Stock No.: 8403

ShareHope Medicine Co., Ltd. and its subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2022 and 2021

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

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Statement

The companies affiliated to the Company that shall prepare consolidated financial statements of affiliates for 2022 (from January 1, 2022 to December 31, 2022) in accordance with the "Standards for the Preparation of Consolidated Business Report of Affiliates, Consolidated Financial Statements of Affiliates, and Relation Report", are the same as the companies that shall prepare consolidated financial statements of the parent company and subsidiaries in accordance with the No. 10 International Financial Reporting Standards recognized by the Financial Supervisory Commission, and information that shall be disclosed in the consolidated financial statements of affiliates has been disclosed in the said Consolidated Financial Statements of the parent company and subsidiaries. Accordingly, a separate set of consolidated financial statements of affiliates will not be prepared.

Hereby declared.

Company name: ShareHope Medicine Co., Ltd.

Chairperson: Hung-jen Yang

Date: March 24, 2023

Independent Auditors' Report

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

Audit opinions

The Consolidated Balance Sheet of ShareHope Medicine Co., Ltd. and its subsidiaries (ShareHope Group) as of December 31, 2022 and 2021, and the Consolidated Statement of Comprehensive Income, 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 years ended December 31, 2022 and 2021, have been audited by the independent auditor.

In the independent auditor's opinion, the Consolidated Financial Statements referred to above have been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standard, and their interpretations and interpretation announcements recognized by the Financial Supervisory Commission, based on the audit results of the independent auditor and the audit reports of other independent auditors (please refer to the Other Items section), which are sufficient for revealing the consolidated financial position of ShareHope Group as of December 31, 2022 and 2021 as well as its consolidated financial performance and consolidated cash flows for the years ended December 31, 2022 and 2021.

Foundation for audit opinions

The independent auditor performed the audit in compliance with the rules governing the certification of financial statements by independent auditors and the auditing standards. His responsibilities specified in these standards will be further explained in the section about independent auditors' responsibilities in auditing the Consolidated Financial Statements. The personnel subject to independence standards in the accounting firm, to which the said independent auditor is affiliated, have maintained independent from ShareHope Group in accordance with the CPA Professional and Ethical Guidelines, and have fulfilled other obligations under the Guidelines. Based on the audit results of the independent auditor and the audit reports of other independent auditors, the independent auditor holds that he has obtained sufficient and appropriate audit evidence as the basis for the audit opinions.

Key audit items

Key audit items refer to items of the greatest importance to be audited in the Consolidated Financial Statements of ShareHope Group for 2022, based on the professional judgment of the independent auditor. Given that such items have been considered in the course of auditing the Consolidated Financial Statements and forming the audit opinions, the independent auditor does not give opinions on these items separately. Based on the independent auditor's judgment, the key audit items that shall be included in the audit report are as follows:

<u>Revenue recognition</u>

For the accounting policies for revenue recognition and related disclosure information, please refer to Note 4 (15), Note 6 (29), and Note 7 (3) of the Consolidated Financial Statements.

Explanation on key audit items:

The operating revenue of ShareHope Group is a matter of concern to users of the financial statements and the competent authorities, and the Group's main sales customers are related parties of its medical system, whose operating revenue has a significant impact on the Consolidated Financial Statements. Accordingly, revenue recognition is among the important items to be evaluated by the independent auditor in the audit of the Consolidated Financial Statements of ShareHope Group.

Corresponding audit procedures:

The main audit procedures adopted by the independent auditor for the key audit items mentioned above include:

- Based on the understanding of the sales-related internal control procedures of ShareHope Group, establish internal control audit procedures in response to the risks generated thereof, to identify and evaluate the effectiveness of the internal control over sales transactions made by ShareHope Group with its related parties.
- Obtain sales revenue details from the management, confirm the completeness of the details, select adequate samples from the revenue details of main sales transactions with related parties, and review relevant vouchers and verify delivery of goods and receipt of payments, so as to confirm whether the revenues are recognized after relevant obligations are fulfilled as well as the authenticity of revenue recognition.
- Inspect whether there are major discounts or returns of sales revenue subsequent to the sales transactions and evaluate the authenticity of the sales revenue.
- Send a letter of inquiry to the relevant parties and confirm whether the recorded revenue is consistent with the transaction amount or has been adjusted appropriately.

Other items

Among the subsidiaries and equity method investments in the Consolidated Financial Statements of ShareHope Group, the financial statements of some subsidiaries and equity method investments have not been audited by the independent auditor, but have been audited by other independent auditors. Therefore, the opinions given by the independent auditor about the above-mentioned Consolidated Financial Statements concerning the amounts listed in the financial statements of such subsidiaries are based on the audit reports of other independent auditors. The total assets of such subsidiaries as of December 31, 2022 and 2021 accounted for 6.01% and 6.34% of the total consolidated assets respectively, and the net operating revenue for the years ended December 31, 2022 and 2021 accounted for 1.50% and 1.59% of the net consolidated operating revenue respectively. The equity method investments as of December 31, 2022 accounted for 0.26% 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 year ended December 31, 2022 accounted for 0.22% of the net consolidated loss before tax.

ShareHope Medicine Co., Ltd. has prepared the Parent Company Only Financial Statements for 2022 and 2021, and the independent auditor has issued unqualified opinions which are recorded in the audit report included in the Other Items section for reference.

Responsibilities of the management and governing body for the Consolidated Financial Statements

The responsibility of the management is to prepare fairly presented Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standard, and their interpretations and interpretation announcements recognized and issued by the Financial Supervisory Commission, and to maintain necessary internal control over the preparation of the Consolidated Financial Statements, so as to ensure no occurrence of material false statements due to fraud or error in the Consolidated Financial Statements.

The responsibility of the management in the preparation of the Consolidated Financial Statements also includes the evaluation of ShareHope Group's ability to continue business, the disclosure of related items, and the adoption of the accounting basis for continuation of the business, unless the management intends to liquidate ShareHope Group or close business, or there is no practical alternative to liquidation or close of the business.

The governing body (including the Audit Committee) of ShareHope Group is responsible for supervising the financial reporting process.

Responsibilities of the independent auditor for auditing the Consolidated Financial Statements

The purpose of the independent auditor's audit of the Consolidated Financial Statements is to obtain reasonable assurance as to whether there are material false statements due to fraud or error in the Consolidated Financial Statements, and to issue an audit report. Reasonable assurance refers to the high degree of certainty. Nevertheless, there is no guarantee that the material false statements in the Consolidated Financial Statements will necessarily be detected merely based on the audit work conducted in compliance with the auditing standards. False statements may result from frauds or errors. False statements of several amounts or total amounts are considered material if they can reasonably be expected to affect the economic decisions made by users of the Consolidated Financial Statements.

The independent auditor performs professional judgment and professional skepticism when conducting an audit in accordance with the auditing standards. The independent auditor also undertakes the following tasks:

1. Identify and evaluate the risk of material false statements due to frauds or errors in the Consolidated Financial Statements, formulate and implement appropriate countermeasures for the risk evaluated, and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Since fraud may involve collusion, forgery, intentional omission, false statements, or overstepping internal control, the risk of the failure to detect material false statements due to frauds is higher than that due to errors.
2. Obtain necessary understanding of the internal control essential to the audit, so as to formulate the appropriate audit procedures for the current situation, for all that the purpose is not to give opinions on the effectiveness of the internal control of ShareHope Group.
3. Evaluate the appropriateness of the accounting policies adopted by the management, as well as the reasonability of the accounting estimates and related disclosures made by them.
4. Draw conclusions on the appropriateness of the management's adoption of the accounting basis for continuation of the business, as well as whether there are significant uncertainties in events or situations that may give rise to material doubts about ShareHope Group's ability to continue its business, based on the audit evidences obtained. If the independent auditor believes that there are significant uncertainties in such events or situations, he shall remind users of the Consolidated Financial Statements to pay attention to the disclosures about the Consolidated Financial Statements, or revise the audit opinions when such disclosures are inappropriate. The independent auditor's conclusions are based on the audit evidences obtained up to the date of the audit report. However, future events or situations may result in ShareHope Group's loss of the ability to continue the business.
5. Evaluate the overall statements, structure, and contents of the Consolidated Financial Statements (including relevant notes), and whether relevant transactions and events are fairly presented in the Consolidated Financial Statements.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities of the Group to give opinions on the Consolidated Financial Statements. The independent auditor is responsible for guiding, supervising, and executing the audit work of the Group, and for issuing audit opinions on the Group.

The items on which the independent auditor has communicated with the governing body include the planned scope and time of the audit work, as well as major audit findings (including significant deficiencies in internal control identified in the course of the audit).

The independent auditor has also provided the governing body with the statement that the personnel subject to independence standards in the accounting firm, to which the independent auditor is affiliated, have complied with the CPA professional and ethical guidelines regarding independence, and has communicated with the governing body on all relationships and other items that may be considered to affect the independence of independent auditors (including relevant protective measures).

The independent auditor has decided on the key items to be audited in the Consolidated Financial Statements of ShareHope Group for 2022, based on the items on which he has communicated with the governing body. The independent auditor has stated such items in the Independent Auditors’ Report, unless some specific items are prohibited from disclosure according to laws and regulations, or the independent auditor decides not to communicate some items in the Independent Auditors’ Report under extremely rare circumstances where it can be reasonably expected that the negative impact of such communication will outweigh the public interest it brings.

KPMG

Independent auditor: KOU,HUI-CHIH
KUO,HSIN-I

Number of documents approved and certified by the securities regulatory	:	Tai-Tsai-Zheng-(6)-Zi-0930106739 Jin-Kuan-Zheng-Shen-Zi-1040003949

March 24, 2023

ShareHope Medicine Co., Ltd. and its subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NT$ thousand

Code	Assets	2022.12.31 Amount	2022.12.31 %	2021.12.31 Amount	2021.12.31 %
	Current assets:				
1100	Cash and cash equivalents (Note 6 (1))	$ 1,535,182	21	1,557,173	25
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	10,341	-	10,279	-
1136	Financial assets at amortized cost - current (Note 9)	5,001	-	5,220	-
1150	Notes receivable (Note 6 (4) and (29))	13,123	-	16,012	-
1170	Net accounts receivable (Note 6 (4) and (29))	179,973	2	219,975	4
1180	Net accounts receivable - related parties (Note 6 (4), (6) and (29), and Note 7)	1,042,711	14	856,366	14
1200	Other net accounts receivable (Note 6 (5))	55,603	1	128,671	2
1210	Other accounts receivable - related parties (Note 6 (5) and Note 7)	26,445	-	20,073	-
1220	Income tax assets for the period	50	-	532	-
130X	Inventories (Note 6 (7))	272,537	4	290,640	5
1410	Prepayments (Note 7)	48,512	1	43,889	1
1470	Other current assets	3,000	-	6,421	-
	Total current assets	3,192,478	43	3,155,251	51
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current (Note 6 (2))	82,086	1	82,799	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (3))	680,880	9	545,424	10
1536	Financial assets at amortized cost - non-current (Note 8)	40,590	1	41,126	1
1550	Equity method investments (Note 6 (10))	69,965	1	26,445	-
1600	Property, plant and equipment (Note 6 (12) and Note 8)	1,694,731	23	562,605	9
1755	Right-of-use assets (Note 6 (13))	461,074	6	523,749	9
1760	Investment properties (Note 6 (14) and Note 8)	346,792	5	365,858	6
1780	Intangible assets (Note 6 (15))	342,674	5	337,741	6
1840	Deferred income tax assets (Note 6 (25))	10,975	-	14,001	-
194D	Net long-term finance lease receivables (Note 6 (6) and (29), and Note 7)	11,879	-	19,643	-
1990	Other non-current assets (Note 6 (16) and Note 7)	443,632	6	438,166	7
	Total non-current assets	4,185,278	57	2,957,557	49
	Total assets	$ 7,377,756	100	6,112,808	100

Code	Liabilities and equity	2022.12.31 Amount	2022.12.31 %	2021.12.31 Amount	2021.12.31 %
	Current liabilities:				
2100	Short-term loans (Note 6 (17) and Note 8)	$ 306,254	4	276,100	5
2110	Short-term bills payable (Note 6 (18))	54,892	1	54,979	1
2130	Contract liabilities - current (Note 6 (29))	5,525	-	7,280	-
2150	Notes payable	100,470	1	99,302	2
2170	Accounts payable	698,764	9	548,662	9
2181	Accounts payable - related parties (Note 7)	3,556	-	2,811	-
2200	Other payables (Note 6(23))	335,785	5	242,860	4
2220	Other accounts payable - related parties (Note 7)	1,293	-	635	-
2230	Income tax liabilities for the period	58,143	1	68,656	1
2280	Lease liabilities - current (Note 6 (21))	118,503	2	119,204	2
2322	Long-term loans due in one year (Note 6 (19) and Note 8)	31,753	-	33,065	-
2323	Long-term accounts payable due in one year	2,658	-	-	-
2399	Other current liabilities	11,964	-	18,274	-
	Total current liabilities	1,729,560	23	1,471,828	24
	Non-current liabilities:				
2540	Long-term loans (Note 6 (19) and Note 8)	967,623	14	124,462	2
2570	Deferred income tax liabilities (Note 6 (25))	17,821	-	14,186	-
2580	Lease liabilities - non-current (Note 6 (21))	526,576	7	600,975	10
2612	Long-term payables	11,187	-	-	-
2640	Net defined benefit liabilities - non-current	7,972	-	9,137	-
2645	Deposits received (Note 7)	18,022	-	8,926	-
	Total non-current liabilities	1,549,201	21	757,686	12
	Total liabilities	3,278,761	44	2,229,514	36
	Equity (Note 6 (9), (11), (15) and (26)):				
3110	Ordinary share capital	1,200,422	16	1,143,259	19
3200	Additional paid-in capital	1,264,508	17	1,267,418	21
3310	Legal reserves	187,098	3	163,624	3
3320	Special reserves	26,136	-	33,469	1
3350	Undistributed earnings	734,669	11	567,167	9
3410	Exchange difference from translation of the financial statements of foreign operations	(2,089)	-	(3,173)	-
3420	Unrealized gains or losses on financial assets at fair value through other comprehensive income	8,515	-	(22,962)	(1)
	Total equity attributable to owners of the parent company	3,419,259	47	3,148,802	52
36xx	Non-controlling interests	679,736	9	734,492	12
	Total equity	4,098,995	56	3,883,294	64
	Total liabilities and equity	$ 7,377,756	100	6,112,808	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
January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

Code	Item	2022 Amount	2022 %	2021 Amount	2021 %
4000	**Operating revenue (Note 6 (29) and Note 7)**	$ 4,137,132	100	3,850,027	100
5000	**Operating costs (Note 6 (7), (12), (13) and (24), and Note 7)**	(3,153,221)	(76)	(3,016,071)	(78)
	Gross profits	983,911	24	833,956	22
	Operating expenses (Note 6 (4), (12), (13), (15), (21) and (24), and Note 7):				
6100	Marketing expenses	(229,331)	(6)	(123,920)	(3)
6200	Administrative expenses	(488,669)	(12)	(540,493)	(14)
6300	R&D expenses	(16,395)	-	-	-
6235	Gains on reversal of expected credit impairment	2,025	-	15,517	-
	Total operating expenses	(732,370)	(18)	(648,896)	(17)
6500	Other net income and expenses (Note 6 (31))	87,575	2	73,391	2
	Net operating income	339,116	8	258,451	7
	Non-operating income and expenses (Note 6 (10), (21) and (32), and Note 7):				
7100	Interest income	3,134	-	1,273	-
7010	Other income	76,072	2	21,760	1
7020	Other gains and losses	(39,826)	(1)	6,501	-
7050	Finance costs	(38,158)	(1)	(20,134)	(1)
7770	Share of losses of affiliates recognized by the equity method	(400)	-	(222)	-
	Total non-operating income and expenses	822	-	9,178	-
7900	**Net income before tax**	339,938	8	267,629	7
7950	**Income tax expenses (Note 6 (25))**	(95,828)	(2)	(74,201)	(2)
	Net income for the period	244,110	6	193,428	5
8300	**Other comprehensive income (Note 6 (25) and (26)):**				
8310	**Items not reclassified to profit or loss**				
8311	Remeasurement amount of defined benefit plans	2,830	-	2,754	-
8316	Unrealized valuation profits and losses on equity instrument investments at fair value through other comprehensive income	22,604	-	7,577	-
8320	Share of other comprehensive income of affiliates recognized by the equity method	(6)	-	(30)	-
8349	Less: income taxes related to non-reclassified items	6,153	-	462	-
	Total items not reclassified to profit or loss	19,275	-	9,839	-
8360	**Items that may be reclassified to profit or loss subsequently**				
8361	Exchange difference from translation of the financial statements of foreign operations	2,121	-	(734)	-
8399	Less: income taxes related to items that may be reclassified	387	-	(136)	-
	Total items that may be reclassified to profit or loss subsequently	1,734	-	(598)	-
8300	**Other comprehensive income for the period**	21,009	-	9,241	-
8500	**Total comprehensive income for the period**	$ 265,119	6	202,669	5
	Net profit for the period attributable to (Note 6 (11) and (15)):				
8610	Owners of the parent company	$ 293,946	7	232,663	6
8620	Non-controlling interests	(49,836)	(1)	(39,235)	(1)
		$ 244,110	6	193,428	5
	Total comprehensive income attributable to (Note 6 (11) and (15)):				
8710	Owners of the parent company	$ 331,172	8	242,077	6
8720	Non-controlling interests	(66,053)	(2)	(39,408)	(1)
		$ 265,119	6	202,669	5
	Earnings per share (NT$) (Note 6 (28))				
9750	**Basic earnings per share**	$	2.45		1.94
9850	**Diluted earnings per share**	$	2.43		1.92

(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
January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

	Ordinary share capital	Capital collected in advance	Additional paid-in capital	Legal 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, 2021 (after retrospective adjustment)	$ 1,086,969	1,667	1,224,665	139,516	38,865	460,018	(2,763)	(30,706)	2,918,231	660,779	3,579,010
Net income for the period	-	-	-	-	-	232,663	-	-	232,663	(39,235)	193,428
Other comprehensive income for the period	-	-	-	-	-	2,133	(410)	7,691	9,414	(173)	9,241
Total comprehensive income for the period	-	-	-	-	-	234,796	(410)	7,691	242,077	(39,408)	202,669
Allocation and distribution of earnings:											
Appropriation of legal reserve	-	-	-	24,108	-	(24,108)	-	-	-	-	-
Ordinary share cash dividend	-	-	-	-	-	(54,441)	-	-	(54,441)	-	(54,441)
Ordinary share stock dividend	54,441	-	-	-	-	(54,441)	-	-	-	-	-
Reversal of special reserves	-	-	-	-	(5,396)	5,396	-	-	-	-	-
Conversion of convertible corporate bonds	1,849	(1,667)	417	-	-	-	-	-	599	-	599
The difference between the price and book value of subsidiaries' equity actually acquired and disposed of	-	-	(11,851)	-	-	-	-	-	(11,851)	11,401	(450)
Changes in ownership interests in subsidiaries	-	-	54,187	-	-	(53)	-	53	54,187	-	54,187
Share-based payment transaction	-	-	-	-	-	-	-	-	-	3,268	3,268
Increase or decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	98,452	98,452
Balance on December 31, 2021	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	-	-	-	-	-	293,946	-	-	293,946	(49,836)	244,110
Other comprehensive income for the period	-	-	-	-	-	1,817	1,084	34,325	37,226	(16,217)	21,009
Total comprehensive income for the period	-	-	-	-	-	295,763	1,084	34,325	331,172	(66,053)	265,119
Allocation and distribution of earnings:											
Appropriation of legal reserve	-	-	-	23,474	-	(23,474)	-	-	-	-	-
Ordinary 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)	-	-	2,209	-	(2,848)	(5,213)	4,508	(705)
Share-based payment transaction	-	-	-	-	-	-	-	-	-	6,950	6,950
Increase or decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	2,000	2,000
Others	-	-	-	-	-	(3)	-	-	(3)	-	(3)
Balance on December 31, 2022	**$ 1,200,422**	**-**	**1,264,508**	**187,098**	**26,136**	**734,669**	**(2,089)**	**8,515**	**3,419,259**	**679,736**	**4,098,995**

