

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

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

For the nine months ended September 30, 2024 and 2023

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China.

In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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Independent Auditors' Review Report

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

Introduction

The Consolidated Balance Sheet of ShareHope Medicine Co., Ltd. and its subsidiaries as of September 30, 2024 and 2023, and the Consolidated Statement of Comprehensive Income for the three months ended September 30, 2024 and 2023, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to Consolidated Financial Statements (including the Summary of Major Accounting Policies) for the nine months ended September 30, 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, nothing has come to our attention that causes us to believe that the accompanying Consolidated Financial Statements do not present fairly, in all material respects, the consolidated financial position of ShareHope Medicine Co., Ltd. and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months ended and nine months ended September 30, 2024 and 2023 and its consolidated cash flows for the nine months ended September 30, 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.

KPMG Taiwan

Astor Kou

Independent auditor:

Sinney Kuo

Number of documents approved and
certified by the securities regulatory : Tai-Tsai-Zheng-(6)-Zi-0930106739
 Jin-Kuan-Zheng-Shen-Zi-1040003949
 November 8, 2024

ShareHope Medicine Co., Ltd. and its subsidiaries

Consolidated Balance Sheet

September 30, 2024, December 31, and September 30, 2023

Unit: NT\$ thousand

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6 (1))	\$ 1,426,553	20	1,383,022	19	1,297,750	18	2100	Short-term loans (Note 6 (17) and Note 8)	\$ 403,011	6	407,467	5	425,109	6
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	10,571	-	10,463	-	10,430	-	2110	Short-term bills payable (Note 6 (18))	54,814	1	54,901	1	54,951	1
1136	Financial assets at amortized cost - current (Note 8)	21,708	-	32,097	-	34,042	-	2130	Contract liabilities - current (Note 6(28))	44,191	1	12,662	-	25,555	-
1150	Notes receivable (Note 6 (4) and (28))	12,065	-	12,273	-	10,512	-	2150	Notes payable	23,855	-	95,890	1	102,221	1
1170	Net accounts receivable (Note 6 (4) and (28))	250,309	4	260,775	4	201,748	3	2170	Accounts payable	690,764	9	745,323	10	734,534	10
1180	Accounts receivable - related parties, net (Note 6(4), (6), (28), and 7)	962,492	14	1,115,312	15	1,072,312	14	2181	Accounts payable - related parties (Note 7)	1,015	-	1,076	-	1,471	-
1200	Other net accounts receivable (Note 6 (5))	51,219	1	37,799	1	90,841	1	2200	Other payables (Note 6(22))	223,076	3	283,508	4	288,082	4
1210	Other accounts receivable - related parties (Note 6 (5) and Note 7)	23,393	-	36,101	-	28,641	-	2220	Other accounts payable - related parties (Note 7)	1,132	-	10,420	-	7,430	-
1220	Income tax assets for the period	1,244	-	177	-	144	-	2230	Income tax liabilities for the period	10,805	-	52,448	1	37,251	1
130X	Inventories (Note 6 (7))	299,404	4	296,474	4	310,137	4	2260	Liabilities directly associated with disposal groups held for sale (Note 6(8))	41,850	1	-	-	-	-
1410	Prepayments (Note 7)	40,906	1	45,137	1	52,950	1	2280	Lease liabilities - current (Note 6 (20))	111,837	2	140,853	2	120,423	2
1460	Disposal groups held for sale (Note 6(8))	57,812	1	-	-	-	-	2322	Long-term loans due in one year (Note 6 (19) and Note 8)	126,704	2	121,207	2	29,482	-
1470	Other current assets	9,345	-	9,994	-	11,361	1	2323	Long-term accounts payable due in one year	-	-	2,746	-	2,724	-
Total current assets		3,167,021	45	3,239,624	44	3,120,868	42	2399	Other current liabilities	44,631	1	36,471	-	18,571	-
Non-current assets:								Total current liabilities		1,777,685	26	1,964,972	26	1,847,804	25
1510	Financial assets at fair value through profit or loss - non-current (Note 6 (2))	25,273	-	19,684	-	22,096	-	Non-current liabilities:							
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (3))	827,296	12	814,972	11	863,266	12	2540	Long-term loans (Note 6 (19) and Note 8)	929,059	13	1,005,678	14	996,802	13
1536	Financial assets at amortized cost - non-current (Note 8)	44,500	1	44,500	1	30,000	-	2570	Deferred income tax liabilities	40,271	1	33,238	1	41,460	1
1550	Equity method investments (Note 6 (10))	75,688	1	76,578	1	79,393	1	2580	Lease liabilities - non-current (Note 6 (20))	375,313	5	449,914	6	496,184	7
1600	Property, plant and equipment (Note 6 (12) and Note 8)	1,530,837	21	1,676,551	23	1,693,659	23	2612	Long-term payables	-	-	8,440	-	9,135	-
1755	Right-of-use assets (Note 6 (13))	345,167	5	407,790	5	437,142	6	2640	Net defined benefit liabilities - non-current	7,161	-	8,231	-	8,164	-
1760	Investment properties (Note 6 (14) and Note 8)	297,687	4	338,194	5	339,035	5	2645	Deposits received (Note 7)	18,292	-	19,606	-	20,264	-
1780	Intangible assets (Note 6 (15))	326,912	5	337,124	4	341,456	5	Total non-current liabilities		1,370,096	19	1,525,107	21	1,572,009	21
1840	Deferred income tax assets	13,616	-	12,982	-	11,324	-	Total liabilities		3,147,781	45	3,490,079	47	3,419,813	46
194D	Net long-term finance lease receivables (Note 6(6), (28) and 7)	9,533	-	24,626	-	25,018	-	Equity (Note 6 (9), (11), and (25)):							
1990	Other non-current assets (Note 6 (16) and Note 7)	460,255	6	452,913	6	447,108	6	3110	Ordinary share capital	1,260,443	18	1,260,443	17	1,200,422	16
Total non-current assets		3,956,764	55	4,205,914	56	4,289,497	58	3150	Stock dividends to be distributed	50,418	1	-	-	60,021	1
								3200	Additional paid-in capital	1,153,961	16	1,155,834	15	1,166,656	16
								3310	Legal reserves	229,009	3	216,895	3	216,895	3
								3350	Undistributed earnings	731,599	10	732,111	10	687,378	9
								3410	Exchange difference from translation of the financial statements of foreign operations	(1,321)	-	(2,507)	-	(1,748)	-
								3420	Unrealized gains or losses on financial assets at fair value through other comprehensive income	92,441	1	125,160	2	164,056	2
									Total equity attributable to owners of the parent company	3,516,550	49	3,487,936	47	3,493,680	47
								36xx	Non-controlling interests	459,454	6	467,523	6	496,872	7
									Total equity	3,976,004	55	3,955,459	53	3,990,552	54
									Total liabilities and equity	\$ 7,123,785	100	7,445,538	100	7,410,365	100
Total assets		\$ 7,123,785	100	7,445,538	100	7,410,365	100								

