

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

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

**For the Three Months Ended March 31, 2024 and 2023**

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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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 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 amounted to NT\$561,666 thousand and accounted for 7.72% of the total consolidated assets; and the net operating revenue for the three months ended March 31, 2023 amounted to NT\$38,416 thousand and accounted for 4.29% of the net consolidated operating revenue. The equity method investments as of March 31, 2023 amounted to NT\$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 NT\$(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      Tai-Tsai-Zheng-(6)-Zi-0930106739  
and certified by the securities      : Jin-Kuan-Zheng-Shen-Zi-1040003949  
regulatory  
May 10, 2024

## Unit: NT\$ thousand

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**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**

**Unit: NT\$ thousand**

		<b>For the three months ended March 31, 2024</b>		<b>For the three months ended March 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Note 6(27) and 7)</b>	\$ 972,549	100	896,258	100
5000	<b>Operating costs (Notes 6(7), (11), (12), (22) and 7)</b>	(801,294)	(82)	(729,204)	(81)
	<b>Gross profit</b>	171,255	18	167,054	19
	<b>Operating expenses (Notes 6(4), (11), (12), (19), (22), and 7):</b>				
6100	Marketing expenses	(64,810)	(7)	(53,899)	(6)
6200	Administrative expenses	(102,185)	(11)	(107,795)	(12)
6300	R&D expenses	(2,088)	-	(2,557)	1
6235	Losses on expected credit impairment	(17)	-	(1,696)	-
	<b>Total operating expenses</b>	(169,100)	(18)	(165,947)	(19)
6500	Other gains and losses, net (Note 6(29))	20,658	2	19,908	2
	<b>Net operating income</b>	22,813	2	21,015	2
	<b>Non-operating income and expenses (Note (19) and (30)):</b>				
7100	Interest income	985	-	785	-
7010	Other income	8,298	1	7,749	1
7020	Other gains and losses	5,952	-	10,936	1
7050	Finance costs	(14,127)	(1)	(12,683)	(1)
7770	Share of gains (losses) of affiliates recognized by the equity method	463	-	(719)	-
	<b>Total non-operating income and expenses</b>	1,571	-	6,068	1
7900	<b>Net income before tax</b>	24,384	2	27,083	3
7950	<b>Income tax expenses (Note 6(23))</b>	(10,886)	(1)	(12,045)	(1)
	<b>Net income for the period</b>	13,498	1	15,038	2
8300	<b>Other comprehensive income (Note 6(23) and (24)):</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	66,612	7	28,939	3
8349	Less: income taxes related to non-reclassified items	13,250	1	(797)	-
	<b>Total items not reclassified to profit or loss</b>	53,362	6	29,736	3
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	1,097	-	36	-
8399	Less: income taxes related to items that may be reclassified	206	-	10	-
	<b>Total items that may be reclassified to profit or loss subsequently</b>	891	-	26	-
8300	<b>Other comprehensive income for the period</b>	54,253	6	29,762	3
8500	<b>Total comprehensive income for this period</b>	<b>\$ 67,751</b>	<b>7</b>	<b>44,800</b>	<b>5</b>
	<b>Net profit attributable to (Note 6(10)):</b>				
8610	Owners of the parent company	\$ 24,529	2	37,404	4
8620	Non-controlling interests	(11,031)	(1)	(22,366)	(2)
		<b>\$ 13,498</b>	<b>1</b>	<b>15,038</b>	<b>2</b>
	<b>Total comprehensive income attributable to (Note 6(10)):</b>				
8710	Owners of the parent company	\$ 77,781	8	63,598	7
8720	Non-controlling interests	(10,030)	(1)	(18,798)	(2)
		<b>\$ 67,751</b>	<b>7</b>	<b>44,800</b>	<b>5</b>
	<b>Earnings per share (NTD ) (Note 6(26))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 0.19</b>		<b>0.30</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 0.19</b>		<b>0.29</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**

ShareHope Medicine Co., Ltd. and its subsidiaries  
Consolidated Statement of Changes in Equity  
For the three months ended March 31, 2024 and 2023

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-controlling interests	Total equity
Balance on January 1, 2023	\$ 1,200,422	1,264,508	187,098	26,136	734,669	(2,089)	8,515	3,419,259	679,736	4,098,995
Net income for the period	-	-	-	-	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)
Balance on March 31, 2023	<u>\$ 1,200,422</u>	<u>1,258,773</u>	<u>187,098</u>	<u>26,136</u>	<u>769,952</u>	<u>(2,018)</u>	<u>34,638</u>	<u>3,475,001</u>	<u>643,777</u>	<u>4,118,778</u>
Balance on January 1, 2024	\$ 1,260,443	1,155,834	216,895	-	732,111	(2,507)	125,160	3,487,936	467,523	3,955,459
Net income for the period	-	-	-	-	24,528	-	-	24,528	(11,030)	13,498
Other comprehensive income for the period	-	-	-	-	-	666	52,587	53,253	1,000	54,253
Total comprehensive income for this period	-	-	-	-	24,528	666	52,587	77,781	(10,030)	67,751
Changes in ownership interests in subsidiaries	-	(2,137)	-	-	-	-	-	(2,137)	4,899	2,762
Balance on March 31, 2024	<u>\$ 1,260,443</u>	<u>1,153,697</u>	<u>216,895</u>	<u>-</u>	<u>756,639</u>	<u>(1,841)</u>	<u>177,747</u>	<u>3,563,580</u>	<u>462,392</u>	<u>4,025,972</u>

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

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the three months ended March 31, 2024 and 2023**

**Unit: NT\$ thousand**

	<b>For the three months ended March 31, 2024</b>	<b>For the three months ended March 31, 2023</b>
<b>Cash flows from operating activities:</b>		
Net income before tax for the period	\$ 24,384	27,083
Items adjusted:		
Income and expense items		
depreciation expense	73,272	69,112
Amortization expenses	6,288	7,652
Losses on expected credit impairment	17	1,696
Net gains on financial assets at fair value through profit or loss	(4,225)	(11,450)
Interest expenses	14,128	12,683
Interest income	(985)	(785)
Dividend income	(2,444)	-
Share of (gains) losses of affiliates recognized by the equity method	(463)	719
(Gains) losses on disposal and retirement of properties, plants and equipment	(136)	1
Unrealized foreign exchange gains	-	(311)
Lease modification gains	-	(337)
Total income and expense items	85,452	78,980
Changes in assets/liabilities related to operating activities:		
Notes receivable (including related parties)	1,328	2,614
Accounts receivable (including related parties)	62,777	94,299
Lease payments receivable (including related parties)	(8,470)	(2,708)
Other receivables (including related parties)	(27,806)	3,443
Inventories	10,231	(20,537)
Prepayments	2,843	(16,620)
Other current assets	(1,518)	(7,375)
Notes payable (including related parties)	(6,780)	(351)
Accounts payable (including related parties)	(36,993)	(163,554)
Other payables (including related parties)	(66,655)	(60,372)
contract liability	1,624	1,159
Other current liabilities	9,241	1,913
Net defined benefit liabilities	(1,269)	(19)
Total net changes in assets and liabilities related to operating activities	(61,447)	(168,108)
Cash inflow from operation	48,389	(62,045)
Interests received	985	785
Interests paid	(13,724)	(12,216)
Income taxes paid	(3)	(18)
<b>Cash inflow (outflow) from operating activities</b>	<b>35,647</b>	<b>(73,494)</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



**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Consolidated Cash Flow Statement (Continued)**  
**For the three months ended March 31, 2024 and 2023**

**Unit: NT\$ thousand**

	<b>For the three months ended March 31, 2024</b>	<b>For the three months ended March 31, 2023</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ (42,510)	(7,000)
Capital returned due to capital reduction in financial assets at fair value through other comprehensive income	1,483	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	(16,908)	(8,700)
Acquisition of property, plant and equipment	(24,699)	(100,626)
Disposal of property, plant and equipment	18	76
Increase in refundable deposits	(12,980)	(7,362)
Decrease in other receivables-related parties	6,990	927
Acquisition of intangible assets	(3,451)	(19,073)
Decrease (increase) in other non-current assets	3,115	(2,069)
Dividends received	2,444	-
<b>Cash outflow from investing activities:</b>	<u>(86,498)</u>	<u>(77,556)</u>
<b>Cash flows from financing activities:</b>		
(Decrease) increase in short-term loans	(30,460)	195,941
Borrowing of long-term loans	2,550	-
Repayment of long-term loans	(12,699)	(7,696)
(Decrease) increase in deposits received	(803)	2,286
Lease principal payment	(30,631)	(30,323)
Buyback cost of treasury stock	-	(24,394)
Changes in non-controlling interests	2,762	-
<b>Cash (outflow) inflow from financing activities</b>	<u>(69,281)</u>	<u>135,814</u>
Impact of exchange rate changes on cash and cash equivalents	1,142	108
Decrease in cash and cash equivalents for the period	(118,990)	(15,128)
Balance of cash and cash equivalents at the beginning of the period	1,383,022	1,535,182
Balance of cash and cash equivalents at the end of the period	<u><u>\$ 1,264,032</u></u>	<u><u>1,520,054</u></u>
<b>Composition of cash and cash equivalents:</b>		
Cash and cash equivalents reported in the balance sheet	\$ 1,261,724	1,520,054
Cash and cash equivalents classified as disposal groups held for sold	2,308	-
Balance of cash and cash equivalents at the end of the period	<u><u>\$ 1,264,032</u></u>	<u><u>1,520,054</u></u>

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

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

**ShareHope Medicine Co., Ltd. and its subsidiaries**  
**Notes to Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 and 2023**  
(Unless otherwise specified, all amounts are in NT\$ thousand)

**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 10, 2024.

**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, 2024, which made no significant impact on the Consolidated Financial Statements.