(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
January 1 to December 31, 2022 and 2021

Unit: NT$

	2022	2021
Cash flows from operating activities:		
Net income before tax for the period	$ 339,938	267,629
Items adjusted:		
Income and expense items		
Depreciation expenses	282,501	283,355
Amortization expenses	24,648	21,170
Gains on reversal of expected credit impairment	(2,025)	(15,517)
Net gains on financial assets at fair value through profit or loss	(2,897)	(38,590)
Interest expenses	38,158	20,134
Interest income	(3,134)	(1,273)
Dividend income	(2,922)	(3,823)
Share-based payment remuneration cost	-	3,268
Share of losses of affiliates recognized by the equity method	400	222
Gains on disposal and retirement of properties, plants and equipment	(9,134)	(3,516)
Amount of property, plant and equipment recognized in expenses	-	3
Gains on disposal of intangible assets	-	(190)
Gains on disposal of subsidiaries' investments	(66)	-
Impairment losses on non-financial assets	51,466	25,650
Unrealized foreign exchange (gains) losses	(1,032)	4,658
Lease modification gains	603	(484)
Total income and expense items	376,566	295,067
Changes in assets/liabilities related to operating activities:		
Notes receivable (including related parties)	2,889	22,833
Accounts receivable (including related parties)	(144,986)	19,553
Lease payments receivable (including related parties)	8,402	(66,134)
Other receivables (including related parties)	3,380	(2,601)
Inventories	18,842	40,620
Prepayments	(4,623)	(3,524)
Other current assets	3,422	(6,235)
Notes payable (including related parties)	1,168	12,012
Accounts payable (including related parties)	150,847	(88,818)
Other payables (including related parties)	32,861	(2,480)
contract liability	(1,755)	(4,300)
Other current liabilities	(6,310)	5,805
Net defined benefit liabilities	(147)	53
Total net changes in assets and liabilities related to operating activities	63,990	(73,216)

(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)

January 1 to December 31, 2022 and 2021

Unit: NT$

	2022	2021
Cash inflow from operation	$ 780,494	489,480
Interests received	3,134	1,273
Interests paid	(36,848)	(19,730)
Income taxes paid	(104,312)	(110,921)
Cash inflow from operation	642,468	360,102
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(140,707)	(99,806)
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	16,250	15,000
Disposal of financial assets at fair value through profit or loss	3,548	70,057
Acquisition of long-term equity method investments	(73,900)	(10,000)
Acquisition of financial assets at amortized cost	755	(37,842)
Capital returned due to capital reduction of investees applying the equity method	-	17,500
Acquisition of property, plant and equipment	(1,265,977)	(137,514)
Disposal of property, plant and equipment	110,565	3,570
Increase in refundable deposits	(2,429)	(115,845)
Increase (decrease) in other receivables-related parties	(8,834)	7,835
Acquisition of intangible assets	(18,071)	(14,746)
Disposal of intangible assets	-	190
Increase in other non-current assets	(10,259)	(22,928)
Dividends received	2,922	3,823
Cash outflow from investing activities:	(1,373,575)	(320,706)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	30,520	(67,634)
Increase in short-term bills payable	-	19,988
Redemption of corporate bonds	-	(99,990)
Borrowing of long-term loans	1,194,000	15,844
Repayment of long-term loans	(352,151)	(19,599)
Increase in deposits received	9,096	1,536
Lease principal payment	(124,809)	(111,299)
Distribution of cash dividends	(59,324)	(102,801)
Changes in non-controlling interests	8,950	200,549
Cash inflow (outflow) from financing activities	706,282	(163,406)
Impact of exchange rate changes on cash and cash equivalents	2,834	(5,369)
Decrease in cash and cash equivalents for the period	(21,991)	(129,379)
Balance of cash and cash equivalents at the beginning of the period	1,557,173	1,686,552
Balance of cash and cash equivalents at the end of the period	$ 1,535,182	1,557,173

(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
2022 and 2021
(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 Combined 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 March 24, 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 Combined Company adopted the following newly amended terms of the IFRSs on January 1, 2022, which made no significant impact on the Consolidated Financial Statements.

- Amendment to “Real Estate, Plant and Equipment - Price before Intended Use” under IAS 16
- Amendment to “Onerous Contract - Cost of Performance” under IAS 37
- Annual Improvements to IFRSs
  2018–2020 Cycle
- Amendment to “References to Conceptual Framework” under IFRSs 3

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

The Combined Company adopted the following newly amended terms of the IFRSs effective from January 1, 2023, based on evaluation, which will not have a 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

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

The standards and interpretations that have been issued and amended by the International Accounting Standards Board but have not yet been approved by the Financial Supervisory Commission and may be relevant to the Combined Company are as follows:

Newly issued or amended standards	Major amendments	Effective date of standards issued by the Board
Amendment to “Classification of Liabilities as Current or Non-current” under IAS 1	According to the current IAS 1, liabilities for which the enterprise does not have the right to unconditionally defer settlement for at least 12 months after the reporting period shall be classified as current. The statement “unconditionally” is removed from the amendment which instead stipulates that the right must exist and be substantive at the end of the reporting period. It is clarified in the amendment that how enterprises should classify liabilities that are settled by issuing equity instruments of such liabilities (e.g., convertible corporate bonds).	January 1, 2024
Amendment to “Non-current Contractual Liabilities” under IAS 1	After reconsidering certain aspects of the amendment to IAS 1 in 2020, it is clarified in the new amendment that only contractual terms to which an enterprise shall be subject on or before the reporting date will affect the classification of liabilities as current or non-current. The contractual terms (i.e. future terms) to which an enterprise shall be subject after the reporting date will not affect the classification of liabilities at that date. However, as for non-current liabilities subject to future contractual terms, enterprises shall disclose information to notify users of financial statements of the risk that such liabilities may be repaid within 12 months after the reporting date.	January 1, 2024

The Combined Company is continuously evaluating the impact of above-mentioned standards and interpretations on its financial position and operating results, and the relevant impact will be disclosed when the evaluation is completed.

The Combined 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
- Amendment to "Provisions on Sale and Leaseback Transactions” under IFRSs 16

IV. Summary of Major Accounting Policies

The major accounting policies adopted in the Consolidated Financial Statements, which have been consistently applied to all periods stated in the Consolidated Financial Statements, are summarized as follows:

(I) Compliance statement

The Consolidated Financial Statements is prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers (hereinafter referred to as the "Preparation Regulations"), and the International Financial Reporting Standards, International Accounting Standard, and their interpretations and interpretation announcements recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "International Financial Reporting Standards recognized by the Financial Supervisory Commission").

(II) Preparation basis

1. Measurement basis

The Consolidated Financial Statements is prepared on the basis of historical cost, except for the following important items in the balance sheet:

(1) Financial assets at fair value through profit or loss based on fair value measurement;

(2) Financial assets at fair value through other comprehensive income based on fair value measurement; and

(3) Net defined benefit liabilities (or assets) which are measured by deducting the present value of defined benefit obligations from the fair value of pension fund assets.

2. Functional currency and presentation currency

The Combined Company takes the currencies dominant in the primary economic environment in which it operates as its functional currencies. The Consolidated Financial Statements is presented in New Taiwan dollars, one of the functional currencies of the Combined Company. All financial information expressed in New Taiwan Dollars is presented in NT$ thousand.

(III) Combination basis

1. Principles for the preparation of the Consolidated Financial Statements

The entities responsible for preparing the Consolidated Financial Statements include the Company and entities controlled by the Company (i.e., subsidiaries). The Company controls an entity when the Company is exposed to variable returns from its involvement in the investee entity or has rights to the variable returns, and has the ability to affect such returns through its power over the investee entity.

From the date when the Company gains control over a subsidiary, the financial statements of such subsidiary shall be incorporated into the Consolidated Financial Statements until the date of loss of control.

The transactions among the combined companies, as well as balances and any unrealized gains and losses have been fully cancelled upon the preparation of the Consolidated Financial Statements. The total comprehensive income of a subsidiary is attributed to the owners of the Company and to the non-controlling interests respectively, even if the non-controlling interests become deficit balances consequently.

Changes in the ownership interests of the Combined Company in subsidiaries that do not lead to loss of control shall be accounted for as equity transactions with the owners. The difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and is attributed to the owners of the Company.

2. Subsidiaries included in the Consolidated Financial Statements

Name of investee	Name of subsidiary	Nature of business	Percentage of equity held 2022.12.31	Percentage of equity held 2021.12.31	Explanation
The Company	Chungyuan Medical Management Co., Ltd. (hereinafter referred to as Chungyuan Medical Management Company)	Management consulting services	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%	
The Company	ShareHope Medicine (HongKong) Co., Ltd. (hereinafter referred to as ShareHope Hong Kong Company)	Investment management	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%	
The Company	Pregetic Medical Health Co., Ltd. (hereinafter referred to as Pregetic Health Company)	Health management services	38.90%	39.93%	Note 1
The Company	Medzoneasia Co., Ltd. (hereinafter referred to as Medzoneasia)	Wholesale and trading of medicines and provision of medical information software services	60.21%	60.21%	
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%	
The Company	Digimed Co., Ltd. (hereinafter referred to as Digimed)	Information software services	-	20.00%	Note 2
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%	
Mytrex Health Company	Mytrex USA Co. (formerly known as TSVC Co.)	Health care support services	88.89%	88.89%	
Mytrex Health Company	Digimed	Information software services	-	20.00%	Note 2
Mytrex Health Company	Sheng Yo Rehabilitative Technologies, Inc. (hereinafter referred to as Sheng Yo Company)	Health management services	90.91%	-	Note 3
Medzoneasia	TECHGROUP Integrate Design Co., Ltd. (hereinafter referred to as TECHGROUP)	Medical information software services	51.00%	51.00%	
Medzoneasia	Macro Global Co., Ltd. (hereinafter referred to as Macro Global Corporation, formerly known as Macro Co., Ltd.)	Wholesale and trading of medicines	100.00%	100.00%	
Medzoneasia	YES Health Co., Ltd. (hereinafter referred to as YES Health Company)	Wholesale and trading of medicines and management consulting for pharmacies	100.00%	100.00%	
Medzoneasia	Digimed	Information software services	60.00%	-	Note 2
YES Health Company	Digimed	Information software services	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%	
Pregetic Health Company	Hung-Han Health Business Co., Ltd. (hereinafter referred to as Hung-Han Company)	Health management services	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%	
Pregetic Health Company	Digimed	Information software services	-	20.00%	Note 2
Hung-Han Company	Hanting Digital Technology Co., Ltd. (hereinafter referred to as Hanting Company)	Information software services	100.00%	100.00%	
Hung-Han Company	Chinachem Biomedical Co., Ltd. (hereinafter referred to as Chinachem)	Healthcare services	100.00%	-	Note 4

Note 1: Pregetic Health Company executed exercising of employee stock options and cash capital increase in June 2022 and December 2021 respectively. The Company did not increase its subscribed capital according to its shareholding ratio, resulting in a decrease in its shareholding ratio.

Note 2: In April 2022, the Company, Mytrex Health Company and Pregetic Health Company respectively transferred all the equity they held in Digimed to Medzoneasia, resulting in a change in the shareholding ratio.

Note 3: Mytrex Health Company and other investors jointly invest to found Sheng Yo Rehabilitative Company on February 14, 2022. The company has completed the statutory change registration procedures, so the Combined Company has acquired control over it and thus incorporated it into the Consolidated Financial Statements.

Note 4: Hung-Han Company invest to found Chinachem on September 29, 2022. The company has completed the statutory change registration procedures, so the Combined Company has acquired control over it and thus incorporated it into the Consolidated Financial Statements.

3. Subsidiaries not included in the Consolidated Financial Statements: none

(IV) Foreign currencies

1. Foreign currency transactions

Foreign currencies are translated into functional currencies at the exchange rate on the transaction date through foreign currency transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), foreign currency monetary items are translated into functional currencies at the exchange rate on that day.

Foreign currency non-monetary items measured at fair value are translated into functional currencies at the exchange rate on the date of fair value measurement, while foreign currency non-monetary items measured at historical cost are translated at the exchange rate on the transaction date. Foreign currency exchange differences arising from translation are normally recognized in profit or loss, except for equity instruments measured at fair value through other comprehensive income, which are recognized in other comprehensive income.

2. Foreign operations

Assets and liabilities of foreign operations are translated into New Taiwan dollars at the exchange rate at the reporting date, and income and expenses are translated into New Taiwan dollars at the average exchange rate of the current period. The exchange differences generated thereof are recognized in other comprehensive income.

When the disposal of a foreign operation results in loss of control, joint control, or significant impact, the cumulative exchange differences related to the foreign operation shall be reclassified into profit or loss in full. Upon partial disposal of a subsidiary with foreign operations, the related cumulative translation differences shall be reattributed to non-controlling interests on a pro-rata basis. Upon partial disposal of investments in affiliates or joint ventures with foreign operations, the related cumulative translation differences shall be reclassified to profit or loss on a pro-rata basis.

If there is no settlement plan for the monetary receivables or payables of a foreign operation and they are impossible to settle in the foreseeable future, foreign exchange gains and losses arising therefrom shall be regarded as part of the net investment in the foreign operation and recognized in other comprehensive income.

(V) Classification criteria for distinguishing current and non-current assets and liabilities

Assets that meet one of the following conditions are classified as current assets, while any asset other than current assets is classified as non-current assets:

1. The asset is expected to be realized in the normal operating cycle of an enterprise, or is intended for selling or consumption;
2. The asset is held primarily for trading;
3. The asset is expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalent, except for assets subject to other restrictions on exchanging such assets or settling liabilities by the assets at least 12 months after the reporting period.

Liabilities that meet one of the following conditions are classified as current liabilities, while any liability other than current assets is classified as non-current liabilities:

1. The liability is expected to be settled in the normal operating cycle of an enterprise;
2. The liability is held primarily for trading;
3. The liability is expected to be settled within 12 months after the reporting period; or
4. The liability belongs to liabilities for which the enterprise does not have the right to unconditionally defer settlement for at least 12 months after the reporting period. The terms concerning liabilities, which stipulate that liabilities may be settled by issuing equity instruments at the option of the counterparty, do not affect the classification of such liabilities.

(VI) Cash and cash equivalents

Cash includes cash on hand, cheques, and demand deposits. A cash equivalent refers to a short-term and highly liquid investment that can be converted into a fixed amount of cash at any time with minimal risk of value fluctuation. Time deposits that meet the aforementioned definition and are held for short-term cash commitments rather than investment or other purposes are presented in cash equivalents.

(VII) Financial instruments

Accounts receivable are initially recognized when incurred. All other financial assets and liabilities are initially recognized when the Combined Company becomes a party to the contractual terms of the instruments. Financial assets or financial liabilities not at fair value through profit or loss are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financing components are initially measured at transaction prices.

1. Financial assets

For the purchase or sale of financial assets in compliance with customary transactions, the Combined Company shall consistently adopt the trade date or settlement date accounting for all purchases and sales of financial assets classified in the same manner.

Financial assets upon initial recognition are classified as investments in equity instruments at fair value through other comprehensive income and financial assets at fair value through profit or loss. The Combined Company shall reclassify all affected financial assets from the first day of the next reporting period only if it changes its operating model for financial asset management.

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

At initial recognition, the Combined Company may make an irrevocable election to present the subsequent changes in the fair value of investments in equity instruments not held for trading in other comprehensive income. The aforementioned election is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly represents a recovery of part of the cost of an investment) is recognized in profit or loss. The remaining net profits or losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Combined Company is entitled to receive the dividend (usually the ex-dividend date).

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

Financial assets that do not belong to the aforementioned financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. At initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Combined Company shall irrevocably designate financial assets that meet the criteria to be measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

Such assets are subsequently measured at fair value, and their net profits or losses (including any dividends and interest income) are recognized in profit or loss.

(3) Impairment of financial assets

The Combined Company shall recognize expected credit losses on financial assets measured at amortized cost (including cash and equivalents, notes and accounts receivable (including related parties), other receivables, finance lease receivables, and deposits) in loss allowances.

The loss allowances of the following financial assets are measured at 12-month expected credit losses, while those of other financial assets are measured at lifetime expected credit losses.

- The credit risk of bank deposits (i.e., the risk of default over the expected life of the financial instruments) has not significantly increased since initial recognition.

The loss allowances for notes and accounts receivable (including related parties) and finance lease receivables are measured at lifetime expected credit losses.

Lifetime expected credit losses refer to expected credit losses resulting from all possible default events over the expected life of the financial instrument.

12-month expected credit losses refer to expected credit losses resulting from financial instrument default events that are possible within 12 months after the reporting date (or a shorter period, if the expected lifetime of the financial instrument is shorter than 12 months).

The longest period for measuring expected credit losses is the longest contract period during which the Combined Company will be exposed to credit risk.

In case of determining whether the credit risk has increased significantly since initial recognition, the Combined Company shall consider reasonable and verifiable information (obtainable without excessive cost or investment), including qualitative and quantitative information, as well as analysis based on the past experience, credit evaluation, and forward-looking information of the Combined Company.

If a contract payment is more than 120 days overdue, the Combined Company shall assume that there are signs of credit risk on the financial asset.

If a contract payment is more than 180 days overdue, the Combined Company shall considers the financial asset to be in default.

Expected credit losses are the probability-weighted estimates of the expected lifetime credit losses of financial instruments. Credit losses, which are measured at the present value of all cash shortfalls, are the difference between the cash flows that the Combined Company can receive under the contract and the cash flows that the Combined Company expects to receive. Expected credit losses are discounted at the effective interest rate of financial assets.

The Combined Company shall evaluate whether the financial assets measured at amortized cost are credit-impaired at each reporting date. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidences of credit impairment of financial assets include observable information about the following situations:

- Significant financial difficulties of the issuer;
- Default, such as more than 180 days delayed or overdue; or
- Disappearance of an active market for that financial asset due to financial difficulties.

When the Combined Company cannot reasonably expect the recovery of a financial asset in whole or in part, it shall directly reduce the total carrying amount of the financial asset. For corporate accounts, the Combined Company shall analyze the timing and amount of write-offs individually based on whether it is reasonably expected to be recoverable, and expect that the written-off amount will not be significantly reversed. However, written-off financial assets are still enforceable to comply with the the Combined Company's procedures for recovering overdue amounts.

