred 60% of their equity in Digimed to Medzoneasia in April 2022, with the base date for equity delivery being April 1, 2022. The transaction is an adjustment of the Group's organizational structure and thus shall be accounted for as an equity transaction.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

The impact of the above transaction on Medzoneasia is as follows:

	For the nine months ended September 30, 2022
Carrying amount of the equity acquired in Digimed	\$ 1,008
Consideration paid to the Company, Pregetic Health Company, and Mytrex Health Company	(6,000)
	<u>\$ (4,992)</u>
Additional paid-in capital - the difference between the price and book value of subsidiaries' equity actually acquired and disposed of	\$ (2,341)
Deficit yet to be compensated	(2,651)
	<u>\$ (4,992)</u>

The impact of changes in the Consolidated Company's ownership interests in Medzoneasia on the owners' equity attributable to the parent company is as follows:

	For the nine months ended September 30, 2022
Additional paid-in capital - the difference between the price and book value of subsidiaries' equity actually acquired and disposed of	\$ 1,664
Additional paid-in capital - changes in ownership interests in subsidiaries	(1,409)
Undistributed earnings	(1,597)
	<u>\$ (1,342)</u>

2. Subsidiary's buyback of treasury stock without loss of control

Medzoneasia bought back 7,246 thousand shares of treasury stock after resolution of extraordinary Shareholders' Meeting on February 8, 2023, resulting in an increase in the Company's shareholding ratio of it from 60.21% to 83.47%. Since there was difference between the cost of treasury stock bought back by the Subsidiary amounting to NT\$227,434 thousand and the net carrying amount, and there was no change in the Company's control over Medzoneasia, it shall be accounted for as an equity transaction.

The impact of the above transaction on The Company is as follows:

	2023
Decrease in equity attributable to subsidiaries after buyback of treasury shares	\$ (190,433)
Increase in equity in proportion to the equity interest attributable to subsidiaries after buyback of treasury shares	89,282
Additional paid-in capital-recognized changes in ownership interests in subsidiaries	<u>\$ (101,151)</u>

3. No participation in subsidiaries' capital increase by issuance of new shares pursuant to employee share option schemes without loss of control

In June 2022, the Company did not subscribe for new shares issued by Pregetic Health Company based on its shareholding ratio, resulting in a decrease in its shareholding ratio from 39.93% to 38.90%. Given that the Company remains control over Pregetic Health Company even though it did not participate in the subsidiary's capital increase by issuance of new shares pursuant to employee share option schemes based on its shareholding ratio, the transaction shall be accounted for as an equity transaction.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

The impact of the above transaction on the Consolidated Company is as follows:

	For the nine months ended September 30, 2022
Decrease in equity attributable to subsidiaries' employees after exercising stock options by purchasing new shares	\$ (462)
Equity attributable to subsidiaries' employees recognized in the newly issued shares based on their equity ratio after exercising stock options by purchasing new shares	<u>(2,704)</u>
Additional paid-in capital - recognized changes in ownership interests in subsidiaries	<u>\$ (3,166)</u>

(IX) Loss of control over subsidiaries

The Consolidated Company invested NT\$50,000 thousand in April 2022 to establish Anchun Company and gained control over it. On September 23, 2022, the Consolidated Company disposed of 60% of the shares of the company at NT\$30,000 thousand and lost control over it. NT\$66 thousand of disposal profit was recognized in "other gains and losses" in the Consolidated Statement of Comprehensive Income, which included a gain of NT\$42 thousand from the remaining 40% of the equity owned by the Consolidated Company in Anchun Company measured at a fair value of NT\$20,035 thousand on September 23, 2022.

The Consolidated Company still holds 40% of the shares of Anchun Company after the above transaction, so it is determined that the Consolidated Company has a significant influence over the company. Therefore, on the date of significant influence, it reclassified the shares it originally held in Anchun Company to the item of equity method investments based on fair value measurement.

The detailed carrying amounts of assets and liabilities of Anchun Company on September 23, 2022 are as follows:

Bank deposits	\$ 3,693
Prepayments	46,260
Refundable deposits	<u>6</u>
Book amount of net assets of previous subsidiaries	<u>\$ 49,959</u>

(X) Subsidiaries with significant non-controlling interests

Non-controlling interests in subsidiaries that are material to the Consolidated Company are as follows:

Name of subsidiary	Principal business premises/ Country of company registration	Proportion of ownership interest and voting rights of non-controlling interests		
		September 30, 2023	December 31, 2022	September 30, 2022
Mytrex Health Company	Taiwan	38.54%	38.54%	38.54%
TECHGROUP Integrate Design Co., Ltd.	Taiwan	49.00%	49.00%	49.00%
Medzoneasia	Taiwan	16.53%	39.79%	39.79%
Pregetic Health Company	Taiwan	61.10%	61.10%	61.10%

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

The consolidated financial information of the above-mentioned subsidiaries, which is prepared in accordance with IFRSs recognized by the Financial Supervisory Commission and presents the amount before transactions among the Consolidated companies are written off, is as follows:

The consolidated financial information of Mytrex Health Company:

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 75,937	227,662	218,974
Non-current assets	634,163	527,435	605,844
Current liabilities	(20,585)	(25,160)	(23,896)
Non-current liabilities	(350)	(143)	(187)
Net assets	<u>\$ 689,165</u>	<u>729,794</u>	<u>800,735</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 287,924</u>	<u>303,582</u>	<u>330,969</u>

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Net loss for the period	\$ (20,848)	(6,630)	(42,373)	(20,468)
Other comprehensive income	(5,006)	(12,916)	(1,461)	(12,508)
Total comprehensive income	<u>\$ (25,854)</u>	<u>(19,546)</u>	<u>(43,834)</u>	<u>(32,976)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (8,213)</u>	<u>(2,555)</u>	<u>(16,331)</u>	<u>(8,530)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (10,142)</u>	<u>(7,533)</u>	<u>(16,894)</u>	<u>(13,350)</u>

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from operating activities	\$ (9,627)	(14,372)
Cash flows from investing activities	(230,000)	(73,000)
Cash flows from financing activities	90,000	-
Effects of exchange rate	(385)	-
Decrease in cash and cash equivalents	<u>\$ (150,012)</u>	<u>(87,372)</u>

The consolidated financial information of TECHGROUP Integrate Design Co., Ltd.:

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 36,311	37,550	32,359
Non-current assets	1,708	2,360	2,092
Current liabilities	(17,968)	(21,236)	(16,875)
Non-current liabilities	-	-	(75)
Net assets	<u>\$ 20,051</u>	<u>18,674</u>	<u>17,501</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 18,301</u>	<u>19,745</u>	<u>19,876</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating revenue	<u>\$ 12,913</u>	<u>17,437</u>	<u>42,604</u>	<u>38,684</u>
Net income for the period	\$ 1,107	4,925	6,327	6,546
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$ 1,107</u>	<u>4,925</u>	<u>6,327</u>	<u>6,546</u>
Net income (loss) for the period attributable to non-controlling interests	<u>\$ (164)</u>	<u>1,706</u>	<u>981</u>	<u>1,088</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (164)</u>	<u>1,706</u>	<u>981</u>	<u>1,088</u>

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from operating activities	\$ 3,179	(2,958)
Cash flows from investing activities	(366)	(148)
Cash flows from financing activities	(5,620)	(655)
Decrease in cash and cash equivalents	<u>\$ (2,807)</u>	<u>(3,761)</u>

The consolidated financial information of Medzoneasia:

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 36,555	22,712	32,054
Non-current assets	192,641	461,311	439,767
Current liabilities	(59,511)	(52,336)	(50,233)
Non-current liabilities	(19,790)	(36,354)	(40,070)
Net assets	<u>\$ 149,895</u>	<u>395,333</u>	<u>381,518</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 25,606</u>	<u>157,303</u>	<u>151,806</u>

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating revenue	<u>\$ 8,592</u>	<u>2,554</u>	<u>20,406</u>	<u>3,198</u>
Net (loss) income for the period	\$ (12,615)	10,492	(29,293)	19,102
Other comprehensive income	14,666	3,643	14,010	(8,334)
Total comprehensive income	<u>\$ 2,051</u>	<u>14,135</u>	<u>(15,283)</u>	<u>10,768</u>
Net (loss) income for the period attributable to non-controlling interests	<u>\$ (2,011)</u>	<u>4,175</u>	<u>(6,711)</u>	<u>7,601</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 414</u>	<u>5,623</u>	<u>(4,383)</u>	<u>4,284</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from operating activities	\$ (19,696)	2,404
Cash flows from investing activities	259,471	(7,242)
Cash flows from financing activities	(227,249)	931
Increase (decrease) in cash and cash equivalents	<u><u>\$ 12,526</u></u>	<u><u>(3,907)</u></u>

The consolidated financial information of Pregetic Health Company:

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 85,093	106,527	139,113
Non-current assets	379,050	368,970	344,147
Current liabilities	(148,303)	(161,498)	(143,482)
Non-current liabilities	(60,730)	(3,920)	(4,512)
Net assets	<u><u>\$ 255,110</u></u>	<u><u>310,079</u></u>	<u><u>335,266</u></u>
Carrying amount of non-controlling interests at the end of the period	<u><u>\$ 161,623</u></u>	<u><u>195,208</u></u>	<u><u>210,598</u></u>

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating revenue	<u><u>\$ 21,243</u></u>	<u><u>16,083</u></u>	<u><u>46,876</u></u>	<u><u>29,824</u></u>
Net loss for the period	\$ (8,363)	25,790	(55,320)	(17,469)
Other comprehensive income	(4,761)	(2,423)	1,457	(14,489)
Total comprehensive income	<u><u>\$ (13,124)</u></u>	<u><u>23,367</u></u>	<u><u>(53,863)</u></u>	<u><u>(31,958)</u></u>
Net (loss) income for the period attributable to non-controlling interests	<u><u>\$ (5,109)</u></u>	<u><u>15,758</u></u>	<u><u>(33,800)</u></u>	<u><u>(11,259)</u></u>
Total comprehensive income attributable to non-controlling interests	<u><u>\$ (8,018)</u></u>	<u><u>(14,277)</u></u>	<u><u>(32,910)</u></u>	<u><u>(20,062)</u></u>

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from operating activities	\$ (3,700)	(5,469)
Cash flows from investing activities	(66,682)	(94,613)
Cash flows from financing activities	32,919	(5,678)
Decrease in cash and cash equivalents	<u><u>\$ (37,463)</u></u>	<u><u>(105,760)</u></u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(XI) Property, plant and equipment