Amendment to “Classification of Liabilities as Current or Non-current” under IAS 1

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

·Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

·Amendment to “Requirements for Sale and Leaseback Transactions” under IFRSs 16

- (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:

Newly issued or amended standards	Major amendments	Effective date of standards issued by the Board
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standard introduces three categories of income and expenses, two subtotals of income statement, and a single note on management performance measures. These three amendments and enhanced guidance on how to disaggregate information in financial statements lay the foundation for providing users with better and more consistent information and will affect all companies.</p> <ul style="list-style-type: none"> <li>• More structured income statement: Under existing standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a newly defined subtotal of "operating income," and stipulates that all income and expenses are classified into three new different categories based on the company's main operating activities.</li> </ul>	January 1, 2027

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

Newly issued or amended standards	Major amendments	Effective date of standards issued by the Board
IFRS 18 "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> <li>Management performance measures (MPM): The new standard introduces the definition of MPM and requires companies to disclose, in a single note to the financial statements, descriptions of why each measurement is able to provide useful information, how it is calculated, and how these indicators are reconciled with the amounts recognized in accordance with the IFRSs.</li> <li>More detailed information: The new standard includes guidance on how companies strengthen the grouping of information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

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
- Amendments to IAS 21 "Lack of Exchangeability"

## 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 IFRSs endorsed by the FSC) for a complete set of the annual Consolidated Financial Statements.

Except for 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, 2023. For the related information, please refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2023.

### (II) Consolidation basis

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

Name of investor	Name of subsidiary	Nature of business	Percentage of equity held			Explanation
			March 31, 2024	December 31, 2023	March 31, 2023	
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 investor	Name of subsidiary	Nature of business	Percentage of equity held			Explanation
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	ShareHope Medicine (HongKong) Co., Ltd. (hereinafter referred to as ShareHope Hong Kong Company)	Investment management	100.00%	100.00%	100.00%	
The Company	Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd. (hereinafter referred to as Minsheng Asia-Pacific (Beijing) Company)	Hospital management consulting services	100.00%	100.00%	100.00%	
The Company	Pregetic Medical Health Co., Ltd. (hereinafter referred to as Pregetic Health Company)	Health management services	38.90%	38.90%	38.90%	
The Company	Medzoneasia Co., Ltd. (hereinafter referred to as Medzoneasia, original name: Medzoneasia Co., Ltd.)	Health management services and hotels	91.47%	91.47%	62.12%	Note 1
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	Sheng Tai Food Technology Co., Ltd. (hereinafter referred to as "Sheng Tai Company")	Food and beverage retail	80.00%	80.00%	- %	
The Company	YWLT Co., Ltd. (hereinafter referred to as YWLT Company)	Biotechnology Services	100.00%	100.00%	- %	
Mytrex Health Company	Mytrex Industries Inc. (hereinafter referred to as Mytrex)	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	100.00%	100.00%	100.00%	
Mytrex Health Company	Mytrex USA Co. (formerly known as TSVC Co.)	Health care support services	88.89%	88.89%	88.89%	
Mytrex Health Company	Sheng Yo Rehabilitative Technologies, Inc. (hereinafter referred to as Sheng Yo Company)	Health management services	47.62%	90.91%	90.91%	Note 3
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%	100.00	100.00	Note 2
Medzoneasia	TECHGROUP Integrate Design Co., Ltd. (hereinafter referred to as TECHGROUP)	Medical information software services	51.00%	51.00%	51.00%	
Medzoneasia	Digimed	Information software services	60.00%	60.00%	60.00%	
YES Health Company	Digimed	Information software services	20.00%	20.00%	20.00%	
ShareHope (Hong Kong) Company	Minsheng (Tianjin) Investment Management Co., Ltd. (hereinafter referred to as Minsheng (Tianjin) Investment Company)	Investment management	100.00%	100.00%	100.00%	
Pregetic Health Company	Hung-Han 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	Chinachem Biomedical Co., Ltd. (hereinafter referred to as Chinachem)	Healthcare services	50.00%	50.00%	- %	
Hung-Han Company	Hanting Digital Technology Co., Ltd. (hereinafter referred to as Hanting Company)	Information software services	66.67%	66.67%	100.00%	
Hung-Han Company	Chinachem	Healthcare services	50.00%	50.00%	100.00%	
Hung-Han Company	Macro Global Corporation	Wholesale and trading of medicines	100.00%	100.00%	100.00%	Note 2
Macro Global Corporation	Hanting Digital Technology Co., Ltd. (hereinafter referred to as Hanting Company)	Information software services	33.33%	33.33%	-	

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

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

Note 3: In January 2024, Sheng Yo Company conducted a cash capital increase. However, MIN JIAN did not subscribe in proportion to its shareholding, which led to a decrease in its 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) Non-current assets held for sale (disposal groups)

#### 1. Non-current assets held for sale (disposal groups)

Non-current assets or disposal groups consisting of assets and liabilities are classified as held for sale if it is highly probable that their carrying amount will be recovered through sales rather than continuous use. Immediately before the initial classification of assets or compositions of a disposal group as held for sale, they shall be measured in accordance with applicable accounting policies of the Consolidated Company. After being classified as held for sale, the measurement shall be based on the lower of the carrying amount and fair value less costs to sell. Any impairment loss of disposal groups shall first be allocated to goodwill and then pro rata to the remaining assets and liabilities. However, the loss shall not be allocated to assets that are not within the scope of IAS 36 Impairment of Assets. The aforementioned items shall be continuously measured in accordance with the accounting policies of the Consolidated Company. The impairment loss recognized for the initial classification as held for sale and the gain arising from subsequent remeasurement is recognized as profit or loss, while the reversal gain shall not exceed the cumulative impairment loss recognized.

#### 2. Discontinued operation

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale by the Consolidated Company, and:

- (1) represents either a separate major line of business or a geographical area of operations,
- (2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- (3) is a subsidiary acquired exclusively with a view to resale.

An operation is classified as discontinued at the earlier of the date that the operation has been disposed of and the date that it meets the criteria to be classified as held for sale.

### (IV) 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.

### (V) 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, 2023.

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

## 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 2023 Consolidated Financial Statements. Please refer to Note 6 of the 2023 annual Consolidated Financial Statements.

### (I) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and working capital	\$ 5,856	5,956	5,183
Cheques, demand deposits and foreign currency deposits	1,205,048	1,326,305	1,464,387
Cash equivalents - repurchase bonds	50,820	50,761	50,484
	<b>\$ 1,261,724</b>	<b>1,383,022</b>	<b>1,520,054</b>

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

	March 31, 2024	December 31, 2023	March 31, 2023
<b>Financial assets mandatorily measured at fair value through profit or loss:</b>			
Non-derivative financial assets			
Fund beneficiary certificates	\$ 10,497	10,463	10,369
Non-TWSE/TPEX listed stocks	22,823	19,684	22,337
Limited partnership interests	25,439	-	-
	<b>\$ 58,759</b>	<b>30,147</b>	<b>32,706</b>
Current	\$ 10,497	10,463	10,369
Non-current	48,262	19,684	22,337
	<b>\$ 58,759</b>	<b>30,147</b>	<b>32,706</b>

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 NT\$71,171, and the accumulated gain or loss on disposal was NT\$34,300.

Please refer to Note 6 (30) 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, 2024	December 31, 2023	March 31, 2023
Stocks issued by non-TWSE/TPEX listed companies	\$ 368,773	348,419	330,768
Stocks issued by non-listed foreign companies	410,389	341,871	262,947
Limited partnership interests	119,062	124,682	118,004
	<b>\$ 898,224</b>	<b>814,972</b>	<b>711,719</b>

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.

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

The equity instruments of the limited partnerships invested in by the consolidated company are classified as financial assets at fair value through other comprehensive income. According to the IFRS Q&A issued by the Accounting Research and Development Foundation on June 15, 2023, such investments should be classified as financial assets at fair value through profit or loss. However, the Q&A states that it shall be applied from July 1, 2023. The equity instruments of the limited partnerships invested in by the consolidated company were acquired between 2020 and 2021, so there is no need for retrospective application.

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 10,945	12,273	10,509
Accounts receivable - measured at amortized cost	281,814	265,836	170,278
Accounts receivable-related parties - measured at amortized cost	1,030,918	1,105,850	961,530
Accounts receivable-finance lease payments - measured at amortized cost	194	291	388
Accounts receivable-related parties - finance lease payments - measured at amortized cost	14,593	13,429	5,378
Less: loss allowances	(7,701)	(7,657)	(6,312)
Unrealized interest income	(1,553)	(1,662)	(908)
	<u><u>\$ 1,329,210</u></u>	<u><u>1,388,360</u></u>	<u><u>1,140,863</u></u>

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, 2024		
	The carrying amount of notes and accounts receivable and finance lease receivables (including related parties)	Weighted average expected credit loss rate	Loss allowances for lifetime expected credit losses
Not overdue	\$ 1,269,783	0%~0.02%	236
Less than 60 days overdue	20,981	0%~10.00%	434
61~90 days overdue	8,160	0%~100%	481
91-120 days overdue	3,970	0%~100%	860
More than 121 days overdue	34,017	0%~100%	5,690
	<u><u>\$ 1,336,911</u></u>		<u><u>7,701</u></u>

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

	<b>December 31, 2023</b>		
	<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	\$ 1,344,276	0%~0.52%	218
Less than 60 days overdue	23,705	0%~15%	434
61~90 days overdue	9,204	0%~100%	481
91-120 days overdue	6,270	0%~40%	860
More than 121 days overdue	12,562	0%~100%	5,664
	<b><u>\$ 1,396,017</u></b>		<b><u>7,657</u></b>

	<b>March 31, 2023</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	\$ 1,108,847	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>

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, 2024</b>	<b>For the three months ended March 31, 2023</b>
Beginning balance	\$ 7,657	4,608
Impairment losses (gains on reversal)	17	1,696
Foreign currency translation gains and losses	27	8
Ending balance	<b><u>\$ 7,701</u></b>	<b><u>6,312</u></b>



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

(V) Other receivables

	March 31, 2024	December 31, 2023	March 31, 2023
Receivables from chain pharmacies	\$ 27,178	27,207	23,714
Other receivables- related parties	23,864	36,101	25,042
Others	39,607	11,457	29,804
Less: loss allowances	(882)	(865)	(886)
	<b><u>\$ 89,767</u></b>	<b><u>73,900</u></b>	<b><u>77,674</u></b>

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Beginning balance	\$ 865	882
Foreign currency translation gains and losses	17	4
Ending balance	<b><u>\$ 882</u></b>	<b><u>886</u></b>

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

(VI) Finance lease receivables

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Less than one year	\$ 14,787	13,720	5,766
1~2 years	10,245	10,570	3,623
2~3 years	3,652	6,070	3,154
3~4 years	1,770	3,106	2,980
4~5 years	1,199	2,720	1,770
More than 5 years	-	4,203	1,199
Gross investment in the lease	31,653	40,389	18,492
Unearned finance income	(2,760)	(3,705)	(2,465)
Present value of lease payments receivable	<b><u>\$ 28,893</u></b>	<b><u>36,684</u></b>	<b><u>16,027</u></b>
Current	\$ 13,234	12,058	4,858
Non-current	15,659	24,626	11,169
	<b><u>\$ 28,893</u></b>	<b><u>36,684</u></b>	<b><u>16,027</u></b>

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

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, 2024, December 31 and March 31, 2023.