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

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

ShareHope Medicine Co., Ltd. and its subsidiaries
Consolidated Statement of Comprehensive Income
For the three months and nine months ended September 30, 2024 and 2023

Unit: NT\$ thousand

		For the three months ended September 30, 2024		For the three months ended September 30, 2023		For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(28) and 7)	\$ 1,149,776	100	969,074	100	3,214,065	100	2,806,502	100
5000	Operating costs (Note 6 (7), (12), (13) and (23), and Note 7)	(975,242)	(85)	(821,782)	(85)	(2,670,757)	(83)	(2,303,758)	(82)
	Gross profit	174,534	15	147,292	15	543,308	17	502,744	18
	Operating expenses (Note 6 (4), (12), (13), (20), and (23), and Note 7):								
6100	Marketing expenses	(63,104)	(6)	(55,925)	(6)	(183,878)	(6)	(163,651)	(6)
6200	Administrative expenses	(106,036)	(9)	(122,833)	(13)	(340,071)	(11)	(348,512)	(13)
6300	R&D expenses	(3,656)	-	(4,038)	-	(9,463)	-	(9,923)	-
6235	Losses on expected credit impairment	(1,043)	-	(27)	-	(9,257)	-	(1,952)	-
	Total operating expenses	(173,839)	(15)	(182,823)	(19)	(542,669)	(17)	(524,038)	(19)
6500	Other net income and expenses (Note 6 (30))	19,066	2	48,747	5	77,877	2	86,578	3
	Net operating income	19,761	2	13,216	1	78,516	2	65,284	2
	Non-operating income and expenses (Note 6 (10), (20) and (31)):								
7100	Interest income	1,534	-	978	-	6,100	-	4,968	-
7010	Other income	7,920	-	6,995	1	57,367	2	21,026	1
7020	Other gains and losses	(1,427)	-	950	-	2,914	-	13,833	-
7050	Finance costs	(14,041)	(1)	(13,742)	(1)	(41,954)	(1)	(40,289)	(1)
7770	Share of (losses) gains of affiliates recognized by the equity method	185	-	(1,356)	-	67	-	(2,180)	-
	Total non-operating income and expenses	(5,829)	(1)	(6,175)	-	24,494	1	(2,642)	-
7900	Net income before tax	13,932	1	7,041	1	103,010	3	62,642	2
7950	Income tax expenses (Note 6(24))	(12,624)	(1)	(13,154)	(1)	(37,529)	(1)	(39,395)	(1)
	Net income (loss) for the period	1,308	-	(6,113)	-	65,481	2	23,247	1
8300	Other comprehensive income (Note 6(24) and (25)):								
8310	Items not reclassified to profit or loss								
8316	Unrealized valuation profits and losses on equity instrument investments at fair value through other comprehensive income	(27,161)	(2)	118,908	12	(27,939)	(1)	181,880	6
8320	Share of other comprehensive income of affiliates recognized by the equity method	-	-	6	-	-	-	6	-
8349	Less: income taxes related to non-reclassified items	(1,191)	-	18,643	2	8,097	-	23,882	1
	Total items not reclassified to profit or loss	(25,970)	(2)	100,271	10	(36,036)	(1)	158,004	5
8360	Items that may be reclassified to profit or loss subsequently								
8361	Exchange difference from translation of the financial statements of foreign operations	125	-	1,449	-	1,677	-	743	-
8399	Less: income taxes related to items that may be reclassified	33	-	335	-	326	-	133	-
	Total items that may be reclassified to profit or loss subsequently	92	-	1,114	-	1,351	-	610	-
8300	Other comprehensive income for the period	(25,878)	(2)	101,385	10	(34,685)	(1)	158,614	5