		Land	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Leased assets	Unfinished projects and equipment to be inspected	Total
Cost:											
Balance on January 1, 2023	\$	668,582	550,959	525,510	783	94,282	216,168	55,701	356,322	85,873	2,554,180
Increase		-	100	3,992	971	4,708	17,450	9,421	59,906	54,540	151,088
Disposal		(3,329)	(21,633)	(6,470)	-	(482)	(13,991)	(5,874)	(48,550)	-	(100,329)
Reclassification		-	900	(941)	-	(469)	10,594	28,381	37,763	(92,587)	(16,359)
Balance on September 30, 2023	\$	<u>665,253</u>	<u>530,326</u>	<u>522,091</u>	<u>1,754</u>	<u>98,039</u>	<u>230,221</u>	<u>87,629</u>	<u>405,441</u>	<u>47,826</u>	<u>2,588,580</u>
Balance on January 1, 2022	\$	17,229	36,779	527,956	783	95,022	214,438	57,874	392,761	-	1,342,842
Increase		651,353	514,180	4,958	-	3,094	3,588	1,540	21,220	7,159	1,207,092
Disposal		-	-	(19,470)	-	(4,286)	(2,621)	(2,924)	(51,951)	-	(81,252)
Reclassification		-	-	(18,280)	-	(680)	-	-	18,177	-	(783)
Effects of changes in foreign exchange rates		-	-	-	-	2	-	-	-	-	2
Balance on September 30, 2022	\$	<u>668,582</u>	<u>550,959</u>	<u>495,164</u>	<u>783</u>	<u>93,152</u>	<u>215,405</u>	<u>56,490</u>	<u>380,207</u>	<u>7,159</u>	<u>2,467,901</u>
Accumulated depreciation and impairment:											
Balance on January 1, 2023	\$	-	32,284	354,204	711	48,365	130,878	49,206	243,801	-	859,449
Depreciation for the year		-	13,960	37,633	161	10,759	19,275	3,683	34,633	-	120,104
Disposal		-	(14,924)	(6,460)	-	(383)	(8,429)	(5,874)	(48,549)	-	(84,619)
Reclassification		-	-	(527)	-	(329)	-	329	514	-	(13)
Balance on September 30, 2023	\$	<u>-</u>	<u>31,320</u>	<u>384,850</u>	<u>872</u>	<u>58,412</u>	<u>141,724</u>	<u>47,344</u>	<u>230,399</u>	<u>-</u>	<u>894,921</u>
Balance on January 1, 2022	\$	-	20,991	284,034	680	41,881	102,565	45,034	285,052	-	780,237
Depreciation for the year		-	6,685	43,060	23	10,022	19,633	2,739	30,648	-	112,810
Disposal		-	-	(18,663)	-	(4,232)	(2,465)	(2,924)	(51,950)	-	(80,234)
Reclassification		-	-	(77)	-	(680)	-	-	-	-	(757)
Effects of changes in foreign exchange rates		-	-	-	-	2	-	-	-	-	2
Balance on September 30, 2022	\$	<u>-</u>	<u>27,676</u>	<u>308,354</u>	<u>703</u>	<u>46,993</u>	<u>119,733</u>	<u>44,849</u>	<u>263,750</u>	<u>-</u>	<u>812,058</u>
Book value:											
September 30, 2023	\$	<u>665,253</u>	<u>499,006</u>	<u>137,241</u>	<u>882</u>	<u>39,627</u>	<u>88,497</u>	<u>40,285</u>	<u>175,042</u>	<u>47,826</u>	<u>1,693,659</u>
December 31, 2022	\$	<u>668,582</u>	<u>518,675</u>	<u>171,306</u>	<u>72</u>	<u>45,917</u>	<u>85,290</u>	<u>6,495</u>	<u>112,521</u>	<u>85,873</u>	<u>1,694,731</u>
September 30, 2022	\$	<u>668,582</u>	<u>523,283</u>	<u>186,810</u>	<u>80</u>	<u>46,159</u>	<u>95,672</u>	<u>11,641</u>	<u>116,457</u>	<u>7,159</u>	<u>1,655,843</u>

Please refer to Note 8 for details of long-term loan guarantees that have been provided as of September 30, 2023, December 31 and September 30, 2022.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(XII) Right-of-use assets

	Houses and buildings	Transportation equipment	Office equipment	Total
Cost:				
Balance on January 1, 2023	\$ 582,172	21,023	-	603,195
Increase	47,721	6,200	-	53,921
Disposal	(50,830)	(5,704)	-	(56,534)
Reclassification	(2,248)	2,248	-	-
Balance on September 30, 2023	<u>\$ 576,815</u>	<u>23,767</u>	<u>-</u>	<u>600,582</u>
Balance on January 1, 2022	\$ 583,811	25,495	1,088	610,394
Increase	6,500	4,263	-	10,763
Decrease	(10,514)	(6,230)	(1,088)	(17,832)
Balance on September 30, 2022	<u>\$ 579,797</u>	<u>23,528</u>	<u>-</u>	<u>603,325</u>
Accumulated depreciation:				
Balance on January 1, 2023	\$ 129,461	12,660	-	142,121
Increase	46,536	6,056	-	52,592
Disposal	(25,585)	(5,688)	-	(31,273)
Balance on September 30, 2023	<u>\$ 150,412</u>	<u>13,028</u>	<u>-</u>	<u>163,440</u>
Balance on January 1, 2022	\$ 74,451	11,798	396	86,645
Increase	49,106	5,958	-	55,064
Disposal	(8,085)	(6,230)	(396)	(14,711)
Balance on September 30, 2022	<u>\$ 115,472</u>	<u>11,526</u>	<u>-</u>	<u>126,998</u>
Book value:				
September 30, 2023	<u>\$ 426,403</u>	<u>10,739</u>	<u>-</u>	<u>437,142</u>
December 31, 2022	<u>\$ 452,711</u>	<u>8,363</u>	<u>-</u>	<u>461,074</u>
September 30, 2022	<u>\$ 464,325</u>	<u>12,002</u>	<u>-</u>	<u>476,327</u>

(XIII) Investment property

Investment properties comprise self-owned assets held by the Consolidated Company, office buildings leased to third parties under operating leases, and right-of-use assets that evidence leasehold rights. The original non-cancellable period of leased investment properties is one to five years, and the rental income from leased investment properties is fixed.

	Land and land improvements	Houses and buildings	Right-of-use assets	Total
September 30, 2023	<u>\$ 152,641</u>	<u>24,779</u>	<u>161,615</u>	<u>339,035</u>
December 31, 2022	<u>\$ 152,641</u>	<u>25,780</u>	<u>168,371</u>	<u>346,792</u>
September 30, 2022	<u>\$ 152,641</u>	<u>26,113</u>	<u>157,169</u>	<u>335,923</u>

The investment properties of the Consolidated Company had no significant addition, disposition, impairment, or reversal for the nine months ended September 30, 2023 and 2022. Please refer to Note 12 for the amount of depreciation, and for other related information, please refer to Note 6 (14) of the Consolidated Financial Statements for the year ended December 31, 2022.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

There was no significant difference between the fair value of investment properties of the Consolidated Company and the information disclosed in Note 6 (14) of the Consolidated Financial Statements for the year ended December 31, 2022.

Please refer to Note 6 (20) for the Consolidated Company's renting of investment properties under operating leases.

Please refer to Note 8 for the amount of the Consolidated Company's investment properties with collateral as loan guarantee.

(XIV) Intangible assets

	Management rights	Trademark rights	Customer relation	Lease contract	Members hip list	Goodwill	Computer software	Franchise	Technology authorization	Right of alienation	Others	Total
Book value:												
Balance on September 30, 2023	\$ 1,428	93,145	26,822	4,864	-	165,517	36,923	6	-	12,578	173	341,456
Balance on December 31, 2022	\$ 5,716	93,145	32,872	5,367	-	165,517	38,113	215	1,516	-	213	342,674
Balance on September 30, 2022	\$ 7,142	93,145	34,893	5,535	-	165,517	34,189	300	2,084	-	-	342,805

The intangible assets of the Consolidated Company had no significant addition, disposition, impairment, or reversal for the nine months ended September 30, 2023 and 2022. Please refer to Note 12 for the amount of amortization, and for other related information, please refer to Note 6 (15) of the Consolidated Financial Statements for the year ended December 31, 2022.

(XV) Other non-current assets

	September 30, 2023	December 31, 2022	September 30, 2022
Refundable deposits	\$ 426,865	412,516	409,420
Prepayments for equipment and engineering	7,737	13,070	34,085
Net defined benefit assets - non-current	4,845	4,595	3,074
Long-term prepayments	6,778	10,344	11,556
Others	883	3,107	475
	\$ 447,108	443,632	458,610

Refundable deposits are operational deposits paid by the Consolidated Company to ensure the performance of obligations of providing medical system institutions with operations management services.

(XVI) Short-term loans

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank loans	\$ 390,109	261,254	270,588
Unsecured borrowings for purchase of materials	-	-	22,588
Secured bank loans	35,000	45,000	45,412
	\$ 425,109	306,254	338,588
Interest rate range	1.65%~4.08%	1.35%~6.19%	1.42~2.91%
Unused quota	\$ 912,749	964,084	907,055

For the nine months ended September 30, 2023 and 2022, the amount of addition was \$816,745 thousand and \$1,138,593 thousand, respectively; the range of interest rate was from 1.65% to 4.08% and from 1.35% to 2.91%, respectively; the month of expiration was from October 2023 to September 2024 and from October 2022 to September 2023, respectively; the amount of repayment was \$697,890 thousand and \$1,076,100 thousand, respectively.

Please refer to Note 8 for guaranty provided by the Consolidated Company for bank loans with assets as collateral.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(XVII) Short-term bills payable

	September 30, 2023		December 31, 2022		September 30, 2022	
	Interest rate	amount	Interest rate	amount	Interest rate	amount
Commercial paper payable	1.72%	55,000	1.31%~1.60%	55,000	1.02%~1.31%	55,000
Less: discount on short-term bills payable		<u>(49)</u>		<u>(108)</u>		<u>(34)</u>
		<u>\$ 54,951</u>		<u>54,892</u>		<u>54,966</u>
Unused quota		<u>\$ 60,000</u>		<u>60,000</u>		<u>60,000</u>

The short-term bills payable of the Consolidated Company had no significant issuance, buyback, or repayment for the nine months ended September 30, 2023 and 2022. Please refer to Note 6 (30) for the interest expenses, and for other related information, please refer to Note 6 (18) of the Consolidated Financial Statements for the year ended December 31, 2022.

(XVIII) Long-term loans

September 30, 2023			
Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.710%~2.95%	\$ 1,026,284
Less: amount due within one year			<u>(29,482)</u>
			<u>\$ 996,802</u>
Unused quota			<u>\$ 620,000</u>

December 31, 2022			
Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.93%~2.83%	\$ 999,376
Less: amount due within one year			<u>(31,753)</u>
			<u>\$ 967,623</u>
Unused quota			<u>\$ 620,000</u>

September 30, 2022			
Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.68%~2.61%	\$ 1,127,274
Less: amount due within one year			<u>(33,099)</u>
			<u>\$ 1,094,175</u>
Unused quota			<u>\$ 558,004</u>

The long-term loans of the Consolidated Company had no significant issuance, buyback, or repayment for the nine months ended September 30, 2023 and 2022. Please refer to Note 6 (30) for the interest expenses, and for other related information, please refer to Note 6 (19) of the Consolidated Financial Statements for the year ended December 31, 2022.

Please refer to Note 8 for guaranty provided by the Consolidated Company for bank loans with assets as collateral.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(XIX) Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Current	<u>\$ 120,423</u>	<u>118,503</u>	<u>116,402</u>
Non-current	<u>\$ 496,184</u>	<u>526,576</u>	<u>531,548</u>

Please refer to Note 6 (31) Financial Instruments for maturity analysis.

The following amounts are recognized in profit or loss:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Interest expenses on lease liabilities	<u>\$ 3,610</u>	<u>3,177</u>	<u>9,719</u>	<u>9,854</u>
Variable lease payments not included in the measurement of the lease liabilities	<u>\$ 7,012</u>	<u>7,801</u>	<u>16,627</u>	<u>16,185</u>
Income from sublease of right-of-use assets	<u>\$ 20,745</u>	<u>27,359</u>	<u>61,255</u>	<u>30,473</u>
Expenses on short-term leases and low-value leases	<u>\$ 3,050</u>	<u>1,837</u>	<u>7,658</u>	<u>5,180</u>
COVID-19-related rent concessions	<u>\$ -</u>	<u>332</u>	<u>-</u>	<u>1,053</u>

The following amounts are recognized in the cash flow statement:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Total cash outflows for leases	<u>\$ 127,971</u>	<u>122,941</u>

1. Houses and buildings

The Consolidated Company leases houses, buildings, and transportation equipment for plants, operation, and sublease, typically for a lease term of 1~11 years. It is agreed that the Consolidated Company shall not lend, sublease, transfer or otherwise hand over the lease object to other parties without the consent of the lessor during the lease term, and part of the leases include the option to extend the lease term by the same period as the lease term of the original contract upon expiration of the leases.