### (VII) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Medicines and medical materials	\$ 34,140	40,772	42,097
Raw materials	22,753	27,486	29,803
Work in progress	42	533	1,654
Finished good	23,991	28,478	28,456
Commodity	204,984	198,000	185,159
Medical equipment	333	1,205	5,919
	<b><u>\$ 286,243</u></b>	<b><u>296,474</u></b>	<b><u>293,088</u></b>

Particulars of cost of sales are as follows:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Cost of inventories sold	\$ 688,870	610,353
Inventory falling price loss (recovery benefit)	(38)	(5)
Obsolete inventories	234	65
Scrap income	(164)	(222)
Inventory loss (gain)	101	(39)
Others	(599)	5,220
	<b><u>\$ 688,404</u></b>	<b><u>615,372</u></b>

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

(VIII) Non-current assets held for sale

In March 2024, the Consolidated Company's subsidiary, Mytrex Health Company, obtained a letter of intent to acquire equity in Sheng Yo Rehabilitative Technologies, Inc. at a transaction price of NT\$6,400 thousand, with the delivery date set for April 1, 2024. This transaction is expected to be reported to the board of directors on May 10, 2024. As of March 31, 2024, the assets and liabilities included in the disposal group held for sale amounted to NT\$56,043 thousand and NT\$43,176 thousand, respectively. The details were as follows:

	<b>March 31, 2024</b>
Cash and cash equivalents	\$ 2,308
Accounts receivable	2,783
Other receivables	5,247
Prepayments	220
Other current assets	715
Property, plant and equipment	2,936
Right-of-use assets, net	19,504
Intangible assets, net	215
Refundable deposits	12,370
Other non-current assets	9,745
Assets included in a group held for sale	<b>\$ 56,043</b>
Short-term loans and long-term loans due within one year	\$ 13,917
Other payables (\$100 thousand arising from related party transactions has been written off)	913
Other current liabilities	14
Long-term loans	4,932
lease liabilities	23,400
Liabilities included in a disposal group held for sale	<b>\$ 43,176</b>

(IX) 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:

	<b>For the three months ended March 31, 2023</b>
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>

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

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:

	<b>For the three months ended March 31, 2023</b>
The carrying amount of equity in YES Health Company sold	\$ (233,204)
Consideration for transfer to Mytrex Health Company	230,000
	<b><u>\$ (3,204)</u></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><u>\$ (3,204)</u></b>

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

	<b>For the three months ended March 31, 2023</b>
Undistributed earnings	<b><u>\$ (1,691)</u></b>

### 2. Subsidiary's buyback and cancellation 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 NT\$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><u>\$ (7,704)</u></b>

### (X) Subsidiaries with significant non-controlling interests

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

Name of subsidiary	Principal business premises/ Country of company registration	Proportion of ownership interest and voting rights of non-controlling interests		
		December 31,		
		March 31, 2024	2023	March 31, 2023
Mytrex Health Company	Taiwan	38.54%	38.54%	38.54%
TECHGROUP Integrate Design Co., Ltd.	Taiwan	49.00%	49.00%	49.00%
Medzoneasia	Taiwan	8.53%	8.53%	37.88%
Pregetic Health Company	Taiwan	61.10%	61.10%	61.10%

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

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

The consolidated financial information of Mytrex Health Company:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 120,144	132,675	160,178
Non-current assets	558,109	562,709	669,865
Current liabilities	(10,053)	(20,421)	(100,942)
Non-current liabilities	(305)	(119)	(98)
Net assets	<u>\$ 667,895</u>	<u>674,844</u>	<u>729,003</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 279,725</u>	<u>282,404</u>	<u>303,277</u>

	<u>For the three months ended March 31, 2024</u>	<u>For the three months ended March 31, 2023</u>
Operating revenue	\$ -	-
Net loss for the period	\$ (4,922)	(6,556)
Other comprehensive income	1,451	2,560
Total comprehensive income	<u>\$ (3,471)</u>	<u>(3,996)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (1,897)</u>	<u>(2,527)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (1,338)</u>	<u>(1,540)</u>

	<u>For the three months ended March 31, 2024</u>	<u>For the three months ended March 31, 2023</u>
Cash flows from operating activities	\$ -	84,551
Cash flows from investing activities	46,138	(230,000)
Cash flows from financing activities	(35,000)	80,000
Effects of exchange rate	417	(241)
Increase (decrease) in cash and cash equivalents	<u>\$ 11,555</u>	<u>(65,690)</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 40,380	40,758	31,737
Non-current assets	3,038	3,229	2,175
Current liabilities	(16,809)	(21,694)	(13,391)
Non-current liabilities	(535)	(761)	-
Net assets	<u>\$ 26,074</u>	<u>21,532</u>	<u>20,521</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 19,839</u>	<u>18,320</u>	<u>19,944</u>

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Operating revenue	<u>\$ 17,143</u>	<u>13,119</u>
Net income for the period	\$ 4,543	1,847
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 4,543</u>	<u>1,847</u>
Net income for the period attributable to non-controlling interests	<u>\$ 1,520</u>	<u>199</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 1,520</u>	<u>199</u>

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Cash flows from operating activities	\$ (3,303)	(5,246)
Cash flows from investing activities	(166)	(151)
Cash flows from financing activities	(221)	(222)
Decrease in cash and cash equivalents	<u>\$ (3,690)</u>	<u>(5,619)</u>

The consolidated financial information of Medzoneasia:

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 34,486	57,719	284,560
Non-current assets	178,376	181,865	149,564
Current liabilities	(57,504)	(60,441)	(43,063)
Non-current liabilities	(37,258)	(43,512)	(30,436)
Net assets	<u>\$ 118,100</u>	<u>135,631</u>	<u>360,625</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 10,074</u>	<u>11,569</u>	<u>136,611</u>

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Operating revenue	<u>\$ 7,972</u>	<u>4,750</u>
Net loss for the period	\$ (7,330)	(7,648)
Other comprehensive income	(10,200)	56
Total comprehensive income	<u>\$ (17,530)</u>	<u>(7,592)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (625)</u>	<u>(2,993)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (1,495)</u>	<u>(2,972)</u>

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Cash flows from operating activities	\$ 3,038	(6,442)
Cash flows from investing activities	-	303,247
Cash flows from financing activities	(18,636)	(10,098)
Increase (decrease) in cash and cash equivalents	<u>\$ (15,598)</u>	<u>286,707</u>

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

The consolidated financial information of Pregetic Health Company:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current assets	\$ 60,933	74,873	65,157
Non-current assets	354,944	364,387	368,685
Current liabilities	(140,279)	(146,070)	(145,067)
Non-current liabilities	(50,088)	(55,416)	(3,324)
Net assets	<b><u>\$ 225,510</u></b>	<b><u>237,774</u></b>	<b><u>285,451</u></b>
Carrying amount of non-controlling interests at the end of the period	<b><u>\$ 143,520</u></b>	<b><u>151,029</u></b>	<b><u>180,161</u></b>
		<b>For the three months ended March 31, 2024</b>	<b>For the three months ended March 31, 2023</b>
Operating revenue		<b><u>\$ 10,315</u></b>	<b><u>8,766</u></b>
Net loss for the period		\$ (14,302)	(27,735)
Other comprehensive income		2,039	4,212
Total comprehensive income		<b><u>\$ (12,263)</u></b>	<b><u>(23,523)</u></b>
Net loss for the period attributable to non-controlling interests		<b><u>\$ (8,756)</u></b>	<b><u>(16,946)</u></b>
Total comprehensive income attributable to non-controlling interests		<b><u>\$ (7,509)</u></b>	<b><u>(14,373)</u></b>
		<b>For the three months ended March 31, 2024</b>	<b>For the three months ended March 31, 2023</b>
Cash flows from operating activities		\$ 9,896	(968)
Cash flows from investing activities		1,503	(26,482)
Cash flows from financing activities		(7,146)	(3,000)
Increase (decrease) in cash and cash equivalents		<b><u>\$ 4,253</u></b>	<b><u>(30,450)</u></b>

## (XI) Property, plant and equipment

	<b>Land</b>	<b>Houses and buildings</b>	<b>Machinery and equipment</b>	<b>Transportation equipment</b>	<b>Office equipment</b>	<b>Leasehold improvements</b>	<b>Other equipment</b>	<b>Leased assets</b>	<b>Unfinished projects and equipment to be inspected</b>	<b>Total</b>
Cost:										
Balance on January 1, 2024	\$ 665,253	530,326	522,540	2,183	100,057	230,221	86,655	469,262	-	2,606,497
Increase	-	-	-	-	635	2,135	758	5,966	946	10,440
Classified as non-current assets held for sale	-	-	-	-	-	(2,433)	(758)	-	-	(3,191)
Disposal	-	-	(5,712)	-	(2)	(838)	(3)	(13,277)	-	(19,832)
Effects of changes in foreign exchange rates	-	-	-	-	1	-	-	-	-	1
Balance on March 31, 2024	<b><u>\$ 665,253</u></b>	<b><u>530,326</u></b>	<b><u>516,828</u></b>	<b><u>2,183</u></b>	<b><u>100,691</u></b>	<b><u>229,085</u></b>	<b><u>86,652</u></b>	<b><u>461,951</u></b>	<b><u>946</u></b>	<b><u>2,593,915</u></b>
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	<b><u>\$ 668,582</u></b>	<b><u>551,959</u></b>	<b><u>528,066</u></b>	<b><u>1,069</u></b>	<b><u>96,794</u></b>	<b><u>216,250</u></b>	<b><u>92,403</u></b>	<b><u>418,708</u></b>	<b><u>23,823</u></b>	<b><u>2,597,654</u></b>

# 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
Accumulated depreciation and impairment:										
Balance on January 1, 2024	\$ -	35,881	396,507	996	62,243	148,098	47,554	238,667	-	929,946
Depreciation for the year	-	4,562	8,340	159	3,494	6,445	1,510	16,546	-	41,056
Classified as non-current assets held for sale	-	-	-	-	-	(217)	(38)	-	-	(255)
Disposal	-	-	(5,712)	-	(2)	(641)	(3)	(13,277)	-	(19,635)
Effects of changes in foreign exchange rates	-	-	-	-	1	-	-	-	-	1
Balance on March 31, 2024	<u>\$ -</u>	<u>40,443</u>	<u>399,135</u>	<u>1,155</u>	<u>65,736</u>	<u>153,685</u>	<u>49,023</u>	<u>241,936</u>	<u>-</u>	<u>951,113</u>
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>
Book value:										
March 31, 2024	<u>\$ 665,253</u>	<u>489,883</u>	<u>117,693</u>	<u>1,028</u>	<u>34,955</u>	<u>75,400</u>	<u>37,629</u>	<u>220,015</u>	<u>946</u>	<u>1,642,802</u>
December 31, 2023	<u>\$ 665,253</u>	<u>494,445</u>	<u>126,033</u>	<u>1,187</u>	<u>37,814</u>	<u>82,123</u>	<u>39,101</u>	<u>230,595</u>	<u>-</u>	<u>1,676,551</u>
March 31, 2023	<u>\$ 668,582</u>	<u>515,033</u>	<u>161,492</u>	<u>338</u>	<u>44,892</u>	<u>79,114</u>	<u>42,712</u>	<u>169,293</u>	<u>23,823</u>	<u>1,705,279</u>

Please refer to Note 8 for details of long-term loan guarantees that have been provided as of March 31, 2024, December 31 and March, 2023.