(4) Derecognition of financial assets

The Combined Company shall derecognize a financial asset when it has terminated its contractual rights to the cash flows from the asset, or has transferred the financial asset and has transferred substantially all the risks and rewards of ownership of the asset to other enterprises, or has neither transferred nor retained substantially all the risks and rewards of the ownership and has not retained control over the financial asset.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

Debt and equity instruments issued by the Combined Company are classified as either financial liabilities or as equity based on the substance of the contractual agreements and the definitions of the financial liabilities and equity instruments.

(2) Equity transaction

An equity instrument refers to any contract that evidences a residual interest in the assets of the Combined Company after deducting all of its liabilities. The equity instruments issued by the Combined Company are recognized as the amount obtained after deducting direct issuance costs.

(3) Financial liabilities

Financial liabilities are classified as liabilities either at amortized cost or at fair value through profit or loss. Financial liabilities that are held for trading, or are derivatives or designated at initial recognition are classified as financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and related net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(4) Derecognition of financial liabilities

The Combined Company shall derecognize financial liabilities when contractual obligations are fulfilled, canceled or expired. When the terms of a financial liability are modified and the cash flows of the modified liability are substantially different from that of the original liability, the original financial liability shall be derecognized, and the new financial liability is recognized at fair value based on the modified terms.

On derecognition of a financial liability, the difference between the carrying amount and the total consideration paid or payable is recognized in profit or loss.

(5) Offsetting of financial assets and financial liabilities

A financial asset and a financial liability shall be offset and the net amount presented in the balance sheet only when the Company currently has a legally enforceable right to set off the asset and liability, and intends to settle on a net basis or realize the asset and settle the liability simultaneously.

3. Derivative financial instruments

An embedded derivative is separated from the host contract provided that certain conditions are met and the host contract is not a financial asset.

A derivative is initially recognized and subsequently measured at fair value, and any gain or loss arising from remeasurement is directly recognized in profit or loss.

(VIII) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost includes the acquisition, production, or processing costs and other costs incurred in bringing the inventories to the location and condition in which they are available for use, and is calculated by the weighted average method. The costs of inventories of finished goods and work-in-progress include production overheads apportioned in appropriate proportions based on normal production capacity.

Net realizable value refers to the estimated selling price in the ordinary course of business minus the estimated completing and selling costs.

(IX) Investments in affiliates

An affiliate is one that the Combined Company has significant influence on its financial and operating policies but does not have control or share joint control over it.

The Combined Company adopts the equity method to account for its interests in affiliates. Under the equity method, the initial acquisition is recognized at cost, with the transaction costs included in the investment costs. The carrying amount of an investee affiliate includes the goodwill identified at original investment, minus any accumulated impairment loss.

The Consolidated Financial Statements covers the period from the date of significant influence to the date significant influence is lost. After adjustments consistent with the Company's accounting policies, the Company recognizes the profits and losses and other comprehensive income of each investee affiliate based on the equity ratio. In the event of a change in equity of an affiliate that is not in profit or loss or other comprehensive income and does not affect the shareholding ratio of the Combined Company, the Combined Company shall recognize the change in equity of the affiliate attributable to it in additional paid-in capital according to its shareholding ratio.

Unrealized gains and losses arising from transactions between the Combined Company and affiliates shall be recognized in corporate financial statements only within the scope of the equity of investors who are non-related parties in affiliates.

When the share of loss of an affiliate that shall be recognized by the Combined Company pro rata equals or exceeds its equity in the affiliate, it shall stop recognition of the loss. The additional losses and related liabilities shall be recognized only to the extent that legal obligations and constructive obligations have occurred or payments have been made on behalf of the investee.

(X) Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost minus accumulated depreciation and any accumulated impairment.

Gains or losses on disposal of property, plant and equipment shall be recognized in profit or loss.

2. Subsequent costs

Subsequent expenditures are capitalized only if it is probable that their future economic benefits will flow to the Combined Company.

3. Depreciation

Depreciation is calculated by deducting residual value from the asset cost, and recognized in profit or loss over the estimated useful life by the straight-line method.

Land shall not be depreciated.

The estimated useful lives for the current and comparative periods are as follows:

(1) Houses and buildings 18~30 years

(2) Machinery and equipment 3~16 years

(3) Office equipment 2~10 years

(4) Transportation equipment 3~5 years

(5) Leasehold improvements 1~10 years

(6) Other equipment 1~10 years

(7) Leased assets 1~8 years

The Combined Company shall review the depreciation method, useful life, and residual value at each reporting day, and make appropriate adjustments when necessary.

(XI) Investment properties

Investment properties refer to real estates held to earn rentals or for capital appreciation (or both), rather than for sale in normal operation, production, provision of goods or services, or administrative purposes.

Investment properties are initially measured at cost and subsequently measured at cost minus accumulated depreciation and accumulated impairment. The depreciation method, useful life and residual value shall be accounted for in accordance with the regulations on property, plant and equipment.

Gains or losses on disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the item) shall be recognized in profit or loss.

When an investment property is reclassified as property, plant and equipment due to changes in purpose, it shall be reclassified based on the carrying amount at the time of the change in purpose.

(XII) Leases

The Combined Company shall assess whether a contract is or contains a lease at the date the contract is enter into. A contract is or contains a lease if the contract transfers control over the use of identified assets for a period of time in exchange for consideration.

1. Lessee

The Combined Company shall recognize the right-of-use assets and the lease liabilities at the commencement date of a lease. The right-of-use assets are initially measured at cost, which includes the original measurement amount of the lease liabilities.

The right-of-use assets are subsequently depreciated by the straight-line method from the commencement date of a lease to the maturity date of the useful life or the lease term of the right-of-use assets, whichever is earlier. In addition, the Combined Company shall assess whether the right-of-use assets are impaired on a regular basis and handle any impairment losses incurred, and adjust the right-of-use assets in conjunction with the remeasurement of the lease liabilities.

Lease liabilities are initially measured at the present value of the lease payments that have not been paid at the commencement date of a lease. If the interest rate implicit in the lease is easy to determine, the interest rate shall be the discount rate; if it is not easy to determine, it shall be the incremental borrowing rate of the Combined Company. In general, the Combined Company adopts its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liabilities include:

(1) Fixed payments (including in-substance fixed payments);

(2) Variable lease payments that are dependent on an index or a rate and are measured using the index or rate at the lease commencement date.

Interest is subsequently accrued on lease liabilities using the effective interest method and is remeasured under the following circumstances:

(1) Changes in future lease payments due to changes in the index or rate used to determine lease payments;

(2) Changes in the evaluation of the purchase option of the underlying assets;

(3) Changes in the evaluation of the lease term due to changes in the estimation of whether to exercise extension or termination options;

(4) Changes in the subject matter, scope, or other terms of the leases.

When a lease liability is remeasured due to changes in the index or rate used to determine lease payments as well as changes in the evaluation of purchase, extension, or termination options, the carrying amount of the right-of-use asset shall be adjusted accordingly, and the remaining remeasurement amount shall be recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that reduce the scope of a lease, the carrying amount of the right-of-use asset is reduced to reflect partial or full termination of the lease, and the difference between the carrying amount and the remeasurement amount of the lease liability is recognized in profit or loss.

The Combined Company shall present the right-of-use assets and lease liabilities that do not meet the definition of investment property as separate line items in the balance sheet.

For the short-term lease of some buildings and transportation equipment and the lease of low value underlying assets, the Combined Company chooses not to recognize the right-of-use assets and lease liabilities, but recognize the relevant lease payments as expenses during the lease term on a straight-line basis.

2. Lessor

Transactions in which the Combined Company is the lessor are classified at the commencement date of the lease based on whether the lease contracts transfer substantially all the risks and rewards attached to the ownership of the underlying asset. If so, the transactions are classified as finance leases, otherwise they are classified as operating leases. When evaluating, the Combined Company shall consider relevant specific indicators including whether the lease term covers the main part of the economic life of the underlying asset.

If the Combined Company is an intermediate lessor in a sublease, the master lease and sublease transactions shall be handled separately, and the sublease transaction shall be classified based on evaluation on the right-of-use asset generated by the master lease. If the master lease is a short-term lease and the recognition exemption applies, the sublease transaction shall be classified as an operating lease.

Assets held under finance leases are presented as finance lease receivables at the net investments in the leases. The original direct costs arising from negotiation and arrangement of an operating lease is included in the net investment in the lease. The net investment in lease is apportioned and recognized as interest income during the lease term in a manner that reflects the fixed rate of return for each period. For operating leases, the Combined Company recognizes the lease payments received as rental income on a straight-line basis during the lease term.

(XIII) Intangible assets

1. Recognition and measurement

Goodwill arising from the acquisition of a subsidiary is measured at cost less accumulated impairment.

Intangible assets with a limited useful life acquired by the Combined Company are measured at cost less accumulated amortization.

2. Subsequent expenditures

Subsequent expenditures are capitalized only if the future economic benefits of the relevant specific assets can be increased. All other expenditures are recognized in profit or loss as incurred.

3. Amortization

Amortization is measured at asset cost less estimated residual value, and is recognized in profit or loss by the straight-line method over the expected useful lives of the intangible assets from the time when they are serviceable, except for goodwill and trademark rights, which may be extended over their legal lives at a minimal cost upon expiration, and are regarded as intangible assets with indefinite useful lives since the management of the Combined Company believes that the Combined Company has the intention and ability to extend their useful lives on an ongoing basis.

(1) Computer software	3 years
(2) Management rights	12 years
(3) Customer relation	7~10 years
(4) Membership list	3 years
(5) Franchise	10 years
(6) Technology authorization	5 years
(7) Specialized technology	10 years
(8) Lease contract	10 years

The Combined Company shall review the amortization method, useful life, and residual value of intangible assets at each reporting day, and make appropriate adjustments when necessary.

(XIV) Impairment of non-financial assets

The Combined Company shall evaluate whether there are any signs of impairment in the carrying amount of non-financial assets (excluding inventories and deferred income tax assets) at each reporting date. In case of any such sign, the recoverable amount of the assets shall be estimated.

For the purpose of impairment test, a group of assets with the majority of cash inflows independent of the cash inflows of other individual assets or asset groups is designated as the smallest identifiable asset group. Goodwill shall be tested for impairment on an annual and regular basis.

The recoverable amount is the fair value of an individual asset or cash-generating unit less disposal cost, whichever is with a higher value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized.

An impairment loss shall be recognized immediately in profit or loss. In a cash-generating unit, the carrying amount of the amortized goodwill is reduced first; then the carrying amount of other assets is reduced pro rata.

An impairment loss for goodwill is never reversed. Non-financial assets other than goodwill are reversed only if they are not above the carrying amount (net of depreciation or amortization) that they would have been without the recognized impairment loss in previous years.

(XV) Recognition of revenue

Revenue from contracts with customers is measured by the consideration to which they are expected to be entitled for the transfer of goods or services. The Combined Company recognizes the revenue when control of goods or services is transferred to customers and performance obligations are fulfilled.

1. Sales of goods

Revenue from product sales mainly comes from sales of products such as medicines and medical materials. The Company recognizes revenue and accounts receivable when the customer has rights to determine the value of and use the products and bears the primary responsibility for re-selling the products and the risk of obsolescence after the products sold arrive at the place designated by the customer or the products are actually delivered to the customer. Prepayments for product sales are recognized as contract liabilities before the transfer of control of the product to the customer.

2. Service income

Service income mainly comes from undertaking physical examinations for Taiwanese people and foreign labors, on-site medical support services, hemodialysis business management, ophthalmic medical management in collaboration with medical institutions, and is recognized as income when performance obligations are fulfilled.

3. Income from medical equipment rental

The Combined Company provides medical equipment leasing services and recognizes related income during the financial reporting period for providing labor services.

Estimates of revenue, costs and completion are modified in case of any change, and the resulting increase or decrease will be reflected in profit or loss during the period when the management becomes aware of the change and makes correction.

Under a fixed price contract, the customer pays a fixed amount according to the agreed schedule. Services provided that exceed the payment are recognized as a contract asset, while a payment that exceeds the services provided is recognized as a contract liability.

4. Authorization income

The original franchise license of the Combined Company to the franchise chains includes assisting the franchise stores with relevant education and training and granting the authorization of operation and management technology at the initial stage of opening. The nature of the franchise license is to provide intellectual properties to the franchise stores during the authorization period. The original franchise fee is recognized when the Combined Company completes the original labor services and other obligations covered by the franchise authorization,
and the ongoing franchise fee based on sales revenue is recognized when the franchisee stores make actual sales.

(XVI) Government grants

The Combined Company recognizes the unconditional government grants as non-operating income when it can receive the grants from the government's economic ecosystem promotion program. Government grants to compensate for the expenses or losses incurred by the Combined Company are recognized in profit or loss on a systematic basis over the same period as relevant expenses.

(XVII) Employee benefits

1. Defined contribution plans

Contribution obligations to the defined contribution pension plans are recognized as expenses over the period in which the employees render services.

2. Defined benefit plans

The Combined Company's net obligations to the defined benefit plans are calculated by converting the future benefit amount earned from services provided by employees in the current or previous period for each benefit plan into the present value, less the fair value of any plan assets.

The defined benefit obligations are actuarialized annually by a qualified actuary using the projected unit credit method. Assets are recognized to the extent of not exceeding the present value of any economic benefits that would be available in the form of refunds of contributions from the plan or reductions in future contributions to the plan when the calculations may be favorable to the Combined Company. The present value of economic benefits is calculated in consideration of any minimum funding requirement.

The remeasurement amount of net defined benefit liabilities (assets), including actuarial profits and losses and any change in return on plan assets (excluding interest) are recognized immediately in other comprehensive income and accumulated in retained earnings. The Combined Company determines the net interest expenses on the net defined benefit liabilities based on the net defined benefit liabilities and discount rate determined at the beginning of the annual reporting period. Net interest expenses and other expenses of defined benefit plans are recognized in profit or loss.

Any change in benefits related to prior service costs or reduced benefits or losses arising from program modifications and reduction are immediately recognized in profit or loss. The Combined Company recognizes gains or losses on the settlement of a defined benefit plan upon the occurrence of liquidation.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when the services are rendered. If the Combined Company has a present legal or constructive obligation to pay for the prior services rendered by employees and the obligation can be reliably estimated, the amount is recognized as a liability.

(XVIII) Share-based payment transactions

The equity-settled share-based payment agreement is recognized as an expense at the fair value of the equity at the grant date and the relative equity is increased over the vesting period of the award. The recognized expenses are adjusted according to the amount of awards that are expected to meet the service conditions and non-market vesting conditions, and the final recognized amount is measured based on the amount of awards that meet the service conditions and non-market vesting conditions at the vesting date.

The non-vesting conditions of share-based payment awards have been reflected in the measurement of the fair value of the share-based payment at the grant date, and the difference between the expected and actual results is not subject to verification and adjustment.

The grant date of a share-based payment of the Combined Company is the date on which the Board of Directors approves the subscription price as well as the number of shares that employees can subscribe for.

(XIX) Income taxes

Income tax includes current and deferred income taxes. Except for items directly recognized in other comprehensive income, current income taxes and deferred income taxes shall be recognized in profit or loss.

Current income taxes include the estimated income taxes payable or tax rebates receivable calculated based on the taxable (losses) income of the current year, as well as any adjustments to the income taxes payable of the previous years. The amount is the best estimate of the expected payables and receivables based on the statutory tax rate or substantively enacted tax rate at the reporting date.

Deferred income taxes are measured and recognized based on the temporary difference between the carrying amount of an asset or liability for financial reporting purposes and its tax base. Deferred income taxes are not recognized for temporary differences arising from:

1. Assets or liabilities that were not originally recognized for a business combination and does not affect accounting profits and taxable income (losses) at the time of the transaction;
2. Temporary differences arising from investments in subsidiaries and affiliates under the circumstances where the Combined Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future; and

3. Taxable temporary differences arising from the original recognition of goodwill.

Unused tax losses and unused income tax credits as well as deductible temporary differences are recognized as deferred income tax assets provided that it is probable that future taxable income will be available for use. And they shall be reassessed at each reporting date, and shall be reduced if it is not probable that related income tax benefit will be realized, or the original reduced amount shall be reversed if it becomes probable that sufficient taxable income will be available.

Deferred income taxes are measured at the tax rate when the expected temporary differences are reversed, based on the statutory tax rate or substantially enacted tax rate at the reporting date.

The Combined Company will offset deferred income tax assets and deferred income tax liabilities only if the following conditions are met simultaneously:

1. Has a legally enforceable right to set off current income tax assets against current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxable entities that are subject to income taxes by the same tax authority;
   (1) the same taxable entity; or
   (2) different taxable entities which intend either to settle current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets or liabilities are expected to be recovered or settled.

(XX) Business combination

The Combined Company measures goodwill at the fair value of the consideration transferred at the acquisition date, including the amount attributable to any non-controlling interests in the acquiree, less the net amount of identifiable assets acquired and liabilities assumed (usually fair value). If the balance after deduction is negative, the Combined Company shall recognize the bargain purchase gain in profit or loss after reassessing whether all assets acquired and liabilities assumed have been correctly identified.

The Combined Company chooses to measure any non-controlling interest at either the fair value at the acquisition date or the ratio of the identifiable net assets to non-controlling interests on a transaction-by-transaction basis.

If the original accounting treatment of a business combination has not been completed before the end of the reporting period in which the combination transaction occurred, for the incomplete accounting items, the Combined Company shall report the provisional amounts which shall be retroactively adjusted during the measurement period, or shall recognize them as additional assets or liabilities to reflect new information obtained during the measurement period regarding the facts and circumstances that already existed at the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(XXI) Earnings per share

The Combined Company shall present the basic and diluted earnings per share (EPS) attributable to the ordinary equity holders of the Company. The basic EPS of the Combined Company is calculated by dividing the profits and losses attributable to the ordinary equity holders of the Company by the weighted average number of outstanding ordinary shares in the current period. Diluted EPS is calculated by adjusting the profits and losses attributable to the ordinary equity holders of the Company and the weighted average number of outstanding ordinary shares for the effect of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Combined Company are distributed to employees as employee remuneration.

(XXII) Department information

An operating department is a component of the Combined Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Combined Company). The operating results are regularly reviewed by the Combined Company's chief operational decision-makers to make decisions about resources to be allocated to the departments and assess its performance. Individual financial information is available for each operating department.

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

The management must make judgments, estimates and assumptions that will affect the adoption of accounting policies and the reported amounts of assets, liabilities, income, and expenses in preparing the Consolidated Financial Statements. Actual results may differ from these estimates.

The management shall review estimates and underlying assumptions on an ongoing basis, and changes in accounting estimates are recognized in the period of change and in the future periods affected.

Accounting policies and major judgments as well as information that significantly affect the recognized amount in the Consolidated Financial Statements are as follows:

(I) Judgment on whether the Company has substantial control over the investee

The Company holds less than half (38.90%) of the voting rights of Pregetic Health Company. Nonetheless, as Pregetic Health Company's largest shareholder that actively participates in voting on major proposals at the shareholders' meeting, the Company has assessed that it has the actual ability to lead relevant activities, and there is no indication of collective decision-making agreements among other shareholders, so the Company regards Pregetic Health Company as one of its subsidiaries.

