

**ShareHope Medicine Co., Ltd. and its  
subsidiaries**  
**Consolidated Financial Statements and  
Independent Auditors' Review Report**  
**For the Three Months Ended March 31, 2023 and 2022**

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## **Independent Auditors' Review Report**

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

### **Introduction**

The Consolidated Balance Sheet of ShareHope Medicine Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, 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 three months ended March 31, 2023 and 2022, have been reviewed by the independent auditors. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

Based on our reviews and the review reports of other independent auditors (please refer to the Other Items section), nothing has come to our attention that causes us to believe that the accompanying Consolidated Financial Statements do not present fairly, in all material respects, the consolidated financial position of ShareHope Medicine Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Other Matters

We did not review the financial statements of certain subsidiaries of the Consolidated Company. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the review reports of other auditors. The total assets of such subsidiaries as of March 31, 2023 and 2022 amounted to \$561,666 thousand and \$403,689 thousand and accounted for 7.72% and 6.52% of the total consolidated assets, respectively; and the net operating revenue for the three months ended March 31, 2023 and 2022 amounted to \$38,416 thousand and \$15,311 thousand and accounted for 4.29% and 1.47% of the net consolidated operating revenue, respectively. The equity method investments as of March 31, 2023 amounted to \$18,678 thousand and 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 three months ended March 31, 2023 amounted to \$(556) thousand and accounted for (2.05)% of the net consolidated income before tax.

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

May 12, 2023

## Unit: NT\$ thousand

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

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

**Reviewed only, not audited in accordance with Standards on Auditing**  
**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**For the three months ended March 31, 2023 and 2022**

Unit: NT\$ thousand

		For the three months ended March 31, 2023		For the three months ended March 31, 2022	
		Amount	%	Amount	%
4000	<b>Operating revenue (Note 6 (26) and Note 7)</b>	\$ 896,258	100	1,040,455	100
5000	<b>Operating costs (Note 6 (7), (10), (11) and (21), and Note 7)</b>	(729,204)	(81)	(752,036)	(72)
	<b>Gross profit</b>	167,054	19	288,419	28
	<b>Operating expenses (Note 6 (4), (10), (11), (18) and (21), and Note 7):</b>				
6100	Marketing expenses	(53,899)	(6)	(68,110)	(7)
6200	Administrative expenses	(107,795)	(12)	(111,785)	(11)
6300	R&D expenses	(2,557)	(1)	(3,612)	-
6235	Expected credit impairment losses (gains on reversal)	(1,696)	-	47	-
	<b>Total operating expenses</b>	(165,947)	(19)	(183,460)	(18)
6500	Other net income and expenses (Note 6 (28))	19,908	2	19,041	2
	<b>Net operating income</b>	21,015	2	124,000	12
	<b>Non-operating income and expenses (Note (18) and (29)):</b>				
7100	Interest income	785	-	130	-
7010	Other income	7,749	1	7,723	1
7020	Other gains and losses	10,936	1	3,181	-
7050	Finance costs	(12,683)	(1)	(5,518)	(1)
7770	Share of losses of affiliates recognized by the equity method	(719)	-	(192)	-
	<b>Total non-operating income and expenses</b>	6,068	1	5,324	-
7900	<b>Net income before tax</b>	27,083	3	129,324	12
7950	<b>Income tax expenses (Note 6 (22))</b>	(12,045)	(1)	(33,590)	(3)
	<b>Net income for the period</b>	15,038	2	95,734	9
8300	<b>Other comprehensive income (Note 6 (22) and (23)):</b>				
8310	<b>Items not reclassified to profit or loss</b>				
8316	Unrealized valuation profits and losses on equity instrument investments at fair value through other comprehensive income	28,939	3	(2,486)	-
8320	Share of other comprehensive income of affiliates recognized by the equity method	-	-	(1)	-
8349	Less: income taxes related to non-reclassified items	(797)	-	2,562	-
	<b>Total items not reclassified to profit or loss</b>	29,736	3	(5,049)	-
8360	<b>Items that may be reclassified to profit or loss subsequently</b>				
8361	Exchange difference from translation of the financial statements of foreign operations	36	-	1,626	-
8399	Less: income taxes related to items that may be reclassified	10	-	313	-
	<b>Total items that may be reclassified to profit or loss subsequently</b>	26	-	1,313	-
8300	<b>Other comprehensive income for the period</b>	29,762	3	(3,736)	-
8500	<b>Total comprehensive income for this period</b>	<b>\$ 44,800</b>	<b>5</b>	<b>91,998</b>	<b>9</b>
	<b>Net profit for the period attributable to (Note 6 (9)):</b>				
8610	Owners of the parent company	\$ 37,404	4	116,590	11
8620	Non-controlling interests	(22,366)	(2)	(20,856)	(2)
		<b>\$ 15,038</b>	<b>2</b>	<b>95,734</b>	<b>9</b>
	<b>Total comprehensive income attributable to (Note 6 (9)):</b>				
8710	Owners of the parent company	\$ 63,598	7	119,786	12
8720	Non-controlling interests	(18,798)	(2)	(27,788)	(3)
		<b>\$ 44,800</b>	<b>5</b>	<b>91,998</b>	<b>9</b>
	<b>Earnings per share (NT\$) (Note 6 (25))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 0.31</b>		<b>0.97</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 0.31</b>		<b>0.96</b>	

(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

**Reviewed only, not audited in accordance with Standards on Auditing**  
**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the three months ended March 31, 2023 and 2022**

**Unit: NT\$ thousand**

	Ordinary share capital	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-controlli ng interests	Total equity
<b>Balance on January 1, 2022</b>	\$ 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	-	-	-	-	116,590	-	-	116,590	(20,856)	95,734
Other comprehensive income for the period	-	-	-	-	-	1,104	2,092	3,196	(6,932)	(3,736)
Total comprehensive income for this period	-	-	-	-	116,590	1,104	2,092	119,786	(27,788)	91,998
Increase of non-controlling interests	-	-	-	-	-	-	-	-	2,000	2,000
<b>Balance on March 31, 2022</b>	<b>\$ 1,143,259</b>	<b>1,267,418</b>	<b>163,624</b>	<b>33,469</b>	<b>683,757</b>	<b>(2,069)</b>	<b>(20,870)</b>	<b>3,268,588</b>	<b>708,704</b>	<b>3,977,292</b>
<b>Balance on January 1, 2023</b>	<b>\$ 1,200,422</b>	<b>1,264,508</b>	<b>187,098</b>	<b>26,136</b>	<b>734,669</b>	<b>(2,089)</b>	<b>8,515</b>	<b>3,419,259</b>	<b>679,736</b>	<b>4,098,995</b>
Net income for the period	-	-	-	-	37,404	-	-	37,404	(22,366)	15,038
Other comprehensive income for the period	-	-	-	-	-	71	26,123	26,194	3,568	29,762
Total comprehensive income for this period	-	-	-	-	37,404	71	26,123	63,598	(18,798)	44,800
Changes in ownership interests in subsidiaries	-	(5,735)	-	-	(2,121)	-	-	(7,856)	(17,161)	(25,017)
<b>Balance on March 31, 2023</b>	<b>\$ 1,200,422</b>	<b>1,258,773</b>	<b>187,098</b>	<b>26,136</b>	<b>769,952</b>	<b>(2,018)</b>	<b>34,638</b>	<b>3,475,001</b>	<b>643,777</b>	<b>4,118,778</b>

(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

**Reviewed only, not audited in accordance with Standards on Auditing**  
**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the three months ended March 31, 2023 and 2022**

**Unit: NT\$**

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
<b>Cash flows from operating activities:</b>		
Net income before tax for the period	\$ 27,083	129,324
<b>Items adjusted:</b>		
Income and expense items		
depreciation expense	69,112	68,805
Amortization expenses	7,652	6,079
Expected credit impairment losses (gains on reversal)	1,696	(47)
Net (gains) losses on financial assets at fair value through profit or loss	(11,450)	66
Interest expenses	12,683	5,518
Interest income	(785)	(130)
Share of losses of affiliates recognized by the equity method	719	192
Losses on disposal and retirement of properties, plants and equipment	1	11
Unrealized foreign exchange gains	(311)	(1,054)
Lease modification gains	(337)	(144)
Total income and expense items	78,980	79,296
Changes in assets/liabilities related to operating activities:		
Notes receivable (including related parties)	2,614	1,518
Accounts receivable (including related parties)	94,299	(162,671)
Lease payments receivable (including related parties)	(2,708)	(4,450)
Other receivables (including related parties)	3,443	14,231
Inventories	(20,537)	(37,428)
Prepayments	(16,620)	1,856
Other current assets	(7,375)	333
Notes payable (including related parties)	(351)	782
Accounts payable (including related parties)	(163,554)	(39,385)
Other payables (including related parties)	(60,372)	(31,375)
contract liability	1,159	2,786
Other current liabilities	1,913	(7,252)
Net defined benefit liabilities	(19)	(56)
Total net changes in assets and liabilities related to operating activities	(168,108)	(261,111)
Cash outflow from operation	(62,045)	(52,491)
Interests received	785	130
Interests paid	(12,216)	(5,555)
Income taxes paid	(18)	-
<b>Cash outflow from operation</b>	<b>(73,494)</b>	<b>(57,916)</b>

(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



**Reviewed only, not audited in accordance with Standards on Auditing**  
**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Consolidated Cash Flow Statement (Continued)**  
**For the three months ended March 31, 2023 and 2022**

Unit: NT\$

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(7,000)	(46,581)
Capital returned due to capital reduction in financial assets at fair value through other comprehensive income	5,100	-
Disposal of financial assets at fair value through profit or loss	71,171	-
Acquisition of long-term equity method investments	(10,000)	-
Acquisition of financial assets at amortized cost	(8,700)	(4,692)
Acquisition of property, plant and equipment	(100,626)	(4,810)
Disposal of property, plant and equipment	76	97,273
(Increase) decrease in refundable deposits	(7,362)	2,196
Decrease in other receivables-related parties	927	4,705
Acquisition of intangible assets	(19,073)	(12,485)
Increase in other non-current assets	(2,069)	(125,129)
<b>Cash outflow from investing activities:</b>	<b>(77,556)</b>	<b>(89,523)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	195,941	58,902
Increase in short-term bills payable	-	(54)
Repayment of long-term loans	(7,696)	(8,261)
Increase in deposits received	2,286	4,040
Lease principal payment	(30,323)	(30,746)
Buyback cost of treasury stock	(24,394)	-
Changes in non-controlling interests	-	2,000
<b>Cash inflow from financing activities</b>	<b>135,814</b>	<b>25,881</b>
Impact of exchange rate changes on cash and cash equivalents	108	2,834
Decrease in cash and cash equivalents for the period	(15,128)	(118,724)
Balance of cash and cash equivalents at the beginning of the period	1,535,182	1,557,173
Balance of cash and cash equivalents at the end of the period	<b><u>\$ 1,520,054</u></b>	<b><u>1,438,449</u></b>

(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

**Reviewed only, not audited in accordance with Standards on Auditing**

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

**Notes to Consolidated Financial Statements**

**For the Three Months Ended March 31, 2023 and 2022**

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

**I. Company History**

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

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

The Consolidated Financial Statements was approved and issued by the Board of Directors on May 12, 2023.