## (XII) Right-of-use assets

	Houses and buildings	Transportation equipment	Office equipment	Total
Cost:				
Balance on January 1, 2024	\$ 561,411	22,523	-	583,934
Classified as non-current assets held for sale	(22,372)	-	-	(22,372)
Disposal	-	(496)	-	(496)
Reclassification	6	(6)	-	-
Balance on March 31, 2024	<u>\$ 539,045</u>	<u>22,021</u>	<u>-</u>	<u>561,066</u>
Balance on January 1, 2023	\$ 582,172	21,023	-	603,195
Increase	-	555	-	555
Decrease	(44,485)	(819)	-	(45,304)
Balance on March 31, 2023	<u>\$ 537,687</u>	<u>20,759</u>	<u>-</u>	<u>558,446</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 162,326	13,818	-	176,144
Increase	15,248	1,965	-	17,213
Classified as non-current assets held for sale	(2,868)	-	-	(2,868)
Disposal	-	(496)	-	(496)
Balance on March 31, 2024	<u>\$ 174,706</u>	<u>15,287</u>	<u>-</u>	<u>189,993</u>



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

	Houses and buildings	Transportation equipment	Office equipment	Total
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>
Book value:				
March 31, 2024	<u>\$ 364,339</u>	<u>6,734</u>	<u>-</u>	<u>371,073</u>
December 31, 2023	<u>\$ 399,085</u>	<u>8,705</u>	<u>-</u>	<u>407,790</u>
March 31, 2023	<u>\$ 412,644</u>	<u>6,974</u>	<u>-</u>	<u>419,618</u>

## (XIII) Investment property

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

	Land and land improvements	Houses and buildings	Right-of-use assets	Total
March 31, 2024	<u>\$ 152,641</u>	<u>24,113</u>	<u>146,437</u>	<u>323,191</u>
December 31, 2023	<u>\$ 152,641</u>	<u>24,446</u>	<u>161,107</u>	<u>338,194</u>
March 31, 2023	<u>\$ 152,641</u>	<u>25,446</u>	<u>156,842</u>	<u>334,929</u>

The investment properties of the Consolidated Company had no significant addition, disposition, impairment, or reversal for the three months ended March 31, 2024 and 2023. Please refer to Note 12 for the amount of depreciation, and for other related information, please refer to Note 6 (13) of the Consolidated Financial Statements for the year ended December 31, 2023.

There was no significant difference between the fair value of investment properties of the Consolidated Company and the information disclosed in Note 6 (13) of the Consolidated Financial Statements for the year ended December 31, 2023.

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

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

## (XIV) Intangible assets

	Managemen t rights	Tradem ark rights	Custome r relation	Lease contract	Member ship list	Goodwil l	Comput er software	Franchis e	Technol ogy authoriz ation	Right of alienatio n	Others	Total
Book value:												
Balance on March 31, 2024	\$ 805	93,145	22,786	4,528	-	165,517	34,789	-	-	12,187	147	333,904
Balance on December 31, 2023	\$ 883	93,145	24,803	4,696	-	165,517	35,775	-	-	12,145	160	337,124
Balance on March 31, 2023	\$ 4,287	93,145	30,856	5,199	-	165,517	40,027	130	947	13,446	213	353,767

The intangible assets of the Consolidated Company had no significant addition, disposition, impairment, or reversal for the three months ended March 31, 2024 and 2023. Please refer to Note 12 for the amount of amortization, and for other related information, please refer to Note 6 (14) of the Consolidated Financial Statements for the year ended December 31, 2023.

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

## (XV) Other non-current assets

	December 31,		
	March 31, 2024	2023	March 31, 2023
Refundable deposits	\$ 432,861	432,251	419,878
Prepayments for equipment and engineering	6,338	8,504	18,627
Net defined benefit assets - non-current	5,164	5,087	4,677
Long-term prepayments	5,421	6,280	8,751
Others	702	791	989
	<u>\$ 450,486</u>	<u>452,913</u>	<u>452,922</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.

## (XVI) Short-term loans

	December 31,		
	March 31, 2024	2023	March 31, 2023
Unsecured bank loans	\$ 287,007	347,467	439,975
Secured bank loans	80,000	60,000	62,000
	<u>\$ 367,007</u>	<u>407,467</u>	<u>501,975</u>
Interest rate range	<u>1.87%~4.08%</u>	<u>1.87%~4.08%</u>	<u>1.65%~6.19%</u>
Unused quota	<u>\$ 1,227,351</u>	<u>1,092,749</u>	<u>767,509</u>

For the three months ended March 31, 2024 and 2023, the amount of addition was NT\$186,297 thousand and NT\$286,432 thousand, respectively; the range of interest rate was from 1.87% to 3.56% and from 1.75% to 3.43%, respectively; the month of expiration was from February 2024 to March 2025 and from February 2023 to January 2024, respectively; the amount of repayment was NT\$216,757 thousand and NT\$90,491 thousand, respectively.

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

## (XVII) Short-term bills payable

	March 31, 2024		December 31, 2023		March 31, 2023	
	Interest rate	amount	Interest rate	amount	Interest rate	amount
Commercial paper payable	2%	55,000	2%	55,000	1.60%~2.09%	55,000
Less: discount on short-term bills payable		(6)		(99)		(34)
		<u>\$ 54,994</u>		<u>54,901</u>		<u>54,966</u>
Unused quota		<u>\$ 60,000</u>		<u>60,000</u>		<u>60,000</u>

The short-term bills payable of the Consolidated Company had no significant issuance, buyback, or repayment for the three months ended March 31, 2024 and 2023. Please refer to Note 6 (30) for the interest expenses, and for other related information, please refer to Note 6 (17) of the Consolidated Financial Statements for the year ended December 31, 2023.

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

## (XVIII) Long-term loans

March 31, 2024			
	Currency	Interest rate range	Expiration month
Secured bank loans	NT\$	1.71%~3.165%	114.11~120.4
Less: amount due within one year			\$ 1,107,887
			(115,947)
			<u>\$ 991,940</u>
Unused quota			<u>\$ 620,000</u>
December 31, 2023			
	Currency	Interest rate range	Expiration month
Secured bank loans	NT\$	1.710%~3.165%	113.3~120.4
Less: amount due within one year			\$ 1,126,885
			(121,207)
			<u>\$ 1,005,678</u>
Unused quota			<u>\$ 620,000</u>
March 31, 2023			
	Currency	Interest rate range	Expiration month
Secured bank loans	NT\$	1.93%~2.83%	113.11~120.3
Less: amount due within one year			\$ 991,680
			(36,761)
			<u>\$ 954,919</u>
Unused quota			<u>\$ 620,000</u>

The long-term loans of the Consolidated Company had no significant issuance, buyback, or repayment for the three months ended March 31, 2024 and 2023. Please refer to Note 6 (30) for the interest expenses, and for other related information, please refer to Note 6 (18) of the Consolidated Financial Statements for the year ended December 31, 2023.

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

## (XIX) Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Current	<u>\$ 115,511</u>	<u>140,853</u>	<u>110,515</u>
Non-current	<u>\$ 421,434</u>	<u>449,914</u>	<u>482,187</u>

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

The following amounts are recognized in profit or loss:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Interest expenses on lease liabilities	<u>\$ 2,941</u>	<u>3,009</u>
Variable lease payments not included in the measurement of the lease liabilities	<u>\$ 4,154</u>	<u>4,256</u>
Income from sublease of right-of-use assets	<u>\$ 20,522</u>	<u>19,571</u>
Expenses on short-term leases and low-value leases	<u>\$ 2,281</u>	<u>2,538</u>
COVID-19-related rent concessions	<u>\$ -</u>	<u>-</u>

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

The following amounts are recognized in the cash flow statement:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Total cash outflows for leases	\$ 40,007	40,126

## 1. Houses and buildings

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

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

## 2. Other leases

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

## (XX) Operating lease

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
1st year	\$ 201,302	209,439	161,212
2nd year	62,610	68,509	65,758
3rd year	29,531	33,536	34,320
4th year	24,349	24,653	25,163
5th year	23,930	23,987	24,434
More than 5 years	95,485	101,458	119,610
Total undiscounted lease payments	\$ 437,207	461,582	430,497

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

(XXI) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Employee remuneration payable	\$ 81,701	94,298	87,080
Salaries and bonuses payable	48,094	70,285	41,956
Equipment payables	2,843	15,247	31,893
Directors' and supervisors' remuneration payable	3,625	3,244	5,892
Business tax payable	2,266	5,910	2,324
Investment payables	-	22,500	-
Others	73,092	72,024	55,344
	<b><u>\$ 211,621</u></b>	<b><u>283,508</u></b>	<b><u>224,489</u></b>

(XXII) Employee benefits

1. Defined benefit plans

Since there was no material volatility of the market, material curtailments, settlements, or other significant one-off event that 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, 2023 and 2022.