The uncertainty of the following assumptions and estimates carries a significant risk of causing a major adjustment to the carrying amount of assets and liabilities in the next financial year, and has already reflected the impact of the COVID-19 epidemic. The relevant information is as follows:

(I) Valuation of accounts receivable

When there are objective evidences indicating signs of impairment in the assumptions of default rate and expected loss rate of the Combined Company, the Combined Company shall make assumptions and select inputs for impairment assessment in consideration of past experience, current market conditions and forward-looking information. If the actual cash flows in the future are less than expected, a significant impairment loss may be incurred. Please refer to Note 6 (4) for details on the provision of accounts receivable impairment.

(II) Valuation of inventories

Given that inventories shall be measured at the lower of cost and net realizable value, the Combined Company valuates the amount of inventory due to normal wear and tear, obsolescence, or lack of market value at the reporting date, and the inventory cost is written down to the net realizable value. The inventory valuation is mainly based on the product demand in a specific period in the future, and thus may vary with changes in the industry. Please refer to Note 6 (7) for details on inventory valuation.

(III) Valuation of stocks issued by non-TWSE/TPEx listed companies at fair value through other comprehensive income

Given that stocks issued by non-TWSE/TPEx listed companies at fair value through other comprehensive income are measured at fair value, the Combined Company has to rely on external expert evaluation mechanisms to determine the fair value through human judgments, assumptions, and calculations on estimates. Changes in such assumptions due to changes in market and economic conditions may significantly affect the adjustment of fair value recognition. Please refer to Note 6 (3) for details on valuation of stocks issued by non-TWSE/TPEx listed companies at fair value through other comprehensive income.

(IV) Impairment assessment of property, plant and equipment

In the course of asset impairment assessment, the Combined Company shall determine the independent cash flows, asset durability, and potential future profits and losses of a specific asset group based on subjective judgments, asset usage patterns and industry characteristics. Any estimated change arising from changes in economic conditions or company strategies may cause significant impairment or reversal of recognized impairment losses in the future.

(V) Impairment assessment of intangible assets

The impairment assessment of goodwill acquired depends on the subjective judgments of the Combined Company. When determining whether the acquired goodwill is impaired, the goodwill acquired from the business combination is apportioned to the cash-generating units of the Combined Company that are expected to benefit from the comprehensive effects of the combination and the value in use of the goodwill allocated to the cash-generating units is estimated at the acquisition date. For calculation of the value in use, the management shall estimate the expected future cash flows from the goodwill allocated to the cash-generating units and determine the appropriate discount rate to be used for calculating the present value. If the actual cash flows are less than expected, a material impairment loss may be incurred.

The accounting policies and disclosures of the Combined Company include the fair value measurement of its financial assets. The Combined Company has established relevant internal control systems for fair value measurement, including significant fair value measurements (including Level 3 fair value measurements) reviewed by accountants, which shall be reported directly to the Chief Financial Officer. Accountants regularly review significant unobservable inputs and adjustments. If the inputs used to measure fair value are based on external third-party information, accountants will evaluate the evidence provided by the third party in support of the inputs to determine that the valuation and its fair value classification are in compliance with IFRSs.

The Combined Company shall adopt market observable inputs to measure its financial assets whenever possible. The fair value hierarchy categorizes the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs for assets or liabilities other than quoted prices included within Level 1 that are observable, either directly (i.e., prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

In the event of a transfer among the levels of the fair value hierarchy, the Company recognizes the transfer at the reporting date.

Please refer to Note 6 (33) below for information about the assumptions adopted in fair value measurement of financial instruments.

VI. Explanation of Significant Accounting Items

(I) Cash and cash equivalents

		2022.12.31	2021.12.31
Cash on hand and working capital	$	5,051	4,645
Cheques, demand deposits and foreign currency deposits		1,479,706	1,502,251
Cash equivalents - repurchase bonds		50,425	50,277
	$	**1,535,182**	**1,557,173**

Please refer to Note 6 (33) for disclosure of interest rate risk and sensitivity analysis of the financial assets and liabilities of the Combined Company.

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

		2022.12.31	2021.12.31
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Fund beneficiary certificates	$	10,341	10,279
TPEx listed stocks		61,912	59,871
Non-TWSE/TPEx listed stocks		20,174	22,928
	$	92,427	93,078
Current	$	10,341	10,279
Non-current		82,086	82,799
	$	92,427	93,078

In 2022 and 2021, the Combined Company recognized dividend income of NT$2,922 thousand and NT$2,248 thousand respectively, for the investment in equity instruments mandatorily measured at fair value through profit or loss.

Please refer to Note 6 (32) for the amount recognized in profit or loss based on fair value remeasurement.

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

Equity instruments at fair value through other comprehensive income:

		2022.12.31	2021.12.31
Stocks issued by non-TWSE/TPEx listed companies	$	306,190	229,474
Stocks issued by non-overseas listed companies		273,661	257,888
Limited partnership interests		101,029	58,062
	$	680,880	545,424

The investments in equity instruments are held by the Combined 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.

In 2022 and 2021, the Combined Company recognized dividend income of NT$0 thousand and NT$1,575 thousand respectively, for the investment in equity instruments measured at fair value through other comprehensive income.

On February 14, 2022, the Board of Directors meeting of Chungyuan Medical Management Company, one subsidiary of the Combined Company, approved through a resolution to sell all of its shares in Horei Co., Ltd., which was designated to be measured at fair value through other comprehensive income. The fair value at the time of disposal was NT$12,562 thousand, with a accumulated disposal profit of NT$3,852 thousand, and NT$2,894 thousand of accumulated other equity - unrealized valuation gains on financial assets at fair value through other comprehensive income in the statement has been transferred from other equity to undistributed earnings.

On February 14, 2022, the extraordinary shareholders' meeting of Mytrex Health Company, one subsidiary of the Combined Company, approved the proposal of capital reduction for making up losses through a resolution, regarding the equity instrument it holds in - ConcePLT Medical Co., LTD. (formerly known as Power Membrane Co., Ltd., hereinafter referred to as ConcePLT Company). The Combined Company originally held 7,500 shares of ConcePLT Company, of which 7,485 shares were fully reduced to make up for losses, and held 15 shares thereafter. It signed a free share transfer agreement with other shareholders on the same day, resulting in an accumulated disposal loss of NT$75 thousand. Additionally, it transferred the accumulated disposal loss from other equity - unrealized valuation losses on financial assets at fair value through other comprehensive income to undistributed earnings.

In September 2021, Mytrex Health Company, one subsidiary of the Combined Company, participated in the cash capital increase through stocks issued by one of the aforementioned non-TWSE/TPEx listed companies, Air Long-Term Care Co., Ltd., resulting in an increase in the percentage of equity held by the Combined Company in the investee from 11.76 % to 32.50%, which is the evidence to determine that the Combined Company has significant influence over the investee. The fair value of the investee based on fair value measurement is NT$1,947 thousand, and NT$53 thousand of other equity - unrealized valuation loss on financial assets at fair value through other comprehensive income was transferred to retained earnings, and the shares the Company originally held in the investee were reclassified to the item of equity method investments by fair value on the same day.

Please refer to Note 6 (33) for credit risk and market risk information.

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

		2022.12.31	2021.12.31
Notes receivable	$	13,123	16,012
Accounts receivable - measured at amortized cost		183,826	225,310
Accounts receivable-related parties - measured at amortized cost		1,038,039	849,133
Accounts receivable-finance lease payments - measured at amortized cost		388	-
Accounts receivable-related parties - finance lease payments - measured at amortized cost		6,026	10,132
Less: loss allowances		(4,608)	(6,624)
Unrealized interest income		(987)	(1,610)
	$	1,235,807	1,092,353

The Combined 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.

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

	2022.12.31		
	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	0.00%~0.34%	223
Less than 60 days overdue	9,327	0.00%~10.00%	5
61~90 days overdue	109	0.00%~100%	-
91-120 days overdue	641	0.00%~40.00%	-
More than 121 days overdue	6,624	0.00%~100%	4,380
	$ 1,240,415		4,608

	2021.12.31		
	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	$ 1,070,798	0.00%~0.03%	222
Less than 60 days overdue	8,177	0.00%~1.41%	144
61~90 days overdue	10,582	0.00%~32.59%	2,452
91-120 days overdue	78	0.00%~0.04%	-
More than 121 days overdue	9,342	0.00%~100%	3,806
	$ 1,098,977		6,624

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

	2022	**2021**
Beginning balance	$ 6,624	16,983
Reversal gains on impairment losses	(2,037)	(10,347)
Foreign currency translation gains and losses	21	(12)
Ending balance	$ 4,608	6,624

(V) Other receivables

	2022.12.31	2021.12.31
Equipment receivables	$ -	102,137
Receivables from chain pharmacies	23,760	21,983
Other receivables-related parties	26,445	20,073
Others	32,725	5,419
Less: loss allowances	(882)	(868)
	$ 82,048	148,744

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

	2022	2021
Beginning balance	$ 868	6,045
Reversal of impairment losses	-	(5,170)
Foreign currency translation gains and losses	14	(7)
Ending balance	$ 882	868

Please refer to Note 6 (33) for other credit risk information.

(VI) Finance lease receivables

The Combined Company subleases machinery and equipment for a period of two to five years, with an implied interest rate of 5% 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:

	2022.12.31	2021.12.31
Less than one year	$ 6,415	10,131
1~2 years	3,732	8,741
2~3 years	3,154	3,796
3~4 years	3,154	3,154
4~5 years	1,985	3,154
More than 5 years	1,598	3,584
Gross investment in the lease	20,038	32,560
Unearned finance income	(2,732)	(4,395)
Present value of lease payments receivable	$ 17,306	28,165
Current	$ 5,427	8,522
Non-current	11,879	19,643
	$ 17,306	28,165

The Combined 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 overdue credit losses on the financial lease receivables of the Combined Company on December 31, 2022 and 2021.

(VII) Inventories

		2022.12.31	2021.12.31
Medicines and medical materials	$	36,852	48,947
Raw materials		30,274	36,450
Work in progress		2,210	2,508
Finished good		29,147	33,557
Commodity		174,054	169,178
	$	**272,537**	**290,640**

Particulars of cost of sales are as follows:

		2022	2021
Cost of inventories sold	$	2,592,350	2,533,712
Inventory falling price loss (recovery benefit)		(2,761)	6,729
Obsolete inventories		1,468	1,657
Scrap income		(1,451)	(1,413)
Inventory surplus		(1,082)	(31)
Others		18,642	12,161
	$	**2,607,166**	**2,552,815**

(VIII) Business combination

On December 31, 2020, the Combined Company obtained control over Fuyi Company after acquiring 100% of the shares of it by issuing new shares. By acquiring control of Fuyi Company, which engages in provision of medical clinic management consulting, medical consumables trading and medical equipment leasing, the Combined Company is able to expand the channels for examination and diagnosis business.

The original accounting treatment for the acquisition of equity in Fuyi Company by the Combined Company in December 2020 was provisional at the reporting date. In the fourth quarter of 2021, the Combined Company made retrospective adjustments during the measurement period based on the equity price allocation report issued by an appraiser.

The main categories of consideration transferred, the assets acquired and liabilities assumed at the date of acquisition and the amount of goodwill recognized are as follows:

1. The fair value of the main categories of consideration transferred at the acquisition date is as follows:

Equity instrument (7,797 thousand ordinary shares)	**$**	**124,289**

(2) Issuance of equity instruments

The fair value of the ordinary shares issued as the consideration paid for the acquisition of Fuyi Company was NT$124,289 thousand, and was determined based on the enterprise value of the Company's ordinary shares ($15.94 per share) on December 31, 2021.

2. Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition are as follows:

Cash and bank deposits	$	8,999
Net accounts receivable and other net receivables		40,078
Prepayments		8,908
Other current and non-current assets		4,373
Property, plant and equipment		83,497
Right-of-use asset		2,444
Investment properties		93,296
Intangible assets		9,975
Short-term loans		(50,000)
Accounts payable and other payables		(2,844)
Other current liabilities		(1,570)
Long-term loans (including those due within one year)		(50,000)
Current and non-current lease liabilities		(96,341)
Deferred income tax liabilities		(1,342)
Fair values of net identifiable assets	**$**	**49,473**

3. Goodwill

The goodwill recognized due to acquisition is as follows:

Consideration transferred	$	124,289
Less: fair values of net identifiable assets		49,473
Goodwill	**$**	**74,816**

(IX) Changes in ownership interests in subsidiaries

1. Acquisition of additional equity in subsidiaries

On March 5, 2021, the Combined Company acquired 45% of the equity of the subsidiary, Shengshih Technology Co., Ltd., through a resolution of the Board of Directors, leading to an increase of its equity from 55% to 100%.

	2021
Carrying amount of non-controlling interests acquired	$ 443
Consideration paid to non-controlling interests	(450)
Additional paid-in capital - the difference between the price and book value of equity actually acquired and disposed of	$ (7)

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

The Company, Pregetic Health Company, and Mytrex Health Company each transferred 20% 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.

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

	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)
	$ (4,992)
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)
	$ (4,992)

	2021
The impact of the above transaction on The Company is as follows:	
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)
	$ (1,342)

YES Health Company merged with YAOX on December 16, 2020 through a resolution of the Board of Directors, as an action to promote rational operation, integrate resources, and reduce operating costs, and the absorption merger was conducted by exchanging 602.892208 ordinary shares of YES Health Company for 1 share of YAOX, making YES Health Company the surviving company and YAOX the extinguished company, with the base date for the merger being July 1, 2021. As an original shareholder of YAOX, Medzoneasia holds 100% of the equity of YES Health Company. The statutory change registration procedures for the absorption merger have been completed on August 30, 2021. 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 the Combined Company is as follows:

	2021
Carrying amount of equity of the extinguished company	$ 152,866
Shares of the surviving company cancelled in the merger	13,770
New shares of the surviving company issued in the merger	(60,350)
Additional paid-in capital - merger premium	$ 106,286

The Company transferred 100% of the equity of its subsidiary -Macro Global Co., Ltd. to its subsidiary -Medzoneasia to improve operational performance, through a resolution of the Board of Directors on March 5, 2021. 6,450 thousand ordinary shares of Macro Global Co., Ltd. was exchanged for 3,000 thousand ordinary shares of Medzoneasia, with the share exchange ratio being 2.15:1 and the base date for share exchange being April 23, 2021. Upon the completion of share exchange, the paid-in capital of Medzoneasia was NT$260,000 thousand, and Macro Global Co., Ltd. became a subsidiary of Medzoneasia which held 100% of its shares. The statutory change registration procedures for the share exchange have been completed on June 25, 2021. The transaction is an adjustment of the Group's organizational structure and thus shall be accounted for as an equity transaction. NT$11,844 thousand of difference from the equity transaction is recognized as additional paid-in capital - the difference between the price and book value of subsidiaries' equity actually acquired and disposed of.

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.

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

	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	(2,704)
Additional paid-in capital - recognized changes in ownership interests in subsidiaries	$ (3,166)

The Combined Company did not subscribe for shares in the cash capital increase by -Pregetic Health Company based on its shareholding ratio in December, 2021, resulting in a decrease in its shareholding ratio from 57.69% to 39.93%.

	2021
	Pregetic Health Company
Decrease in equity attributable to subsidiaries after issuance of new shares	$ (25,809)
Equity attributable to subsidiaries recognized in the newly issued shares based on their equity ratio after issuance of new shares	79,860
Adjustments to other equity items attributable to owners of the Company	136
Additional paid-in capital - recognized changes in ownership interests in subsidiaries	$ 54,187

4. Disposal of equity instruments at fair value through other comprehensive income and changes of affiliates recognized by the equity method.

	2022	
	Mytrex Health Company	**Chungyuan Medical Management Company**
Equity instruments at fair value through other comprehensive income disposed of that are recognized in undistributed earnings	$ (75)	3,852
Equity instruments at fair value through other comprehensive income disposed of that are recognized in unrealized gains or losses on financial assets at fair value through other comprehensive income	$ 75	(2,894)
Changes of affiliates recognized by the equity method	$ 1	-
The impact of changes in the Combined Company's ownership interests in the above-mentioned subsidiaries on the owners' equity attributable to the parent company is as follows:		
Additional paid-in capital - recognized changes in ownership interests in subsidiaries	$ 1	-
Unrealized gains or losses on financial assets at fair value through other comprehensive income	$ 46	(2,894)
Undistributed earnings	$ (46)	3,852

	2021
	Chungyuan Medical Management Company
Equity instruments at fair value through other comprehensive income disposed of that are recognized in undistributed earnings	$ (53)
Equity instruments at fair value through other comprehensive income disposed of that are recognized in unrealized gains or losses on financial assets at fair value through other comprehensive income	$ 53
The Company's impact on the above transactions is as follows:	
Unrealized gains or losses on financial assets at fair value through other comprehensive income	$ 53
Undistributed earnings	$ (53)

(X) Loss of control over subsidiaries

The Combined Company invested NT$50,000 thousand in April 2022 to establish Anchun Company and gained control over it. On September 23, 2022, the Combined 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$41 thousand from the remaining 40% of the equity owned by the Combined Company in Anchun Company measured at a fair value of NT$20,025 thousand on September 23, 2022.