**III. Application of Newly Issued and Amended Standards and Interpretations**

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

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

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

- (II) 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 Consolidated Company are as follows:

<b>Newly issued or amended standards</b>	<b>Major amendments</b>	<b>Effective date of standards issued by the Board</b>
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

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

## Newly issued or amended standards

Amendment to “Non-current Contractual Liabilities” under IAS 1

## Major amendments

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.

## Effective date of standards issued by the Board

January 1, 2024

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

- Amendment to "Sales or Investment of Assets between Investors and Their Affiliates or Joint Ventures" under IFRSs 10 and IAS 28
- Amendment to "Insurance Contracts" under IFRSs 17 and amendment to IFRSs 17
- Amendment to “Comparative Information on the Initial Application of IFRSs 17 and IFRSs 9” under IFRSs 17
- Amendment to "Provisions on Sale and Leaseback Transactions” under IFRSs 16

## IV. Summary of Major Accounting Policies

### (I) Compliance statement

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

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

### (II) Consolidation basis

#### 1. Subsidiaries included in the Consolidated Financial Statements

Name of investee	Name of subsidiary	Nature of business	Percentage of equity held			Explanation
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	Chungyuan Medical Management Co., Ltd. (hereinafter referred to as Chungyuan Medical Management Company)	Management Consulting Services	100.00%	100.00%	100.00%	
The Company	Mytrex Health Technologies Co., Ltd. (hereinafter referred to as Mytrex Health Company, original name: Mytrex Industries Inc.)	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	61.46%	61.46%	61.46%	

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

Name of investee	Name of subsidiary	Nature of business	Percentage of equity held			Explanation
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	ShareHope Medicine (HongKong) Co., Ltd. (hereinafter referred to as ShareHope Hong Kong Company)	Investment management	100.00%	100.00%	100.00%	
The Company	Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd. (hereinafter referred to as Minsheng Asia-Pacific (Beijing) Company)	Hospital management consulting services	100.00%	100.00%	100.00%	
The Company	Pregetic Medical Health Co., Ltd. (hereinafter referred to as Pregetic Health Company)	Health management services	38.90%	38.90%	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	62.12%	60.21%	60.21%	Note 3
The Company	Shengshih Technology Co., Ltd. (hereinafter referred to as Shengshih Technology Co., Ltd., original name: Hongshing Management Consulting Co., Ltd.)	Management Consulting Services	100.00%	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%	100.00%	
Mytrex Health Company	Mytrex USA Co. (formerly known as TSVC Co.)	Health care support services	88.89%	88.89%	88.89%	
Mytrex Health Company	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%	90.91%	90.91%	
Mytrex Health Company	YES Health Co., Ltd. (hereinafter referred to as YES Health Company)	Wholesale and trading of medicines and management consulting for pharmacies	100.00%	-	-	Note 5
Medzoneasia	TECHGROUP Integrate Design Co., Ltd. (hereinafter referred to as TECHGROUP)	Medical information software services	51.00%	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%	Note 5
Medzoneasia	YES Health Company	Wholesale and trading of medicines and management consulting for pharmacies	-	100.00%	100.00%	Note 5
Medzoneasia	Digimed	Information software services	60.00%	60.00%	-	Note 2
YES Health Company	Digimed	Information software services	20.00%	20.00%	20.00%	
ShareHope (Hong Kong) Company	Minsheng (Tianjin) Investment Management Co., Ltd. (hereinafter referred to as Minsheng (Tianjin) Investment Company)	Investment management	100.00%	100.00%	100.00%	
Pregetic Health Company	Hung-Han Health Business Co., Ltd. (hereinafter referred to as Hung-Han Company)	Health management services	100.00%	100.00%	100.00%	
Pregetic Health Company	Fuyi Health Management Consulting Co., Ltd. (hereinafter referred to as Fuyi Company)	Health management services	100.00%	100.00%	100.00%	
Pregetic Health Company	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%	100.00%	
Hung-Han Company	Chinachem Biomedical Co., Ltd. (hereinafter referred to as Chinachem)	Healthcare services	100.00%	100.00	-	Note 4
Hung-Han Company	Macro Global Corporation	Wholesale and trading of medicines	100.00%	-	-	Note 5

Note 1: Pregetic Health Company executed exercising of employee stock options and cash capital increase in June 2022. 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: In March 2023, Medzoneasia bought back treasury stock, resulting in an increase in the Company's shareholding ratio.

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

Note 5: In February and March 2023, Medzoneasia respectively transferred all the equity they held in Macro Global Corporation and YES Company to Hung-Han Company and Mytrex Health Company, resulting in a change in the shareholding ratio.

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

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

## (III) Employee benefits

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

## (IV) Income taxes

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

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

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

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

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

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

## VI. Explanation of Significant Accounting Items

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

### (I) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and working capital	\$ 5,183	5,051	4,900
Cheques, demand deposits and foreign currency deposits	1,464,387	1,479,706	1,383,238
Cash equivalents - repurchase bonds	50,484	50,425	50,311
	<u>\$ 1,520,054</u>	<u>1,535,182</u>	<u>1,438,449</u>

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
<b>Financial assets mandatorily measured at fair value through profit or loss:</b>			
Non-derivative financial assets			
Fund beneficiary certificates	\$ 10,369	10,341	10,285
TPEX listed stocks	-	61,912	59,684
Non-TWSE/TPEX listed stocks	22,337	20,174	23,043
	<u><b>\$ 32,706</b></u>	<u><b>92,427</b></u>	<u><b>93,012</b></u>
Current	\$ 10,369	10,341	10,285
Non-current	22,337	82,086	82,727
	<u><b>\$ 32,706</b></u>	<u><b>92,427</b></u>	<u><b>93,012</b></u>

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

Please refer to Note 6 (29) 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:

	March 31, 2023	December 31, 2022	March 31, 2022
Stocks issued by non-TWSE/TPEX listed companies	\$ 330,768	306,190	253,002
Stocks issued by non-listed foreign companies	262,947	273,661	267,756
Limited partnership interests	118,004	101,029	68,761
	<u><b>\$ 711,719</b></u>	<u><b>680,880</b></u>	<u><b>589,519</b></u>

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

Please refer to Note 6 (30) for credit risk and market risk information.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	\$ 10,509	13,123	14,494
Accounts receivable - measured at amortized cost	170,278	183,826	218,782
Accounts receivable-related parties - measured at amortized cost	961,530	1,038,039	1,024,902
Accounts receivable-finance lease payments - measured at amortized cost	388	388	-
Accounts receivable-related parties - finance lease payments - measured at amortized cost	5,378	6,026	9,897
Less: loss allowances	(6,312)	(4,608)	(6,631)
Unrealized interest income	(908)	(987)	(1,466)
	<u><b>\$ 1,140,863</b></u>	<u><b>1,235,807</b></u>	<u><b>1,259,978</b></u>

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

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

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

### March 31, 2023

	<b>The carrying amount of notes and accounts receivable and finance lease receivables (including related parties)</b>	<b>Weighted average expected credit loss rate</b>	<b>Loss allowances for lifetime expected credit losses</b>
Not overdue	\$ 1,108,847	0%~0.16%	211
Less than 60 days overdue	24,343	0%~15%	856
61~90 days overdue	5,001	0%~100%	458
91-120 days overdue	3,431	0%~40%	562
More than 121 days overdue	5,553	0%~100%	4,225
	<b><u>\$ 1,147,175</u></b>		<b><u>6,312</u></b>

### December 31, 2022

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

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

	<b>March 31, 2022</b>		
	<b>The Carrying Amount of Notes and Accounts Receivable and Finance Lease Receivables</b>	<b>Weighted average expected credit loss rate</b>	<b>Loss allowances for lifetime expected credit losses</b>
Not overdue	\$ 1,244,749	0%~0.65%	1,060
Less than 60 days overdue	5,134	0%~12.41%	63
61~90 days overdue	12,085	0%~5.72%	1,070
91-120 days overdue	79	0%~7.26%	-
More than 121 days overdue	4,562	0%~100%	4,438
	<b><u>\$ 1,266,609</u></b>		<b><u>6,631</u></b>

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

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Beginning balance	\$ 4,608	6,624
Impairment losses (gains on reversal)	1,696	(47)
Foreign currency translation gains and losses	8	54
Ending balance	<b><u>\$ 6,312</u></b>	<b><u>6,631</u></b>

(V) Other receivables

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Receivables from chain pharmacies	\$ 23,714	23,760	-
Other receivables-related parties	25,042	26,445	24,930
Others	29,804	32,725	3,610
Less: loss allowances	(886)	(882)	(901)
	<b><u>\$ 77,674</u></b>	<b><u>82,048</u></b>	<b><u>27,639</u></b>

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

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Beginning balance	\$ 882	868
Foreign currency translation gains and losses	4	33
Ending balance	<b><u>\$ 886</u></b>	<b><u>901</u></b>

Please refer to Note 6 (30) for other credit risk information.