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Operating costs	\$ 46	50
Operating expenses	74	71
	<b><u>\$ 120</u></b>	<b><u>121</u></b>

2. Defined contribution plans

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Operating costs	\$ 1,498	1,563
Operating expenses	4,073	3,609
	<b><u>\$ 5,571</u></b>	<b><u>5,172</u></b>

(XXIII) Income tax

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Income tax expenses for the period	\$ 10,909	12,703
Deferred tax income	(23)	(658)
income tax expense	<b><u>\$ 10,886</u></b>	<b><u>12,045</u></b>

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

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, 2024</b>	<b>For the three months ended March 31, 2023</b>
Items not reclassified to profit or loss:		
Equity instruments at fair value through other comprehensive income	<u>\$ (13,250)</u>	<u>797</u>
Items that may be reclassified to profit or loss subsequently		
Exchange difference from translation of the financial statements of foreign operations	<u>\$ (206)</u>	<u>(10)</u>

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	2022
Chungyuan Medical Management Company	2021
TECHGROUP Integrate Design Co., Ltd.	2021
Mytrex Health Company	2021
Macro Global Corporation	2021
YES Health Company	2021
Medzoneasia	2021
Pregetic Health Company	2021
Mytrex	2021
Shengshih Technology Co., Ltd.	2019
Hung-Han Company	2021
Fuyi Company	2021
Digimed	2020

(XXIV) Capital and other equity

Except for the following disclosures, there was no significant change in capital and other equity of the Consolidated Company for the three months ended March 31, 2024 and 2023. For other related information, please refer to Note 6 (24) of the Consolidated Financial Statements for the year ended December 31, 2023.

1. Additional paid-in capital

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
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	35,327	35,327	46,149
Recognized changes in ownership interests in subsidiaries	16,378	18,515	110,632
Lapsed share option	2,896	2,896	2,896
Share option for convertible corporate bonds	3,900	3,900	3,900
	<u>\$ 1,153,697</u>	<u>1,155,834</u>	<u>1,258,773</u>

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

## 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.

### (2) Distribution of earnings

The resolutions on the distribution of earnings for 2023 was approved by the Board of Directors of the Company on May 10, 2024, and the amounts of dividends distributed to owners are as follows:

<b>2023</b>		
	<b>Allotment rate</b>	
	<b>(NT\$)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.40	50,418
Stock	0.40	50,417
		<b>\$ 100,835</b>

The resolutions on the distribution of earnings for 2022 was approved by the shareholders' meetings 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>\$ 120,042</b>

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

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

	Exchange difference from translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Non-controllin g interests	Total
Balance on January 1, 2024	\$ (2,507)	125,160	(18,494)	104,159
Exchange difference from translation of the net assets of foreign operations	666	-	224	890
Unrealized gains on financial assets at fair value through other comprehensive income	-	52,587	776	53,363
Balance on March 31, 2024	<u>\$ (1,841)</u>	<u>177,747</u>	<u>(17,494)</u>	<u>158,412</u>
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)	26
Unrealized gains on financial assets at fair value through other comprehensive income	-	26,123	3,613	29,736
Balance on March 31, 2023	<u>\$ (2,018)</u>	<u>34,638</u>	<u>(12,638)</u>	<u>19,982</u>

## 4. Non-controlling interests

	Non-controlling interests
Beginning balance on January 1, 2024	\$ 467,523
Net loss for the period attributable to non-controlling interests	(11,031)
Other comprehensive income for the period attributable to non-controlling interests	1,001
Changes in ownership interests in subsidiaries	4,899
Ending balance on March 31, 2024	<u>\$ 462,392</u>
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 and disposed of	(471)
Ending balance on March 31, 2023	<u>\$ 643,777</u>

## (XXV) Share-based payment

There was no significant change in share-based payments of the Consolidated Company for the three months ended March 31, 2024 and 2023. For other related information, please refer to Note 6 (25) of the Consolidated Financial Statements for the year ended December 31, 2023.



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

(XXVI) Earnings per share

	For the three months ended March 31, 2023 (after retrospective adjustment)	For the three months ended March 31, 2024
<b>Basic earnings per share:</b>		
Net profits attributable to ordinary equity holders of the Company	<u>\$ 37,404</u>	<u>\$ 24,529</u>
Weighted average number of outstanding ordinary shares	126,044	126,044
Basic earnings per share (NT\$)	<u><u>0.30</u></u>	<u><u>0.19</u></u>
<b>Diluted earnings per share:</b>		
Net profits attributable to ordinary equity holders of the Company for the period (basic)	37,404	24,529
Effects of dilutive potential ordinary shares		
Net profits attributable to ordinary equity holders of the Company (diluted)	<u>\$ 37,404</u>	<u>\$ 24,529</u>
Weighted average number of outstanding ordinary shares (basic)	126,044	126,044
Effects of employee remuneration in stock	757	359
Weighted average number of outstanding ordinary shares (diluted)	126,801	126,403
Diluted earnings per share (NT\$)	<u><u>0.29</u></u>	<u><u>0.19</u></u>

(XXVII) Revenue from customer contracts

1. Disaggregation of revenue

	For the three months ended March 31, 2024			
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 796,093	134,431	39,240	969,764
Europe	2,785	-	-	2,785
	<u><u>\$ 798,878</u></u>	<u><u>134,431</u></u>	<u><u>39,240</u></u>	<u><u>972,549</u></u>
Main product/service lines:				
Medicines and medical materials	\$ 768,728	-	-	768,728
Non-woven filter fabric	30,150	-	-	30,150
Service provision	-	134,431	-	134,431
Equipment leases	-	-	23,499	23,499
Leases of investment properties and real estate properties	-	-	15,741	15,741
	<u><u>\$ 798,878</u></u>	<u><u>134,431</u></u>	<u><u>39,240</u></u>	<u><u>972,549</u></u>

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

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 income	-	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>

## 2. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 10,945	12,273	10,509
Accounts receivable	281,814	265,836	170,278
Accounts receivable - related parties-	1,030,918	1,105,850	961,530
Finance lease receivables	188	277	342
Finance lease receivables - related parties-	13,046	11,781	4,516
Long-term finance lease receivables	-	-	187
Long-term finance lease receivables - related parties-	15,659	24,626	10,982
Less: loss allowances	(7,701)	(7,657)	(6,312)
	<b>\$ 1,344,869</b>	<b>1,412,986</b>	<b>1,152,032</b>
	March 31, 2024	December 31, 2023	March 31, 2023
Contract liability - sales of goods	\$ 12,898	11,458	5,161
Contract liability-customer loyalty programs	1,288	1,204	1,523
	<b>\$ 14,186</b>	<b>12,662</b>	<b>6,684</b>

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

The beginning balances of contract liabilities on January 1, 2023 and 2022 were recognized for the three months ended March 31, 2024 and 2023 as income of NT\$4,155 thousand and NT\$2,151 thousand, respectively.

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

(XXVIII) Remuneration to employees and directors

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

The estimated amounts of employees' remuneration of the Company recognized for the three months ended March 31, 2024 and 2023 were NT\$2,188 thousand and NT\$3,002 thousand, respectively, and the estimated amounts of directors' remuneration were NT\$365 thousand and NT\$500 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 2023 and 2022, the Company appropriated NT\$11,194 thousand and NT\$24,494 thousand respectively for employees' remuneration, and NT\$1,866 thousand and NT\$4,082 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 2023 and 2022. Relevant information can be found on the MOPS.

(XXIX) Other net income and expenses

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Income from sublease of investment property	\$ 11,447	10,693
Gains on disposal of property, plant and equipment	136	(1)
Lease modification gains	-	337
Income from subleases of right-of-use assets	9,075	8,879
	<b>\$ 20,658</b>	<b>19,908</b>

(XXX) Non-operating income and expenses

1. Interest income

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Bank deposit interest	\$ 913	780
Other interest income	72	5
	<b>\$ 985</b>	<b>785</b>

2. Other income

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Royalty income	\$ 1,561	1,303
Dividend income	2,445	-
Government grants	-	2,388
Logistics income	1,586	1,584
Others	2,706	2,474
	<b>\$ 8,298</b>	<b>7,749</b>

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

## 3. Other gains and losses

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Foreign exchange gain	\$ 1,848	(440)
(Losses) gains on financial assets at fair value through profit or loss	4,225	11,450
Others	(121)	(74)
	<u>\$ 5,952</u>	<u>10,936</u>

## 4. Finance costs

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Interest on loans from financial institutions	\$ 11,186	9,670
Amortization of interest on lease liabilities	2,941	3,009
Others	-	4
	<u>\$ 14,127</u>	<u>12,683</u>

## (XXXI) Financial instruments

Except for the following disclosures, there was no significant change in the fair value and exposure to credit risk, liquidity risk, and market risk of financial instrument of the Consolidated Company. For related information, please refer to Note 6 (31) of the Consolidated Financial Statements for the year ended December 31, 2023.

### 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, 2024, December 31 and March 31, 2023 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, 2024</b>							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	1,022,644	1,022,644	549,908	463,089	1,907	5,820	1,920
lease liabilities	536,945	570,693	10,470	53,069	61,441	198,657	247,056
Floating rate instruments	1,474,894	1,556,336	97,461	218,620	196,324	988,860	55,071
Fixed-rate instruments	54,994	55,000	-	55,000	-	-	-
	<u>\$ 3,089,477</u>	<u>3,204,673</u>	<u>657,839</u>	<u>789,778</u>	<u>259,672</u>	<u>1,193,337</u>	<u>304,047</u>

# 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>December 31, 2023</b>							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	1,147,403	1,147,403	644,606	483,494	10,863	5,772	2,668
lease liabilities	590,767	632,556	10,769	54,975	61,966	210,110	294,736
Floating rate instruments	1,534,352	1,622,726	155,228	229,644	173,631	1,001,493	62,730
Fixed-rate instruments	54,901	55,000	-	55,000	-	-	-
	<b>\$ 3,327,423</b>	<b>3,457,685</b>	<b>810,603</b>	<b>823,113</b>	<b>246,460</b>	<b>1,217,375</b>	<b>360,134</b>
<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>

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, 2024				December 31, 2023			March 31, 2023		
	Foreign currency	Exchange rate (NT\$)	NT\$		Foreign currency	Exchange rate (NT\$)	NT\$	Foreign currency	Exchange rate (NT\$)	NT\$
<u>Financial asset</u>										
<u>Monetary items</u>										
USD	\$	1,061	32.00	33,952	2,003	30.705	61,502	2,417	30.45	73,598
CNY		12	4.408	53	10	4.3270	43	34	4.431	151
EUR		159	34.46	5,479	122	33.980	4,146	202	33.15	6,696
<u>Non-monetary items</u>										
USD		12,829	32.00	410,528	11,134	30.705	341,869	8,635	30.45	262,947
CNY		6,305	4.408	27,792	6,382	4.327	27,615	6,597	4.431	29,231
<u>Financial liability</u>										
<u>Monetary items</u>										
USD	-	-	-	-	30.705	-	646	30.45	19,671	

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, 2024 and 2023, 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, 2024 and 2023 would decrease or increase by NT\$1,974 thousand and NT\$3,039 thousand, respectively. The analysis of the two periods was conducted on the same basis.