Please refer to Note 6 (20) for the Consolidated Company's subleasing of part of the right-of-use assets with the consent of the lessor under operating leases.

2. Other leases

The Consolidated Company leases some buildings and transportation equipment which are short-term or low value leases, and elects not to recognize related right-of-use assets and lease liabilities by applying recognition exemption.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(XX) Operating lease

The Consolidated Company leases self-owned property, plant and equipment, investment properties and right-of-use assets. Since substantially all the risks and rewards attached to the ownership of the underlying assets have not been transferred, such lease contracts are classified as operating leases. Please refer to Note 6 (11) Property, Plant and Equipment, (12) Right-of-use Assets and (13) Investment Properties respectively for details.

The maturity analysis of lease payments is presented in the following table based on the total undiscounted lease payments to be received after the reporting date:

	September 30, 2023	December 31, 2022	September 30, 2022
1st year	\$ 156,048	143,318	148,151
2nd year	69,619	40,525	30,967
3rd year	36,403	20,455	15,395
4th year	25,129	3,125	829
5th year	24,292	2,642	560
More than 5 years	108,037	13,749	-
Total undiscounted lease payments	<u>\$ 419,528</u>	<u>223,814</u>	<u>195,902</u>

(XXI) Other payables

	September 30, 2023	December 31, 2022	September 30, 2022
Employee remuneration payable	\$ 90,521	94,442	96,811
Salaries and bonuses payable	56,684	75,877	52,896
Equipment payables	63,491	83,186	24,858
Directors' and supervisors' remuneration payable	2,568	5,350	5,817
Business tax payable	1,252	2,591	949
Others	73,566	74,339	89,535
	<u>\$ 288,082</u>	<u>335,785</u>	<u>270,866</u>

(XXII) Employee benefits

1. Defined benefit plans

Since there was no material volatility of the market, material curtailments, settlements, or other significant one-off event occurred subsequent to the end of prior fiscal year, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarially determined pension cost as of December 31, 2022 and 2021.

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating costs	\$ 45	52	146	133
Operating expenses	84	58	226	196
	<u>\$ 129</u>	<u>110</u>	<u>372</u>	<u>329</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

2. Defined contribution plans

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating costs	\$ 1,648	1,548	4,821	4,569
Operating expenses	3,977	2,033	11,033	9,399
	<u>\$ 5,625</u>	<u>3,581</u>	<u>15,854</u>	<u>13,968</u>

(XXIII) Income tax

1. The income tax expenses of the Consolidated Company are as follows:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Income tax expenses for the period	\$ 11,291	30,768	38,149	94,516
Income tax expenses for the period before adjustment	-	-	(323)	(369)
Deferred income tax expenses (income)	1,863	(539)	1,569	396
income tax expense	<u>\$ 13,154</u>	<u>30,229</u>	<u>39,395</u>	<u>94,543</u>

2. The details of the income tax (expenses) benefits recognized by the Consolidated Company under other comprehensive income are as follows:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Items not reclassified to profit or loss:				
Equity instruments at fair value through other comprehensive income	<u>\$ 18,643</u>	<u>5,685</u>	<u>23,882</u>	<u>1,817</u>

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Items that may be reclassified to profit or loss subsequently				
Exchange difference from translation of the financial statements of foreign operations	<u>\$ 335</u>	<u>223</u>	<u>133</u>	<u>542</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

3. Declaration and approval of the Consolidated Company's income tax settlement for profit-making business are as follows:

Name of company	Year of approval
The Company	2021
Chungyuan Medical Management Company	2021
TECHGROUP Integrate Design Co., Ltd.	2021
Mytrex Health Company	2021
Macro Global Corporation	2021
YES Health Company	2020
Medzoneasia	2021
Pregetic Health Company	2021
Mytrex	2021
Shengshih Technology Co., Ltd.	2019
Hung-Han Company	2021
Fuyi Company	2021
Digimed	2020

(XXIV) Capital and other equity

Except for the following disclosures, there was no significant change in capital and other equity of the Consolidated Company for the nine months ended September 30, 2023 and 2022. For other related information, please refer to Note 6 (26) of the Consolidated Financial Statements for the year ended December 31, 2022.

1. Issuance of ordinary shares

On June 30, 2023, the shareholders' meeting of the Company resolved to increase capital by issuing 6,002 thousand new shares with the undistributed earnings of NTD 60,021 thousand. The capital increase was approved by the Financial Supervisory Commission and the ex-dividend date is September 4, 2023. The relevant statutory procedures have been completed.

2. Additional paid-in capital

	September 30, 2023	December 31, 2022	September 30, 2022
Premium on issuance of stocks and conversion of corporate bonds	\$ 1,095,196	1,095,196	1,095,196
The difference between the price and book value of subsidiaries' equity actually acquired and disposed of	46,149	46,149	46,149
Recognized changes in ownership interests in subsidiaries	18,515	116,367	116,367
Lapsed share option	2,896	2,896	2,896
Share option for convertible corporate bonds	3,900	3,900	3,900
	<u>\$ 1,166,656</u>	<u>1,264,508</u>	<u>1,264,508</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

3. Retained earnings

As per the Company's Articles of Incorporation, a surplus in the annual final accounts shall first be appropriated to pay taxes to cover accumulated losses, and then 10% of the surplus shall be appropriated as legal reserves, excluding the case where legal reserves have reached the total capital of the Company. The remaining part shall be appropriated or reversed as special reserves according to the laws and regulations. In case of any surplus remained thereafter, the Board of Directors shall prepare a shareholder dividend distribution proposal and submit it to the shareholders' regular meeting for resolution on the distribution of dividends to shareholders with surplus and accumulated undistributed earnings.

In consideration of the current and future investment environment, capital needs, profitability, capital structure, future operational needs, as well as the interests of shareholders, balanced dividends and the Company's long-term financial plan, etc., dividends will be distributed in cash or stock. The proportion of dividends distributed in cash to shareholders in the current year shall be no less than 20% of the total dividends in the current year, while the rest shall be distributed in stock dividends. However, the actual distribution proportion may be adjusted according to the actual profit and operating conditions of the current year.

(1) Special reserves

In accordance with the regulations of the Financial Supervisory Commission, for the distribution of distributable earnings, the Company shall appropriate a special reserve from the current profit and loss and the undistributed earnings in the previous period for the difference between the recognized net deduction of other shareholders' equity in the current year and the balance of the special reserve appropriated in the preceding paragraph. The deduction of other shareholders' equity accumulated in the previous period shall be appropriated from undistributed earnings in the previous period to a special reserve and shall not be distributed. If there is a subsequent reversal in the deduction of other shareholders' equity, the reversed amount shall be used for distribution of earnings.

(2) Distribution of earnings

The resolutions on the distribution of earnings for 2022 was approved by the shareholders' meetings of the Company on June 30, 2023, and the amounts of dividends distributed to owners are as follows:

		2022	
		Allotment rate	
		(NT\$)	Amount
Dividends distributed to ordinary shareholders:			
Cash	\$	0.50	60,021
Stocks		0.50	60,021
			\$ 120,042

The resolutions on the distribution of earnings for 2021 was approved by the shareholders' meetings of the Company on June 29, 2022, and the amounts of dividends distributed to owners are as follows:

		2021	
		Allotment rate	
		(NT\$)	Amount
Dividends distributed to ordinary shareholders:			
Cash	\$	0.50	57,163
Stocks		0.50	57,163
			\$ 114,326

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

4. Other equity (net income after taxes)

	Exchange difference from translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Non-controlling interests	Total
Balance on January 1, 2023	\$ (2,089)	8,515	(16,206)	(9,780)
Exchange difference from translation of the net assets of foreign operations	341	-	269	610
Unrealized gains on financial assets at fair value through other comprehensive income	-	155,535	2,463	157,998
Share of unrealized gains or losses of affiliates applying the equity method on financial assets at fair value through other comprehensive income	-	6	-	6
Balance on September 30, 2023	<u>\$ (1,748)</u>	<u>164,056</u>	<u>(13,474)</u>	<u>148,834</u>
Balance on January 1, 2022	\$ (3,173)	(22,962)	459	(25,676)
Exchange difference from translation of the net assets of foreign operations	1,601	-	800	2,401
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	3,117	(17,509)	(14,392)
Share of unrealized gains or losses of affiliates applying the equity method on financial assets at fair value through other comprehensive income	-	(6)	-	(6)
Disposal of equity instruments at fair value through other comprehensive income	-	(2,848)	-	(2,848)
Balance on September 30, 2022	<u>\$ (1,572)</u>	<u>(22,699)</u>	<u>(16,250)</u>	<u>(40,521)</u>

5. Non-controlling interests

	Non-controlling interests
Beginning balance on January 1, 2023	\$ 679,736
Net loss for the period attributable to non-controlling interests	(56,616)
Other comprehensive income for the period attributable to non-controlling interests	2,732
Distribution of ordinary share cash dividends	(2,426)
Acquisition of subsidiaries	200
The difference between the price and book value of treasury stock bought back by the subsidiary	(126,283)
The difference between the price and book value of subsidiaries' equity actually acquired	(471)
Balance at September 30, 2023	<u>\$ 496,872</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

	Non-controlling interests
Beginning balance on January 1, 2022	\$ 734,492
Net loss for the period attributable to non-controlling interests	(11,744)
Other comprehensive income for the period attributable to non-controlling interests	(16,709)
Distribution of ordinary share cash dividends	(2,161)
Failure to subscribe in the capital increase scheme of subsidiaries in proportion to shareholding ratio	3,166
Acquisition of subsidiaries	2,000
Exercise of stock options by employees of subsidiaries	6,950
The difference between the price and book value of subsidiaries' equity actually acquired and disposed of	<u>1,342</u>
Balance at September 30, 2022	<u><u>\$ 717,336</u></u>

(XXV) Share-based payment

There was no significant change in share-based payments of the Consolidated Company for the nine months ended September 30, 2023 and 2022. For other related information, please refer to Note 6 (27) of the Consolidated Financial Statements for the year ended December 31, 2022.