The Combined Company still holds 40% of the shares of Anchun Company after the above transaction, so it is determined that the Combined 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		6
Book amount of net assets of previous subsidiaries	**$**	**49,959**

(XI) Subsidiaries with material non-controlling interests

Non-controlling interests in subsidiaries that are material to the Combined 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 2022.12.31	2021.12.31
Mytrex Health Company	Taiwan	38.54%	38.54%
TECHGROUP Integrate Design Co., Ltd.	Taiwan	49.00%	49.00%
Medzoneasia	Taiwan	39.79%	39.79%
Pregetic Health Company	Taiwan	61.10%	60.07%

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 combined companies are written off, is as follows:

The consolidated financial information of Mytrex Health Company:

		2022.12.31	2021.12.31
Current asset	$	227,662	312,082
non-current assets		527,435	566,577
Current liabilities		(25,160)	(44,950)
non-current liabilities		(143)	-
Net assets	**$**	**729,794**	**833,709**
Carrying amount of non-controlling interests at the end of the period	**$**	**303,582**	**342,654**

		2022	2021
Operating revenue	**$**	**-**	**253,510**
Net loss for the period	$	(91,901)	(14,011)
Other comprehensive income		(12,015)	(76)
Total comprehensive income	**$**	**(103,916)**	**(14,087)**
Net (loss) income for the period attributable to non-controlling interests	**$**	**(36,060)**	**(5,437)**
Total comprehensive income attributable to non-controlling interests	**$**	**(40,736)**	**(5,520)**

	2022	2021
Cash flows from operating activities	$ (15,109)	(5,238)
Cash flows from investing activities	(62,410)	(165,660)
Cash flows from financing activities	-	(239,535)
Effects of exchange rate	118	(4,502)
Decrease in cash and cash equivalents	$ (77,401)	(414,935)
Dividends paid to non-controlling interests	$ -	46,939

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

	2022.12.31	2021.12.31
Current asset	$ 37,550	30,272
non-current assets	2,360	2,818
Current liabilities	(21,236)	(16,849)
non-current liabilities	-	(876)
Net assets	$ 18,674	15,365
Carrying amount of non-controlling interests at the end of the period	$ 19,745	20,949

	2022	2021
Operating revenue	$ 55,336	43,916
Net income for the period	$ 7,719	4,903
Other comprehensive income	-	-
Total comprehensive income	$ 7,719	4,903
Net loss for the period attributable to non-controlling interests	$ 957	(423)
Total comprehensive income attributable to non-controlling interests	$ 957	(423)

	2022	2021
Cash flows from operating activities	$ 8,446	6,617
Cash flows from investing activities	(720)	(356)
Cash flows from financing activities	(5,286)	(3,780)
Increase (decrease) in cash and cash equivalents	$ 2,440	2,481
Dividends paid to non-controlling interests	$ 2,161	1,421

The consolidated financial information of Medzoneasia:

	2022.12.31	2021.12.31
Current asset	$ 22,712	37,494
Non-current assets	461,311	398,573
Current liabilities	(52,336)	(58,895)
Non-current liabilities	(36,354)	(1,431)
Net assets	$ 395,333	375,741
Carrying amount of non-controlling interests at the end of the period	$ 157,303	149,508

		2022	2021
Operating income	$	8,729	65,555
Net (loss) income for the period		16,105	(20,043)
Other comprehensive income		8,479	(10,129)
Total comprehensive income	$	24,584	(30,172)
Net (loss) income for the period attributable to non-controlling interests	$	6,408	(8,132)
Total comprehensive income attributable to non-controlling interests	$	9,782	(12,461)

		2022	2021
Cash flows from operating activities	$	2,970	(15,901)
Cash flows from investing activities		(14,583)	(698)
Cash flows from financing activities		(1,786)	(1,546)
Decrease in cash and cash equivalents	$	(13,399)	(18,145)

The consolidated financial information of Pregetic Health Company:

		2022.12.31	2021.12.31
Current assets	$	106,527	213,637
Non-current assets		368,970	302,040
Current liabilities		(161,498)	(151,607)
Non-current liabilities		(3,920)	(3,795)
Net assets	$	310,079	360,275
Carrying amount of non-controlling interests at the end of the period	$	195,208	218,880

		2022	2021
Operating income	$	51,978	7,464
Net loss for the period	$	(32,347)	(56,745)
Other comprehensive income		(24,799)	6,831
Total comprehensive income	$	(57,146)	(49,914)
Net loss for the period attributable to non-controlling interests	$	(20,349)	(24,274)
Total comprehensive income attributable to non-controlling interests	$	(35,451)	(20,031)

		2022	2021
Cash flows from operating activities	$	31,924	(33,920)
Cash flows from investing activities		(136,763)	(60,410)
Cash flows from financing activities		(879)	223,681
Decrease in cash and cash equivalents	$	(105,718)	129,351

(XII) 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, 2022	$ 17,229	36,779	527,956	783	95,022	214,438	57,874	392,761	-	1,342,842
Increase	651,353	514,180	37,013	-	6,518	4,786	1,044	39,377	85,873	1,340,144
Disposal	-	-	(21,179)	-	(6,549)	(3,056)	(3,217)	(92,279)	-	(126,280)
Reclassification	-	-	(18,280)	-	(710)	-	-	16,463	-	(2,527)
Effects of changes in foreign exchange rates	-	-	-	-	1	-	-	-	-	1
Balance on December 31, 2022	**$ 668,582**	**550,959**	**525,510**	**783**	**94,282**	**216,168**	**55,701**	**356,322**	**85,873**	**2,554,180**
Balance on January 1, 2021	$ 17,229	36,779	489,494	1,613	67,261	194,638	52,589	508,261	16,682	1,384,546
Increase	-	-	32,411	-	20,604	22,474	3,813	51,341	(320)	130,323
Disposal	-	-	(3,740)	(830)	(3,125)	(5,629)	(73)	(171,270)	-	(184,667)
Reclassification	-	-	9,791	-	10,282	2,955	1,545	4,429	(16,362)	12,640
Balance on December 31, 2021	**$ 17,229**	**36,779**	**527,956**	**783**	**95,022**	**214,438**	**57,874**	**392,761**	**-**	**1,342,842**
Accumulated depreciation and impairment:										
Balance on January 1, 2022	$ -	20,991	284,034	680	41,881	102,565	45,034	285,052	-	780,237
Depreciation for the year	-	11,293	56,003	31	13,448	26,288	3,597	40,995	-	151,655
Disposal	-	-	(20,366)	-	(6,439)	(2,900)	(3,139)	(89,278)	-	(122,122)
Impairment loss	-	-	42,670	-	157	4,925	3,714	-	-	51,466
Reclassification	-	-	(8,137)	-	(683)	-	-	7,032	-	(1,788)
Effects of changes in foreign exchange rates	-	-	-	-	1	-	-	-	-	1
Balance on December 31, 2022	**$ -**	**32,284**	**354,204**	**711**	**48,365**	**130,878**	**49,206**	**243,801**	**-**	**859,449**
Balance on January 1, 2021	$ -	19,699	199,525	844	31,199	78,646	39,944	307,710	-	677,567
Depreciation for the year	-	1,292	60,666	78	13,158	26,667	5,129	57,370	-	164,360
Disposal	-	-	(1,178)	(242)	(2,991)	(2,748)	(39)	(80,142)	-	(87,340)
Impairment loss	-	-	25,650	-	-	-	-	-	-	25,650
Reclassification	-	-	(629)	-	515	-	-	114	-	-
Balance on December 31, 2021	**$ -**	**20,991**	**284,034**	**680**	**41,881**	**102,565**	**45,034**	**285,052**	**-**	**780,237**
Book value:										
December 31, 2022	**$ 668,582**	**518,675**	**171,306**	**72**	**45,917**	**85,290**	**6,495**	**112,521**	**85,873**	**1,694,731**
December 31, 2021	**$ 17,229**	**15,788**	**243,922**	**103**	**53,141**	**111,873**	**12,840**	**107,709**	**-**	**562,605**

1. Impairment loss

In 2022 and 2021, the Combined Company conducted impairment assessments on the property, plant and equipment with signs of impairment. Since the book value of the property, plant and equipment was higher than their recoverable amount in 2021, NT$51,466 thousand and NT$25,650 thousand were appropriated as impairment losses respectively, which were recognized as non-operating income and expenses in the Consolidated Statement of Comprehensive Income.

2. Warranty

Please refer to Note 8 for details of long-term loan guarantees that have been provided as of December 31, 2022 and 2021.

(XIII) Right-of-use assets

		Houses and buildings	Transportation equipment	Office equipment	Total
Cost:					
Balance on January 1, 2022	$	583,811	25,495	1,088	610,394
Increase		8,878	4,809	-	13,687
Decrease		(10,517)	(9,281)	(1,088)	(20,886)
Balance on December 31, 2022	$	582,172	21,023	-	603,195
Balance on January 1, 2021	$	129,513	30,341	-	159,854
Increase		480,612	9,910	1,088	491,610
Decrease		(26,314)	(14,756)	-	(41,070)
Balance on December 31, 2021	$	583,811	25,495	1,088	610,394
Accumulated depreciation:					
Balance on January 1, 2022	$	74,451	11,798	396	86,645
Increase		65,336	7,901	-	73,237
Disposal		(10,326)	(7,039)	(396)	(17,761)
Balance on December 31, 2022	$	129,461	12,660	-	142,121
Balance on January 1, 2021	$	30,792	11,906	-	42,698
Increase		54,179	7,745	396	62,320
Disposal		(10,520)	(7,853)	-	(18,373)
Balance on December 31, 2021	$	74,451	11,798	396	86,645
Book value:					
December 31, 2022	$	452,711	8,363	-	461,074
December 31, 2021	$	509,360	13,697	692	523,749

(XIV) Investment properties

Investment properties comprise self-owned assets held by the Combined 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
Cost:					
Balance on January 1, 2022	$	152,641	36,669	280,533	469,843
Increase		-	-	38,543	38,543
Disposal		-	-	(28,327)	(28,327)
Balance on December 31, 2022	$	152,641	36,669	290,749	480,059
Balance on January 1, 2021 (after retrospective adjustment)	$	152,641	36,669	264,626	453,936
Increase		-	-	39,869	39,869
Disposal		-	-	(23,962)	(23,962)
Balance on December 31, 2021	$	152,641	36,669	280,533	469,843

	Land and land improvements	Houses and buildings	Right-of-use assets	Total
Accumulated depreciation:				
Balance on January 1, 2022	$ -	9,556	94,429	103,985
Depreciation for the year	-	1,333	56,276	57,609
Disposal for the period	-	-	(28,327)	(28,327)
Balance on December 31, 2022	$ -	10,889	122,378	133,267
Balance on January 1, 2021 (after retrospective adjustment)	$ -	8,223	58,716	66,939
Depreciation for the year	-	1,333	55,342	56,675
Disposal for the period	-	-	(19,629)	(19,629)
Balance on December 31, 2021	$ -	9,556	94,429	103,985
Carrying amount:				
December 31, 2022	$ 152,641	25,780	168,371	346,792
December 31, 2021 (after retrospective adjustment)	$ 152,641	27,113	186,104	365,858
Fair value:				
December 31, 2022				$ 407,476
December 31, 2021				$ 406,995

The fair value of an investment property is based on the valuation of independent appraisers with recognized professional qualifications and recent relevant experience in the location and type of the investment property being evaluated. The inputs used in the valuation technique to measure its fair value fall into the third level.

The valuation of fair value is based on market value. In the absence of current prices in an active market, valuation is based on the estimated total cash flow expected to be received from leasing a property, or the development and replacement costs of the property, and the value of the property is determined by adopting a rate of return that reflects the specific risks inherent in the net cash flow for discount and a comprehensive capital interest rate. The proportion range of the above parameters is as follows:

Location	2022	2021
Tayuan District, Taoyuan City	1.92%	1.38%
Xitun District, Taichung City	0.01%	0.34%
Da'an District, Taipei City	0.98%	0.72%

Please refer to Note 6 (22) for the Combined Company’s renting of investment properties under operating leases.

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

(XV) Intangible assets

	Management rights	Trademark rights	Customer relation	Lease contract	Membership list	Goodwill	Computer software	Franchise	Technology authorization	Others	Total
Cost:											
Balance on January 1, 2022	$ 68,572	93,145	126,596	6,709	3,058	165,517	64,043	5,544	1,500	-	534,684
Acquired separately	-	-	-	-	-	-	16,722	-	3,790	-	20,512
Reclassification	-	-	-	-	-	-	8,870	-	-	267	9,137
Balance on December 31, 2022	**$ 68,572**	**93,145**	**126,596**	**6,709**	**3,058**	**165,517**	**89,635**	**5,544**	**5,290**	**267**	**564,333**
Balance on January 1, 2021(after retrospective adjustment)	$ 68,572	93,145	126,596	6,709	3,058	165,517	48,878	6,091	5,500	-	524,066
Acquired separately	-	-	-	-	-	-	14,746	-	-	-	14,746
Reclassification	-	-	-	-	-	-	419	-	-	-	419
Disposal	-	-	-	-	-	-	-	(547)	(4,000)	-	(4,547)
Balance on December 31, 2021	**$ 68,572**	**93,145**	**126,596**	**6,709**	**3,058**	**165,517**	**64,043**	**5,544**	**1,500**	**-**	**534,684**
Accumulated amortization:											
Balance on January 1, 2022	$ 57,141	-	85,654	671	3,058	-	44,005	4,988	1,426	-	196,943
Amortization for the period	5,715	-	8,070	671	-	-	7,502	341	2,349	-	24,648
Reclassification	-	-	-	-	-	-	15	-	-	54	69
Balance on December 31, 2022	**$ 62,856**	**-**	**93,724**	**1,342**	**3,058**	**-**	**51,522**	**5,329**	**3,775**	**54**	**221,660**
Balance on January 1, 2021	$ 51,427	-	77,584	-	3,058	-	37,931	5,194	5,126	-	180,320
Amortization for the period	5,714	-	8,070	671	-	-	6,074	341	300	-	21,170
Disposal	-	-	-	-	-	-	-	(547)	(4,000)	-	(4,547)
Balance on December 31, 2021	**$ 57,141**	**-**	**85,654**	**671**	**3,058**	**-**	**44,005**	**4,988**	**1,426**	**-**	**196,943**
Book value:											
Balance on December 31, 2022	**$ 5,716**	**93,145**	**32,872**	**5,367**	**-**	**165,517**	**38,113**	**215**	**1,515**	**213**	**342,673**
Balance on December 31, 2021	**$ 11,431**	**93,145**	**40,942**	**6,038**	**-**	**165,517**	**20,038**	**556**	**74**	**-**	**337,741**

The Combined Company acquired trademark rights due to the business combination in 2019, and is able to apply for an extension of the legal useful lives at a minimal cost upon expiration. Based on the assessment of the management of the Combined Company, the Combined Company is intended and able to continue to extend the useful lives of the trademark rights which are expected to generate net cash inflows on an ongoing basis, and thus are regarded as intangible assets with indefinite useful lives.

The Combined Company acquired Fuyi Company on December 31, 2020, generating the goodwill of NT$74,816 thousand with the amount of the consideration transferred and the non-controlling interests higher than the net amount of the identifiable assets acquired and liabilities assumed at the acquisition date. Given that the original accounting treatment for the acquisition of Fuyi Company was provisional on the balance sheet date, the Combined Company made the following retrospective adjustments during the measurement period based on the equity price allocation report issued by an appraiser in the fourth quarter of 2021:

Consolidated Balance Sheet as of December 31, 2020

	Reported amount before retrospective adjustment	Effects of retrospective adjustment	Reported amount after retrospective adjustment
Right-of-use assets	$ 114,712	2,444	117,156
Investment properties	293,701	93,296	386,997
Intangible assets	348,662	(4,916)	343,746
Other payables	249,805	(1,788)	248,017
Lease liabilities - current	66,082	16,689	82,771
Lease liabilities - non-current	165,105	79,652	244,757
Deferred income tax liabilities	13,497	1,342	14,839
Additional paid-in capital	1,224,930	(265)	1,224,665
Non-controlling interests	660,975	(196)	660,779

(XVI) Other non-current assets

	2022.12.31	2021.12.31
Refundable deposits	$ 412,516	410,087
Prepayments for equipment and engineering	13,070	19,490
Net defined benefit assets - non-current	4,595	2,787
Long-term prepayments	10,344	5,370
Others	3,107	432
	$ 443,632	438,166

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

(XVII) Short-term loans

	2022.12.31	2021.12.31
Unsecured bank loans	$ 261,254	270,000
Secured bank loans	45,000	6,100
	$ 306,254	276,100
Interest rate range	1.35%~6.19%	1.11~2.49%
Unused quota	$ 964,084	1,023,260

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

(XVIII) Short-term bills payable

	2022.12.31		2021.12.31	
	Interest rate	**amount**	**Interest rate**	**amount**
Commercial paper payable	1.31%~1.60%	55,000	1.22%~1.30%	55,000
Less: discount on short-term bills payable		(108)		(21)
		$ 54,892		54,979
Unused quota		$ 60,000		-

(XIX) Long-term loans

	2022.12.31			
	Currency	**Interest rate range**	**Expiration month**	**Amount**
Secured bank loans	NT$	1.93%~2.83%	113.11~120.3	$ 999,376
Less: amount due within one year				(31,753)
Total				$ 967,623
Unused quota				$ 620,000

	2021.12.31			
	Currency	**Interest rate range**	**Expiration month**	**Amount**
Secured bank loans	NT$	1.40%~2.20%	112.11~120.3	$ 157,527
Less: amount due within one year				(33,065)
Total				$ 124,462
Unused quota				$ 39,430

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

(XX) Corporate bonds payable

Information on the issuance of corporate bonds payable by the Combined Company is as follows:

	2021
Interest expenses	$ 379

The book value of the corporate bonds of the Combined Company that bondholders had exercised the conversion right in 2022 was NT$599 thousand, with a total of 18 thousand shares converted, which increased ordinary share capital by NT$182 thousand and additional paid-in capital - issuance premiums by NT$440 thousand, and reduced the additional paid-in capital - share options by NT$23 thousand.

The third domestic unsecured convertible corporate bonds issued by the Company matured on February 9, 2021, and the unconverted corporate bonds of NT$99,900 thousand were repaid in cash in one lump sum at the face value.

(XXI) Lease liabilities

	2022.12.31	**2021.12.31**
Current	$ 118,503	119,204
Non-current	$ 526,576	600,975

Please refer to Note 6 (33) Financial Instruments for maturity analysis.

The following amounts are recognized in profit or loss:

	2022	2021
Interest expenses on lease liabilities	$ 12,984	11,797
Variable lease payments not included in the measurement of the lease liabilities	$ 23,805	20,091
Income from sublease of right-of-use assets	$ 34,800	22,625
Expenses on short-term leases and low-value leases	$ 10,681	8,428
COVID-19-related rent concessions	$ 1,384	887

The following amounts are recognized in the cash flow statement:

	2022	2021
Total cash outflows for leases	$ 170,895	150,728

1. Houses and buildings

The Combined Company leases houses, buildings, and transportation equipment for plants, operation, and sublease, typically for a lease term of 2~11 years. It is agreed that the Combined 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 (22) for the Combined Company's subleasing of part of the right-of-use assets with the consent of the lessor under operating leases.

2. Other leases

The Combined 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.

(XXII) Operating leases

The Combined 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 (12) Property, Plant and Equipment, Note 13 Right-of-use Assets and Note 14 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:

	2022.12.31	2021.12.31
1st year	$ 143,318	178,385
2nd year	40,525	62,364
3rd year	20,455	5,002
4th year	3,125	761
5th year	2,642	761
More than 5 years	13,749	317
Total undiscounted lease payments	$ 223,814	247,590

The rental income from investment properties in 2022 and 2021 was NT$97,013 and NT$101,816 thousand, respectively.

(XXIII) Other payables

		2022.12.31	2021.12.31
Employee remuneration payable	$	94,442	83,127
Salaries and bonuses payable		75,877	65,087
Equipment payables		83,186	21,028
Directors’ and supervisors’ remuneration payable		5,350	4,103
Business tax payable		2,591	14,489
Others		74,339	55,026
	$	335,785	242,860

(XXIV) Employee benefits

1. Defined benefit plans

The adjustments to the present value of the Company's defined benefit obligations and the fair value of plan assets are as follows:

		2022.12.31	2021.12.31
Present value of defined benefit obligations	$	12,267	13,917
Fair value of plan assets		(8,890)	(7,567)
Net defined benefit liabilities	$	3,377	6,350

The defined benefit plans of the Combined Company shall be appropriated to the labor retirement reserve account in the Bank of Taiwan. The pension payment for each employee subject to the Labor Standards Act is calculated based on the base amount corresponding to the years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The pension funds appropriated by the Combined Company in accordance with the Labor Standards Act are managed by the Bureau of Labor Fund Utilization of the Ministry of Labor (hereinafter referred to as the Bureau of Labor Funds). In accordance with the "Regulations on the Custody and Utilization of Labor Retirement Fund Income and Expenditure", the minimum annual final distribution amount of the funds shall not be less than the income calculated based on the two-year fixed deposit interest rate of local banks.

As of the reporting date, the balance of the Combined Company’s labor retirement reserve account in Bank of Taiwan was NT$7,566 thousand. For information on the utilization of labor pension fund assets, including fund yield and fund asset allocation, please refer to the information published on the website of the Bureau of Labor Fund Utilization of the Ministry of Labor.