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

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, 2024 and 2023 amounted to NT\$1,848 thousand and NT\$(440) thousand, respectively.

## (2) Interest rate risk

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

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

If the interest rate increases or decreases by 20 basis points, while all other variables remain unchanged, the pre-tax net profit of the Consolidated Company for the three months ended March 31, 2024 and 2023 will increase or decrease by NT\$2,950 thousand and NT\$2,987 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:

## 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:

	March 31, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Fund beneficiary certificates	\$ 10,497	10,497	-	-	10,497
Non-TWSE/TPEx listed stocks	22,823	-	-	22,823	22,823
Limited partnership interests	25,439	-	-	25,439	25,439
Subtotal	58,759	10,497	-	48,262	58,759
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEx listed stocks	368,773	-	-	368,773	368,773
Non-overseas listed stocks	410,389	-	-	410,389	410,389
Limited partnership interests	119,062	-	-	119,062	119,062
Subtotal	898,224	-	-	898,224	898,224
Financial assets at amortized cost					
Cash and cash equivalents	1,261,724	-	-	-	-
Restricted bank deposits	93,505	-	-	-	-
Net notes receivable and accounts receivable (including related parties)	1,315,976	-	-	-	-
Other net receivables (including related parties)	89,767	-	-	-	-
Finance lease receivables (including those due within one year)	28,893	-	-	-	-
Subtotal	2,789,865	-	-	-	-
Total	<u>\$ 3,746,848</u>	<u>10,497</u>	<u>-</u>	<u>946,486</u>	<u>956,983</u>

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

March 31, 2024					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Short-term loans	\$ 367,007	-	-	-	-
Long-term loans (including those due within one year)	1,107,887	-	-	-	-
Short-term bills payable	54,994	-	-	-	-
Notes and accounts payable (including related parties)	798,606	-	-	-	-
Other payables (including related parties)	213,530	-	-	-	-
Long-term accounts payable (including those due within one year)	10,508	-	-	-	-
Lease liabilities (including those due within one year)	536,945	-	-	-	-
Total	<u>\$ 3,089,477</u>	-	-	-	-

  

December 31, 2023					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Fund beneficiary certificates	\$ 10,463	10,463	-	-	10,463
Non-TWSE/TPEx listed stocks	19,684	-	-	19,684	19,684
Subtotal	30,147	10,463	-	19,684	30,147
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEx listed stocks	348,419	-	-	348,419	348,419
Non-overseas listed stocks	341,871	-	-	341,871	341,871
Limited partnership interests	124,682	-	-	124,682	124,682
Subtotal	814,972	-	-	814,972	814,972
Financial assets at amortized cost					
Cash and cash equivalents	1,383,022	-	-	-	-
Restricted bank deposits	76,597	-	-	-	-
Net notes receivable and accounts receivable (including related parties)	1,376,302	-	-	-	-
Other net receivables (including related parties)	73,900	-	-	-	-
Finance lease receivables (including those due within one year)	36,684	-	-	-	-
Subtotal	2,946,505	-	-	-	-
Total	<u>\$ 3,791,624</u>	<u>10,463</u>	<u>-</u>	<u>834,656</u>	<u>845,119</u>
Financial liabilities at amortized cost					
Short-term loans	\$ 407,467	-	-	-	-
Long-term loans (including those due within one year)	1,126,885	-	-	-	-
Short-term bills payable	54,901	-	-	-	-
Notes and accounts payable (including related parties)	842,289	-	-	-	-
Other payables (including related parties)	293,928	-	-	-	-
Long-term accounts payable (including those due within one year)	11,186	-	-	-	-
Lease liabilities (including those due within one year)	590,767	-	-	-	-
Total	<u>\$ 3,327,423</u>	-	-	-	-

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

March 31, 2023					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Fund beneficiary certificates	\$ 10,369	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
Financial assets 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	-	-	-	-
<b>Total</b>	<b>\$ 3,548,476</b>	<b>10,369</b>	<b>-</b>	<b>734,056</b>	<b>744,425</b>
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 payables (including those due within one year)	13,188	-	-	-	-
Lease liabilities (including those due within one year)	592,702	-	-	-	-
<b>Total</b>	<b>\$ 3,018,590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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



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

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

- Stocks issued by TPEx listed companies

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

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

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

(3) There was no change in the fair value hierarchy of financial assets during the three months ended March 31, 2024 and 2023.

(4) Table of Changes in Level 3

	<u>Measured at fair value through profit or loss</u>	<u>Measured at fair value through other comprehensive income</u>
	<u>Non-derivative financial assets mandatorily measured at fair value through profit or loss</u>	<u>Equity instruments without quoted prices</u>
January 1, 2024	\$ 19,684	814,972
Total gains or losses		
Recognized in profit or loss	4,191	-
Recognized in other comprehensive income	-	66,612
Purchase	24,387	42,510
Disposal	-	(24,387)
Capital returned due to capital reduction	-	(1,483)
March 31, 2024	<u>\$ 48,262</u>	<u>898,224</u>
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>\$ 22,337</u>	<u>711,719</u>

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

The above total gains or losses are presented in "other gains and losses" and "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income". Among them, those related to the assets still held on March 31, 2024 and 2023 are as follows:

	<b>For the three months ended March 31, 2024</b>	<b>For the three months ended March 31, 2023</b>
Total gains or losses		
Recognized in profit or loss (presented in "other gains and losses")	\$ 4,191	2,163
Recognized in other comprehensive income (presented in "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income")	66,612	28,939

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

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

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

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

	Inputs	Up or down Changes	Changes in fair value reflected in profit or loss for the period		Changes in fair value reflected in other comprehensive income for the period	
			Favorable changes	Adverse changes	Favorable changes	Adverse changes
<b>March 31, 2024</b>						
Financial assets at fair value through profit or loss	Liquidity discount	5%	2,950	(2,471)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	42,581	(66,967)
<b>December 31, 2023</b>						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,230	(1,230)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	55,662	(42,025)
<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)

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.

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

(XXXII) Financial risk management

There was no significant change in objectives and policies of the Consolidated Company's financial risk management and the information disclosed in Note 6 (32) of the Consolidated Financial Statements for the year ended December 31, 2023.

(XXXIII) Capital management

Objectives, policies, and procedures of the Consolidated Company's capital management were consistent with those disclosed in the Consolidated Financial Statements for the year ended December 31, 2023. 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, 2023. Please refer to Note 6 (33) of the Consolidated Financial Statements for the year ended December 31, 2023 for further details.

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

The non-cash investing and financing activities of the Consolidated Company during the three months ended March 31, 2024 and 2023 are as follows:

1. Please refer to Note 6 (12) and (13) for obtaining right-of-use assets and investment properties through leasing.

2. Cash paid for purchase of property, plant and equipment is as follows:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Acquisition of property, plant and equipment	\$ 10,440	48,149
Net changes in equipment payables in subsidiaries	14,259	52,477
Cash paid	<u>\$ 24,699</u>	<u>100,626</u>

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Acquisition of intangible assets	\$ 3,283	18,745
Net changes in payables on technology patent authorization	168	328
Cash paid	<u>\$ 3,451</u>	<u>19,073</u>

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Disposal of property, plant and equipment	\$ 333	76
Net changes in other receivables	(315)	-
Cash received	<u>\$ 18</u>	<u>76</u>

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

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

		Changes in non-cash items				
		Effects of changes in foreign exchange rates				
	January 1, 2024	Cash flows	Lease changes	exchange rates	Others	March 31, 2024
Short-term loans	\$ 407,467	(30,460)	-	-	-	377,007
Short-term bills payable	54,901	-	-	-	93	54,994
Long-term loans (including those due within one year)	1,126,885	(10,149)	-	-	-	1,116,736
Lease liabilities (including those due within one year)	590,767	(30,631)	209	-	-	560,345
Deposits received	19,606	(803)	-	-	-	18,803
	<b>\$ 2,199,626</b>	<b>(72,043)</b>	<b>209</b>	<b>-</b>	<b>93</b>	<b>2,127,885</b>

		Changes in non-cash items				
		Effects of changes in foreign exchange rates				
	January 1, 2023	Cash flows	Lease changes	exchange rates	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
	<b>\$ 2,023,623</b>	<b>160,208</b>	<b>(22,054)</b>	<b>(220)</b>	<b>74</b>	<b>2,161,631</b>

## 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
Shangchia Health Business Co., Ltd.	Associate
Air Long-Term Care Co., Ltd.	Associate
Shengyu Health Technologies Co., Ltd.	Associate
Crystalvue Medical Corporation	Substantial related party
Minsheng General Hospital	Substantial related party (Minsheng medical system)
Lungtan Minsheng Hospital	Substantial related party (Minsheng medical system)
Tayuan Minsheng Hospital	Substantial related party (Minsheng medical system)
Home Nursing Center attached to Tayuan Minsheng Hospital	Substantial related party (Minsheng medical system)
YES Chang Sheng Pharmacy	Substantial related party
Minsheng Asset Management Co., Ltd.	Substantial related party
Employee Clinic of Hsinchu Science and Industry Park	Substantial related party
Po'en Management Consulting Co., Ltd.	Substantial related party
Shengli Management Consulting Co., Ltd.	Substantial related party
Pisheng Construction Co., Ltd (hereinafter referred to as Pisheng Construction)	Substantial related party

# 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>
Zhiyi Clinic	Substantial related party
Shengyu Clinic	Substantial related party
Harvard Clinic	Substantial related party
Fuying Clinic	Substantial related party
Pochih Cultural and Creative Co., Ltd.	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 March 31, 2024</u>	<u>For the three months ended March 31, 2023</u>
Substantial related party		
Minsheng General Hospital	\$ 269,331	252,488
Others	19,417	20,256
Parent company	74	-
	<b><u>\$ 288,822</u></b>	<b><u>272,744</u></b>

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>Service income</u>	
	<u>For the three months ended March 31, 2024</u>	<u>For the three months ended March 31, 2023</u>
Substantial related party		
Minsheng General Hospital	\$ 77,845	112,040
Others	4,973	-
Associate	1,761	6,275
	<b><u>\$ 84,579</u></b>	<b><u>118,315</u></b>

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.