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

### (VI) Finance lease receivables

The Consolidated 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:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Less than one year	\$ 5,766	6,415	9,897
1~2 years	3,623	3,732	7,678
2~3 years	3,154	3,154	3,236
3~4 years	2,980	3,154	3,153
4~5 years	1,770	1,985	2,980
More than 5 years	1,199	1,598	2,969
Gross investment in the lease	18,492	20,038	29,913
Unearned finance income	(2,465)	(2,732)	(3,938)
Present value of lease payments receivable	<b><u>\$ 16,027</u></b>	<b><u>17,306</u></b>	<b><u>25,975</u></b>
Current	\$ 4,858	5,427	8,431
Non-current	11,169	11,879	17,544
	<b><u>\$ 16,027</u></b>	<b><u>17,306</u></b>	<b><u>25,975</u></b>

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

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

### (VII) Inventories

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Medicines and medical materials	\$ 42,097	36,852	38,613
Raw materials	29,803	30,274	39,899
Work in progress	1,654	2,210	3,703
Finished good	28,456	29,147	32,684
Commodity	185,159	174,054	213,169
Medical equipment	5,919	-	-
	<b><u>\$ 293,088</u></b>	<b><u>272,537</u></b>	<b><u>328,068</u></b>

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

Particulars of cost of sales are as follows:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Cost of inventories sold	\$ 610,353	624,018
Inventory falling price loss (recovery benefit)	(5)	251
Obsolete inventories	65	-
Scrap income	(222)	(422)
Inventory (overages) shortages	(39)	3
Others	5,220	6,375
	<b>\$ 615,372</b>	<b>630,225</b>

## (VIII) Changes in ownership interests in subsidiaries

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

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

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

	For the three months ended March 31, 2023
The carrying amount of equity in Macro Global Corporation sold	\$ (74,113)
The consideration for transfer to Hung-Han Company	74,596
	<b>\$ 483</b>
Additional paid-in capital - the difference between the price and book value of subsidiaries' equity actually acquired	<b>\$ 483</b>

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

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

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

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

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

	<b>2023</b>
undistributed earnings	<b>\$ (1,691)</b>

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

Medzoneasia bought back 800 thousand shares of treasury stock after resolution of extraordinary Shareholders' Meeting on February 8, 2023, resulting in an increase in the Company's shareholding ratio of it from 60.21% to 62.12%. Since there was difference between the cost of treasury stock bought back by the Subsidiary amounting to \$24,394 thousand and the net carrying amount, and there was no change in the Company's control over Medzoneasia, it shall be accounted for as an equity transaction.

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

	<b>2023</b>
Decrease in equity attributable to subsidiaries after buyback of treasury shares	\$ (15,154)
Increase in equity in proportion to the equity interest attributable to subsidiaries after buyback of treasury shares	7,450
Additional paid-in capital-recognized changes in ownership interests in subsidiaries	<b>\$ (7,704)</b>

### (IX) Subsidiaries with material non-controlling interests

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

Name of subsidiary	Principal business premises/ Country of company registration	Proportion of ownership interest and voting rights of non-controlling interests		
		March 31, 2023	December 31, 2022	March 31, 2022
Mytrex Health Company	Taiwan	38.54%	38.54%	38.54%
TECHGROUP Integrate Design Co., Ltd.	Taiwan	49.00%	49.00%	49.00%
Medzoneasia	Taiwan	37.88%	39.79%	39.79%
Pregetic Health Company	Taiwan	61.10%	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 Consolidated companies are written off, is as follows:

The consolidated financial information of Mytrex Health Company:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Current assets	\$ 160,178	227,662	274,000
Non-current assets	669,865	527,435	580,410
Current liabilities	(100,942)	(25,160)	(31,822)
Non-current liabilities	(98)	(143)	-
Net assets	<b>\$ 729,003</b>	<b>729,794</b>	<b>822,588</b>
Carrying amount of non-controlling interests at the end of the period	<b>\$ 303,277</b>	<b>303,582</b>	<b>338,369</b>

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

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Operating revenue	\$ -	\$ -
Net loss for the period	\$ (6,556)	(11,449)
Other comprehensive income	2,560	329
Total comprehensive income	<u>\$ (3,996)</u>	<u>(11,120)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (2,527)</u>	<u>(4,413)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (1,540)</u>	<u>(4,286)</u>
	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Cash flows from operating activities	\$ 84,551	(3,692)
Cash flows from investing activities	(230,000)	(25,000)
Cash flows from financing activities	80,000	-
Effects of exchange rate	(241)	(1,528)
Decrease in cash and cash equivalents	<u>\$ (65,690)</u>	<u>(30,220)</u>

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Current assets	\$ 31,737	37,550	25,536
Non-current assets	2,175	2,360	2,487
Current liabilities	(13,391)	(21,236)	(13,970)
Non-current liabilities	-	-	(523)
Net assets	<u>\$ 20,521</u>	<u>18,674</u>	<u>13,530</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 19,944</u>	<u>19,745</u>	<u>19,343</u>

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Operating revenue	<u>\$ 13,119</u>	<u>7,107</u>
Net income for the period	\$ 1,847	(1,835)
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 1,847</u>	<u>(1,835)</u>
Net income (loss) for the period attributable to non-controlling interests	<u>\$ 199</u>	<u>(1,606)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 199</u>	<u>(1,606)</u>

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Cash flows from operating activities	\$ (5,246)	(5,665)
Cash flows from investing activities	(151)	42
Cash flows from financing activities	(222)	(217)
Decrease in cash and cash equivalents	<u>\$ (5,619)</u>	<u>(5,840)</u>

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

The consolidated financial information of Medzoneasia:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 284,560	22,712	44,298
Non-current assets	149,564	461,311	358,718
Current liabilities	(43,063)	(52,336)	(34,542)
Non-current liabilities	(30,436)	(36,354)	(1,208)
Net assets	<u>\$ 360,625</u>	<u>395,333</u>	<u>367,266</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 136,611</u>	<u>157,303</u>	<u>146,135</u>

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Operating revenue	<u>\$ 4,750</u>	<u>626</u>
Net (loss) income for the period	(7,648)	2,050
Other comprehensive income	56	(10,526)
Total comprehensive income	<u>\$ (7,592)</u>	<u>(8,476)</u>
Net (loss) income for the period attributable to non-controlling interests	<u>\$ (2,993)</u>	<u>816</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (2,972)</u>	<u>(3,373)</u>

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Cash flows from operating activities	\$ (6,442)	(10,841)
Cash flows from investing activities	303,247	291
Cash flows from financing activities	(10,098)	(216)
Increase (decrease) in cash and cash equivalents	<u>\$ 286,707</u>	<u>(10,766)</u>

The consolidated financial information of Pregetic Health Company:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 65,157	106,527	126,606
Non-current assets	368,685	368,970	356,956
Current liabilities	(145,067)	(161,498)	(150,745)
Non-current liabilities	(3,324)	(3,920)	(2,152)
Net assets	<u>\$ 285,451</u>	<u>310,079</u>	<u>330,665</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 180,161</u>	<u>195,208</u>	<u>201,094</u>

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

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Operating revenue	<u>\$ 8,766</u>	<u>7,279</u>
Net loss for the period	\$ (27,735)	(24,730)
Other comprehensive income	4,212	(4,879)
Total comprehensive income	<u>\$ (23,523)</u>	<u>(29,609)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (16,946)</u>	<u>(14,855)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (14,373)</u>	<u>(17,786)</u>
	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Cash flows from operating activities	\$ (968)	(8,963)
Cash flows from investing activities	(26,482)	(73,905)
Cash flows from financing activities	(3,000)	(1,634)
Decrease in cash and cash equivalents	<u>\$ (30,450)</u>	<u>(84,502)</u>

(X) Property, plant and equipment

	Land	Houses and buildings	Machinery and equipment	Transporta- tion equipment	Office equipment	Leasehold improvements	Other equipment	Leased assets	Unfinished projects and equipment to be inspected	Total
Cost:										
Balance on January 1, 2023	\$ 668,582	550,959	525,510	783	94,282	216,168	55,701	356,322	85,873	2,554,180
Increase	-	100	2,515	286	2,712	82	8,881	28,765	4,808	48,149
Disposal	-	-	(47)	-	(112)	-	(179)	(4,324)	-	(4,662)
Reclassification	-	900	88	-	(88)	-	28,000	37,945	(66,858)	(13)
Balance on March 31, 2023	<u>\$ 668,582</u>	<u>551,959</u>	<u>528,066</u>	<u>1,069</u>	<u>96,794</u>	<u>216,250</u>	<u>92,403</u>	<u>418,708</u>	<u>23,823</u>	<u>2,597,654</u>
Balance on January 1, 2022	\$ 17,229	36,779	527,956	783	95,022	214,438	57,874	392,761	-	1,342,842
Increase	-	-	1,744	-	310	-	162	5,543	-	7,759
Disposal	-	-	(400)	-	(1,537)	(150)	(8)	(18,590)	-	(20,685)
Reclassification	-	-	-	-	(680)	-	-	-	-	(680)
Effects of changes in foreign exchange rates	-	-	-	-	3	-	-	-	-	3
Balance on March 31, 2022	<u>\$ 17,229</u>	<u>36,779</u>	<u>529,300</u>	<u>783</u>	<u>93,118</u>	<u>214,288</u>	<u>58,028</u>	<u>379,714</u>	<u>-</u>	<u>1,329,239</u>
Accumulated depreciation and impairment:										
Balance on January 1, 2023	\$ -	32,284	354,204	711	48,365	130,878	49,206	243,801	-	859,449
Depreciation for the year	-	4,642	12,588	20	3,572	6,258	664	9,766	-	37,510
Disposal	-	-	(47)	-	(36)	-	(179)	(4,323)	-	(4,585)
Impairment loss	-	-	-	-	-	-	-	171	-	171
Reclassification	-	-	(171)	-	-	-	-	-	-	(171)
Effects of changes in foreign exchange rates	-	-	-	-	1	-	-	-	-	1
Balance on March 31, 2023	<u>\$ -</u>	<u>36,926</u>	<u>366,574</u>	<u>731</u>	<u>51,902</u>	<u>137,136</u>	<u>49,691</u>	<u>249,415</u>	<u>-</u>	<u>892,375</u>
Balance on January 1, 2022	\$ -	20,991	284,034	680	41,881	102,565	45,034	285,052	-	780,237
Depreciation for the year	-	323	14,715	9	3,319	6,500	1,000	10,210	-	36,076
Disposal	-	-	(401)	-	(1,526)	(150)	(8)	(18,589)	-	(20,674)
Reclassification	-	-	(171)	-	(680)	-	-	171	-	(680)
Effects of changes in foreign exchange rates	-	-	-	-	3	-	-	-	-	3
Balance on March 31, 2022	<u>\$ -</u>	<u>21,314</u>	<u>298,177</u>	<u>689</u>	<u>42,997</u>	<u>108,915</u>	<u>46,026</u>	<u>276,844</u>	<u>-</u>	<u>794,962</u>

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

	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
Book value:										
March 31, 2023	\$ 668,582	515,033	161,492	338	44,892	79,114	42,712	169,293	23,823	1,705,279
December 31, 2022	\$ 668,582	518,675	171,306	72	45,917	85,290	6,495	112,521	85,873	1,694,731
March 31, 2022	\$ 17,229	15,465	231,123	94	50,121	105,373	12,002	102,870	-	534,277