(2) Changes in the present value of defined benefit obligations

	2022	2021
Defined benefit obligation as of January 1	$ 13,917	19,481
Servicing costs and interests for the period	463	702
Remeasurement amount of net defined benefit liabilities		
- Actuarial losses adjusted based on experience	(182)	(233)
- Actuarial gains and losses arising from changes in demographic assumptions	(592)	112
- Actuarial gains and losses arising from changes in financial assumptions	(1,339)	(2,509)
Benefits paid by the plan	-	(3,636)
Defined benefit obligation as of December 31	$ 12,267	13,917

(3) Changes in fair value of plan assets

	2022	2021
Fair value of plan assets as of January 1	$ (7,567)	(10,430)
Interest (income) expenses	(40)	(54)
Remeasurement amount of net defined benefit liabilities		
- Return on plan assets (excluding current interest)	(717)	(124)
- Adjustment to return on plan assets at the beginning of the period	4	-
Amount allocated to the plan	(570)	(594)
Benefits paid by the plan	-	3,635
Fair value of plan assets on December 31	$ (8,890)	(7,567)

(4) Expenses recognized as profit or loss

	2022	2021
Servicing costs for the period	$ 393	605
Net interest on net defined benefit liabilities	45	55
	$ 438	660
Operating costs	$ 186	255
Operating expenses	252	405
	$ 438	660

(5) Remeasurement amount of net defined benefit liabilities recognized as other comprehensive income

	2022	2021
Accumulated balance as of January 1	$ 2,267	(487)
Amount recognized in the period	2,830	2,754
Accumulated balance as of December 31	$ 5,097	2,267

(6) Actuarial assumptions

	2022.12.31	2021.12.31
Discount rate	1.50%	0.50%
Future salary increase	2.00%~3.00%	2.00%~3.00%

The Company is excepted to allocate NT$619 thousand to the defined benefit plans within one year after the reporting date in 2022.

The weighted average duration of defined benefit plans ranges from 12.2 to 14.1 years.

(7) Sensitivity analysis

		Impact on defined benefit obligations	
		Increase ratio	**Decrease ratio**
December 31, 2022			
Discount rate (0.25% change)	$	(381)	397
Future salary increase (0.25% change)		386	(373)
December 31, 2021			
Discount rate (0.25% change)		(477)	500
Future salary increase (0.25% change)		481	(464)

The sensitivity analysis mentioned above is based on the analysis of the impact of changes in a single assumption while other assumptions remain unchanged. However, changes in many assumptions may be correlated in practice. The sensitivity analysis is conducted by the same method as used to calculate net defined benefit liabilities on the balance sheet.

The methods and assumptions used in the sensitivity analysis for the period are the same as those used in the previous period.

2. Defined contribution plans

If the Combined Company is a Taiwanese company, it shall adopt the defined contribution plans under which it shall contribute 6% of each employee's monthly salary to the labor pension individual account of the Bureau of Labor Insurance, in accordance with the provisions of the Labor Pension Act. The Combined Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance under this plan.

If the Combined Company is a foreign company, it shall adopt the defined contribution plan under which it has no legal or constructive obligation to pay additional amounts after contributing a fixed amount of pension to a special account designated by the local government in accordance with local laws.

The pensions paid by the Combined Company in 2022 and 2021 under the defined contribution pension plans were NT$19,564 thousand and NT$20,257 thousand.

(XXV) Income taxes

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

		2022	**2021**
Income tax expenses for the period			
Income tax expenses generated in the period	$	96,662	79,807
Income tax expenses for the period before adjustment		(956)	(7,305)
Tax on undistributed earnings		-	3,965
Deferred income tax expenses (income)		122	(2,266)
income tax expense	**$**	**95,828**	**74,201**

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

		2022	2021
Items not reclassified to profit or loss:			
Remeasurement amount of defined benefit plans	$	566	551
Equity instruments at fair value through other comprehensive income		5,587	(89)
	$	6,153	462

		2022	2021
Items that may be reclassified to profit or loss subsequently			
Exchange difference from translation of the financial statements of foreign operations	$	387	(136)

The income tax expenses of the Combined Company directly recognized in equity are as follows:

		2022	2021
Others	$	1	-

The relationship between income tax expenses and pre-tax net profit of the Combined Company is adjusted as follows:

		2022	2021
	$	339,938	267,629
Income taxes calculated by net profit before tax	$	67,988	53,526
Effects of tax rate differences in foreign jurisdictions		91	86
Underestimation of the previous period		(956)	(7,305)
Permanent difference		(6,798)	(663)
Unrecognized changes in temporary differences		(1,249)	(1,932)
Tax on undistributed earnings		-	3,965
Tax-free income		(738)	(875)
Unrecognized changes in tax losses on deferred income tax assets		38,364	27,399
Tax incentives		(1,000)	-
Basic tax payable difference		126	-
	$	95,828	74,201

3. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax assets

		2022.12.31	2021.12.31
Deductible temporary difference	$	-	214
Tax losses		100,220	82,042
	$	100,220	82,256

Taxable losses are the income taxes to be paid after deducting losses of the previous ten years from the net profit of the current year with the approval of the tax collection authority in accordance with the provisions of the Income Tax Act. These items are not recognized as deferred income tax assets since it is not probable that the Combined Company will have sufficient taxable income in the future to deduct the temporary difference.

The deduction period for tax losses that have not been recognized as deferred income tax assets by the Combined Company as of December 31, 2022 is as follows:

Year of loss	Undeducted losses	Last year of deduction
2016 (approved amount)	$ 50	2026
2017 (approved amount)	16,098	2027
2018 (approved amount)	54,395	2028
2019 (approved amount)	68,036	2029
2020 (approved amount)	76,254	2030
2021 (reported amount)	110,300	2031
2022 (estimated amount)	175,965	2032
	$ 501,098	

(2) Recognized deferred income tax assets and liabilities

Deferred income tax assets:

	Defined benefit retirement plan	Investment gains or losses recognized by the equity method	Financial assets at fair value through other comprehensive income	Others	Total
January 1, 2022	$ 2,289	5,640	1,625	4,447	14,001
(Debited) Credited to the income statement	42	878	-	(1,489)	(569)
(Debited) Credited to other comprehensive income	(566)	-	(1,625)	(267)	(2,458)
Debited to equity	1	-	-	-	1
December 31, 2022	**$ 1,766**	**6,518**	**-**	**2,691**	**10,975**
January 1, 2021	$ 2,751	4,994	1,536	3,433	12,714
(Debited) Credited to the income statement	89	646	-	878	1,613
(Debited) Credited to other comprehensive income	(551)	-	89	136	(326)
December 31, 2021	**$ 2,289**	**5,640**	**1,625**	**4,447**	**14,001**

Deferred tax liabilities:

	Intangible assets	Financial assets at fair value through other comprehensive income	Others	Total
January 1, 2022	$ 13,811	-	375	14,186
Credited (Debited) to income statement	(653)	-	206	(447)
Debited to other comprehensive income	-	3,962	120	4,082
December 31, 2022	**$ 13,158**	**3,962**	**701**	**17,821**
January 1, 2021 (after retrospective adjustment)	$ 14,120	-	719	14,839
Credited to the income statement	(309)	-	(344)	(653)
December 31, 2021	**$ 13,811**	**-**	**375**	**14,186**

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

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

(XXVI) Capital and other equity

1. Issuance of ordinary shares

As of December 31, 2022 and 2021, the total authorized share capital of the Company was NT$1,500,000 thousand, with a face value of NT$10 per share and 150,000 thousand shares in total. The aforementioned total authorized capital is ordinary shares with paid-in capital of NT$1,200,422 thousand and NT$1,143,259 thousand, respectively. All issued shares have been paid.

The adjustment of the number of outstanding shares of the Company in 2022 and 2021 is shown in the table below:

(in thousand shares)

	Ordinary shares	
	2022	**2021**
Beginning retained earnings on January 1	114,326	108,697
Conversion of convertible corporate bonds	-	185
Capitalization of earnings to increase the capital by	5,716	5,444
Ending retained earnings on December 31	**120,042**	**114,326**

On June 29, 2022 and July 30, 2021, the shareholders' meeting of the Company approved through a resolution to issue 5,716 thousand and 5,444 thousand new shares with NT$57,163 thousand and NT$54,441 thousand from undistributed earnings for capital increase, respectively. The above two proposals for capital increase out of earnings have been reported and put into effect by the Securities and Futures Bureau of the Financial Supervisory Commission, with September 5, 2022 and September 26, 2021 as the base date of capital increase respectively. All relevant statuary procedures have been completed.

In 2021, the Company issued 18 thousand convertible bonds at face value due to the exercise of conversion rights by holders of convertible corporate bonds, with the amount totaling NT$182 thousand. The relevant legal registration procedure has been completed.

In the fourth quarter of 2020, the Company issued 167 thousand new shares at face value due to the exercise of conversion rights by holders of convertible corporate bonds, with the amount totaling NT$1,667 thousand. All shares had been recognized under share capital collected in advance as of December 31, 2021, and had been transferred to ordinary share capital in the first quarter of 2021. The relevant legal registration procedures have been completed.

2. Additional paid-in capital

		2022.12.31	2021.12.31
Premium on issuance of stocks and conversion of corporate bonds	$	1,095,196	1,095,196
The difference between the price and book value of subsidiaries' equity actually acquired and disposed of		46,149	44,485
Recognized changes in ownership interests in subsidiaries		116,367	120,941
Lapsed share option		2,896	2,896
Share option for convertible corporate bonds		3,900	3,900
	$	1,264,508	1,267,418

According to the Company Act, the realized additional paid-in capital can only be distributed by new shares or in cash in proportion to shareholders' original shares after the additional paid-in capital are used for covering losses. The realized additional paid-in capital mentioned above includes the premium on issuance of stocks exceeding their face value and the income from receiving gifts. According to the Rules Governing the Offering and Issuance of Securities by Issuers, the total amount of additional paid-in capital that shall be appropriated as capital shall not exceed 10% of the paid-in capital each year.

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) Legal reserves

Where the Company does not suffer any loss, a legal reserve shall be distributed by issuing new shares or in cash, through a resolution of the shareholders' meeting, but only the portion of the legal reserve which exceeds 25% of the paid-in capital may be distributed.

(2) 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.

(3) Distribution of earnings

The resolutions on the distribution of earnings for 2021 and 2020 was approve by the shareholders' meetings of the Company on June 29, 2022 and July 30, 2021, respectively, 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
Stock	0.50	57,163
		$ 114,326

	2020	
	Allotment rate (NT$)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.50	54,441
Stock	0.50	54,441
		$ 108,882

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, 2022	$ (3,173)	(22,962)	459	(25,676)
Exchange difference from translation of the net assets of foreign operations	1,084	-	650	1,734
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	34,331	(17,315)	17,016
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 December 31, 2022	$ (2,089)	8,515	(16,206)	(9,780)

	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, 2021	$ (2,763)	(30,706)	702	(32,767)
Exchange difference from translation of the net assets of foreign operations	(410)	-	(188)	(598)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	7,721	(55)	7,666
Share of unrealized gains or losses of affiliates applying the equity method on financial assets at fair value through other comprehensive income	-	(30)	-	(30)
Disposal of equity instruments at fair value through other comprehensive income	-	53	-	53
Balance on December 31, 2021	$ (3,173)	(22,962)	459	(25,676)

5. Non-controlling interests

	Non-controlling interests
Beginning balance on January 1, 2022	$ 734,492
Net loss for the period attributable to non-controlling interests	(49,836)
Other comprehensive income for the period attributable to non-controlling interests	(16,217)
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	1,342
Ending balance on December 31, 2022	$ 679,736
Beginning balance on January 1, 2021 (after retrospective adjustment)	$ 660,779
Net income for the period attributable to non-controlling interests	(39,235)
Other comprehensive income for the period attributable to non-controlling interests	(173)
Failure to subscribe in the capital increase scheme of subsidiaries in proportion to shareholding ratio	(54,188)
The difference between the price and book value of subsidiaries' equity actually acquired	11,401
Distribution of ordinary share cash and stock dividends	(48,360)
Recognized remuneration costs on subsidiaries' employee share options	3,268
Acquisition of subsidiaries	201,000
Ending balance on December 31, 2021	$ 734,492

(XXVII) Share-based payments

1. As of December 31, 2022, the Combined Company had conducted the following two share-based payment transactions:

Pregetic Health Company:

	Equity settlement	
	Employee stock warrants in the amount of	**Cash capital increase retained for employee subscription**
Grant date	2021.5.25	2021.11.30
Number of shares granted at the grant date (thousand shares)	1,000	800
Contract term	1 year (Expired on May 24, 2022)	-
Granted to	Employees of the Company and its controlling and affiliated companies that meet certain requirements of the Company	Full-time employees of the Company
Vesting conditions	100% exercisable six months from the grant date.	Immediately vested

2. Parameters for fair value measurement on the grant date

Pregetic Health Company adopts Black- Scholes option pricing model to estimate the fair value of share-based payments at the grant date. The inputs of this model are as follows:

	2021	
	Employee stock warrants	**Cash capital increase retained for employee subscription**
Fair value on grant date (NT$)	$6.1684	-
Value per share on grant date (NT$)	$16.00	16.00
Execution price (NT$)(Note)	$10.00	25.00
Expected volatility (%)	39.18	36.42
Expected dividend rate (%)	-	-
Duration of share option (year)	0.5 years	0.1 years
Risk-free interest rate (%)	0.11	0.34

The expected volatility is based on the weighted average historical volatility of stocks of comparable TWSE/TPEx listed companies. The duration of the share options is determined in accordance with the Company's issuance regulations or resolutions on the payment period for employee share options. The risk-free interest rate is based on the zero-interest yield of government bonds or the fixed-term inventory interest rate for the period equivalent to the duration.

(Note) Due to the cash capital increase in 2021, the Company adjusted the price of employee stock warrants to NT$14.56 in accordance with the Regulations Governing the Issuance and Subscription of Employee Stock Warrants.

3. Information on employee share option plan

The Combined Company

(thousand)

	2022		2021	
	Weighted average strike price (NT$)	Quantity	Weighted average strike price (NT$)	Quantity
Number of outstanding share options as of January 1	$ 14.56	1,000	-	-
Granted in the period	-	-	10.00	1,000
Exercised in the period	10.00	(695)	-	-
Confiscated in the period	14.56	(305)	-	-
Number of outstanding share options as of December 31	-	-	14.56	1,000
Number of exercisable share options as of December 31	-	-	14.56	1,000

Information on outstanding share options is as follows:

	2022.12.31	2021.12.31
Execution price range (NT$)	-	10.00~14.56
Remaining contract period (years)	-	0.40

4. Employee remuneration expenses

	2022	2021
Expenses arising from employee stock warrants	$ -	3,268

(XXVIII) Earnings per share

	2022	2021
Basic earnings per share:		
Net profits attributable to ordinary equity holders of the Company	$ 293,946	232,663
Weighted average number of outstanding ordinary shares	120,042	120,041
Basic earnings per share (NT$)	$ 2.45	1.94
Diluted earnings per share:		
Net profits attributable to ordinary equity holders of the Company for the period (basic)	$ 293,946	232,663
Effects of dilutive potential ordinary shares		
Effects of interest expenses and other gains or losses on convertible corporate bonds after tax	-	303
Net profits attributable to ordinary equity holders of the Company (diluted)	$ 293,946	232,966
Effects of dilutive potential ordinary shares		
Weighted average number of outstanding ordinary shares (basic)	120,042	120,041
Effects of employee remuneration in stock	862	836
Effects of conversion of convertible corporate bonds	-	323
Weighted average number of outstanding ordinary shares (diluted)	120,904	121,200
Diluted earnings per share (NT$)	$ 2.43	1.92

(XXIX) Revenue from contracts with customers

1. Disaggregation of revenue

	2022			
	Sales of goods	**Service provision**	**Leases**	**Total**
Main regional markets:				
Asia	$ 3,008,335	980,974	123,690	4,112,999
Europe	5,133	-	-	5,133
Other countries	19,000	-	-	19,000
	$ 3,032,468	980,974	123,690	4,137,132
Main product/service lines:				
Medicines and medical materials	$ 2,842,231	-	-	2,842,231
Non-woven filter fabric	190,237	-	-	190,237
Service provision	-	980,974	-	980,974
Equipment leases	-	-	66,545	66,545
Leases of investment properties and real estate properties	-	-	57,145	57,145
	$ 3,032,468	980,974	123,690	4,137,132

	2021			
	Sales of goods	**Service provision**	**Leases**	**Total**
Main regional markets:				
Asia	$ 2,973,318	709,604	149,254	3,832,176
Europe	12,692	-	-	12,692
America	2,719	-	-	2,719
Other countries	2,440	-	-	2,440
	$ 2,991,169	709,604	149,254	3,850,027
Main product/service lines:				
Medicines and medical materials	$ 2,739,924	-	-	2,739,924
Non-woven filter fabric	251,245	-	-	251,245
Service income	-	709,604	-	709,604
Equipment leases	-	-	94,014	94,014
Leases of investment properties	-	-	55,240	55,240
	$ 2,991,169	709,604	149,254	3,850,027

2. Contract balances

	2022.12.31	2021.12.31	2021.1.1
Notes receivable	$ 13,123	16,012	38,845
Accounts receivable	183,826	225,310	257,142
Accounts receivable - related parties	1,038,039	849,133	771,741
Finance lease receivables	332	-	-
Finance lease receivables - related parties	5,095	8,522	7,199
Long-term finance lease receivables	277	-	-
Long-term finance lease receivables - related parties	11,602	19,643	19,988
Less: Allowance losses	(4,608)	(6,624)	(16,983)
	$ 1,247,686	1,111,996	1,077,932

	2022.12.31	2021.12.31	2021.1.1
Contract liability-sales of goods	$ 4,003	5,027	9,774
Contract liability-customer loyalty programmes	1,522	2,253	1,806
	$ 5,525	7,280	11,580

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, 2022 and 2021 were recognized in 2022 and 2021 as income of NT$4,640 thousand and NT$7,706 thousand, respectively.

(XXX) Employees’ and directors’ remuneration

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 in 2022 and 2021 were NT$24,494 thousand and NT$19,466 thousand, respectively, and the estimated amounts of directors’ remuneration were NT$4,082 thousand and NT$3,244 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.

In 2021 and 2020, the Company appropriated NT$19,466 thousand and NT$17,850 thousand respectively for employees’ remuneration, and NT$3,244 thousand and NT$2,975 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 2021 and 2020. Relevant information can be found on the MOPS.

(XXXI) Other net income and expenses

	2022	2021
Income from sublease of investment properties	$ 43,038	46,576
Gains on disposal of property, plant and equipment	9,134	3,516
Gains on disposal of intangible assets	-	190
Lease modification gains	603	484
Income from subleases of right-of-use assets	34,800	22,625
	$ 87,575	**73,391**

(XXXII) Non-operating income and expenses

1. Interest income

	2022	2021
Bank deposit interest	$ 3,125	1,237
Other interest income	9	36
	$ 3,134	**1,273**

2. Other income

	2022	2021
Rental income	$ 86	736
Royalty income	8,103	5,052
Dividend income	2,922	3,823
Government grants	5,329	-
Logistics income	4,948	6,023
Income from sale of telomerase database	44,000	-
Others	10,684	6,126
	$ 76,072	**21,760**

3. Other gains and losses

	2022	2021
Gains on disposal and retirement of properties, plants and equipment	$ -	-
Gains on disposal of subsidiaries' investments	66	-
Foreign exchange gains (losses)	10,947	(4,169)
Gains on financial assets at fair value through profit or loss	2,897	38,590
Impairment losses on non-financial assets	(51,466)	(25,650)
Others	(2,270)	(2,270)
	$ (39,826)	**6,501**

4. Finance costs

		2022	2021
Interest on loans from financial institutions	$	22,987	7,924
Amortization of syndication fees		2,152	-
Convertible corporate bonds		-	379
Amortization of interest on lease liabilities		12,984	11,797
Others		35	34
	$	38,158	20,134

(XXXIII) Financial instruments

1. Credit risk

(1) Exposure to credit risk

The carrying amount of a financial asset represents the maximum exposure to credit risk.