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

## 3. Leases

Category of the related party	Lease income	
	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Substantial related party		
Minsheng General Hospital	\$ 19,982	9,974
Fuying Clinic	11,637	10,021
Harvard Clinic	2,689	3,670
Zhiyi Clinic	4,196	-
Others	3,749	4,643
	<b>\$ 42,253</b>	<b>28,308</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.

## 4. Receivables due from related parties

Category of the related party	Account items	March 31, 2024	December 31, 2023	March 31, 2023
Substantial related party				
Minsheng General Hospital	Accounts receivable	\$ 891,309	974,839	833,382
Fuying Clinic	Accounts receivable	70,183	62,241	68,440
Others	Accounts receivable	67,089	66,451	57,746
Parent company	Accounts receivable	-	-	3
Substantial related party				
Minsheng General Hospital	Finance lease receivables	4,675	2,565	1,243
Lungtan Minsheng Hospital	Finance lease receivables	1,525	1,048	945
Tayuan Minsheng Hospital	Finance lease receivables	2,110	2,078	2,210
Zhiyi Clinic	Finance lease receivables	4,700	4,630	118
Shengyu Clinic	Finance lease receivables	-	1,211	-
Others	Finance lease receivables	37	249	-
Substantial related party				
Minsheng General Hospital	Long-term finance lease receivables	2,296	1,132	-
Lungtan Minsheng Hospital	Long-term finance lease receivables	1,734	1,462	1,676
Tayuan Minsheng Hospital	Long-term finance lease receivables	7,080	7,619	9,189
Zhiyi Clinic	Long-term finance lease receivables	4,549	5,747	116
Others	Long-term finance lease receivables	-	10	-

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

<b>Category of the related party</b>	<b>Account items</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Substantial related party				
Minsheng General Hospital	Other receivables	\$ 170	8,660	-
Shengyu Clinic	Other receivables	-	3,212	-
Harvard Clinic	Other receivables	4,337	4,370	4,630
Fuying Clinic	Other receivables	19,088	19,080	20,029
Others	Other receivables	269	779	383
		<b>\$ 1,081,151</b>	<b>1,167,383</b>	<b>1,000,110</b>

5. Payables to related parties

<b>Category of the related party</b>	<b>Account items</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Substantial related party				
Minsheng General Hospital	Accounts payable	\$ 105	79	1,327
Fuying Clinic	Accounts payable	869	869	885
Others	Accounts payable	1,952	128	532
Associate	Accounts payable	-	-	65
Parent company	Other payables	85	41	-
Substantial related party				
Shengyu Clinic	Other payables	-	7,520	-
Minsheng General Hospital	Other payables	1,461	1,082	388
Others	Other payables	216	634	250
The management	Other payables	115	853	67
Associate	Other payables	32	290	-
		<b>\$ 4,835</b>	<b>11,496</b>	<b>3,514</b>

6. Prepayments

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

<b>Category of the related party</b>	<b>Account items</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Substantial related party				
Pisheng Construction	Prepayments	\$ 3,739	3,739	3,739
Pisheng Construction	Long-term prepayments	-	935	3,739
Associate				
Air Long-Term Care	Prepayments	-	46	607
		<b>\$ 3,739</b>	<b>4,720</b>	<b>8,085</b>

7. Endorsement/Guarantee

(1) Lease contracts

<b>Category of the related party</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Substantial related party - Minsheng General Hospital	<b>\$ 228,736</b>	<b>228,736</b>	<b>227,598</b>

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

## (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.

## 8. Others

Category of the related party	Account items	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Substantial related party	Operating costs - other expenses	\$ 365	268
Substantial related party	Operating cost - rent expense	36	35
Substantial related party	Operating expenses - other expenses	3,225	1,646
Substantial related party	Operating expenses - rent expense	288	546
Associate	Operating costs - other expenses	455	48
Associate	Operating expenses - other expenses	46	-
Parent company	Operating expenses - rent expense	118	117
Substantial related party	Other income - other income	965	739
Parent company	Other income and losses - rental income	146	144
Substantial related party	Other income - rental income	7,276	7,201

Category of the related party	Account items	March 31, 2024	December 31, 2023	March 31, 2023
Substantial related party	Collection on behalf of others	\$ 22	21	1
Substantial related party	Payment on behalf of others	-	267	102
Substantial related party	Temporary payments	-	332	2,089
Substantial related party Minsheng General Hospital	Collection in advance	57	67	-
Zhiyi Clinic	Collection in advance	-	109	-
Others	Collection in advance	-	33	-
Substantial related party Minsheng General Hospital	Refundable deposits	250,000	250,000	282,340
Fuying Clinic	Refundable deposits	18,000	17,000	15,000
Harvard Clinic	Refundable deposits	23,000	23,000	21,000
Zhiyi Clinic	Refundable deposits	52,500	40,000	-
Others	Refundable deposits	31,686	43,686	35,686
Parent company	Refundable deposits	82	82	82
Substantial related party Minsheng General Hospital	Deposits received	5,679	5,641	7,034
Tayuan Minsheng Hospital	Deposits received	902	902	902
Zhiyi Clinic	Deposits received	3,600	3,600	-
Others	Deposits received	112	112	112
Parent company	Deposits received	102	101	101



# 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, 2024	For the three months ended March 31, 2023
Short-term employee benefits	\$ 11,516	11,190
Post-employment benefits	295	286
	<b>\$ 11,811</b>	<b>11,476</b>

## 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, 2024	December 31, 2023	March 31, 2023
Financial assets at amortized cost - current	Guarantee letters for bank loans and leases	\$ 49,005	32,097	13,701
Financial assets measured at amortized cost - non-current	Guarantees for bank loans and commercial papers	44,500	44,500	40,590
Investment properties	Bank loans	176,753	177,087	178,087
Property, plant and equipment	Bank loans	1,134,110	1,138,395	1,151,250
		<b>\$ 1,404,368</b>	<b>1,392,079</b>	<b>1,383,628</b>

## IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Material unrecognized contractual commitments

	March 31, 2024	December 31, 2023	March 31, 2023
Purchase of property, plant and equipment	\$ 11,073	15,517	65,378
Construction in progress	1,490	-	-
Purchase of intangible assets	546	546	546
Guaranteed notes issued for bank loan contracts	2,785,500	2,545,000	2,645,000
Issued and unused letters of credit	2,010	-	-
	<b>\$ 2,800,619</b>	<b>2,561,063</b>	<b>2,710,924</b>

(II) Collection and payment of contract prices:

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

	March 31, 2024	December 31, 2023	March 31, 2023
Unpaid amount	\$ -	-	540

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

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

**XI. Material Subsequent Events**

On March 15, 2024, upon approval by its chairman, Mytrex Health Company, the Company's subsidiary, disposed of its entire shareholdings in its subsidiary, Sheng Yo Company, to its related party, Minsheng Asset Management Co., Ltd. The share trading contract was signed with the delivery date set for April 1, 2024. The disposal price was NT\$6,400 thousand, and the carrying amount was NT\$6,080 thousand, resulting in an expected gain on disposal of investment of NT\$320 thousand. This transaction is expected to be reported to the board of directors and the audit committee on May 10, 2024. Following approval by the board of directors and the audit committee, it is proposed to repurchase at the original selling price and resell at an appropriate price in the future.

**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, 2024			For the three months ended March 31, 2023		
	Categorized into operating costs	Categorized into operating expenses	Total	Categorized into operating costs	Categorized into operating expenses	Total
Employee benefit expenses						
Remuneration expenses	29,641	78,044	107,685	31,628	72,936	104,564
Labor and health insurance expenses	2,966	7,567	10,533	3,348	7,495	10,843
Pension expenses	1,544	4,147	5,691	1,613	3,680	5,293
Remuneration to directors	-	1,570	1,570	-	1,032	1,032
Other employee benefit expenses	1,402	3,133	4,535	1,590	3,170	4,760
depreciation expense	41,823	31,449	73,272	29,961	39,151	69,112
Amortization expenses	723	5,565	6,288	2,002	5,650	7,652

(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, 2024 is as follows:

1. Lending of funds to others: None.

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

## 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 amount for the period	Ending endorsement/guarantee balance	Actual expenditures	Amount of endorsement/guarantees with property guarantee	The ratio of accumulated endorsements/guarantees to the net value of the latest financial statements	Maximum amount limits for endorsement/guarantees	Endorsements/guarantees provided by parent company to the subsidiaries	Endorsements/guarantees provided by subsidiaries to the parent company	Endorsements/guarantees in China
		Name of company	Relationship										
0	ShareHope Medicine Co., Ltd.	Minsheng General Hospital	1	1,550,424	228,736	228,736	228,736	-	6.42%	1,781,790	N	N	N

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

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

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

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

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

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

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

Unit: NT\$ thousand

Holder of securities	Type and name of securities	Relationship with securities issuer	Accounting items	End of the period				Remarks
				Contribution amount/number of shares (thousand shares or thousand)	Carrying amount	Shareholding ratio	Fair value	
The Company	Fund beneficiary certificates Federal Money Market Fund	None	Financial assets at fair value through profit or loss - current	771	10,497	-	10,497	
The Company	Stock Tsaihsin Health Business Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,000	22,823	3.70 %	22,823	
Macro Global Corporation	Limited partnership interests	None	Financial assets at fair value through profit or loss - non-current	19,813	25,439	1.75 %	25,439	
	Chunchuang Development Venture Capital Limited Partnership				48,262		48,262	
The Company	Stock Yichuang Second Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000	16,058	0.92 %	16,058	
The Company	Stock Chunghua Development Biomedical Venture Capital Co., Ltd.	The Company is a legal representative supervisor of the company	Financial assets at fair value through other comprehensive income - non-current	1,129	63,457	2.86 %	63,457	
The Company	Stock Yiting Biotech Venture Capital Co., Ltd.	The Company is a legal person director of the company	Financial assets at fair value through other comprehensive income - non-current	4,095	77,364	7.50 %	77,364	
The Company	Stock BenQ BM Holding Cayman Corporation	None	Financial assets at fair value through other comprehensive income -	5,258	410,389	2.15 %	410,389	