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

### (XI) Right-of-use assets

	Houses and buildings	Transportation equipment	Office equipment	Total
Cost:				
Balance on January 1, 2023	\$ 582,172	21,023	-	603,195
Increase	-	555	-	555
Disposal	(44,485)	(819)	-	(45,304)
Balance on March 31, 2023	<u>\$ 537,687</u>	<u>20,759</u>	<u>-</u>	<u>558,446</u>
Balance on January 1, 2022	\$ 583,811	25,495	1,088	610,394
Disposal	(125)	-	(1,088)	(1,213)
Balance on March 31, 2022	<u>\$ 583,686</u>	<u>25,495</u>	<u>-</u>	<u>609,181</u>
Accumulated depreciation:				
Balance on January 1, 2023	\$ 129,461	12,660	-	142,121
Increase	14,822	1,944	-	16,766
Disposal	(19,240)	(819)	-	(20,059)
Balance on March 31, 2023	<u>\$ 125,043</u>	<u>13,785</u>	<u>-</u>	<u>138,828</u>
Balance on January 1, 2022	\$ 74,451	11,798	396	86,645
Increase	16,551	2,000	-	18,551
Disposal	-	-	(396)	(396)
Balance on March 31, 2022	<u>\$ 91,002</u>	<u>13,798</u>	<u>-</u>	<u>104,800</u>
Book value:				
March 31, 2023	<u>\$ 412,644</u>	<u>6,974</u>	<u>-</u>	<u>419,618</u>
December 31, 2022	<u>\$ 452,711</u>	<u>8,363</u>	<u>-</u>	<u>461,074</u>
March 31, 2022	<u>\$ 492,684</u>	<u>11,697</u>	<u>-</u>	<u>504,381</u>

### (XII) Investment properties

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

	Land and land improvements	Houses and buildings	Right-of-use assets	Total
March 31, 2023	<u>\$ 152,641</u>	<u>25,446</u>	<u>156,842</u>	<u>334,929</u>
December 31, 2022	<u>\$ 152,641</u>	<u>25,780</u>	<u>168,371</u>	<u>346,792</u>
March 31, 2022	<u>\$ 152,641</u>	<u>26,780</u>	<u>172,258</u>	<u>351,679</u>

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

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

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

Please refer to Note 6 (19) for the Consolidated Company's renting of investment properties under operating leases.

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

### (XIII) Intangible assets

	Management rights	Trademark rights	Customer relation	Lease contract	Membership list	Goodwill	Computer software	Franchise	Technology authorization	Right of alienation	Others	Total
Book value:												
Balance on March 31, 2023	\$ 4,287	93,145	30,856	5,199	-	165,517	40,027	130	947	13,446	21	353,7
Balance on December 31, 2022	\$ 5,716	93,145	32,872	5,367	-	165,517	38,113	215	1,516	-	21	342,4
Balance on March 31, 2022	\$ 10,002	93,145	38,925	5,870	-	165,517	26,998	470	3,220	-	-	344,1

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

### (XIV) Other non-current assets

	March 31, 2023	December 31, 2022	March 31, 2022
Refundable deposits	\$ 419,878	412,516	407,891
Prepaid building and land	-	-	117,772
Prepayments for equipment and engineering	18,627	13,070	24,864
Net defined benefit assets - non-current	4,677	4,595	2,901
Long-term prepayments	8,751	10,344	-
Others	989	3,107	7,785
	<u>\$ 452,922</u>	<u>443,632</u>	<u>561,213</u>

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

### (XV) Short-term loans

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank loans	\$ 439,975	261,254	250,000
Secured bank loans	62,000	45,000	85,000
	<u>\$ 501,975</u>	<u>306,254</u>	<u>335,000</u>
Interest rate range	<u>1.65%~6.19%</u>	<u>1.35%~6.19%</u>	<u>1.35%~2.76%</u>
Unused quota	<u>\$ 767,509</u>	<u>964,084</u>	<u>1,141,250</u>



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

For the three months ended March 31, 2023 and 2022, the amount of addition was \$286,212 thousand and \$300,002 thousand, respectively; the range of interest rate was from 1.75% to 3.43% and from 1.00% to 3.03%, respectively; the month of expiration was from February 2023 to January 2024 and from April 2022 to February 2023, respectively; the amount of repayment was \$90,491 thousand and \$241,100 thousand, respectively.

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

### (XVI) Short-term bills payable

	March 31, 2023		December 31, 2022		March 31, 2022	
	Interest rate	amount	Interest rate	amount	Interest rate	amount
Commercial paper payable	1.60%~2.09%	55,000	1.31%~1.60%	55,000	1.02%~2.06%	55,000
Less: discount on short-term bills payable		(34)		(108)		(54)
		<u>\$ 54,966</u>		<u>54,892</u>		<u>54,946</u>
Unused quota		<u>\$ 60,000</u>		<u>60,000</u>		<u>60,000</u>

The short-term bills payable of the Consolidated Company had no significant issuance, buyback, or repayment for the three months ended March 31, 2023 and 2022. Please refer to Note 6 (29) for the interest expenses, and for other related information, please refer to Note 6 (18) of the Consolidated Financial Statements for the year ended December 31, 2022.

### (XVII) Long-term loans

	March 31, 2023			
	Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.93%~2.83%	2024.11~2031.3	\$ 991,680
Less: amount due within one year				(36,761)
				<u>\$ 954,919</u>
Unused quota				<u>\$ 620,000</u>

	December 31, 2022			
	Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.93%~2.83%	2024.11~2031.3	\$ 999,376
Less: amount due within one year				(31,753)
				<u>\$ 967,623</u>
Unused quota				<u>\$ 620,000</u>

	March 31, 2022			
	Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.40%~2.20%	2023.11~2031.3	\$ 149,266
Less: amount due within one year				(33,078)
				<u>\$ 116,188</u>
Unused quota				<u>\$ 25,960</u>

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

The long-term loans of the Consolidated Company had no significant issuance, buyback, or repayment for the three months ended March 31, 2023 and 2022. Please refer to Note 6 (29) for the interest expenses, and for other related information, please refer to Note 6 (19) of the Consolidated Financial Statements for the year ended December 31, 2022.

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

### (XVIII) Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Current	<u>\$ 110,515</u>	<u>118,503</u>	<u>117,889</u>
Non-current	<u>\$ 482,187</u>	<u>526,576</u>	<u>570,582</u>

Please refer to Note 6 (30) Financial Instruments for maturity analysis.

The following amounts are recognized in profit or loss:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Interest expenses on lease liabilities	<u>\$ 3,009</u>	<u>3,398</u>
Variable lease payments not included in the measurement of the lease liabilities	<u>\$ 4,256</u>	<u>3,826</u>
Income from sublease of right-of-use assets	<u>\$ 19,571</u>	<u>18,365</u>
Expenses on short-term leases and low-value leases	<u>\$ 2,538</u>	<u>1,577</u>
COVID-19-related rent concessions	<u>\$ -</u>	<u>390</u>

The following amounts are recognized in the cash flow statement:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Total cash outflows for leases	<u>\$ 40,126</u>	<u>39,157</u>

### 1. Houses and buildings

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

Please refer to Note 6 (19) for the Consolidated Company's subleasing of part of the right-of-use assets with the consent of the lessor under operating leases.

### 2. Other leases

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

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

### (XIX) Operating leases

The Consolidated Company leases self-owned property, plant and equipment, investment properties and right-of-use assets. Since substantially all the risks and rewards attached to the ownership of the underlying assets have not been transferred, such lease contracts are classified as operating leases. Please refer to Note 6 (10) Property, Plant and Equipment, (11) Right-of-use Assets and (12) 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:

	March 31, 2023	December 31, 2022	March 31, 2022
1st year	\$ 161,212	143,318	171,984
2nd year	65,758	40,525	46,054
3rd year	34,320	20,455	2,745
4th year	25,163	3,125	821
5th year	24,434	2,642	837
More than 5 years	119,610	13,749	140
Total undiscounted lease payments	<u><u>\$ 430,497</u></u>	<u><u>223,814</u></u>	<u><u>222,581</u></u>

### (XX) Other payables

	March 31, 2023	December 31, 2022	March 31, 2022
Employee remuneration payable	\$ 87,080	94,442	77,756
Salaries and bonuses payable	41,956	75,877	44,495
Equipment payables	31,893	83,186	23,370
Directors' and supervisors' remuneration payable	5,892	5,350	5,403
Business tax payable	2,324	2,591	7,381
Others	55,344	74,339	51,234
	<u><u>\$ 224,489</u></u>	<u><u>335,785</u></u>	<u><u>209,639</u></u>

### (XXI) Employee benefits

#### 1. Defined benefit plans

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

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Operating costs	\$ 50	40
Operating expenses	71	65
	<u><u>\$ 121</u></u>	<u><u>105</u></u>

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

2. Defined contribution plans

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Operating costs	\$ 1,563	1,337
Operating expenses	<u>3,609</u>	<u>3,261</u>
	<b><u>\$ 5,172</u></b>	<b><u>4,598</u></b>

(XXII) Income taxes

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

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Income tax expenses for the period	\$ 12,703	34,015
Deferred tax income	<u>(658)</u>	<u>(425)</u>
income tax expense	<b><u>\$ 12,045</u></b>	<b><u>33,590</u></b>

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

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Items not reclassified to profit or loss:		
Equity instruments at fair value through other comprehensive income	<b><u>\$ 797</u></b>	<b><u>(2,562)</u></b>

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Items that may be reclassified to profit or loss subsequently		
Exchange difference from translation of the financial statements of foreign operations	<b><u>\$ (10)</u></b>	<b><u>(313)</u></b>

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

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

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

### (XXIII) Capital and other equity

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

#### 1. Additional paid-in capital

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Premium on issuance of stocks and conversion of corporate bonds	\$ 1,095,196	1,095,196	1,095,196
The difference between the price and book value of subsidiaries' equity actually acquired and disposed of	46,149	46,149	44,485
Recognized changes in ownership interests in subsidiaries	110,632	116,367	120,941
Lapsed share option	2,896	2,896	2,896
Share option for convertible corporate bonds	3,900	3,900	3,900
	<u>\$ 1,258,773</u>	<u>1,264,508</u>	<u>1,267,418</u>