(XXVI) Earnings per share

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Basic earnings per share:				
Net profits attributable to ordinary equity holders of the Company	<u>\$ 9,672</u>	<u>114,074</u>	<u>79,863</u>	<u>333,304</u>
Weighted average number of outstanding ordinary shares	126,044	126,044	126,044	126,644
Basic earnings per share (NT\$)	<u>\$ 0.08</u>	<u>0.91</u>	<u>0.63</u>	<u>2.63</u>
Diluted earnings per share:				
Net profits attributable to ordinary equity holders of the Company (diluted)	<u>\$ 9,672</u>	<u>114,074</u>	<u>79,863</u>	<u>333,304</u>
Weighted average number of outstanding ordinary shares (basic)	126,044	126,044	126,044	126,644
Effects of dilutive potential ordinary shares				
Effects of employee remuneration in stock	<u>218</u>	<u>899</u>	<u>435</u>	<u>1,073</u>
Weighted average number of outstanding ordinary shares (diluted)	126,262	126,943	126,479	127,717
Diluted earnings per share (NT\$)	<u>\$ 0.08</u>	<u>0.90</u>	<u>0.63</u>	<u>2.61</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(XXVII) Revenue from customer contracts

1. Disaggregation of revenue

For the three months ended September 30, 2023				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 778,012	154,900	36,162	969,074
Main product/service lines:				
Medicines and medical materials	\$ 749,709	-	-	749,709
Non-woven filter fabric	28,303	-	-	28,303
Service provision	-	154,900	-	154,900
Equipment leases	-	-	18,281	18,281
properties	-	-	17,881	17,881
	<u>\$ 778,012</u>	<u>154,900</u>	<u>36,162</u>	<u>969,074</u>
For the three months ended September 30, 2022				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 721,742	291,410	31,541	1,044,693
Europe	8,720	-	-	8,720
Other countries	1,843	-	-	1,843
	<u>\$ 732,305</u>	<u>291,410</u>	<u>31,541</u>	<u>1,055,256</u>
Main product/service lines:				
Medicines and medical materials	\$ 689,520	-	-	689,520
Non-woven filter fabric	42,785	-	-	42,785
Service provision	-	291,410	-	291,410
Equipment leases	-	-	17,359	17,359
Leases of investment properties	-	-	14,182	14,182
	<u>\$ 732,305</u>	<u>291,410</u>	<u>31,541</u>	<u>1,055,256</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

For the nine months ended September 30, 2023				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 2,208,079	484,865	104,179	2,797,123
Europe	8,202	-	-	8,202
Other countries	1,177	-	-	1,177
	\$ 2,217,458	484,865	104,179	2,806,502
Main product/service lines:				
Medicines and medical materials	\$ 2,114,256	-	-	2,114,256
Non-woven filter fabric	103,202	-	-	103,202
Service provision	-	484,865	-	484,865
Equipment leases	-	-	49,232	49,232
Leases of investment properties and properties	-	-	54,947	54,947
	\$ 2,217,458	484,865	104,179	2,806,502
For the nine months ended September 30, 2022				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 2,250,367	851,771	93,832	3,195,970
Europe	9,762	-	-	9,762
Other countries	5,776	-	-	5,776
	\$ 2,265,905	851,771	93,832	3,211,508
Main product/service lines:				
Medicines and medical materials	\$ 2,113,005	-	-	2,113,005
Non-woven filter fabric	152,900	-	-	152,900
Service income	-	851,771	-	851,771
Equipment leases	-	-	51,717	51,717
Leases of investment properties	-	-	42,115	42,115
	\$ 2,265,905	851,771	93,832	3,211,508

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

2. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 10,512	13,123	1,404
Accounts receivable	205,581	183,826	226,041
Accounts receivable - related parties	1,063,695	1,038,039	887,209
Finance lease receivables	364	332	-
Finance lease receivables - related parties	10,982	5,095	8,377
Long-term finance lease receivables	-	277	-
Long-term finance lease receivables - related parties	25,018	11,602	14,219
Less: loss allowances	(6,562)	(4,608)	(5,208)
	<u><u>\$ 1,309,590</u></u>	<u><u>1,247,686</u></u>	<u><u>1,132,042</u></u>
	September 30, 2023	December 31, 2022	September 30, 2022
Contract liability - sales of goods	\$ 24,033	4,003	5,959
Contract liability-customer loyalty programs	1,522	1,522	1,620
	<u><u>\$ 25,555</u></u>	<u><u>5,525</u></u>	<u><u>7,579</u></u>

Please refer to Note 6 (4) and (6) for the disclosure of notes and accounts receivable, as well as financing lease receivables (including related parties) and their impairment.

The beginning balances of contract liabilities on January 1, 2023 and 2022 were recognized for the nine months ended September 30, 2023 and 2022 as income of \$4,592 thousand and \$4,637 thousand, respectively.

(XXVIII) Remuneration to employees and directors

According to the Company's Articles of Incorporation, 6% to 10% of the annual profit (if any) shall be appropriated as remuneration to employees and not more than 3% as remuneration to directors. However, the allowances for the Company's accumulated losses shall be set aside from the profit first. The objects to which the employees' remuneration referred to in the preceding paragraph is paid in stock or cash include employees of affiliated companies who meet certain requirements.

The estimated amounts of employees' remuneration of the Company recognized for the three months and nine months ended September 30, 2023 and 2022 were NT\$1,132 thousand, NT\$9,013 thousand, NT\$7,314 thousand, and NT\$27,044 thousand, respectively, and the estimated amounts of directors' remuneration were NT\$189thousand, NT\$1,553 thousand, NT\$1,219 thousand, and NT\$4,602 thousand, respectively. The estimates were based on the Company's net profit before tax in that period less employees' and directors' remuneration, multiplied by the distribution percentages of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation, and the remuneration was presented in operating expenses for that period. In case of a difference between the actual distribution amount in the following year and the estimated amount recognized, it shall be accounted for as changes in accounting estimates and recognized in profit or loss for the following year.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

In 2022 and 2021, the Company appropriated \$24,494 thousand and \$19,466 thousand respectively for employees' remuneration, and \$4,082 thousand and \$3,244 thousand respectively for directors' remuneration, which did not differ from the resolutions on distribution of employees' and directors' remuneration by the Company's Board of Directors in 2022 and 2021. Relevant information can be found on the MOPS.

(XXIX) Other net income and expenses

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Income from sublease of investment property	\$ 11,189	10,009	32,861	30,473
Gains on disposal of property, plant and equipment	28,002	8,749	24,821	8,732
Lease modification gains	-	-	502	235
Income from subleases of right-of-use assets	9,556	9,142	28,394	26,011
	\$ 48,747	27,900	86,578	65,451

(XXX) Non-operating income and expenses

1. Interest income

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Bank deposit interest	\$ 765	404	4,031	972
Other interest income	213	3	937	7
	\$ 978	407	4,968	979

2. Other income

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Rental income	\$ 455	8	455	94
Royalty income	706	1,905	3,595	6,017
Dividend income	14	2,922	1,643	2,922
Government grants	1,695	1,863	4,083	5,329
Logistics income	1,508	-	4,446	-
Income from sale of telomerase database	-	44,000	-	44,000
Others	2,617	19,489	6,804	35,314
	\$ 6,995	70,187	21,026	93,676

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

3. Other gains and losses

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Gains on disposal of subsidiaries' investments	\$ -	66		66
Foreign exchange gain	2,149	5,583	3,603	11,946
(Losses) gains on financial assets at fair value through profit or loss	(919)	2,372	11,270	(2,766)
Others	(280)	(152)	(1,040)	(665)
	<u>\$ 950</u>	<u>7,869</u>	<u>13,833</u>	<u>8,581</u>

4. Finance costs

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Interest on loans from financial institutions	\$ 10,657	8,987	30,639	15,534
Amortization of interest on lease liabilities	3,081	3,177	9,640	9,854
Others	4	25	10	28
	<u>\$ 13,742</u>	<u>12,189</u>	<u>40,289</u>	<u>25,416</u>

(XXXI) Financial instruments

Except for the following disclosures, there was no significant change in the fair value and exposure to credit risk, liquidity risk, and market risk of financial instrument of the Consolidated Company. For related information, please refer to Note 6 (33) of the Consolidated Financial Statements for the year ended December 31, 2022.

1. Credit risk of accounts receivable

Please refer to Note 6 (4), (5) and (6) for information on the exposure of notes receivable, accounts receivable, finance lease receivables and other receivables to credit risk.

Other financial assets measured at amortized cost include restricted bank deposits and refundable deposits.

The restricted bank deposits, time deposits, and refundable deposits held by the Consolidated Company are considered low credit risk as the counterparties and other performing parties are creditworthy or financial institutions rated investment grade or above.

The Consolidated Company made no provision of loss allowances for other financial assets measured at amortized cost as of September 30, 2023, December 31 and September 30, 2022 due to 12-month expected credit losses or lifetime expected credit losses.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

2. Liquidity risk

The contractual maturities of financial liabilities are showed in the following table, including the effect of estimated interest.

	Carrying amount	Paid					
		Contractual cash flows	immediately or within 1 month	Within 6 months	6-12 months	1-3 years	Over 3 years
September 30, 2023							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	1,145,597	1,145,597	585,659	543,528	7,275	5,724	3,411
lease liabilities	616,607	701,860	13,097	66,244	75,065	228,696	318,758
Floating rate instruments	1,451,393	1,543,899	3,514	309,305	215,774	965,090	50,216
Fixed-rate instruments	54,951	55,000	55,000	-	-	-	-
	\$ 3,268,548	3,446,356	657,270	919,077	298,114	1,199,510	372,385
December 31, 2022							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	1,153,713	1,153,713	647,641	493,602	1,394	11,076	-
lease liabilities	645,079	690,997	11,429	56,879	61,525	208,131	353,033
Floating rate instruments	1,305,630	1,392,885	28,327	193,124	147,208	353,937	670,289
Fixed-rate instruments	54,892	55,000	55,000	-	-	-	-
	\$ 3,159,314	3,292,595	742,397	743,605	210,127	573,144	1,023,322
September 30, 2022							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	892,903	892,903	314,475	578,099	152	177	-
lease liabilities	647,950	695,735	11,389	54,972	61,706	203,094	364,574
Floating rate instruments	1,465,862	1,564,396	8,649	227,421	168,732	317,475	842,119
Fixed-rate instruments	54,966	55,000	55,000	-	-	-	-
	\$ 3,061,681	3,208,034	389,513	860,492	230,590	520,746	1,206,693

The Consolidated Company does not expect a significantly earlier occurrence of cash flows based on the due date analysis or significant differences between the actual amounts and estimates.

3. Market risk

(1) Exchange rate risk

The financial assets and liabilities of the Consolidated Company exposed to significant foreign currency exchange rate risk are as follows:

	September 30, 2023				December 31, 2022			September 30, 2022		
	Foreign	Exchange		NT\$	Foreign	Exchange		Foreign	Exchange	
	currency	rate (NT\$)	currency		rate (NT\$)	NT\$	currency	rate (NT\$)	NT\$	
<u>Financial asset</u>										
<u>Monetary items</u>										
USD	\$	1,799	32.27	58,054	2,466	30.710	75,731	2,373	31.750	75,343
CNY		10	4.415	44	34	4.4080	150	-	-	-
EUR		172	33.91	5,833	147	32.720	4,810	914	31.260	28,572

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

	September 30, 2023				December 31, 2022			September 30, 2022		
	Foreign	Exchange	NT\$		Foreign	Exchange	NT\$	Foreign	Exchange	NT\$
	currency	rate (NT\$)			currency	rate (NT\$)		currency	rate (NT\$)	
<u>Non-monetary items</u>										
USD	\$	8,962	32.27	289,204	8,911	30.710	273,657	8,223	31.750	261,079
CNY		6,918	4.415	30,543	6,655	4.408	29,335	6,757	4.473	30,225
<u>Financial liability</u>										
<u>Monetary items</u>										
USD	-	32.27	-	432	30.710	13,267	711	31.750	22,574	

The exchange rate risk of the Consolidated Company mainly comes from cash and cash equivalents as well as accounts and borrowings receivable denominated in foreign currencies, which generate foreign currency exchange gains and losses during translation. On September 30, 2023 and 2022, if the New Taiwan dollar appreciated and depreciated by 5% against the U.S. dollar, Renminbi and Euro, while all other factors remained unchanged, the net profit before tax for the six months ended September 30, 2023 and 2022 would decrease or increase by NT\$3,197 thousand and NT\$4,067 thousand, respectively. The analysis of the two periods was conducted on the same basis.