(2) Concentration of credit risks

The credit risks of the Combined Company are mainly concentrated on its largest customers. As of December 31, 2022 and 2021, 73.68% and 66.78% of the balance of accounts receivable were owed by the largest customers, which indicates a significant concentration of the Combined Company's credit risks.

(3) Credit risk of accounts receivable

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

Other financial assets measured at amortized cost include restricted bank deposits, certificates of deposit and refundable deposits.

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

The Combined Company made no provision of loss allowances for other financial assets measured at amortized cost as of December 31, 2022 and 2021 due to 12-month expected credit losses or lifetime expected credit losses.

2. Liquidity risk

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

	Carrying amount	Contractual cash flows	Paid immediately or within 1 month	Within 6 months	6~12 months	1~3 years	Over 3 years
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

	Carrying amount	Contractual cash flows	Paid immediately or within 1 month	Within 6 months	6~12 months	1~3 years	Over 3 years
December 31, 2021							
Non-derivative financial liabilities							
Non-interest bearing liabilities	$ 894,270	894,270	373,070	515,006	6,194	-	-
Lease liabilities	720,179	778,025	11,441	56,665	65,176	253,387	391,356
Floating rate instruments	433,627	443,010	81,866	162,859	67,351	69,365	61,569
Fixed-rate instruments	54,979	55,000	55,000	-	-	-	-
	$ 2,103,055	2,170,305	521,377	734,530	138,721	322,752	452,925

The Combined 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. Exchange rate risk

(1) Exposure to exchange rate risk

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

	2022.12.31			2021.12.31		
	Foreign currency	**Exchange rate (NT$)**	**NT$**	**Foreign currency**	**Exchange rate (NT$)**	**NT$**
Financial asset						
Monetary items						
USD	$ 2,466	30.71	75,731	3,379	27.68	93,531
CNY	34	4.408	150	-	-	-
EUR	147	32.72	4,810	870	31.32	27,248
Non-monetary items						
USD	$ 8,911	30.71	273,661	9,317	27.68	257,895
CNY	6,655	4.408	29,335	6,724	4.344	29,211
Financial liability						
Monetary items						
USD	432	30.71	13,267	-	-	-

(2) Sensitivity analysis

The exchange rate risk of the Combined 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 December 31, 2022 and 2021, when 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 in 2022 and 2021 would decrease or increase by NT$3,371 thousand and NT$6,039 thousand respectively. The analysis of the two periods was conducted on the same basis.

Due to the variety of functional currencies used by the Combined Company, information on exchange gains and losses on monetary items was disclosed on a consolidated basis. Foreign currency exchange gains (losses) (both realized and unrealized) in 2022 and 2021 amounted to NT$10,947 thousand and NT$(4,169) thousand, respectively.

4. Interest rate analysis

The exposure of the Combined 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 Combined 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 Combined Company for 2022 and 2021 will increase or decrease by NT$2,611 thousand and NT$867 thousand, mainly due to changes in the interest rate of the Combined Company's floating rate loans.

(1) 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:

	2022	2021
Price of securities at the reporting date	**Post-tax profit or loss**	**Post-tax profit or loss**
Up 10%	$ 6,191	5,987
Down 10%	$ (6,191)	(5,987)

5. Information on fair values

Type and fair value of financial instruments

The Combined 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:

	2022.12.31				
		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

	2022.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
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	-	-	-	-

	2021.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Fund beneficiary certificates	$ 10,279	10,279	-	-	10,279
TPEx listed stocks	59,871	59,871	-	-	59,871
Non-TWSE/TPEx listed stocks	22,928	-	-	22,928	22,928
Subtotal	93,078	70,150	-	22,928	93,078
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEx listed stocks	229,474	-	-	229,474	229,474
Non-overseas listed stocks	257,888	-	-	257,888	257,888
Limited partnership interests	58,062	-	-	57,868	57,868
Subtotal	545,424	-	-	545,230	545,230
Financial assets at amortized cost					
Cash and cash equivalents	1,557,173	-	-	-	-
Restricted bank deposits	46,346	-	-	-	-
Net notes receivable and accounts receivable (including related parties)	1,083,831	-	-	-	-
Other net receivables (including related parties)	148,744	-	-	-	-
Finance lease receivables (including those due within one year)	28,165	-	-	-	-
Subtotal	2,864,259	-	-	-	-
Total	$ 3,502,761	70,150	-	568,158	638,308

	2021.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short-term loans	$ 276,100	-	-	-	-
Long-term loans (including those due within one year)	157,527	-	-	-	-
Short-term bills payable	54,979	-	-	-	-
Notes and accounts payable (including related parties)	650,775	-	-	-	-
Other payables (including related parties)	243,495	-	-	-	-
Lease liabilities (including those due within one year)	720,179	-	-	-	-
Total	$ 2,103,055	-	-	-	-

(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 TWSE/TPEx 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.

The fair values of financial instruments held by the Combined 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 Combined 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 in 2022 and 2021.

(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, 2022	$ 22,928	545,424
Total gains or losses		
Recognized in profit or loss	(2,754)	-
Recognized in other comprehensive income	-	22,604
Purchase	-	140,707
Disposal	-	(11,605)
Capital returned due to capital reduction	-	(16,250)
December 31, 2022	$ 20,174	680,880
January 1, 2021	$ 35,580	454,988
Total gains or losses		
Recognized in profit or loss	6,860	-
Recognized in other comprehensive income	-	7,577
Reclassification	-	(1,947)
Purchase	-	99,806
Capital returned due to capital reduction	-	(15,000)
Disposal	(19,512)	-
December 31, 2021	$ 22,928	545,424

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 December 31, 2022 and 2021 are as follows:

	2022	2021
Total gains or losses		
Recognized in profit or loss (presented in "other gains and losses")	$ (2,754)	6,860
Recognized in other comprehensive income (presented in "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income")	21,520	7,977

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

The fair values of the Combined 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 Combined 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 Combined 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 profit or loss for the period	
			Favorable changes	Adverse changes	Favorable changes	Adverse changes
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)
December 31, 2021						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,433	(1,433)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	30,056	(31,533)

Favorable and adverse changes for the Combined 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.

(XXXIV) Financial risk management

1. Summary

The Combined Company is exposed to the following risks due to the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note presents the information on the Combined Company's exposure to the above risks, as well as its objectives, policies and procedures for measuring and managing the risks. For further quantitative disclosures, please refer to the respective notes to the Consolidated Financial Statements.

2. Risk management framework

The Management Department of the Combined Company analyzes and manages the financial risks related to the operation of the Combined Company based on the degree and breadth of the risks.

3. Credit risk

Credit risk refers to the risk of financial losses of the Combined Company due to the failure to perform contractual obligations by customers or counterparties of financial instruments, mainly from the Company's accounts receivable due from customers and securities investments.

(1) Accounts receivable and other receivables

The management of the Combined Company assigns a dedicated team responsible for the determination of credit lines, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. The Combined Company reviews the recoverable amounts of receivables separately at the reporting date to ensure that appropriate impairment losses have been provisioned for uncollectible receivables.

(2) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by the Financial Department of the Combined Company. The counterparties and other performing parties of the Combined Company are creditworthy or financial institutions rated investment grade or above, which generates no major doubt for performance of the contract, so the Combined Company faces no significant credit risk.

4. Liquidity risk

The Combined Company manages and maintains sufficient cash and cash equivalents for various positions to support the operation of the Combined Company and mitigate the impact of cash flow fluctuations. The management of the Combined Company supervises the use of bank credit lines and ensures compliance with the terms of the loan contracts.

Bank loans and the issuance of commercial paper are important sources of liquidity for the Combined Company. As of December 31, 2022 and 2021, the unused credit lines of the Combined Company were NT$1,644,084 thousand and NT$1,062,690 thousand respectively.

5. Market risk

(1) Interest rate risk

Market risk refers to the risk that changes in market prices, such as changes in exchange rates, interest rates, and the price of equity instruments, may affect the Company's income or the value of financial instruments held by it. The objective of market risk management is to maintain acceptable levels of market risk exposure and optimize investment returns.

(2) Other market price risks

The Combined Company is exposed to equity price risk arising from the investments in TPEx listed equity securities. Such equity investments not held for trading are strategic investments. The Combined Company does not actively trade these investments, and its management manages the risks by holding various risk-based portfolios.

(XXXV) Capital management

By capital management, the Combined Company ensures continuing operation of all companies in the Group, and maximizes shareholder returns by optimizing the balance of debt and equity.

The capital structure of the Combined Company is composed of its net debt (i.e., loans less cash and cash equivalents) and equity (i.e., share capital, additional paid-in capital, retained earnings and other equity items). The Combined Company balances its overall capital structure by paying dividends, issuing new shares, repurchasing shares, and issuing new debts or repaying old debts, based on the recommendations of the key management personnel.

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

The non-cash investing and financing activities of the Combined Company in 2022 and 2021 are as follows:

1. Please refer to Note 6 (13) and (14) for obtaining right-of-use assets and investment properties through leasing.
2. Please refer to Note 6 (20) for conversion of convertible corporate bonds into ordinary shares.
3. Cash paid for purchase of property, plant and equipment is as follows:

	2022	2021
Acquisition of property, plant and equipment	$ 1,340,144	130,323
Net changes in equipment payables	(74,167)	7,191
Cash paid	$ 1,265,977	137,514

4. Cash paid for purchase of intangible assets is as follows:

	2022	2021
Acquisition of intangible assets	$ 20,512	(14,746)
Net changes in payables on technology patent authorization	(2,441)	-
Cash paid	$ 18,071	(14,746)

5. Cash received from disposal of property, plant and equipment is as follows:

	2022	2021
Disposal of property, plant and equipment	$ 13,292	100,843
Net changes in equipment receivables	97,273	(97,273)
Cash received	$ 110,565	3,570

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

			Changes in non-cash items			
	2022.1.1	Cash flows	Lease changes	Effects of changes in foreign exchange rates	Others	2022.12.31
Short-term loans	$ 276,100	30,520	-	(366)	-	306,254
Short-term bills payable	54,979	-	-	-	(87)	54,892
Long-term loans (including those due within one year)	157,527	841,849	-	-	-	999,376
Lease liabilities (including those due within one year)	720,179	(124,809)	49,709	-	-	645,079
Deposits received	8,926	9,096	-	-	-	18,022
	$ 1,217,711	756,656	49,709	(366)	(87)	2,023,623

			Changes in non-cash items			
	2021.1.1	Cash flows	Lease changes	Effects of changes in foreign exchange rates	Others	2021.12.31
Short-term loans	$ 343,736	(67,634)	-	(2)	-	276,100
Short-term bills payable	34,976	19,988	-	-	15	54,979
Corporate bonds due or subject to repurchase rights within one year	100,120	(99,990)	-	-	(130)	-
Long-term loans (including those due within one year)	161,282	(3,755)	-	-	-	157,527
Lease liabilities (including those due within one year)	327,528	(111,299)	503,950	-	-	720,179
Deposits received	7,390	1,536	-	-	-	8,926
	$ 975,032	(261,154)	503,950	(2)	(115)	1,217,711

VII. Transactions with Related Parties

(I) Parent company and ultimate controlling party

MISSIONCARE Co., Ltd., the parent company of the Combined Company, holds 29% of the Combined Company's outstanding ordinary shares.

(II) Name of and relationship with related parties

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

Name of the related party	Relationship with the Combined Company
MISSIONCARE Co., Ltd.	Parent company
Employee Community Co., Ltd.	Affiliate
Anchun Technology Co., Ltd. (hereinafter referred to as Anchun Company)	Affiliate (Note)
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)
Minsheng Asset Management Co., Ltd.	Substantial related party
Hsinchu Science Park Clinic	Substantial related party
Wonder Grace Management Consulting Co., Ltd	Substantial related party
Victor Management Consultants Co.,Ltd.	Substantial related party
Hanhsuan International Investment Co., Ltd.	Substantial related party (has become a non-related party since the first quarter of 2022)
Giant Bonding Scientific Co., Ltd.	Substantial related party (has become a non-related party since the first quarter of 2022)
Pisheng Construction Co., Ltd (hereinafter referred to as Pisheng Construction)	Substantial related party
United Medical Foundation Taiwan	Substantial related party
Harvard Clinic	Substantial related party
Full Health Clinic	Substantial related party
Shengren Clinic	Substantial related party
○○ Wang	Substantial related party
○○ Na	Substantial related party
Ssu-kang Chang	Other related parties
Hung-jen Yang	The management
Kun-chang Yang	The management

Note: The company was originally a subsidiary of the Combined Company, and has become an affiliate of the Combined Company after the Combined Company lost control over it on September 23, 2022.

(III) Significant transactions with related parties

1. Sales of goods

Category of the related party	Operating income 2022	Operating income 2021
Substantial related party		
Minsheng General Hospital	$ 959,361	905,361
Others	88,786	91,015
Parent company	3	291
	$ 1,048,150	996,667

The sales price determined by the Combined 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	Operating income 2022	Operating income 2021
Substantial related party		
Minsheng General Hospital	$ 832,285	563,875
Others	33,302	27,195
	$ 865,587	591,070

The service income of the Combined 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	Operating income 2022	Operating income 2021
Substantial related party		
Minsheng General Hospital	$ 40,563	49,186
Full Health Clinic	40,083	45,812
Harvard Clinic	14,596	6,948
Others	13,422	12,631
	$ 108,664	114,577

The rent paid by the Combined 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.

Category of the related party	Operating costs and operating expenses - rent expenses 2022	Operating costs and operating expenses - rent expenses 2021
Substantial related party	$ 1,650	2,142
Parent company	463	2,319
	$ 2,113	4,461

The Combined Company pays monthly rent to the above-mentioned related party in accordance with the general market conditions.

4. Purchase of goods

Category of the related party	Operating costs 2022	Operating costs 2021
Substantial related party	$ 1,898	1,874

The prices and payment terms for goods purchased by the Combined 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. Acceptance of services

Category of the related party	Operating costs and operating expenses 2022	Operating costs and operating expenses 2021
Substantial related party	$ 7,029	1,292
Affiliate	3	969
	$ 7,032	2,261

For the services provided by the Combined Company to the above-mentioned related party, the two parties has entered into a contact by mutual agreement, with a payment term of about 2 months.

6. Receivables due from related parties

Category of the related party	Account items	2022.12.31	2021.12.31
Substantial related party			
Minsheng General Hospital	Accounts receivable	$ 910,381	716,716
Full Health Clinic	Accounts receivable	62,976	64,825
Others	Accounts receivable	64,259	66,303
Minsheng General Hospital	Finance lease receivables	1,720	1,987
Lungtan Minsheng Hospital	Finance lease receivables	1,108	1,356
Tayuan Minsheng Hospital	Finance lease receivables	2,267	2,175
Shengren Clinic	Finance lease receivables	-	3,004
Substantial related party			
Minsheng General Hospital	Long-term finance lease receivables	-	1,720
Lungtan Minsheng Hospital	Long-term finance lease receivables	1,905	2,241
Tayuan Minsheng Hospital	Long-term finance lease receivables	9,697	11,964
Shengren Clinic	Long-term finance lease receivables	-	3,718
Substantial related party			
Harvard Clinic	Other receivables	5,955	6,550
Full Health Clinic	Other receivables	20,029	13,461
Others	Other receivables	461	62
		$ 1,080,758	896,082

7. Payables to related parties

Category of the related party	Account items		2022.12.31	2021.12.31
Substantial related party				
Minsheng General Hospital	Accounts payable	$	1,850	1,827
Others	Accounts payable		1,645	984
Affiliate	Accounts payable		61	-
Parent company	Other payables		41	-
Substantial related party	Other payables		1,132	440
The management	Other payables		107	189
Affiliate	Other payables		12	6
		$	4,848	3,446

8. Disposal of financial assets

Category of the related party	Account items	Number of shares traded (thousand shares)	Object of transaction	2022 Disposal proceeds	2022 Profits or losses on disposal
Substantial related party - ○○ Wang	Equity method investments	2,250	Ordinary share equity of Anchun Company	$ 22,500	50
Substantial related party - ○○ Na	Equity method investments	750	Ordinary share equity of Anchun Company	7,500	16
				$ 30,000	66

Category of the related party	Account items	Number of shares traded (thousand shares)	Object of transaction	2021 Disposal proceeds	2021 Profits or losses on disposal
Substantial related party - Hanhsuan International Investment Co., Ltd.	Financial assets at fair value through profit or loss - current	1,305	Ordinary share equity of Pujuipo Biotech Co., Ltd.	$ 52,853	33,341

In September 2022, the Combined Company disposed of the ordinary share equity of Anzhun Company it held at NT$10 per share with reference to the valuation report issued by an appraiser.

In February 2021, the Combined Company disposed of the ordinary share equity of Pujuipo Biotech Co., Ltd. it held at NT$40.5 per share with reference to the valuation report issued by an appraiser, and the payment for the shares was received in the same month.

9. Endorsement/Guarantee

(1) Lease contracts

Category of the related party		2022.12.31	2021.12.31
Substantial related party - Minsheng General Hospital	$	227,598	226,466

(2) Bank loans:

The Combined 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.

10. Others

Category of the related party	Account items		2022	2021
Substantial related party	Operating costs - other expenses	$	3,718	3,380
Substantial related party	Operating expenses - donation expenses		-	2,000
Substantial related party	Operating expenses - other expenses		5,921	5,902
Affiliate	Operating expenses - other expenses		840	39
Parent company	Other income and losses - rental income		571	16,362
Substantial related party	Other income and losses - rental income		248	6,314
Substantial related party	Other income - rental income		366	2,221
Substantial related party -Mingta Medical Technology Co., Ltd.	Dividend income		2,122	1,748
Affiliate- Anchun Company	Other income (Note)		44,000	-

(Note) In order to effectively activate the gene database and implement commercial conversion and relevant plans, the Combined Company decided to sell the telomerase database to Anchun Company at NT$44,000 thousand with reference to its fair value in the valuation report issued by an appraiser, through a resolution of the Board of Directors in March 2022. The Combined Company and Anchun Company entered into a trade contract in May 2022, and delivered and accepted the technical data of the telomerase database in August 2022. All intellectual property rights and ownership rights of the database, reports, applications and analysis results are attributable to Anchun Company thereafter. As of December 31, 2022, the transaction price has been paid in full.