#### 2. Retained earnings

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

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

##### (1) Special reserves

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

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

### (2) Distribution of earnings

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

	<b>2021</b>	
	<b>Allotment rate</b>	
	<b>(NT\$)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.50	57,163
Stock	0.50	57,163
	<b>\$</b>	<b>114,326</b>

The resolutions on the distribution of earnings for 2022 was approved by the Board of Directors of the Company on May 12, 2023, and the amounts of dividends distributed to owners are as follows:

	<b>2022</b>	
	<b>Allotment rate</b>	
	<b>(NT\$)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.50	60,021
Stock	0.50	60,021
	<b>\$</b>	<b>120,042</b>

### 3. Other equity (net income after taxes)

	<b>Exchange difference from translation of the financial statements of foreign operations</b>	<b>Unrealized gains or losses on financial assets at fair value through other comprehensive income</b>	<b>Non-controlling interests</b>	<b>Total</b>
Balance on January 1, 2023	\$ (2,089)	8,515	(16,206)	(9,780)
Exchange difference from translation of the net assets of foreign operations	71	-	(45)	2
Unrealized gains on financial assets at fair value through other comprehensive income	-	26,123	3,613	29,736
Balance on March 31, 2023	<b>\$ (2,018)</b>	<b>34,638</b>	<b>(12,638)</b>	<b>19,982</b>
Balance on January 1, 2022	\$ (3,173)	(22,962)	459	(25,676)
Exchange difference from translation of the net assets of foreign operations	1,104	-	209	1,313
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	2,093	(7,141)	(5,048)
Share of unrealized gains or losses of affiliates applying the equity method on financial assets at fair value through other comprehensive income	-	(1)	-	(1)
Balance on March 31, 2022	<b>\$ (2,069)</b>	<b>(20,870)</b>	<b>(6,473)</b>	<b>(29,412)</b>

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

### 4. Non-controlling interests

	<b>Non-controlling interests</b>
Beginning balance on January 1, 2023	\$ 679,736
Net loss for the period attributable to non-controlling interests	(22,366)
Other comprehensive income for the period attributable to non-controlling interests	3,568
The difference between the price and book value of treasury stock bought back by the subsidiary	(16,690)
The difference between the price and book value of subsidiaries' equity actually acquired	(471)
Ending balance on March 31, 2023	<b><u>\$ 643,777</u></b>
Beginning balance on January 1, 2022	\$ 734,492
Net loss for the period attributable to non-controlling interests	(20,856)
Other comprehensive income for the period attributable to non-controlling interests	(6,932)
Acquisition of subsidiaries	2,000
Ending balance on March 31, 2022	<b><u>\$ 708,704</u></b>

### (XXIV) Share-based payments

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

### (XXV) Earnings per share

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
<b>Basic earnings per share:</b>		
Net profits attributable to ordinary equity holders of the Company	<b><u>\$ 37,404</u></b>	<b><u>116,590</u></b>
Weighted average number of outstanding ordinary shares	120,042	120,042
Basic earnings per share (NT\$)	<b><u>\$ 0.31</u></b>	<b><u>0.97</u></b>
<b>Diluted earnings per share:</b>		
Net profits attributable to ordinary equity holders of the Company for the period (basic)	\$ 37,404	116,590
Effects of dilutive potential ordinary shares		
Net profits attributable to ordinary equity holders of the Company (diluted)	<b><u>\$ 37,404</u></b>	<b><u>116,590</u></b>
Effects of dilutive potential ordinary shares		
Weighted average number of outstanding ordinary shares (basic)	120,042	120,042
Effects of employee remuneration in stock	757	1,037
Weighted average number of outstanding ordinary shares (diluted)	120,799	121,079
Diluted earnings per share (NT\$)	<b><u>\$ 0.31</u></b>	<b><u>0.96</u></b>

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

(XXVI) Revenue from contracts with customers

1. Disaggregation of revenue

For the three months ended March 31, 2023				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 708,700	151,642	33,086	893,428
Europe	1,653	-	-	1,653
Other countries	1,177	-	-	1,177
	<b>\$ 711,530</b>	<b>151,642</b>	<b>33,086</b>	<b>896,258</b>
Main product/service lines:				
Medicines and medical materials	\$ 671,476	-	-	671,476
Non-woven filter fabric	40,054	-	-	40,054
Service provision	-	151,642	-	151,642
Equipment leases	-	-	13,504	13,504
Leases of investment properties and real estate properties	-	-	19,582	19,582
	<b>\$ 711,530</b>	<b>151,642</b>	<b>33,086</b>	<b>896,258</b>
For the three months ended March 31, 2022				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 733,390	272,938	32,068	1,038,396
Europe	1,042	-	-	1,042
Other countries	1,017	-	-	1,017
	<b>\$ 735,449</b>	<b>272,938</b>	<b>32,068</b>	<b>1,040,455</b>
Main product/service lines:				
Medicines and medical materials	\$ 682,077	-	-	682,077
Non-woven filter fabric	53,372	-	-	53,372
Service income	-	272,938	-	272,938
Equipment leases	-	-	23,041	23,041
Leases of investment properties	-	-	9,027	9,027
	<b>\$ 735,449</b>	<b>272,938</b>	<b>32,068</b>	<b>1,040,455</b>



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

### 2. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	\$ 10,509	13,123	14,494
Accounts receivable	170,278	183,826	218,782
Accounts receivable - related parties	961,530	1,038,039	1,024,902
Finance lease receivables	342	332	-
Finance lease receivables - related parties	4,516	5,095	8,431
Long-term finance lease receivables	187	277	-
Long-term finance lease receivables - related parties	10,982	11,602	17,544
Less: loss allowances	(6,312)	(4,608)	(6,631)
	<u><u>\$ 1,152,032</u></u>	<u><u>1,247,686</u></u>	<u><u>1,277,522</u></u>
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Contract liability - sales of goods	\$ 5,161	4,003	8,414
Contract liability-customer loyalty programmes	1,523	1,522	1,652
	<u><u>\$ 6,684</u></u>	<u><u>5,525</u></u>	<u><u>10,066</u></u>

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

The beginning balances of contract liabilities on January 1, 2022 and 2021 were recognized for the three months ended March 31, 2023 and 2022 as income of \$2,151 thousand and \$4,865 thousand, respectively.

#### (XXVII) 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 for the three months ended March 31, 2023 and 2022 were NT\$3,002 thousand and NT\$9,517 thousand, respectively, and the estimated amounts of directors' remuneration were NT\$500 thousand and NT\$1,586 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 2022 and 2021, the Company appropriated \$24,494 thousand and \$19,466 thousand respectively for employees' remuneration, and \$4,082 thousand and \$3,244 thousand respectively for directors' remuneration, which did not differ from the resolutions on distribution of employees' and directors' remuneration by the Company's Board of Directors in 2022 and 2021. Relevant information can be found on the MOPS.

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

## (XXVIII) Other net income and expenses

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Income from sublease of investment properties	\$ 10,693	10,232
Losses on disposal of property, plant and equipment	(1)	(11)
Lease modification gains	337	144
Income from subleases of right-of-use assets	8,879	8,676
	<u>\$ 19,908</u>	<u>19,041</u>

## (XXIX) Non-operating income and expenses

### 1. Interest income

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Bank deposit interest	\$ 780	128
Other interest income	5	2
	<u>\$ 785</u>	<u>130</u>

### 2. Other income

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Rental income	\$ -	86
Royalty income	1,303	-
Government grants	2,388	-
Logistics income	1,584	-
Others	2,474	7,637
	<u>\$ 7,749</u>	<u>7,723</u>

### 3. Other gains and losses

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Foreign exchange gains (losses)	\$ (440)	3,610
(Losses) gains on financial assets at fair value through profit or loss	11,450	(66)
Others	(74)	(363)
	<u>\$ 10,936</u>	<u>3,181</u>

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

## 4. Finance costs

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Interest on loans from financial institutions	\$ 9,670	2,097
Amortization of interest on lease liabilities	3,009	3,398
Others	4	23
	<b>\$ 12,683</b>	<b>5,518</b>

## (XXX) Financial instruments

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

### 1. Credit risk of accounts receivable

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

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

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

The Consolidated Company made no provision of loss allowances for other financial assets measured at amortized cost as of March 31, 2023, December 31 and March 31, 2022 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
<b>March 31, 2023</b>							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	877,267	877,267	376,596	483,305	2,022	15,344	-
lease liabilities	592,702	635,110	11,687	51,516	57,861	195,323	318,723
Floating rate instruments	1,493,655	1,430,133	8,309	293,146	115,394	347,705	665,579
Fixed-rate instruments	54,966	55,000	55,000	-	-	-	-
	<b>\$ 3,018,590</b>	<b>2,997,510</b>	<b>451,592</b>	<b>827,967</b>	<b>175,277</b>	<b>558,372</b>	<b>984,302</b>
<b>December 31, 2022</b>							
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	-	-	-	-
	<b>\$ 3,159,314</b>	<b>3,292,595</b>	<b>742,397</b>	<b>743,605</b>	<b>210,127</b>	<b>573,144</b>	<b>1,023,322</b>

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

	Carrying amount	Contractual cash flows	Paid immediately or within 1 month	Within 6 months	6~12 months	1~3 years	Over 3 years
<b>March 31, 2022</b>							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	822,345	822,345	222,406	598,608	1,017	314	-
lease liabilities	688,471	741,642	32,358	58,985	87,707	238,317	324,275
Floating rate instruments	484,266	495,922	86,826	222,936	68,075	59,692	58,393
Fixed-rate instruments	54,946	55,000	-	55,000	-	-	-
	<b>\$ 2,050,028</b>	<b>2,114,909</b>	<b>341,590</b>	<b>935,529</b>	<b>156,799</b>	<b>298,323</b>	<b>382,668</b>

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

### 3. Market risk

#### (1) Exchange rate risk

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

	March 31, 2023				December 31, 2022			March 31, 2022		
	Foreign currency	Exchange rate (NT\$)	NT\$		Foreign currency	Exchange rate (NT\$)	NT\$	Foreign currency	Exchange rate (NT\$)	NT\$
Financial asset										
Monetary items										
USD	\$	2,417	30.45	73,598	2,466	30.710	75,731	3,410	28.625	97,611
CNY		34	4.431	151	34	4.4080	150	-	-	-
EUR		202	33.15	6,696	147	32.720	4,810	872	31.920	27,834
Non-monetary items										
USD	\$	8,635	30.45	262,947	8,911	30.710	273,657	9,352	28.631	267,757
CNY		6,597	4.431	29,231	6,655	4.408	29,335	6,674	4.506	30,073
Financial liability										
Monetary items										
USD		646	30.45	19,671	432	30.710	13,267	-	-	-

The exchange rate risk of the Consolidated Company mainly comes from cash and cash equivalents as well as accounts and borrowings receivable denominated in foreign currencies, which generate foreign currency exchange gains and losses during translation. On March 31, 2023 and 2022, if the New Taiwan dollar appreciated and depreciated by 5% against the U.S. dollar, Renminbi and Euro, while all other factors remained unchanged, the net profit before tax for the three months ended March 31, 2023 and 2022 would decrease or increase by \$3,039 thousand and \$6,272 thousand, respectively. The analysis of the two periods was conducted on the same basis.