Due to the variety of functional currencies used by the Consolidated Company, information on exchange gains and losses on monetary items was disclosed on a consolidated basis. Foreign currency exchange gains (both realized and unrealized) for the six months ended September 30, 2023 and 2022 amounted to NT\$3,603 thousand and NT\$11,946 thousand, respectively.

(2) Interest rate risk

The exposure of the Consolidated Company's financial liabilities to interest rate risk is illustrated in Liquidity Risk Management section in this note.

The sensitivity analysis below is based on the exposure of non-derivative instruments to interest rate risk at the reporting date. The analysis of floating rate liabilities is based on the assumption that the outstanding liabilities at the reporting date are outstanding throughout the year. The rate of change in the interest rate reported to major management personnel of the Consolidated Company is the interest rate plus 20 basis points, which also represents the management's evaluation on the reasonably possible range of changes in the interest rate.

If the interest rate increases or decreases by 20 basis points, while all other variables remain unchanged, the pre-tax net profit of the Consolidated Company for the nine months ended September 30, 2023 and 2022 will increase or decrease by NT\$2,903 thousand and \$2,932 thousand, mainly due to changes in the interest rate of the Consolidated Company's floating rate loans.

(3) Other price risks

The impact of changes in the price of equity securities (the analysis of the two periods is conducted on the same basis and other factors are assumed to remain unchanged) on the comprehensive income item at the reporting day is as follows:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
	Post-tax profit or loss	Post-tax profit or loss	Post-tax profit or loss	Post-tax profit or loss
Price of securities at the reporting date				
Up 10%	\$ -	13	-	5,632
Down 10%	\$ -	(13)	-	(5,632)

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

4. Information on fair values

(1) Type and fair value of financial instruments

The Consolidated Company's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values of all types of financial assets and financial liabilities (including fair value level information, but for financial instruments not measured at fair value with carrying amounts reasonably approximate to their fair values as well as lease liabilities, fair value information is not required to be disclosed according to the regulations) are listed as follows:

September 30, 2023					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Fund beneficiary certificates	\$ 10,430	10,430	-	-	10,430
Non-TWSE/TPEX listed stocks	22,096	-	-	22,096	22,096
Subtotal	32,526	10,430	-	22,096	32,526
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEX listed stocks	358,774	-	-	358,774	358,774
Non-overseas listed stocks	373,059	-	-	373,059	373,059
Limited partnership interests	131,433	-	-	131,433	131,433
Subtotal	863,266	-	-	863,266	863,266
Financial assets at amortized cost					
Cash and cash equivalents	1,297,750	-	-	-	-
Restricted bank deposits	64,042	-	-	-	-
Net notes receivable and accounts receivable (including related parties)	1,273,226	-	-	-	-
Other net receivables (including related parties)	119,482	-	-	-	-
Finance lease receivables (including those due within one year)	36,364	-	-	-	-
Subtotal	2,790,864	-	-	-	-
Total	<u>\$ 3,686,656</u>	<u>10,430</u>	<u>-</u>	<u>885,362</u>	<u>895,792</u>
Financial liabilities at amortized cost					
Short-term loans	\$ 425,109	-	-	-	-
Long-term loans (including those due within one year)	1,026,284	-	-	-	-
Short-term bills payable	54,951	-	-	-	-
Notes and accounts payable (including related parties)	838,226	-	-	-	-
Other payables (including related parties)	295,512	-	-	-	-
Long-term accounts payable (including those due within one year)	11,859	-	-	-	-
Lease liabilities (including those due within one year)	616,607	-	-	-	-
Total	<u>\$ 3,268,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

December 31, 2022					
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Fund beneficiary certificates	\$ 10,341	10,341	-	-	10,341
TPEx listed stocks	61,912	61,912	-	-	61,912
Non-TWSE/TPEx listed stocks	20,174	-	-	20,174	20,174
Subtotal	92,427	72,253	-	20,174	92,427
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEx listed stocks	306,190	-	-	306,190	306,190
Non-overseas listed stocks	273,661	-	-	273,661	273,661
Limited partnership interests	101,029	-	-	101,029	101,029
Subtotal	680,880	-	-	680,880	680,880
Financial assets at amortized cost					
Cash and cash equivalents	1,535,182	-	-	-	-
Restricted bank deposits	45,591	-	-	-	-
Net notes receivable and accounts receivable (including related parties)	1,230,380	-	-	-	-
Other net receivables (including related parties)	82,048	-	-	-	-
Finance lease receivables (including those due within one year)	17,306	-	-	-	-
Subtotal	2,910,507	-	-	-	-
Total	\$ 3,683,814	72,253	-	701,054	773,307
Financial liabilities at amortized cost					
Short-term loans	\$ 306,254	-	-	-	-
Long-term loans (including those due within one year)	999,376	-	-	-	-
Short-term bills payable	54,892	-	-	-	-
Notes and accounts payable (including related parties)	802,790	-	-	-	-
Other payables (including related parties)	337,078	-	-	-	-
Long-term accounts payable (including those due within one year)	13,845	-	-	-	-
Lease liabilities (including those due within one year)	645,079	-	-	-	-
Total	\$ 3,159,314	-	-	-	-

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

September 30, 2022					
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Fund beneficiary certificates	\$ 10,315	10,315	-	-	10,315
TPEx listed stocks	56,316	56,316	-	-	56,316
Non-TWSE/TPEx listed stocks	20,134	-	-	20,134	20,134
Subtotal	86,765	66,631	-	20,134	86,765
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEx listed stocks	289,020	-	-	289,020	289,020
Non-overseas listed stocks	261,079	-	-	261,079	261,079
Limited partnership interests	71,478	-	-	71,478	71,478
Subtotal	621,577	-	-	621,577	621,577
Financial assets at amortized cost					
Cash and cash equivalents	1,641,405	-	-	-	-
Restricted bank deposits	64,796	-	-	-	-
Net notes receivable and accounts receivable (including related parties)	1,109,446	-	-	-	-
Other net receivables (including related parties)	66,627	-	-	-	-
Finance lease receivables (including those due within one year)	22,596	-	-	-	-
Subtotal	2,904,870	-	-	-	-
Total	\$ 3,613,212	66,631	-	641,711	708,342
Financial liabilities at amortized cost					
Short-term loans	\$ 338,588	-	-	-	-
Long-term loans (including those due within one year)	1,127,274	-	-	-	-
Short-term bills payable	54,966	-	-	-	-
Notes and accounts payable (including related parties)	621,594	-	-	-	-
Other payables (including related parties)	271,309	-	-	-	-
Lease liabilities (including those due within one year)	647,950	-	-	-	-
Total	\$ 3,061,681	-	-	-	-

(2) Valuation techniques for fair value of financial instruments measured at fair value

If there is a quoted price in an active market for a financial instrument, that price shall be used for measuring fair value. The market prices, announced by the main exchanges and the over-the-counter trading center for central government bonds that are judged to be popular, are the basis for the fair value of listed equity instruments and the debt instruments with a quoted price in an active market. If a quoted price for a financial instrument can be obtained from exchanges, brokers, underwriters, industry associations, pricing service institutions or competent authorities in a timely manner and on a regular basis, and represents actual fair market transactions with sufficient frequency, it is determined that there is a quoted price in an active market for the financial instrument. Where the above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in bid-ask spread, or a low transaction volume indicates an inactive market.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

The fair values of financial instruments held by the Consolidated Company traded in active markets are presented below by type and attribute:

- Stocks issued by TPEX listed companies

The fair value of a financial asset that is subject to standard terms and conditions and traded in an active market is determined with reference to the quoted price in the market. Except for the aforementioned financial instruments traded in active markets, the fair value of other financial instruments is determined by valuation techniques or with reference to quoted prices from counterparties. The fair value obtained through valuation techniques can be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow model or other valuation techniques, including by using models based on market information available on the balance sheet date.

The fair values of financial instruments held by the Consolidated Company traded in inactive markets are presented below by type and attribute:

- Equity instruments without quoted prices: The fair value is estimated using the market comparable company method and asset method, mainly based on the ratio of the estimated market price to earnings per share of the investee, the earnings multiplier derived from quoted market prices of comparable TWSE/TPEX listed companies, as well as the equity value of net assets. The estimate has adjusted the effect of discount of the equity securities due to lack of market liquidity.

(3) There was no change in the fair value hierarchy of financial assets during the nine months ended September 30, 2023 and 2022.

(4) Table of Changes in Level 3

	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Equity instruments without quoted prices
January 1, 2023	\$ 20,174	680,880
Total gains or losses		
Recognized in profit or loss	1,922	-
Recognized in other comprehensive income	-	181,880
Purchase	-	27,020
Capital returned due to capital reduction	-	(26,514)
September 30, 2023	\$ 22,096	863,266
January 1, 2022	\$ 22,928	545,424
Total gains or losses		
Recognized in profit or loss	(2,794)	-
Recognized in other comprehensive income	-	(12,575)
Purchase	-	116,581
Capital returned due to capital reduction	-	(16,250)
Disposal	-	(11,603)
September 30, 2022	\$ 20,134	621,577

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

The above total gains or losses are presented in "other gains and losses" and "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income". Among them, those related to the assets still held on September 30, 2023 and 2022 are as follows:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Total gains or losses				
Recognized as gains and losses ("other gains and losses")	\$ (950)	(1,322)	1,922	(2,794)
Recognized in other comprehensive income (presented in "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income")	140,322	22,604	181,880	(13,659)

(5) Quantitative information on significant unobservable inputs (level 3) used for fair value measurement

The fair values of the Consolidated Company that are categorized into level 3 mainly include financial assets measured at fair value through other comprehensive income - equity securities investments. Most of the fair values of the Consolidated Company categorized into level 3 are with only a single significant unobservable input, except that equity instrument investments without an active market are with multiple significant unobservable inputs. Significant unobservable inputs of equity instrument investments without an active market are independent of each other, without any correlation among them.

(6) Analysis of the sensitivity of fair value to reasonably possible alternative assumptions for measurement of level 3 fair values

The fair value measurement of financial instruments by the Consolidated Company is reasonable, whereas different valuation models or parameters used for measurement may result in different valuation results. The impact of the changes in evaluation parameters for financial instruments categorized into Level 3 on profits and losses or other comprehensive income for the period is as follows:

	Inputs	Up or down changes	Changes in fair value reflected in profit or loss for the period		Changes in fair value reflected in other comprehensive income for the period	
			Favorable changes	Adverse changes	Favorable changes	Adverse changes
September 30, 2023						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,381	(1,381)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	52,855	(53,328)
December 31, 2022						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,261	(1,261)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	41,855	(42,201)
September 30, 2022						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,258	(1,258)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	41,058	(40,036)

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

Favorable and adverse changes for the Consolidated Company refer to fluctuations in fair value, which are calculated by using valuation techniques based on different degrees of unobservable input parameters. For a financial instrument whose fair value is affected by more than one input, the above table only reflects the impact of changes in a single input, and the correlation and variability among the inputs are not taken into account.

(XXXII) Financial risk management

There was no significant change in objectives and policies of the Consolidated Company's financial risk management and the information disclosed in Note 6 (34) of the Consolidated Financial Statements for the year ended December 31, 2022.

(XXXIII) Capital management

Objectives, policies, and procedures of the Consolidated Company's capital management were consistent with those disclosed in the Consolidated Financial Statements for the year ended December 31, 2022. Also, there were no significant changes in the summarized quantitative information for capital management as disclosed in the Consolidated Financial Statements for the year ended December 31, 2022. Please refer to Note 6 (35) of the Consolidated Financial Statements for the year ended December 31, 2022 for further details.