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

The Company	Limited partnership interests	None	non-current				
	Chunghua Development Second Biomedical Venture Capital Limited Partnership		Financial assets at fair value through other comprehensive income - non-current	88,902	119,062	3.22 %	119,062
The Company	Stocks	None	Financial assets at fair value through other comprehensive income - non-current	1,820	19,110	9.71 %	19,110
	-AcroViz Inc.						
The Company	Stocks	None	Financial assets at fair value through other comprehensive income - non-current	1,176	19,992	8.29 %	19,992
	-UltraE Co., Ltd.						
Mytrex Health Company	Stock	The chairperson of the Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	2,120	21,346	3.37 %	21,346
	-Minsheng Asset Management Co., Ltd.						
Mytrex Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	68	1,814	0.81 %	1,814
	-Shangching Technology Co., Ltd.						
Mytrex Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,760	20,445	9.99 %	20,445
	-Intelligent Medical Technology Co., Ltd.						
Mytrex Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	250	6,573	19.53 %	6,573
	-Yiho Smart Technology Co., Ltd.						
Mytrex Health Company	Stock	The Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	5,000	40,145	2.29 %	40,145
	-Yichuang Second Venture Capital Co., Ltd.						
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	417	4,929	4.20 %	4,929
	-Yita International Hospital Management Consulting Co., Ltd.						
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,000	17,998	14.29 %	17,998
	-Juichuan Data Co., Ltd.						
Pregetic Health Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	1,304	21,471	14.81 %	21,471
	-Kangchien Gene Technology Co., Ltd.						
Hung-Han Company	Stock	None	Financial assets at fair value through other comprehensive income - non-current	250	4,500	3.57 %	4,500
	-Juichuan Data Co., Ltd.						
Medzoneasia	Stock	None	Financial assets at fair value through other comprehensive income - non-current	500	33,571	10.00 %	33,571
	-Yaosheng Information Technology Co., Ltd.						
					898,224		898,224

- 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.
- The amounts from acquisition of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.
- The amounts from disposal of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.
- 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)	(269,228)	(47.98) %	Net 180 days	-		656,554	59.48%	
The Company	Minsheng General Hospital	Substantial related party	Service income	(72,769)	(12.97) %	Net 30-180 days	-		214,606	19.44%	
The Company	Minsheng General Hospital	Substantial related party	Lease income	(14,243)	(2.54) %	Net 30-180 days	-		17,226	1.56%	
									888,386		
The Company	YES Health Company	Subsidiary	(Sell)	(47,886)	(8.53) %	Net 60 days	-		65,428	5.93%	Note
YES Health Company	The Company	Parent company	Purchase	47,886	17.45 %	Net 60 days	-		(65,428)	(29.98)%	Note

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

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

Unit: NT\$ thousand

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

Payee of the accounts receivable	Name of the counterparty	Relationship	Balance of related party receivables	Turnover rate	Overdue related party receivables		Amount received in subsequent periods	Amount provisioned for loss allowances
					Amount	Accounting treatment		
The Company	Minsheng General Hospital	Substantial related party	888,386	1.55	-		262,823	204

9. Engagement in derivatives transactions: none.

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

Unit: NT\$ thousand

Serial No.	Name of the trading party	Counterparty	Relationship with the counterparty	Transaction situation			
				Account	Amount	Transaction condition	Ratio of the amount to consolidated total operating income or total assets
0	The Company	YES Health Company	1	Sales income	47,886	Net 60 days	4.92%
0	"	"	1	Accounts receivable - related parties	65,428	"	0.89%
0	"	Medzoneasia	1	Lease income	5,714	—	0.59%
1	Medzoneasia	The Company	2	Refundable deposits	4,003	—	0.05%
1	"	"	2	Right-of-use assets	24,051	—	0.33%
1	"	"	2	lease liabilities	28,642	—	0.39%
2	Pregetic Health Company	The Company	2	Right-of-use assets	2,766	—	0.04%
2	"	"	2	lease liabilities	2,824	—	0.04%

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

1. 0 represents the parent company.
2. The subsidiaries are numbered sequentially with Arabic numerals starting from 1 by company type.

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

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

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

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

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

Information on reinvestment business of the Consolidated Company for the three months ended March 31, 2024 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%	394,781	(4,922)	(3,025)	Note 1
The Company	ShareHope Medicine (HongKong) Co., Ltd.	Hong Kong, China	Investment management	44,831	44,831	1,500	100.00%	21,017	(202)	(202)	Note 1
The Company	Chungyuan Medical Management Co., Ltd.	Taoyuan City	Management Consulting Services	11,389	11,389	1,000	100.00%	11,682	29	29	Note 1
The Company	Pohui Biotechnology Co., Ltd	Taipei City	Biotechnology Services	22,106	22,106	2,211	25.00%	745	(18)	(4)	Note 2
The Company	Medzoneasia	Taoyuan City	Health management services and hotels	336,669	336,669	17,154	91.47%	112,617	(7,330)	(7,520)	Note 1
The Company	Pregetic Health Company	Taoyuan City	Health management services	101,000	101,000	10,500	38.90%	82,020	(14,302)	(5,577)	Note 1
The Company	Shengshih Technology Co., Ltd.	Taipei City	Management Consulting Services	1,000	1,000	100	100.00%	751	(33)	(33)	Note 1
The Company	Sheng Tai Food Technology Co., Ltd.	Taipei City	Food and beverage retail	800	800	80	80.00%	152	(18)	(14)	Note 1
The Company	YWLIT Co., Ltd.	Taipei City	Biotechnology Services	1,000	1,000	100	100.00%	938	(18)	(18)	Note 1
Mytrex Health Company	Mytrex USA Co.	California, USA	Health care support services	23,516	23,516	800	88.89%	12,797	(18)	(16)	Note 1
Mytrex Health Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management Consulting Services	10,000	10,000	667	22.37%	10,609	661	148	Note 2
Mytrex Health Company	Mytrex Industries Inc.	Taoyuan City	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	447,888	447,888	6,000	100.00%	210,541	(14)	(14)	Note 1
Mytrex Health Company	Sheng Yo Company	Tainan City	Health management services	20,000	20,000	2,000	47.62%	6,080	(1,227)	(585)	Note 1
Mytrex Health Company	YES Health Company	Taoyuan City	Wholesale and trading of medicines and management consulting for pharmacies	230,000	230,000	6,035	100.00%	220,592	(1,990)	(2,211)	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%	2,129	661	44	Note 2
Medzoneasia	TECHGROUP Integrate Design Co., Ltd.	New Taipei City	Medical information software services	50,759	50,759	1	51.00%	41,973	4,543	1,582	Note 1

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

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			
Medzoneasia	Shengyu Health Technologies Co., Ltd.	Taoyuan City	Other management consulting services	2,000	2,000	200	40.00%	-	(837)	-	Note 2
Medzoneasia	Global Biotech Multimedia Co., Ltd.	Taipei City	Magazine (periodical) publication	10,000	10,000	500	23.98%	9,244	155	37	Note 2
Medzoneasia	Digimed Co., Ltd.	Taipei City	Information software services	6,000	6,000	600	60.00%	2,722	(3,121)	(1,873)	Note 1
Pregetic Health Company	Hung-Han Company	Taipei City	Health management services	128,880	128,880	5,500	100.00%	73,883	(2,644)	(2,942)	Note 1
Pregetic Health Company	Employee Community Co., Ltd.	Taipei City	Advertising	1,700	1,700	170	48.57%	1,017	1,318	640	Note 2
Pregetic Health Company	Fuyi Company	Taipei City	Health management consulting services	229,288	229,288	20,500	100.00%	163,661	(4,427)	(4,561)	Note 1
Pregetic Health Company	Anchun Technology Co., Ltd.	Taipei City	Health management services	20,000	20,000	2,000	40.00%	16,723	(1,272)	(509)	Note 2
Pregetic Health Company	Chinachem Biomedical Co., Ltd.	Taipei City	Healthcare services	10,000	10,000	1,000	50.00%	2,868	(1,483)	(742)	Note 1
Hung-Han Company	Hanting Digital Technology Co., Ltd.	New Taipei City	Information software services	20,000	20,000	2,000	66.67%	3,238	(1,766)	(1,178)	Note 1
Hung-Han Company	Chinachem Biomedical Co., Ltd.	Taipei City	Healthcare services	10,000	10,000	1,000	50.00%	2,868	(1,483)	(742)	Note 1
Hung-Han Company	Macro Global Corporation	Taichung City	Wholesale and trading of medicines	74,820	74,820	6,450	100.00%	78,790	1,773	1,801 and 3	Note 1 and 3
Fuyi Company	Shangchia Health Business Co., Ltd.	Taipei City	Health management services	33,900	33,900	3,390	33.90%	36,573	316	107	Note 2
YES Health Company	Digimed Co., Ltd.	Taipei City	Information software services	2,000	2,000	200	20.00%	907	(3,121)	(624)	Note 1
Macro Global Corporation	Hanting Digital Technology Co., Ltd.	New Taipei City	Information software services	10,000	10,000	1,000	33.33%	1,619	(1,766)	(589)	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	(68)	100.00%	(68)	2,565	-
Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd.	Hospital management consulting services	5,124	(1)	5,124	-	-	5,124	(131)	100.00%	(131)	6,777	-

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	2,138,148

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.		36,298,290	28.79%

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

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

## XIV. Department Information

For the three months ended March 31, 2024

	Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation	Total
Revenue:							
Revenue from external customers	\$ 710,845	147,880	30,150	14,524	69,150	-	972,549
Interdepartmental revenue	48,275	2,080	-	-	6,204	(56,559)	-
Total revenue	<u>\$ 759,120</u>	<u>149,960</u>	<u>30,150</u>	<u>14,524</u>	<u>75,354</u>	<u>(56,559)</u>	<u>972,549</u>
Profits and losses of reportable departments	<u>\$ 20,610</u>	<u>19,549</u>	<u>3,285</u>	<u>9,495</u>	<u>(46,725)</u>	<u>18,170</u>	<u>24,384</u>

For the three months ended March 31, 2023

	Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and 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>