Due to the variety of functional currencies used by the Consolidated Company, information on exchange gains and losses on monetary items was disclosed on a consolidated basis. Foreign currency exchange gains (losses) (both realized and unrealized) for the three months ended March 31, 2023 and 2022 amounted to \$(440) thousand and \$3,610 thousand, respectively.

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

### (2) Interest rate risk

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

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

If the interest rate increases or decreases by 20 basis points, while all other variables remain unchanged, the pre-tax net profit of the Consolidated Company for the three months ended March 31, 2023 and 2022 will increase or decrease by \$2,987 thousand and \$969 thousand, mainly due to changes in the interest rate of the Consolidated Company's floating rate loans.

### (3) Other price risks

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

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
<b>Price of securities at the reporting date</b>	<b>Post-tax profit or loss</b>	<b>Post-tax profit or loss</b>
Up 10%	\$ -	5,968
Down 10%	\$ -	(5,968)

## 4. Information on fair values

### (1) Type and fair value of financial instruments

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

	<b>March 31, 2023</b>				
	<b>Fair value</b>				
	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Fund beneficiary certificates	\$ 10,369	10,369	-	-	10,369
Non-TWSE/TPEX listed stocks	22,337	-	-	22,337	22,337
Subtotal	32,706	10,369	-	22,337	32,706
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEX listed stocks	330,768	-	-	330,768	330,768
Non-overseas listed stocks	262,947	-	-	262,947	262,947
Limited partnership interests	118,004	-	-	118,004	118,004
Subtotal	711,719	-	-	711,719	711,719

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

		March 31, 2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost						
Cash and cash equivalents	\$	1,520,054	-	-	-	-
Restricted bank deposits		54,291	-	-	-	-
Net notes receivable and accounts receivable (including related parties)		1,136,005	-	-	-	-
Other net receivables (including related parties)		77,674	-	-	-	-
Finance lease receivables (including those due within one year)		16,027	-	-	-	-
Subtotal		2,804,051	-	-	-	-
Total	\$	3,548,476	10,369	-	734,056	744,425
Financial liabilities at amortized cost						
Short-term loans	\$	501,975	-	-	-	-
Long-term loans (including those due within one year)		991,680	-	-	-	-
Short-term bills payable		54,966	-	-	-	-
Notes and accounts payable (including related parties)		638,885	-	-	-	-
Other payables (including related parties)		225,194	-	-	-	-
Long-term accounts payable (including those due within one year)		13,188	-	-	-	-
Lease liabilities (including those due within one year)		592,702	-	-	-	-
Total	\$	3,018,590	-	-	-	-
		December 31, 2022				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:						
Fund beneficiary certificates	\$	10,341	10,341	-	-	10,341
TPEX listed stocks		61,912	61,912	-	-	61,912
Non-TWSE/TPEX listed stocks		20,174	-	-	20,174	20,174
Subtotal		92,427	72,253	-	20,174	92,427
Financial assets at fair value through other comprehensive income						
Non-TWSE/TPEX listed stocks		306,190	-	-	306,190	306,190
Non-overseas listed stocks		273,661	-	-	273,661	273,661
Limited partnership interests		101,029	-	-	101,029	101,029
Subtotal		680,880	-	-	680,880	680,880
Financial assets at amortized cost						
Cash and cash equivalents		1,535,182	-	-	-	-
Restricted bank deposits		45,591	-	-	-	-
Net notes receivable and accounts receivable (including related parties)		1,230,380	-	-	-	-
Other net receivables (including related parties)		82,048	-	-	-	-
Finance lease receivables (including those due within one year)		17,306	-	-	-	-
659637		2,910,507	-	-	-	-
Total	\$	3,683,814	72,253	-	701,054	773,307

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

		December 31, 2022				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
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	-	-	-	-
		March 31, 2022				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Fund beneficiary certificates	\$	10,285	10,285	-	-	10,285
TPEX listed stocks		59,684	59,684	-	-	59,684
Non-TWSE/TPEX listed stocks		23,043	-	-	23,043	23,043
Subtotal		93,012	69,969	-	23,043	93,012
Financial assets at fair value through other comprehensive income						
Non-TWSE/TPEX listed stocks		253,002	-	-	253,002	253,002
Non-overseas listed stocks		267,756	-	-	267,756	267,756
Limited partnership interests		68,761	-	-	68,761	68,761
Subtotal		589,519	-	-	589,519	589,519
Financial assets at amortized cost						
Cash and cash equivalents		1,438,449	-	-	-	-
Restricted bank deposits		51,038	-	-	-	-
Net notes receivable and accounts receivable (including related parties)		1,251,547	-	-	-	-
Other net receivables (including related parties)		27,639	-	-	-	-
Finance lease receivables (including those due within one year)		25,975	-	-	-	-
Subtotal		2,794,648	-	-	-	-
Total	\$	3,477,179	69,969	-	612,562	682,531
Financial liabilities at amortized cost						
Short-term loans	\$	335,000	-	-	-	-
Long-term loans (including those due within one year)		149,266	-	-	-	-
Short-term bills payable		54,946	-	-	-	-
Notes and accounts payable (including related parties)		612,172	-	-	-	-
Other payables (including related parties)		210,173	-	-	-	-
Lease liabilities (including those due within one year)		688,471	-	-	-	-
Total	\$	2,050,028	-	-	-	-

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

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

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

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

- Stocks issued by TPEX listed companies

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

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

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

(3) There was no change in the fair value hierarchy of financial assets during the three months ended March 31, 2023 and 2022.

(4) Table of Changes in Level 3

	<b>Measured at fair value through profit or loss</b>	<b>Measured at fair value through other comprehensive income</b>
	<b>Non-derivative financial assets mandatorily measured at fair value through profit or loss</b>	<b>Equity instruments without quoted prices</b>
January 1, 2023	\$ 20,174	680,880
Total gains or losses		
Recognized in profit or loss	2,163	-
Recognized in other comprehensive income	-	28,939
Purchase	-	7,000
Capital returned due to capital reduction	-	(5,100)
March 31, 2023	<u><u>\$ 22,337</u></u>	<u><u>711,719</u></u>



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

	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	115	-
Recognized in other comprehensive income	-	(2,486)
Purchase	-	46,581
March 31, 2022	<b>\$ 23,043</b>	<b>589,519</b>

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 March 31, 2023 and 2022 are as follows:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Total gains or losses		
Recognized in profit or loss (presented in "other gains and losses")	\$ 2,163	115
Recognized in other comprehensive income (presented in "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income")	28,939	(2,486)

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

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

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

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

	Inputs	Up or down	Changes 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
<b>March 31, 2023</b>						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,396	(1,396)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	43,589	(43,994)
<b>December 31, 2022</b>						
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)

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

	Inputs	Up or down	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
<b>March 31, 2022</b>						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,440	(1,440)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	37,896	(33,380)

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

(XXXI) Financial risk management

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

(XXXII) Capital management

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

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

The non-cash investing and financing activities of the Consolidated Company during the three months ended March 31, 2023 and 2022 are as follows:

1. Please refer to Note 6 (11) for obtaining right-of-use assets and investment properties through leasing.
2. Cash paid for purchase of property, plant and equipment is as follows:

	For the three months ended <b>March 31, 2023</b>	For the three months ended <b>March 31, 2022</b>
Acquisition of property, plant and equipment	\$ 48,149	7,759
Net changes in equipment payables	52,477	(2,949)
Cash paid	<b>\$ 100,626</b>	<b>4,810</b>

Cash paid for purchase of intangible assets is as follows:

	For the three months ended <b>March 31, 2023</b>	For the three months ended <b>March 31, 2022</b>
Acquisition of intangible assets	\$ 18,745	12,485
Net changes in payables on technology patent authorization	328	-
Cash paid	<b>\$ 19,073</b>	<b>12,485</b>

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

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

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Disposal of property, plant and equipment	\$ 76	102,137
Net changes in equipment receivables	-	(4,864)
Cash received	<u>\$ 76</u>	<u>97,273</u>

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

	Changes in non-cash items					
				Effects of changes in foreign exchange rates		
	January 1, 2023	Cash flows	Lease changes		Others	March 31, 2023
Short-term loans	\$ 306,254	195,941	-	(220)	-	501,975
Short-term bills payable	54,892	-	-	-	74	54,966
Long-term loans (including those due within one year)	999,376	(7,696)	-	-	-	991,680
Lease liabilities (including those due within one year)	645,079	(30,323)	(22,054)	-	-	592,702
Deposits received	18,022	2,286	-	-	-	20,308
	<u>\$ 2,023,623</u>	<u>160,208</u>	<u>(22,054)</u>	<u>(220)</u>	<u>74</u>	<u>2,161,631</u>

	Changes in non-cash items					
				Effects of changes in foreign exchange rates		
	January 1, 2022	Cash flows	Lease changes		Others	March 31, 2022
Short-term loans	\$ 276,100	58,902	-	(2)	-	335,000
Short-term bills payable	54,979	(54)	-	-	21	54,946
Long-term loans (including those due within one year)	157,527	(8,261)	-	-	-	149,266
Lease liabilities (including those due within one year)	720,179	(30,746)	(962)	-	-	688,471
Deposits received	8,926	4,040	-	-	-	12,966
	<u>\$ 1,217,711</u>	<u>23,881</u>	<u>(962)</u>	<u>(2)</u>	<u>21</u>	<u>1,240,649</u>

## VII. Transactions with Related Parties

### (I) Name of and relationship with related parties

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

Name of the related party	Relationship with the Consolidated Company
Minsheng Medical Holding Co., Ltd.	Parent company
Employee Community Co., Ltd.	Associate
Air Long-Term Care Co., Ltd.	Associate
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	Substantial related party (Minsheng medical system)
Minsheng Hospital	