(XXXIV) Investing and financing activities in non-cash transactions

The non-cash investing and financing activities of the Consolidated Company during the nine months ended September 30, 2023 and 2022 are as follows:

1. Please refer to Note 6 (12) and (13) for obtaining right-of-use assets and investment properties through leasing.
2. Cash paid for purchase of property, plant and equipment is as follows:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Acquisition of property, plant and equipment	\$ 151,088	1,207,092
Net changes in equipment payables in subsidiaries	21,983	(2,437)
Cash paid	<u>\$ 173,071</u>	<u>1,204,655</u>

Cash paid for purchase of intangible assets is as follows:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Acquisition of intangible assets	\$ 21,770	22,910
Net changes in payables on technology patent authorization	552	(2,000)
Cash paid	<u>\$ 22,322</u>	<u>20,910</u>

3. The adjustments to liabilities from financing activities are as follows:

	112.1.1	Cash flows	Lease changes	Changes in non-cash items Effects of changes in foreign exchange rates	Others	September 30, 2023
Short-term loans	\$ 306,254	118,855	-	-	-	425,109
Short-term bills payable	54,892	-	-	-	59	54,951
Long-term loans (including those due within one year)	999,376	26,908	-	-	-	1,026,284
Lease liabilities (including those due within one year)	645,079	(93,967)	65,495	-	-	616,607
Deposits received	18,022	2,242	-	-	-	20,264
	<u>\$ 2,023,623</u>	<u>54,038</u>	<u>65,495</u>	<u>-</u>	<u>59</u>	<u>2,143,215</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

	January 1, 2022	Cash flows	Changes in non-cash items			September 30, 2022
			Lease changes	Effects of changes in foreign exchange rates	Others	
Short-term loans	\$ 276,100	62,493	-	(5)	-	338,588
Short-term bills payable	54,979	(54)	-	-	41	54,966
Long-term loans (including those due within one year)	157,527	969,747	-	-	-	1,127,274
Lease liabilities (including those due within one year)	720,179	(92,775)	20,546	-	-	647,950
Deposits received	8,926	5,261	-	-	-	14,187
	\$ 1,217,711	944,672	20,546	(5)	41	2,182,965

VII. Transactions with Related Parties

(I) Name of and relationship with related parties

The related parties who have traded with the Consolidated Company during the period covered by the Consolidated Financial Statements are as follows:

Name of the related party	Relationship with the Consolidated Company
Minsheng Medical Holding Co., Ltd.	Parent company
Employee Community Co., Ltd.	Associate
Air Long-Term Care Co., Ltd.	Associate
Shengyu Health Technologies Co., Ltd.	Associate
Mingta Medical Technology Co., Ltd.	Substantial related party
Minsheng General Hospital	Substantial related party (Minsheng medical system)
Lungtan Minsheng Hospital	Substantial related party (Minsheng medical system)
Tayuan Minsheng Hospital	Substantial related party (Minsheng medical system)
Home Nursing Center attached to Tayuan Minsheng Hospital	Substantial related party (Minsheng medical system)
YES Chang Sheng Pharmacy	Substantial related party
Minsheng Asset Management Co., Ltd.	Substantial related party
Employee Clinic of Hsinchu Science and Industry Park	Substantial related party
Po'en Management Consulting Co., Ltd.	Substantial related party
Shengli Management Consulting Co., Ltd.	Substantial related party
Pisheng Construction Co., Ltd (hereinafter referred to as Pisheng Construction)	Substantial related party
Zhiyi Clinic	Substantial related party
Shengyu Clinic	Substantial related party
Shengjen Clinic	Substantial related party
Harvard Clinic	Substantial related party
Fuying Clinic	Substantial related party
Ssu-kang Chang	Other related parties
Hung-jen Yang	The management
Kun-chang Yang	The management

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(II) Significant transactions with related parties

1. Sales of goods

Category of the related party	Operating revenue			
	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Substantial related party				
Minsheng General Hospital	\$ 266,885	243,228	768,053	688,748
Others	18,585	20,413	57,095	61,448
Parent company	-	356	-	356
	\$ 285,470	263,997	825,148	750,552

The sales price determined by the Consolidated Company for the above-mentioned related party is the purchase cost plus 5% or more, with the payment term being net 30 to 180 days. Generally, sales are collected in the current month.

2. Service provision

Category of the related party	Service income			
	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Substantial related party				
Minsheng General Hospital	\$ 122,304	256,076	378,366	740,438
Others	9,610	9,952	31,031	30,015
	\$ 131,914	266,028	409,397	770,453

The service income of the Consolidated Company from the above-mentioned related party mainly comes from undertaking medical examinations and inspections, etc. in cooperation with medical institutions. The two parties has entered into a contract by mutual agreement, with the payment term defined as net 30 to 180 days.

3. Leases

Category of the related party	Lease income			
	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Substantial related party				
Minsheng General Hospital	\$ 11,306	9,891	32,255	28,715
Fuying Clinic	10,020	10,020	30,062	30,062
Harvard Clinic	3,585	3,670	10,897	10,925
Zhiyi Clinic	3,499	-	11,258	-
Others	5,521	3,988	12,504	10,612
	\$ 33,931	27,569	96,976	80,314

The rent paid by the Consolidated Company to the above-mentioned related party is defined in a lease contract entered into by the two parties by mutual agreement, with the payment term being 30 to 120 days.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

4. Purchase of goods

Category of the related party	Operating costs			
	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Substantial related party	\$ -	364	-	1,026

The prices and payment terms for goods purchased by the Consolidated Company from the above-mentioned related party are not significantly different from those for general manufacturers, with a payment term of 30 days upon acceptance.

5. Receivables due from related parties

Category of the related party	Account items	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related party				
Minsheng General Hospital	Accounts receivable	\$ 923,581	910,381	771,773
Fuying Clinic	Accounts receivable	61,582	62,976	59,677
Others	Accounts receivable	76,168	64,259	54,636
Substantial related party				
Minsheng General Hospital	Finance lease receivables	2,933	1,720	1,777
Lungtan Minsheng Hospital	Finance lease receivables	970	1,108	1,269
Tayuan Minsheng Hospital	Finance lease receivables	2,120	2,267	2,450
Shengjen Clinic	Finance lease receivables	-	-	3,081
Zhiyi Clinic	Finance lease receivables	3,506	-	-
Shengyu Clinic	Finance lease receivables	1,205	-	-
Others	Finance lease receivables	247	-	-
Substantial related party				
Minsheng General Hospital	Long-term finance lease receivables	1,791	-	412
Lungtan Minsheng Hospital	Long-term finance lease receivables	1,427	1,905	2,129
Tayuan Minsheng Hospital	Long-term finance lease receivables	8,151	9,697	10,270
Shengjen Clinic	Long-term finance lease receivables	-	-	1,408
Shengyu Clinic	Long-term finance lease receivables	7,102	-	-
Zhiyi Clinic	Long-term finance lease receivables	4,616	-	-
Others	Long-term finance lease receivables	1,931	-	-
Substantial related party				
Shengyu Clinic	Other receivables	3,341	-	-
Harvard Clinic	Other receivables	4,404	5,955	11,220
Fuying Clinic	Other receivables	19,309	20,029	21,200
○○ Wang	Other receivables	-	-	22,500
○○ Na	Other receivables	-	-	7,500
Others	Other receivables	1,587	461	157
		<u>\$ 1,125,971</u>	<u>1,080,758</u>	<u>971,459</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

6. Payables to related parties

Category of the related party	Account items	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related party				
Minsheng General Hospital	Accounts payable	\$ 80	1,850	1,560
Fuying Clinic	Accounts payable	1,172	-	-
Others	Accounts payable	219	1,645	1,032
Associate	Accounts payable	-	61	-
Parent company	Other payables	-	41	-
Substantial related party	Other payables	7,234	1,132	371
Parent company	Other payables	41	-	-
The management	Other payables	42	107	35
Associate	Other payables	113	12	37
		\$ 8,901	4,848	3,035

7. Prepayments

The Consolidated Company's prepayments to related parties are detailed as follows:

Category of the related party	Account items	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related party				
Pisheng Construction	Prepayments	\$ 3,742	3,739	3,774
Pisheng Construction	Long-term prepayments	1,869	4,673	5,608
Associate				
Air Long-Term Care	Prepayments	607	-	-
		\$ 6,218	8,412	9,382

8. Endorsement/Guarantee

(1) Lease contracts

Category of the related party	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related party - Minsheng General Hospital	\$ 228,736	227,598	227,598

(2) Bank loans:

The Consolidated Company's loans from financial institutions are jointly guaranteed by Hung-jen Yang, the Chairperson, from the management team, and Ssu-kang Chang, one of the other related parties.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

9. Others

Category of the related party	Account items	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Substantial related party	Operating costs - other expenses	\$ 591	2,571	3,573	6,740
Substantial related party	Operating cost - rent expense	2,735	35	5,506	388
Substantial related party	Operating expenses - other expenses	8,311	1,698	17,096	5,262
Substantial related party	Operating expenses - rent expense	279	322	1,114	917
Associate	Operating cost - other expenses	297	189	600	280
Associate	Operating expenses - other expenses	300	146	583	1,564
Parent company	Operating expenses - rent expense	117	116	350	347
Substantial related party	Other income - others	765	644	2,044	1,307
Parent company	Other income and losses - rental income	144	143	433	429
Substantial related party	Other income - rental income	7,154	7,138	21,614	21,487
Mingta Medical Technology	Dividend income	-	2,422	-	2,422

Category of the related party	Account items	September 30, 2023	December 31, 2022	September 30, 2022
Substantial related party	Collection on behalf of others	\$ 4	-	-
Substantial related party	Payment on behalf of others	30	-	-
Substantial related party	Temporary payments	170	-	-
Substantial related party				
Minsheng General Hospital	Collection in advance	76	-	-
Others	Collection in advance	32	-	-
Substantial related party				
Minsheng General Hospital	Refundable deposits	251,000	282,340	282,340
Fuying Clinic	Refundable deposits	17,000	15,000	15,000
Harvard Clinic	Refundable deposits	22,000	18,000	19,000
Zhiyi Clinic	Refundable deposits	40,000	-	-
Others	Refundable deposits	39,186	31,686	33,186
Parent company	Refundable deposits	82	82	82
Substantial related party				
Minsheng General Hospital	Deposits received	5,640	6,991	5,590
Tayuan Minsheng Hospital	Deposits received	902	902	902
Harvard Clinic	Deposits received	60	-	60
Zhiyi Clinic	Deposits received	3,600	-	-
Others	Deposits received	52	112	252
Parent company	Deposits received	101	100	100

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(III) Transactions with key management personnel

Remuneration paid to key management personnel includes:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Short-term employee benefits	\$ 11,764	11,627	33,500	37,537
Post-employment benefits	288	495	818	832
	<u>\$ 12,052</u>	<u>12,122</u>	<u>34,318</u>	<u>38,369</u>

VIII. Pledged Assets

The book values of the assets pledged as collateral by the Consolidated Company are as follows:

Name of the asset	Pledge object	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets at amortized cost - current	Guarantee letters for bank loans and leases	\$ 34,042	5,001	13,300
Financial assets measured at amortized cost - non-current	Guarantees for bank loans and commercial papers	30,000	40,590	51,496
Investment properties	Bank loans	177,420	178,420	178,753
Property, plant and equipment	Bank loans	1,142,680	1,155,534	1,159,819
		<u>\$ 1,384,142</u>	<u>1,379,545</u>	<u>1,403,368</u>

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Material unrecognized contractual commitments