Category of the related party	Account items		2022.12.31	2021.12.31
Substantial related party				
Pisheng Construction	Prepayments	$	3,739	-
Pisheng Construction	Long-term prepayments		4,673	-
Substantial related party				
Minsheng General Hospital	Refundable deposits		282,340	285,112
Full Health Clinic	Refundable deposits		15,000	42,051
Harvard Clinic	Refundable deposits		18,000	-
Others	Refundable deposits		31,686	36,889
Parent company	Refundable deposits		82	81
Substantial related party				
Minsheng General Hospital	Deposits received		6,991	-
Tayuan Minsheng Hospital	Deposits received		902	1,102
Full Health Clinic	Deposits received		-	1,333
Harvard Clinic	Deposits received		60	5,825
Others	Deposits received		52	7,825
Parent company	Deposits received		100	-

(IV) Transactions with key management personnel

Remuneration paid to key management personnel includes:

	2022	2021
Short-term employee benefits	$ 51,620	56,409
Post-employment benefits	1,117	1,049
Share-based payments	-	2,837
	$ 52,737	60,295

Please refer to Note 6 (27) for details on share-based payments.

VIII. Pledged Assets

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

Name of the asset	Pledge object	2022.12.31	2021.12.31
Financial assets at amortized cost-current	Guarantee letters for bank loans and leases	$ 5,001	5,220
Financial assets at amortized cost-non-current	Guarantees for bank loans and commercial papers	40,590	41,126
Investment properties	Bank loans	178,420	179,754
Property, plant and equipment	Bank loans	1,155,534	-
		$ 1,379,545	226,400

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Material unrecognized contractual commitments

	2022.12.31	2021.12.31
Purchase of property, plant and equipment	$ 73,530	27,945
Purchase of intangible assets	546	840
Guaranteed notes issued for bank loan contracts	2,645,000	847,000
Issued and unused letters of credit	-	5,647
	$ 2,719,076	881,432

(II) Collection and payment of contract prices:

1. The Combined Company has entered into a contract with a biotech company, under which the company shall provide gene identification chips and data analysis services to the Combined Company during the entrustment period specified in the contract. The unrecognized amount is as follows:

	2022.12.31	2021.12.31
Unpaid amount	$ -	6,812

2. The Combined 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 "Hafo Medical Research" brands during the cooperation period. The unrecognized amount is as follows:

	2022.12.31	2021.12.31
Unpaid amount	$ 540	540

3. The Combined 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 Combined Company. The unrecognized amount is as follows:

	2022.12.31	2021.12.31
Unpaid amount	$ 11,880	-

X. Material Losses from Disasters: none.

XI. Material Subsequent Events

(1) On February 17, the Board of Directors of Pregetic Health Company approved through a resolution to participate in the cash capital increase of Fuyi Company, in order to improve its competitive advantage and diversify its healthcare business, by issuing stocks with a total amount of NT$15,000 thousand at face value. The relevant legal registration procedures have been completed on March 9, 2023.

(2) To strengthen strategic cooperation with peers in the industry for its business development, Fuyi Company participated in the cash capital increase of -Shangchia Health Business Co., Ltd., one of its affiliates, with the consent of a single legal person director on February 16, 2023, with a total amount of NT$10,000 thousand and the shareholding ratio increased from 26.56% to 33.90%.

(3) On February 8, 2023, Mytrex Health Company decided to purchase 100% of the equity of YES Health Company from Medzoneasia through a resolution of the extraordinary shareholders' meeting on February 8, 2023. The equity delivery is expected to be completed in the first quarter of 2023, with a total contract price of NT$230,000 thousand.

(4) In order to expand its health care business, Hung-Han Company purchased from Medzoneasia 100% of the equity in Macro Global Corporation, totaling 6,450 thousand shares, with the consent of a single legal person director on December 16, 2022, with a total investment amount of NT$74,820 thousand. The equity delivery date was February 15, 2023, and the relevant legal registration procedures have been completed on March 3, 2023.

XII. Others

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

By function / By property	2022			2021		
	Categorized into operating costs	**Categorized into operating expenses**	**Total**	**Categorized into operating costs**	**Categorized into operating expenses**	**Total**
Employee benefit expenses						
Remuneration expenses	131,030	307,963	438,993	120,724	301,861	422,585
Labor and health insurance expenses	12,355	28,472	40,827	11,753	28,320	40,073
Pension expenses	6,288	13,714	20,002	5,921	14,996	20,917
Directors' remuneration	-	10,170	10,170	-	8,788	8,788
Other employee benefit expenses	6,313	12,762	19,075	5,891	13,847	19,738
Depreciation expenses	167,053	114,064	281,117	151,058	132,297	283,355
Amortization expenses	6,961	17,687	24,648	6,948	14,222	21,170

XIII. Items Disclosed in Notes

(I) Information on major transactions

The information on major transactions that the Combined Company should disclose in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers in 2022 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 the parent company to subsidiaries	Endorsements /guarantees provided by the parent company to subsidiaries	Endorsements /guarantees made for Mainland China
		Name of company	Relationship										
0	ShareHope Medicine Co., Ltd.	Minsheng General Hospital	1	1,768,140	227,598	227,598	227,598	-	6.66%	1,709,630	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				Mid-term maximum shareholdings	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	10,341	-	10,341	-	
The Company	Stock Mingta Medical Technology Co., Ltd.	The Company is a legal representative director of the company	Financial assets at fair value through profit or loss - non-current	1,191	61,912	4.90 %	61,912	5.14%	
The Company	Stock New Image Medical Co., Ltd..	None	Financial assets at fair value through profit or loss - non-current	1,000	20,174	3.70 %	20,174	3.70%	
					82,086		82,086		
The Company	Stock Yichuang Second Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000	15,902	0.92 %	15,902	1.00%	
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	3,000	50,026	2.86 %	50,026	2.86%	
The Company	Stock Top Taiwan Xi 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	4,875	53,342	7.50 %	53,342	7.50%	

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				Mid-term maximum shareholdings	Remarks
				Contribution amount/number of shares (thousand shares or thousand)	Carrying amount	Shareholding ratio	Fair value		
The Company	Stock BenQ BM Holding Cayman Corporation	None	Financial assets at fair value through other comprehensive income - non-current	5,258	273,661	2.15 %	273,661	2.15%	
The Company	Limited partnership interests CDIB Capital Healthcare Ventures II Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	67,868	87,122	3.22 %	87,122	3.22%	
Mytrex Health Company	Stock -Minsheng Asset Management Co., Ltd.	The chairperson of the Company is a director	Financial assets at fair value through other comprehensive income - non-current	2,120	21,145	3.37 %	21,145	3.37%	
Mytrex Health Company	Stock Sunny Heart Scientific Co.,ltd.	None	Financial assets at fair value through other comprehensive income - non-current	68	1,851	0.81 %	1,851	1.13%	
Mytrex Health Company	Stock Smart Care Technologies Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,760	23,790	9.99 %	23,790	9.99%	
Mytrex Health Company	Stock eHo Smart Tech Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	250	4,750	19.53 %	4,750	19.53%	
Mytrex Health Company	Stock Top Taiwan Xiv Venture Capital Co., Ltd.	The Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	5,000	39,755	2.29 %	39,755	2.29%	
Pregetic Health Company	Stock Yida International Hospital Management & Consultant Co., LTD.	None	Financial assets at fair value through other comprehensive income - non-current	417	4,183	4.20 %	4,183	4.20%	
Pregetic Health Company	Stock Cohesion Information Technology Corp.	None	Financial assets at fair value through other comprehensive income - non-current	1,000	19,371	14.29 %	19,371	14.29%	
Pregetic Health Company	Stock Health GeneTech Corp.	None	Financial assets at fair value through other comprehensive income - non-current	1,304	25,059	14.81 %	25,059	14.81%	
Hung-Han Company	Stock Cohesion Information Technology Corp.	None	Financial assets at fair value through other comprehensive income - non-current	250	4,843	3.57 %	4,843	3.57%	
Fuyi Company	Limited partnership interests Chunchuang Development Venture Capital Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	13,000	13,907	1.75 %	13,907	1.75%	
Medzoneasia	Stock Realsun Health Care Information System Co., LTD.	None	Financial assets at fair value through other comprehensive income - non-current	500	42,173	10.00 %	42,173	10.00%	
					680,880		680,880		

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 of properties acquired that amount to NT$300 million or account for more than 20% of the paid-in capital:

Unit: NT$ thousand

Acquirer of the property	Name of the property	Date of occurrence	Transaction amount	Payment for the transaction	Counterparty	Relationship	Previous transfer information about the counterparty who is a related party				Reference basis for price determination	Purpose of acquisition and usage	Other agreements
							Owner	Relationship with the issuer	Date of transfer	Amount			
The Company	Real estate in Taoyuan City	2022.1.21	1,177,717	1,177, 717	L'hotel De Chine Corporation	Non-related party	—	—	—	-	Valuation report	For business use	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.

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)	(958,262)	(38.35)%	Net 180 days	-		859,427	81.40%	
The Company	Minsheng General Hospital	Substantial related party	Service income	(771,030)	30.86%	Net 30-180 days	-		33,656 893,083	3.19%	
The Company	YES Health Company	Subsidiary	(Sell)	(176,023)	(7.05)%	Net 60 days	-		54,674	5.18%	Note
YES Health Company	The Company	Parent company	Purchase	176,023	17.71%	Net 60 days	-		(54,674)	(27.43)%	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		Related party receivables Subsequent amount recovered	Amount provisioned for loss allowances
					Amount	Accounting treatment		
The Company	Minsheng General Hospital	Substantial related party	893,083	2.16	-		312,989	223

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	176,023	Net 60 days	4.25%
0	〃	〃	1	Accounts receivable - related parties	25,923	〃	0.35%
0	〃	〃	1	Notes receivable - related parties	28,751	〃	0.39%
0	〃	Pregetic Health Company	1	Lease income	1,453		0.04%
0	〃	Medzoneasia	1	Lease income	4,286		0.10%
1	Pregetic Health Company	The Company	2	Right-of-use assets	7,114	-	0.10%
1	〃	〃	2	Lease liabilities	5,768	-	0.08%
2	Medzoneasia	The Company	2	Right-of-use assets	56,867	-	0.77%
2	〃	〃	2	Lease liabilities	53,169	-	0.72%

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.

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

The information on the reinvestment business of the Combined Company in 2022 is as follows:

Unit: NT$ thousand/thousand shares

Name of investee	Name of investee	Region	Principal business	Initial investment amount		Shareholding at the end of the period			Mid-term maximum shareholdings	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%	432,827	61.46%	(91,901)	(57,505)	Note 1
The Company	ShareHope Medicine (HongKong) Co., Ltd.	Hong Kong, China	Investment management	44,831	44,831	1,500	100.00%	22,753	100.00%	(2,123)	(2,123)	Note 1
The Company	Chungyuan Medical Management Co., Ltd.	Taoyuan City	Management consulting services	11,389	11,389	1,000	100.00%	14,696	100.00%	(464)	(464)	Note 1
The Company	Hematech Biotherapeutics Inc.	Taipei City	Biotechnology services	22,106	22,106	2,211	25.00%	3,957	25.00%	61	15	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	60.21%	243,453	60.21%	16,105	15,120	Note 1
The Company	Pregetic Health Company	Taoyuan City	Health management services	101,000	101,000	10,500	38.90%	114,907	39.93%	(32,347)	(13,623)	Note 1
The Company	Shengshih Technology Co., Ltd.	Taipei City	Management consulting services	1,000	1,000	100	100.00%	845	100.00%	(107)	(107)	Note 1
The Company	Digimed Co., Ltd.	Taipei City	Information software services	-	2,000	-	-	-	20.00%	928	(309)	Note 1
Mytrex Health Company	Digimed Co., Ltd.	Taipei City	Information software services	-	2,000	-	-	-	20.00%	928	(309)	Note 1
Mytrex Health Company	Mytrex USA Co.	California, USA	Health care support services	23,516	23,516	800	88.89%	12,274	88.89%	(4,596)	(4,085)	Note 1
Mytrex Health Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management consulting services	10,000	10,000	667	22.37%	10,225	25.00%	491	116	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%	391,313	100.00%	(82,301)	(82,301)	Note 1
Mytrex Health Company	Sheng Yo Company	Tainan City	Health management services	20,000	-	2,000	90.91%	15,326	90.91%	(5,141)	(4,674)	Note 1
Chungyuan Medical Management Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management consulting services	2,000	2,000	200	6.71%	2,014	7.50%	491	35	Note 2
Medzoneasia	TECHGROUP Integrate Design Co., Ltd.	New Taipei City	Medical information software services	50,759	50,759	1	51.00%	41,874	51.00%	7,719	996	Note 1
Medzoneasia	Global Biotech Multimedia Co., Ltd.	Taipei City	Magazine (periodical) publication	10,000	10,000	500	23.98%	9,286	23.98%	(756)	(300)	Note 2
Medzoneasia	YES Health Company	Taoyuan City	Wholesale and trading of medicines and management consulting for pharmacies	221,180	221,180	6,035	100.00%	234,836	100.00%	24,802	23,919	Note 1
Medzoneasia	Macro Global Corporation	Taichung City	Wholesale and trading of medicines	72,155	72,155	6,450	100.00%	73,100	100.00%	5,494	6,105	Note 1
Medzoneasia	Digimed Co., Ltd.	Taipei City	Information software services	6,000	-	600	60.00%	2,491	60.00%	928	1,483	Note 1
Pregetic Health Company	Hung-Han Company	Taipei City	Health management services	118,880	98,880	7,000	100.00%	84,808	100.00%	(24,132)	(25,323)	Note 1
Pregetic Health Company	Employee Community Co., Ltd.	Taipei City	Advertising	1,700	1,700	170	48.57%	387	48.57%	(899)	(436)	Note 2
Pregetic Health Company	Digimed Co., Ltd.	Taipei City	Information software services	-	2,000	-	-	-	20.00%	928	(309)	Note 1
Pregetic Health Company	Fuyi Company	Taipei City	Health management consulting services	204,288	144,288	18,000	100.00%	178,110	100.00%	(28,112)	(28,648)	Note 1
Pregetic Health Company	Anchun Technology Co., Ltd.	Taipei City	Health management services	20,000	-	2,000	40.00%	19,275	60.00%	(1,916)	(791)	Note 2
Hung-Han Company	Hanting Digital Technology Co., Ltd.	New Taipei City	Information software services	20,000	10,000	2,000	100.00%	9,980	100.00%	(10,020)	(10,020)	Note 1
Hung-Han Company	Chinachem Biomedical Co., Ltd.	Taipei City	Healthcare services	10,000	-	1,000	100.00%	8,495	100.00%	(1,505)	(1,505)	Note 1
Fuyi Company	Shang-Jia Health Enterprise Co. Ltd.	Taipei City	Health management services	23,900	-	2,390	26.56%	24,821	20.00%	335	921	Note 2
YES Health Company	Digimed Co., Ltd.	Taipei City	Information software services	2,000	2,000	200	20.00%	830	20.00%	928	186	Note 1

Note: 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.

Note 3: In April 2022, Pregetic Health Company invested to establish a subsidiary, Anchun Company, in which it held 100% of the equity. In September, 2022, Pregetic Health Company disposed of 60% of the equity and lost control of Anchun Company, which is now one of its affiliates.

Note 4: In response to the restructuring of the Group, the Company, Mincheng Health Company, and Pregetic Health Company transferred their equity in Digimed in full to Medzoneasia - one of the other related parties, in April 2011.

(III) Information on investments in mainland China:

1. Information on reinvestments in mainland China:

Unit: NT$/US$ thousand

Name of mainland investee	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	Mid-term maximum shareholdings	Investment income and losses recognized for 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	(1,699)	100.00%	100%	(1,699)	3,406	-
Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd.	Hospital management consulting services	5,124	(1)	5,124	-	-	5,124	1,817	100.00%	100%	1,817	6,582	-

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 audited 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	2,051,555

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
MISSIONCARE Co., Ltd.	34,822,800	29.00%

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.

XIV. Department Information

(I) General information

There are four reportable departments in the Combined Company: the Pharmaceutical Distribution Department, Health Management Department, Technological Materials Department and Hospital Department.

The reportable departments of the Combined Company are strategic business units that provide different products and services. The strategic business units shall be managed separately as the technologies and marketing strategies required are different among them.

The other department of the Combined Company, mainly engaged in the business of the Department of Medical Professional Services and Biotechnologies, did not reach any quantitative threshold for reportable department in 2022 and 2021.

(II) Information on the profits and losses, assets, and liabilities of the reportable departments as well as the measurement basis and adjustments

The management of the Combined Company allocates resources and conducts performance assessment mainly based on the pre-tax profits and losses (excluding non-recurring gains and losses and exchange gains and losses) of the departments whose internal management reports are reviewed by the main operational decision-makers. Given that income taxes, non-recurring gains and losses, and exchange gains and losses are managed on a group-wide basis, the Combined Company does not divide and allocate income tax expenses (benefits), non-recurring gains and losses, and exchange gains and losses to reportable departments. In addition, profits and losses of all reportable departments do not include significant non-cash items other than depreciation and amortization. The reported amounts are consistent with those in the reports used by operational decision-makers.

Except for the recognition and measurement of pension expenses of each operating department based on cash payments to pension plans, the accounting policies adopted by the operating departments are consistent with the summarized major accounting policies illustrated in Note 4.

The Combined Company regards sales and transfers among departments as transactions with third parties, which are measured at current market prices.

The information and adjustments of the operating departments of the Combined Company are as follows:

	2022						
	Pharmaceutical Distribution Department	**Health Management Department**	**Technological Materials Department**	**Hospital Department**	**Other departments**	**Adjustment and cancellation**	**Total**
Revenue:							
Revenue from external customers	$ 2,691,912	899,942	190,237	134,137	220,904	-	4,137,132
Interdepartmental revenue	177,661	5,853	262	-	4,836	(188,612)	-
Total revenue	$ 2,869,573	905,795	190,499	134,137	225,740	(188,612)	4,137,132
Profits and losses of reportable departments	$ 93,806	335,523	(10,848)	111,501	(248,321)	58,277	339,938

	2021						
	Pharmaceutical Distribution Department	**Health Management Department**	**Technological Materials Department**	**Hospital Department**	**Other departments**	**Adjustment and cancellation**	**Total**
Revenue:							
Revenue from external customers	$ 2,541,403	631,386	250,818	143,873	282,547	-	3,850,027
Interdepartmental revenue	248,829	252	428	-	521	(250,030)	-
Total revenue	$ 2,790,232	631,638	251,246	143,873	283,068	(250,030)	3,850,027
Profits and losses of reportable departments	$ 86,539	161,341	13,815	121,729	(133,988)	18,193	267,629

(III) Product and service information

Name of product or service		2022	2021
Medicines and medical materials	$	2,842,231	2,739,924
Non-woven filter fabric		190,237	251,245
Equipment leases		66,545	94,014
Leases of investment properties		57,145	55,240
Medical health care management services		980,974	709,604
	$	4,137,132	3,850,027

(IV) Regional information

The following information about the Combined Company is listed by region, among which revenue is classified based on the geographical location of customers, while non-current assets are classified based on the geographical location of assets.

Region		2022	2021
Revenue from external customers:			
Asia	$	4,112,999	3,832,176
Europe		5,133	12,692
America		-	2,719
Other countries		19,000	2,440
	$	4,137,132	3,850,027

Region		2022.12.31	2021.12.31
Non-current assets:			
Taiwan	$	2,845,271	1,789,953

Non-current assets include property, plant and equipment, investment properties, right-of-use assets and intangible assets, excluding non-current assets comprised of financial instruments and deferred income tax assets.

(V) Information about major customers

		2022	2021
Minsheng General Hospital	$	1,832,209	1,435,674