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

<u>Name of the related party</u>	<u>Relationship with the Consolidated Company</u>
YES Chang Sheng Pharmacy	Substantial related party
Shengyu Health Technologies Co., Ltd.	Substantial related party
Minsheng Asset Management Co., Ltd.	Substantial related party
Employee Clinic of Hsinchu Science and Industry Park	Substantial related party
Po'en Management Consulting Co., Ltd.	Substantial related party
Shengli Management Consulting Co., Ltd.	Substantial related party
Pisheng Construction Co., Ltd (hereinafter referred to as Pisheng Construction)	Substantial related party
Zhiyi Clinic	Substantial related party
Shengyu Clinic	Substantial related party
Shengjen Clinic	Substantial related party
Hafo Clinic	Substantial related party
Fuying Clinic	Substantial related party
Ssu-kang Chang	Other related parties
Hung-jen Yang	The management
Kun-chang Yang	The management

(II) Significant transactions with related parties

1. Sales of goods

<u>Category of the related party</u>	<u>Operating revenue</u>	
	<u>For the three months ended</u>	<u>For the three months ended</u>
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Substantial related party		
Minsheng General Hospital	\$ 252,488	230,705
Others	20,256	20,341
	<u><u>\$ 272,744</u></u>	<u><u>251,046</u></u>

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

2. Service provision

<u>Category of the related party</u>	<u>Operating revenue</u>	
	<u>For the three months ended</u>	<u>For the three months ended</u>
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Substantial related party		
Minsheng General Hospital	\$ 112,040	223,567
Others	6,275	10,751
	<u><u>\$ 118,315</u></u>	<u><u>234,318</u></u>

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

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

### 3. Leases

Category of the related party	Operating revenue	
	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Substantial related party		
Minsheng General Hospital	\$ 9,974	9,735
Fuying Clinic	10,021	10,021
Hafo Clinic	3,670	3,585
Others	4,643	3,238
	<b>\$ 28,308</b>	<b>26,579</b>

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

Category of the related party	Operating costs and operating expenses - rent expenses	
	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Substantial related party	\$ 581	502
Parent company	117	115
	<b>\$ 698</b>	<b>617</b>

The Consolidated 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	
	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Substantial related party	\$ -	317

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

### 5. Acceptance of services

Category of the related party	Operating costs and operating expenses	
	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Associate	-	-
Substantial related party	<b>\$ 2,003</b>	<b>589</b>

For the services provided by the Consolidated 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.

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

6. Receivables due from related parties

<b>Category of the related party</b>	<b>Account items</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Substantial related party				
Minsheng General Hospital	Accounts receivable	\$ 833,382	910,381	885,457
Fuying Clinic	Accounts receivable	68,440	62,976	69,486
Others	Accounts receivable	57,746	64,259	68,670
Parent company	Accounts receivable	3	-	-
Minsheng General Hospital	Finance lease receivables	1,243	1,720	(1,934)
Lungtan Minsheng Hospital	Finance lease receivables	945	1,108	(1,231)
Tayuan Minsheng Hospital	Finance lease receivables	2,210	2,267	(2,210)
Shengjen Clinic	Finance lease receivables	-	-	3,056
Zhiyi Clinic	Finance lease receivables	118	-	-
Substantial related party				
Minsheng General Hospital	Long-term finance lease receivables	-	-	1,243
Lungtan Minsheng Hospital	Long-term finance lease receivables	1,676	1,905	1,968
Tayuan Minsheng Hospital	Long-term finance lease receivables	9,189	9,697	11,399
Shengjen Clinic	Long-term finance lease receivables	-	-	2,934
Zhiyi Clinic	Long-term finance lease receivables	116	-	-
Substantial related party				
Hafo Clinic	Other receivables	4,630	5,955	18,251
Fuying Clinic	Other receivables	20,029	20,029	6,550
Others	Other receivables	383	461	129
		<b>\$ 1,000,110</b>	<b>1,080,758</b>	<b>1,063,768</b>

7. Payables to related parties

<b>Category of the related party</b>	<b>Account items</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Substantial related party				
Minsheng General Hospital	Accounts payable	\$ 1,327	1,850	4,071
Fuying Clinic	Accounts payable	885	-	-
Others	Accounts payable	532	1,645	1,123
Associate	Accounts payable	65	61	-
Parent	Other payables	-	41	-
Substantial related party	Other payables	638	1,132	274
The management	Other payables	67	107	247
Associate	Other payables	-	12	13
		<b>\$ 3,514</b>	<b>4,848</b>	<b>5,728</b>

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

## 8. Endorsement/Guarantee

### (1) Lease contracts

Category of the related party	March 31, 2023	December 31, 2022	March 31, 2022
Substantial related party - Minsheng General Hospital	\$ 227,598	227,598	226,466

### (2) Bank loans:

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

## 9. Others

Category of the related party	Account items	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Substantial related party	Operating costs - other expenses	\$ 268	1,991
Associate	Operating expenses - other expenses	48	-
Substantial related party	Operating expenses - other expenses	1,646	1,488
Associate	Operating expenses - other expenses	-	650
Parent	Other income and losses - rental income	144	143
Substantial related party	Other income - rental income	7,201	7,159

Category of the related party	Account items	March 31, 2023	December 31, 2022	March 31, 2022
Substantial related party				
Pisheng Construction	Prepayments	\$ 3,739	3,739	-
Pisheng Construction	Long-term prepayments	3,739	4,673	-
Substantial related party	Temporary payments	2,089	-	-
Substantial related party				
Minsheng General Hospital	Refundable deposits	282,340	282,340	285,112
Fuying Clinic	Refundable deposits	15,000	15,000	15,000
Hafo Clinic	Refundable deposits	21,000	18,000	26,000
Others	Refundable deposits	35,686	31,686	34,886
Parent	Refundable deposits	82	82	81
Substantial related party				
Minsheng General Hospital	Deposits received	7,034	6,991	4,985
Tayuan Minsheng Hospital	Deposits received	902	902	902
Others	Deposits received	112	112	212
Parent	Deposits received	101	100	-

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

### (III) Transactions with key management personnel

Remuneration paid to key management personnel includes:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Short-term employee benefits	\$ 11,190	12,530
Post-employment benefits	286	252
	<u>\$ 11,476</u>	<u>12,782</u>

### VIII. Pledged Assets

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

Name of the asset	Pledge object	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at amortized cost-current	Guarantee letters for bank loans and leases	\$ 13,701	5,001	7,000
Financial assets at amortized cost-non-current	Guarantees for bank loans and commercial papers	40,590	40,590	44,038
Investment properties	Bank loans	178,087	178,420	179,421
Property, plant and equipment	Bank loans	1,151,250	1,155,534	-
		<u>\$ 1,383,628</u>	<u>1,379,545</u>	<u>230,459</u>

### IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

#### (I) Material unrecognized contractual commitments

	March 31, 2023	December 31, 2022	March 31, 2022
Purchase of property, plant and equipment	\$ 65,378	73,530	1,137,685
Purchase of intangible assets	546	546	400
Guaranteed notes issued for bank loan contracts	2,645,000	2,645,000	964,000
Issued and unused letters of credit	-	-	4,890
	<u>\$ 2,710,924</u>	<u>2,719,076</u>	<u>2,106,975</u>

#### (II) Collection and payment of contract prices:

1. The Consolidated 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 Consolidated Company during the entrustment period specified in the contract. The unrecognized amount is as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Unpaid amount	<u>\$ -</u>	<u>-</u>	<u>5,934</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Unpaid amount	<u>\$ 540</u>	<u>540</u>	<u>540</u>



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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Unpaid amount	\$ -	11,880	-

**X. Material Losses from Disasters: none.**

**XI. Material Subsequent Events: none.**

**XII. Others**

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

By function By property	For the three months ended March 31, 2023			For the three months ended March 31, 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Remuneration expenses	31,628	72,936	104,564	34,851	72,750	107,601
Labor and health insurance expenses	3,348	7,495	10,843	3,143	6,541	9,684
Pension expenses	1,613	3,680	5,293	1,377	3,326	4,703
Remuneration to directors	-	1,032	1,032	-	2,013	2,013
Other employee benefit expenses	1,590	3,170	4,760	1,578	3,156	4,734
depreciation expense	29,961	39,151	69,112	32,651	36,154	68,805
Amortization expenses	2,002	5,650	7,652	1,665	4,414	6,079

(II) Seasonality of operation:

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

**XIII. Items Disclosed in Notes**

(I) Information on major transactions

The information on major transactions that the Consolidated Company should disclose in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers during the three months ended March 31, 2023 is as follows:

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

Unit: NT\$ thousand

Serial No.	Name of the endorser/guarantor	Endorsee/guarantee		Limit of the guarantee/endorsement amount for a single enterprise	Maximum endorsement/guarantee balance for the period	Ending endorsement/guarantee balance	Actual expenditures	Amount of endorsement/s/guarantees with property guarantee	The ratio of accumulated endorsements/guarantees to the net value of the latest financial statements	Maximum amount limits for endorsement/s/guarantees	Endorsements/guarantees provided by subsidiaries to the parent company	Endorsements/guarantees provided by subsidiaries to the parent company	Endorsements/guarantees provided for enterprises in main China
		Name of company	Relationship										
0	ShareHope Medicine Co., Ltd.	Minsheng General Hospital	1	1,768,141	227,598	227,598	227,598	-	6.55%	1,737,501	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.