	September 30, 2023	December 31, 2022	September 30, 2022
Purchase of property, plant and equipment	\$ 32,215	73,530	91,475
Purchase of intangible assets	641	546	546
Guaranteed notes issued for bank loan contracts	2,695,000	2,645,000	2,505,000
	<u>\$ 2,727,856</u>	<u>2,719,076</u>	<u>2,597,021</u>

(II) Collection and payment of contract prices:

- The Consolidated Company has entered into a contract on online multimedia brand marketing services with Employee Community Co., Ltd., under which the company shall provide online multimedia brand marketing services for the "Harvard Nutrition Lab" brands during the cooperation period. The unrecognized amount is as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Unpaid amount	<u>\$ -</u>	<u>540</u>	<u>540</u>

- The Consolidated Company has entered into a business transfer contract with a biomedical company, under which the company shall transfer OEM/distribution business of branded products to the Consolidated Company. The unrecognized amount is as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Unpaid amount	<u>\$ -</u>	<u>11,880</u>	<u>-</u>

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

X. Material Losses from Disasters: none.

XI. Material Subsequent Events: none.

XII. Others

(I) Employee benefits, and depreciation and amortization expenses are summarized by function as follows:

By function By property	For the three months ended September 30, 2023			For the three months ended September 30, 2022		
	Operating expenses	Operating expenses	Total	Operating expenses	Operating expenses	Total
Employee benefit expenses						
Remuneration expenses	33,705	70,157	103,862	35,937	72,782	108,719
Labor and health insurance expenses	3,094	7,327	10,421	2,960	5,790	8,750
Pension expenses	1,693	4,061	5,754	1,600	2,091	3,691
Remuneration to directors	-	280	280	-	3,775	3,775
Other employee benefit expenses	1,478	3,092	4,570	1,730	3,189	4,919
depreciation expense	36,904	37,445	74,349	44,858	27,405	72,263
Amortization expenses	2,013	5,577	7,590	1,788	4,339	6,127

By function By property	For the nine months ended September 30, 2023			For the nine months ended September 30, 2022		
	Operating expenses	Operating expenses	Total	Operating expenses	Operating expenses	Total
Employee benefit expenses						
Remuneration expenses	95,940	211,650	307,590	106,171	225,973	332,144
Labor and health insurance expenses	9,548	21,894	31,442	9,270	19,760	29,030
Pension expenses	4,967	11,259	16,226	4,702	9,595	14,297
Remuneration to directors	-	3,064	3,064	-	9,792	9,792
Other employee benefit expenses	4,716	10,421	15,137	5,089	9,848	14,937
depreciation expense	107,591	110,437	218,028	126,348	84,600	210,948
Amortization expenses	6,022	16,966	22,988	5,159	13,112	18,271

(II) Seasonality of operation:

The Consolidated Company's operation of the health examination service is highly seasonal. According to the historical experience, the peak period of the service is around mid-June to before lunar new year of the next year. Therefore, large amount of sales will be recognized when services are actually performed every year from mid-June to next year before lunar new year.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

XIII. Items Disclosed in Notes

(I) Information on major transactions

The information on major transactions that the Consolidated Company should disclose in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers during the nine months ended September 30, 2023 is as follows:

1. Lending of funds to others: None.
2. Making of endorsements and guarantees for others:

Unit: NT\$ thousand

Serial No.	Name of the endorser/guarantor	Endorsee/guarantee		Limit of the guarantee/endorsement amount for a single enterprise	Maximum endorsement/guarantee balance for the period	Ending endorsement/guarantee balance	Actual expenditures	Amount of endorsements/guarantees with property guarantee	The ratio of accumulated endorsements/guarantees to the net value of the latest financial statements	Maximum amount limits for endorsements/guarantees	Endorsements/guarantees provided by parent company to the subsidiaries provided by subsidiaries to the parent company	Endorsements/guarantees provided by subsidiaries to the parent company	Endorsements/guarantees provided for enterprises in main China
		Name of company	Relationship										
0	ShareHope Medicine Co., Ltd.	Minsheng General Hospital	1	1,768,141	228,736	228,736	228,736	-	6.55%	1,746,840	N	N	N

Note 1: The explanation of the number column is as follows:

- (1) Fill in 0 for the issuer.
- (2) The investees are numbered sequentially with Arabic numerals starting from 1 by company type.

Note 2: There are 7 types of relationships between the endorser and the endorsee. Please mark the type:

- (1) Companies with who the Company does business.
- (2) Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) Companies that directly and indirectly hold more than 50% of the Company's voting shares.
- (4) Companies in which the Company directly and indirectly holds more than 90% of the voting shares.
- (5) Companies among the peers and co-contractors that provide mutual guarantee for the purposes of undertaking projects in accordance with contractual terms.
- (6) Companies that are endorsed/guaranteed by all contributing shareholders in proportion to their shareholdings due to joint investments.
- (7) Peers who provide joint guarantees for the performance of house presales contracts in accordance with the Consumer Protection Act.

Note 3: The limits specified in the Procedures for Endorsement and Guarantee of ShareHope Medicine Co., Ltd. are as follows:

- (1) The endorsement and guarantee amount for a single enterprise shall not exceed 20% of the current net value, and the amount of an endorsement/guarantee provided for a transaction shall not exceed the total amount of the transaction made by the enterprise with ShareHope Medicine Co., Ltd.
- (2) The total amount of endorsements and guarantees provided for others shall not exceed 50% of the current net value.

3. Securities held at the end of the period (excluding investments in subsidiaries and affiliates, and interests in joint ventures):

Unit: NT\$ thousand

Holder of securities	Type and name of securities	Relationship with securities issuer	Accounting items	End of the period				Remarks
				Contribution amount/number of shares (thousand shares or thousand)	Carrying amount	Shareholding ratio	Fair value	
The Company	Fund beneficiary certificates Federal Money Market Fund	None	Financial assets at fair value through profit or loss - current	771	10,430	-	10,430	
The Company	Stock Tsaihsin Health Business Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,000	72,096	3.70 %	72,096	
The Company	Stock Yichuang Second Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000	16,188	0.92 %	16,188	
The Company	Stock Chunghua Development Biomedical Venture Capital Co., Ltd.	The Company is a legal representative supervisor of the company	Financial assets at fair value through other comprehensive income - non-current	1,129	42,944	2.86 %	42,944	
The Company	Stock Yiting Biotech Venture Capital Co., Ltd.	The Company is a legal person director of the company	Financial assets at fair value through other comprehensive income - non-current	4,095	82,588	7.50 %	82,588	
The Company	Stock BenQ BM Holding Cayman Corporation	None	Financial assets at fair value through other comprehensive income - non-current	5,258	373,059	2.15 %	373,059	

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

Holder of securities	Type and name of securities	Relationship with securities issuer	Accounting items	End of the period				Remarks
				Contribution amount/number of shares (thousand shares or thousand)	Carrying amount	Shareholding ratio	Fair value	
The Company	Limited partnership interests	None	Financial assets at fair value through other comprehensive income - non-current	67,868	107,133	3.22 %	107,133	
The Company	Chunghua Development Second Biomedical Venture Capital Limited Partnership							
The Company	Stocks	None	Financial assets at fair value through other comprehensive income - non-current	1,820	20,020	9.71 %	20,020	
	-AcroViz Inc.							
Mytrex Health Company	Stock	The chairperson of the Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	2,120	21,478	3.37 %	21,478	
	-Minsheng Asset Management Co., Ltd.							
Mytrex Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	68	1,508	0.81 %	1,508	
	Shangching Technology Co., Ltd.							
Mytrex Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,760	20,812	9.99 %	20,812	
	Intelligent Medical Technology Co., Ltd.							
Mytrex Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	250	5,065	19.53 %	5,065	
	Yiho Smart Technology Co., Ltd.							
Mytrex Health Company	Stock	The Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	5,000	40,469	2.29 %	40,469	
	Yichuang Second Venture Capital Co., Ltd.							
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	417	4,483	4.20 %	4,483	
	Yita International Hospital Management Consulting Co., Ltd.							
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,000	18,556	14.29 %	18,556	
	Juichuan Data Co., Ltd.							
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,304	23,840	14.81 %	23,840	
	Kangchien Gene Technology Co., Ltd.							
Hung-Han Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	250	4,640	3.57 %	4,640	
	Juichuan Data Co., Ltd.							
Fuyi Company	Limited partnership interests	None	Financial assets at fair value through other comprehensive income - non-current	2,000	24,300	1.75 %	24,300	
	Chunchuang Development Venture Capital Limited Partnership							
Medzoneasia	Stock	None	Financial assets at fair value through other comprehensive income - non-current	500	56,183	10.00 %	56,183	
	Yaosheng Information Technology Co., Ltd.							
					863,266		863,266	

4. The amounts from purchase or sale of the same securities that accumulatively amount to NT\$300 million or account for more than 20% of paid-in capital: none.
5. The amounts from acquisition of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.
6. The amounts from disposal of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

7. The amounts from purchase and sale of goods from and to related parties that amount to NT\$100 million or account for more than 20% of the paid-in capital:

Unit: NT\$ thousand

Purchaser (seller)	Name of the counterparty	Relationship	Transaction details				Cases where transactions are made in different conditions from general transactions and the reasons		Notes and accounts receivable (payable)		Remarks
			Purchase (sell)	amount	Ratio of the amount to total purchases (sales)	Credit period	Unit price	Credit period	Balance	Ratio of the balance to notes and accounts receivable (payable)	
The Company	Minsheng General Hospital	Substantial related party	(Sell)	(767,778)	(45.56) %	Net 180 days	-		871,184	78.71%	
The Company	Minsheng General Hospital	Substantial related party	Service income	(332,620)	(21.49) %	Net 30-180 days	-		32,162	3.33%	
The Company	Minsheng General Hospital	Substantial related party	Lease income	(29,481)	(1.75) %	Net 30-180 days	-		4,723	0.43%	
									908,069		
The Company	YES Health Company	Subsidiary	(Sell)	(126,204)	(7.49) %	Net 60 days	-		63,046	5.73%	Note
YES Health Company	The Company	Parent company	Purchase	126,204	17.47 %	Net 60 days	-		(63,406)	(27.56)%	Note

Note: This transaction has been written off in the preparation of the Consolidated financial statements.

8. Receivables from related parties amount to NT\$100 million or account for more than 20% of the paid-in capital:

Unit: NT\$ thousand

Payee of the accounts receivable	Name of the counterparty	Relationship	Balance of related party receivables	Turnover rate	Overdue related party receivables		Amount received in subsequent periods	Amount provisioned for loss allowances
					amount	Accounting treatment		
The Company	Minsheng General Hospital	Substantial related party	908,069	1.67	-		258,911	268

9. Engagement in derivatives transactions: none.

10. Business relationship and major transactions between the parent company and the subsidiaries:

Unit: NT\$ thousand

Serial No.	Name of the trading party	Counterparty	Relationship with the counterparty	Transaction situation			
				Item	amount	Transaction condition	Ratio of the amount to consolidated total operating income or total assets
0	The Company	YES Health Company	1	Sales income	126,204	Net 60 days	4.50%
0	"	"	1	Accounts receivable - related parties	63,406	"	0.86%
0	"	Medzoneasia	1	Lease income	14,178	—	0.51%
0	"	Pregetic Health Company	2	Sales income	31,178	Net 60 days	1.11%
1	Medzoneasia	The Company	2	Refundable deposits	4,003	—	0.05%
1	"	"	2	Right-of-use assets	33,529	—	0.45%
1	"	"	2	lease liabilities	39,720	—	0.54%
2	Pregetic Health Company	The Company	2	Right-of-use assets	3,952	—	0.05%
2	"	"	2	lease liabilities	4,012	—	0.05%

Note 1. The rules for filling in the serial numbers are as follows:

1. 0 represents the parent company.

2. The subsidiaries are numbered sequentially with Arabic numerals starting from 1 by company type.

Note 2. The types of relationship with counterparties are listed as follows:

1. Parent to subsidiary.

2. Subsidiary to parent.

3. Subsidiary to subsidiary.

Note 3. For the business relationship and major transactions between parent and subsidiaries, only information on sales and receivables is disclosed, and the corresponding purchases and payables will not be presented.

Note 4: The above transactions have been written off in the preparation of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(2) Relevant information on reinvestment business (excluding investees in mainland China):

The consolidated company's reinvestment for the nine months ended September 30, 2023 is as follows:

Unit: NT\$ thousand/thousand shares

Name of investor	Name of investee	Region	Principal business	Initial investment amount		Shareholding at the end of the period			Profits and losses of the investee for the period	Investment income and losses recognized for the period	Remarks
				End of the period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	Mytrex Health Company	Taoyuan City	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	310,286	310,286	22,454	61.46%	407,853	(42,373)	(26,042)	Note 1
The Company	ShareHope Medicine (HongKong) Co., Ltd.	Hong Kong, China	Investment management	44,831	44,831	1,500	100.00%	21,654	(1,131)	(1,131)	Note 1
The Company	Chungyuan Medical Management Co., Ltd.	Taoyuan City	Management Consulting Services	11,389	11,389	1,000	100.00%	11,666	19	19	Note 1
The Company	Pohui Biotechnology Co., Ltd.	Taipei City	Biotechnology Services	22,106	22,106	2,211	25.00%	3,968	20	5	Note 2
The Company	Medzoneasia	New Taipei City	Wholesale and trading of medicines and provision of medical information software services	314,169	314,169	15,654	83.47%	130,480	(29,293)	(21,814)	Note 1
The Company	Pregetic Health Company	Taoyuan City	Health management services	101,000	101,000	10,500	38.90%	93,548	(55,320)	(21,497)	Note 1
The Company	Shengshih Technology Co., Ltd.	Taipei City	Management Consulting Services	1,000	1,000	100	100.00%	800	(45)	(45)	Note 1
The Company	Sheng Tai Food Technology Co., Ltd.	Taipei City	Food and beverage retail	800	-	80	80.00%	232	(710)	(568)	Note 1
The Company	YWLT Co., Ltd.	Taipei City	Biotechnology Services	1,000	-	100	100.00%	966	(34)	(34)	Note 1
Mytrex Health Company	Mytrex USA Co.	California, USA	Health care support services	23,516	23,516	800	88.89%	12,860	(40)	(35)	Note 1
Mytrex Health Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management Consulting Services	10,000	10,000	667	22.37%	10,370	648	145	Note 2
Mytrex Health Company	Mytrex Industries Inc.	Taoyuan City	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	507,888	507,888	12,000	100.00%	278,950	(22,362)	(22,362)	Note 1
Mytrex Health Company	Sheng Yo Company	Tainan City	Health management services	20,000	20,000	2,000	90.91%	10,783	(4,998)	(4,545)	Note 1
Mytrex Health Company	YES Health Company	Taoyuan City	Wholesale and trading of medicines and management consulting for pharmacies	230,000	-	6,035	100.00%	224,846	(7,843)	(8,360)	Note 1 and 3
Chungyuan Medical Management Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management Consulting Services	2,000	2,000	200	6.71%	2,058	648	43	Note 2
Medzoneasia	TECHGROUP Integrate Design Co., Ltd.	New Taipei City	Medical information software services	50,759	50,759	1	51.00%	40,371	6,327	1,021	Note 1
Medzoneasia	Shengyu Health Technologies Co., Ltd.	Taoyuan City	Other management consulting services	2,000	-	200	40.00%	142	(3,423)	(1,858)	Note 2
Medzoneasia	Global Biotech Multimedia Co., Ltd.	Taipei City	Magazine (periodical) publication	10,000	10,000	500	23.98%	9,294	401	7	Note 2
Medzoneasia	YES Health Company	Taoyuan City	Wholesale and trading of medicines and management consulting for pharmacies	-	221,180	-	- %	-	(7,843)	(1,632)	Note 1 and 3
Medzoneasia	Macro Global Corporation	Taichung City	Wholesale and trading of medicines	-	72,155	-	- %	-	6,019	1,012	Note 1 and 3
Medzoneasia	Digimed Co., Ltd.	Taipei City	Information software services	6,000	6,000	600	60.00%	2,026	(775)	(465)	Note 1
Pregetic Health Company	Hung-Han Company	Taipei City	Health management services	128,880	118,880	8,000	100.00%	85,508	(10,914)	(11,808)	Note 1
Pregetic Health Company	Employee Community Co., Ltd.	Taipei City	Advertising	1,700	1,700	170	48.57%	517	269	131	Note 2
Pregetic Health Company	Fuyi Company	Taipei City	Health management consulting services	229,288	204,288	19,500	100.00%	173,832	(31,871)	(32,273)	Note 1
Pregetic Health Company	Anchun Technology Co., Ltd.	Taipei City	Health management services	20,000	20,000	2,000	40.00%	17,690	(3,963)	(1,585)	Note 2
Pregetic Health Company	Chinachem Biomedical Co., Ltd.	Taipei City	Healthcare services	10,000	-	1,000	50.00%	4,819	(8,857)	(1,763)	Note 1
Hung-Han Company	Hanting Digital Technology Co., Ltd.	New Taipei City	Information software services	20,000	20,000	2,000	100.00%	1,257	(8,723)	(8,723)	Note 1
Hung-Han Company	Chinachem Biomedical Co., Ltd.	Taipei City	Healthcare services	10,000	10,000	1,000	50.00%	4,819	(8,857)	(7,094)	Note 1
Hung-Han Company	Macro Global Corporation	Taichung City	Wholesale and trading of medicines	74,820	-	6,450	100.00%	85,107	6,019	16,154	Note 1 and 3
Fuyi Company	Shangchia Health Business Co., Ltd.	Taipei City	Health management services	33,900	23,900	3,390	33.90%	35,355	2,651	932	Note 2
YES Health Company	Digimed Co., Ltd.	Taipei City	Information software services	2,000	2,000	200	20.00%	675	(775)	(155)	Note 1

Note 1: It is a subsidiary, and this transaction has been written off in the preparation of the Consolidated financial statements.

Note 2: It is an affiliate of the Company.

Note 3: In response to the restructure of the Group, Medzoneasia transferred their equity in Macro Global Corporation and YES Health Company in full to other related parties, Hung-Han Company and Mytrex Health Company, in February and March, 2023, respectively.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

(III) Information on investments in mainland China:

1. Information on reinvestments in mainland China:

Unit: NT\$/US\$ thousand

Name of investee company in Mainland China	Principal business	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted outward or inward over the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profits and losses of the investee for the period	Shareholding ratio of the Company in direct or indirect investee	Investment income and losses recognized in the period (Note 2)	Book value of investment at the end of the period	Investment income received as of the end of the period
					Outward remittance	Inward remittance						
Minsheng (Tianjin) Investment Management Co., Ltd.	Investment management	11,885	(2)	11,885	-	-	11,885	(627)	100.00%	(627)	2,781	-
Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd.	Hospital management consulting services	5,124	(1)	5,124	-	-	5,124	539	100.00%	539	7,134	-

Note 1: Investment methods can be classified into the following three types:

- (1) Directly invest in mainland China.
- (2) Reinvest in mainland companies through third regions.
- (3) Other methods.

Note 2: Financial statements reviewed by a certified public accountant of the parent company in Taiwan.

Note 3: The above transactions have been written off in the preparation of the Consolidated Financial Statements.

2. Limits for reinvestment in mainland China:

Unit: NT\$ thousand

Accumulated investment amount remitted from Taiwan to mainland China as of the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Investment limits in mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs (Note)
17,009	17,009	2,096,208

Note: 60% of the net value.

3. Information on major transactions: none.

(IV) Information about the major shareholder

Unit: share

Name of the major shareholder	Share	Number of shares held	Shareholding
Minsheng Medical Holding Co., Ltd.		34,569,800	28.79%

Note 1: The information on the major shareholder in this table is calculated by CHEP on the last business day at the end of each quarter, based on the data about shareholders who hold a total of 5% of the ordinary shares and special shares of the Company that have been delivered without physical registration (including treasury shares). The share capital recorded in the Company's financial statements may be different from the actual number of shares delivered without physical registration depending on the calculation basis for the preparation.

Note 2: The above-mentioned information about shares transferred by shareholders to a trust is disclosed separately in the trustors' trust accounts opened by the trustees. In terms of the declaration of insider equity by shareholders who hold more than 10% of the Company's shares in accordance with the Securities and Exchange Act, their shareholdings include the shares held by them plus the shares they transferred to the trust which they have the right to use. For information on insider equity declaration, please refer to the MOPS.

Notes to the Consolidated Financial Statements of ShareHope Medicine Co., Ltd. and its subsidiaries (Continued)

XIV. Department Information

		For the three months ended September 30, 2023					
		Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation Total
Revenue:							
Revenue from external customers	\$	628,363	239,591	28,303	24,937	47,881	- 969,075
Interdepartmental revenue		48,195	2,379	-	30	9,563	(60,167) -
Total revenue	\$	<u>676,558</u>	<u>241,970</u>	<u>28,303</u>	<u>24,967</u>	<u>57,444</u>	<u>(60,167) 969,075</u>
Profits and losses of reportable	\$	<u>23,740</u>	<u>16,459</u>	<u>(1,158)</u>	<u>9,200</u>	<u>(68,539)</u>	<u>27,339 7,041</u>

departments

		For the three months ended September 30, 2022					
		Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation Total
Revenue:							
Revenue from external customers	\$	648,911	232,180	42,785	48,143	83,237	- 1,055,256
Interdepartmental revenue		39,011	1,484	-	(86)	442	(40,851) -
Total revenue	\$	<u>687,922</u>	<u>233,664</u>	<u>42,785</u>	<u>48,057</u>	<u>83,679</u>	<u>(40,851) 1,055,256</u>
Profits and losses of reportable	\$	<u>21,035</u>	<u>122,797</u>	<u>(391)</u>	<u>61,267</u>	<u>(28,366)</u>	<u>(12,958) 163,384</u>

departments

		For the nine months ended September 30, 2023					
		Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation Total
Revenue:							
Revenue from external customers	\$	1,835,094	607,807	103,201	104,139	156,261	- 2,806,502
Interdepartmental revenue		127,937	6,763	-	90	18,269	(153,059) -
Total revenue	\$	<u>1,963,031</u>	<u>614,570</u>	<u>103,201</u>	<u>104,229</u>	<u>174,530</u>	<u>(153,059) 2,806,502</u>
Profits and losses of reportable	\$	<u>68,502</u>	<u>46,219</u>	<u>4,272</u>	<u>59,468</u>	<u>(187,802)</u>	<u>71,983 62,642</u>

departments

		For the nine months ended September 30, 2022					
		Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation Total
Revenue:							
Revenue from external customers	\$	2,002,093	719,127	152,900	172,082	165,306	- 3,211,508
Interdepartmental revenue		141,350	2,495	349	-	442	(144,636) -
Total revenue	\$	<u>2,143,443</u>	<u>721,622</u>	<u>153,249</u>	<u>172,082</u>	<u>165,748</u>	<u>(144,636) 3,211,508</u>
Profits and losses of reportable	\$	<u>76,274</u>	<u>303,146</u>	<u>(979)</u>	<u>155,542</u>	<u>(124,531)</u>	<u>6,651 416,103</u>

departments