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

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

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

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

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

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

Unit: NT\$ thousand

Holder of securities	Type and name of securities	Relationship with securities issuer	Accounting items	End of the period				Remarks
				Contribution amount/number of shares (thousand shares or thousand)	Carrying amount	Shareholding ratio	Fair value	
The Company	Fund beneficiary certificates Federal Money Market Fund	None	Financial assets at fair value through profit or loss - current	771	10,369	-	10,369	
The Company	Stock Tsaihsin Health Business Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,000	22,337	3.70 %	22,337	
The Company	Stock Yichuang Second Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000	16,293	0.92 %	16,293	
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	2,490	61,476	2.86 %	61,476	
The Company	Stock Yiting Biotech Venture Capital Co., Ltd.	The Company is a legal person director of the company	Financial assets at fair value through other comprehensive income - non-current	4,875	62,413	7.50 %	62,413	
The Company	Stock BenQ BM Holding Cayman Corporation	None	Financial assets at fair value through other comprehensive income - non-current	5,258	262,947	2.15 %	262,947	
The Company	Limited partnership interests Chunghua Development Second Biomedical Venture Capital Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	67,868	93,852	3.22 %	93,852	
Mytrex Health Company	Stock -Minsheng Asset Management Co., Ltd.	The chairperson of the Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	2,120	21,711	3.37 %	21,711	
Mytrex Health Company	Stock Shangching Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	68	1,914	0.81 %	1,914	
Mytrex Health Company	Stock Intelligent Medical Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,760	24,706	9.99 %	24,706	
Mytrex Health Company	Stock Yiho Smart Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	250	4,870	19.53 %	4,870	
Mytrex Health Company	Stock Yichuang Second 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	40,733	2.29 %	40,733	
Pregetic Health Company	Stock Yita International Hospital Management Consulting Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	417	4,658	4.20 %	4,658	

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

Holder of securities	Type and name of securities	Relationship with securities issuer	Accounting items	End of the period				Remarks
				Contribution amount/number of shares (thousand shares or thousand)	Carrying amount	Shareholding ratio	Fair value	
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,000	20,731	14.29 %	20,731	
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,304	23,851	14.81 %	23,851	
Hung-Han Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	250	5,183	3.57 %	5,183	
Fuyi Company	Limited partnership interests	None	Financial assets at fair value through other comprehensive income - non-current	2,000	24,152	1.75 %	24,152	
Medzoneasia	Stock	None	Financial assets at fair value through other comprehensive income - non-current	500	42,229	10.00 %	42,229	
					711,719		711,719	

4. The amounts from purchase or sale of the same securities that accumulatively amount to NT\$300 million or account for more than 20% of paid-in capital: none.
5. The amounts from acquisition of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.
6. The amounts from disposal of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.
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)	(252,488)	(47.27) %	Net 180 days	-		787,184	79.82%	
The Company	Minsheng General Hospital	Substantial related party	Service income	(112,040)	(20.98) %	Net 30-180 days	-		36,663	3.72%	
									823,847		

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	823,847	0.42	-		130,068	193

9. Engagement in derivatives transactions: none.

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

## 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			Ratio of the amount to consolidated total operating income or total assets
				Item	amount	Transaction condition	
0	The Company	YES Health Company	1	Sales income	36,673	Net 60 days	4.09%
0	"	"	1	Accounts receivable - related parties	25,153	"	0.35%
0	"	"	1	Notes receivable - related parties	28,087	"	0.39%
0	"	Medzoneasia	1	Lease income	4,286	—	0.48%
1	Medzoneasia	The Company	2	Refundable deposits	3,003	—	0.04%
1	"	"	2	Right-of-use assets	43,007	—	0.59%
1	"	"	2	lease liabilities	49,149	—	0.68%
2	Pregetic Health Company	The Company	2	Right-of-use assets	5,138	—	0.07%
2	"	"	2	lease liabilities	5,186	—	0.07%

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

- 0 represents the parent company.
- 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:

- Parent to subsidiary.
- Subsidiary to parent.
- 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):

Information on reinvestment business of the Consolidated Company for the three months ended March 31, 2023 were as follows:

Unit: NT\$ thousand/thousand shares

Name of investor	Name of investee	Region	Principal business	Initial investment amount		Shareholding at the end of the period			Profits and losses of the investee for the period	Investment income and losses recognized for the period	Remarks
				End of the period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	Mytrex Health Company	Taoyuan City	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	310,286	310,286	22,454	61.46%	432,338	(6,556)	(4,030)	Note 1
The Company	ShareHope Medicine (HongKong) Co., Ltd.	Hong Kong, China	Investment management	44,831	44,831	1,500	100.00%	22,348	(526)	(526)	Note 1
The Company	Chungyuan Medical Management Co., Ltd.	Taoyuan City	Management Consulting Services	11,389	11,389	1,000	100.00%	14,695	-	(1)	Note 1
The Company	Pohui Biotechnology Co., Ltd.	Taipei City	Biotechnology Services	22,106	22,106	2,211	25.00%	3,952	(21)	(5)	Note 2
The Company	Medzoneasia	New Taipei City	Wholesale and trading of medicines and provision of medical information software services	314,169	314,169	15,654	62.12%	230,157	(7,648)	(3,936)	Note 1
The Company	Pregetic Health Company	Taoyuan City	Health management services	101,000	101,000	10,500	38.90%	105,339	(27,735)	(10,778)	Note 1
The Company	Shengshih Technology Co., Ltd.	Taipei City	Management Consulting Services	1,000	1,000	100	100.00%	830	(15)	(15)	Note 1
Mytrex Health Company	Mytrex USA Co.	California, USA	Health care support services	23,516	23,516	800	88.89%	12,166	(4)	(3)	Note 1
Mytrex Health Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management Consulting Services	10,000	10,000	667	22.37%	10,276	227	51	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%	296,690	(4,623)	(4,623)	Note 1
Mytrex Health Company	Sheng Yo Company	Tainan City	Health management services	20,000	20,000	2,000	90.91%	14,658	(736)	(670)	Note 1
Mytrex Health Company	YES Health Company	Taoyuan City	Wholesale and trading of medicines and management consulting for pharmacies	230,000	-	6,035	100.00%	235,068	453	1,864	Note 1 and 3
Chungyuan Medical Management Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management Consulting Services	2,000	2,000	200	6.71%	2,029	227	15	Note 2
Medzoneasia	TECHGROUP Integrate Design Co., Ltd.	New Taipei City	Medical information software services	50,759	50,759	1	51.00%	42,082	1,847	207	Note 1

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

Name of investee	Name of investee	Region	Principal business	Initial investment amount		Shareholding at the end of the period			Profits and losses of the investee for the period	Investment income and losses recognized for the period	Remarks
				End of the period	End of last year	Number of shares	Ratio	Carrying amount			
Medzoneasia	Global Biotech Multimedia Co., Ltd.	Taipei City	Magazine (periodical) publication	10,000	10,000	500	23.98%	9,166	(380)	(121)	Note 2
Medzoneasia	YES Health Company	Taoyuan City	Wholesale and trading of medicines and management consulting for pharmacies	-	221,180	-	- %	-	453	(1,632)	Note 3
Medzoneasia	Macro Global Corporation	Taichung City	Wholesale and trading of medicines	-	72,155	-	- %	-	1,677	1,013	Note 1 and 3
Medzoneasia	Digimed Co., Ltd.	Taipei City	Information software services	6,000	6,000	600	60.00%	2,394	(162)	(97)	Note 1
Pregetic Health Company	Hung-Han Company	Taipei City	Health management services	118,880	118,880	7,000	100.00%	76,285	(7,857)	(8,155)	Note 1
Pregetic Health Company	Employee Community Co., Ltd.	Taipei City	Advertising	1,700	1,700	170	48.57%	294	(191)	(93)	Note 2
Pregetic Health Company	Fuyi Company	Taipei City	Health management consulting services	219,288	204,288	19,500	100.00%	185,398	(10,425)	(10,559)	Note 1
Pregetic Health Company	Anchun Technology Co., Ltd.	Taipei City	Health management services	20,000	20,000	2,000	40.00%	18,720	(1,388)	(555)	Note 2
Hung-Han Company	Hanting Digital Technology Co., Ltd.	New Taipei City	Information software services	20,000	10,000	2,000	100.00%	8,491	(1,490)	(1,490)	Note 1
Hung-Han Company	Chinachem Biomedical Co., Ltd.	Taipei City	Healthcare services	10,000	10,000	1,000	100.00%	5,203	(3,292)	(3,292)	Note 1
Hung-Han Company	Macro Global Corporation	Taichung City	Wholesale and trading of medicines	74,820	-	6,450	100.00%	69,770	1,677	817	Note 1 and 3
Fuyi Company	Shangchia Health Business Co., Ltd.	Taipei City	Health management services	33,900	23,900	3,390	33.90%	34,412	(130)	(11)	Note 2
YES Health Company	Digimed Co., Ltd.	Taipei City	Information software services	2,000	2,000	200	20.00%	798	(162)	(32)	Note 1

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

Note 2: It is an affiliate of the Company.

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

### (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	Investment income and losses recognized in the period (Note 2)	Book value of investment at the end of the period	Investment income received as of the end of the period
					Outward remittance	Inward remittance						
Minsheng (Tianjin) Investment Management Co., Ltd.	Investment management	11,885	(2)	11,885	-	-	11,885	(306)	100.00%	(306)	3,118	-
Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd.	Hospital management consulting services	5,124	(1)	5,124	-	-	5,124	269	100.00%	269	6,884	-

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

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

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

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

#### 2. Limits for reinvestment in mainland China:

Unit: NT\$ thousand

Accumulated investment amount remitted from Taiwan to mainland China as of the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Investment limits in mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs (Note)
17,009	17,009	2,085,001

Note: 60% of the net value.

#### 3. Information on major transactions: none.

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

## (IV) Information about the major shareholder

Unit: share

Name of the major shareholder	Share	Number of shares held	Shareholding
Minsheng Medical Holding Co., Ltd.		34,822,800	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

For the three months ended March 31, 2023							
	Pharmaceutical	Health	Technological			Adjustment	
	Distribution	Management	Materials	Hospital	Other	and	
	Department	Department	Department	Department	departments	cancellation	Total
Revenue:							
Revenue from external customers	\$ 610,886	174,154	40,054	25,164	46,000	-	896,258
Interdepartmental revenue	37,026	1,172	22	30	4,286	(42,536)	-
Total revenue	<u>\$ 647,912</u>	<u>175,326</u>	<u>40,076</u>	<u>25,194</u>	<u>50,286</u>	<u>(42,536)</u>	<u>896,258</u>
Profits and losses of reportable departments	<u>\$ 21,885</u>	<u>24,861</u>	<u>1,867</u>	<u>10,679</u>	<u>(52,085)</u>	<u>19,876</u>	<u>27,083</u>
For the three months ended March 31, 2022							
	Pharmaceutical	Health	Technological			Adjustment	
	Distribution	Management	Materials	Hospital	Other	and	
	Department	Department	Department	Department	departments	cancellation	Total
Revenue:							
Revenue from external customers	\$ 650,368	225,092	53,340	76,112	35,543	-	1,040,455
Interdepartmental revenue	51,363	-	32	30	-	(51,425)	-
Total revenue	<u>\$ 701,731</u>	<u>225,092</u>	<u>53,372</u>	<u>76,142</u>	<u>35,543</u>	<u>(51,425)</u>	<u>1,040,455</u>
Profits and losses of reportable departments	<u>\$ 20,893</u>	<u>85,162</u>	<u>3,109</u>	<u>61,036</u>	<u>(58,049)</u>	<u>17,173</u>	<u>129,324</u>