8500	Total comprehensive income for this period	<u>\$ (24,570)</u>	<u>(2)</u>	<u>95,272</u>	<u>10</u>	<u>30,796</u>	<u>1</u>	<u>181,861</u>	<u>6</u>
	Net profit (loss) attributable to (Note 6(11)):								
8610	Owners of the parent company	\$ 16,745	1	9,672	2	112,438	3	79,863	3
8620	Non-controlling interests	(15,437)	(1)	(15,785)	(2)	(46,957)	(1)	(56,616)	(2)
		<u>\$ 1,308</u>	<u>-</u>	<u>(6,113)</u>	<u>-</u>	<u>65,481</u>	<u>2</u>	<u>23,247</u>	<u>1</u>
	Total comprehensive income attributable to (Note 6(11)):								
8710	Owners of the parent company	\$ (8,011)	(1)	113,415	12	80,905	3	235,745	8
8720	Non-controlling interests	(16,559)	(1)	(18,143)	(2)	(50,109)	(2)	(53,884)	(2)
		<u>\$ (24,570)</u>	<u>(2)</u>	<u>95,272</u>	<u>10</u>	<u>30,796</u>	<u>1</u>	<u>181,861</u>	<u>6</u>
	Earnings per share (NTD) (Note 6(27))								
9750	Basic earnings per share	<u>\$ 0.13</u>		<u>0.07</u>		<u>0.86</u>		<u>0.61</u>	
9850	Diluted earnings per share	<u>\$ 0.13</u>		<u>0.07</u>		<u>0.86</u>		<u>0.61</u>	

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

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

ShareHope Medicine Co., Ltd. and its subsidiaries

Consolidated Statement of Changes in Equity

For the nine months ended September 30, 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	-	-	-	-	79,863	-	-	79,863	(56,616)	23,247
Other comprehensive income for the period	-	-	-	-	-	341	155,541	155,882	2,732	158,614
Total comprehensive income for this period	-	-	-	-	79,863	341	155,541	235,745	(53,884)	181,861
Allocation and distribution of earnings:										
Appropriation of legal reserve	-	-	29,797	-	(29,797)	-	-	-	-	-
Common share cash dividend	-	-	-	-	(60,021)	-	-	(60,021)	(2,426)	(62,447)
Ordinary share stock dividend	60,021	-	-	-	(60,021)	-	-	-	-	-
Reversal of special reserves	-	-	-	(26,136)	26,136	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	(97,852)	-	-	(3,451)	-	-	(101,303)	(126,754)	(228,057)
Non-controlling interests	-	-	-	-	-	-	-	-	200	200
Balance as of September 30, 2023	\$ 1,260,443	1,166,656	216,895	-	687,378	(1,748)	164,056	3,493,680	496,872	3,990,552
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	-	-	-	-	112,438	-	-	112,438	(46,957)	65,481
Other comprehensive income for the period	-	-	-	-	-	1,186	(32,719)	(31,533)	(3,152)	(34,685)
Total comprehensive income for this period	-	-	-	-	112,438	1,186	(32,719)	80,905	(50,109)	30,796
Allocation and distribution of earnings:										
Appropriation of legal reserve	-	-	12,114	-	(12,114)	-	-	-	-	-
Common share cash dividend	-	-	-	-	(50,418)	-	-	(50,418)	(3,446)	(53,864)
Ordinary share stock dividend	50,418	-	-	-	(50,418)	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	(1,873)	-	-	-	-	-	(1,873)	1,873	-
Non-controlling interests	-	-	-	-	-	-	-	-	43,613	43,613
Balance on September 30, 2024	\$ 1,310,861	1,153,961	229,009	-	731,599	(1,321)	92,441	3,516,550	459,454	3,976,004

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

Chairperson: Hung-jen Yang

Manager: Ching-wen Liu

Chief Accounting Officer: Ya-mei Huang

ShareHope Medicine Co., Ltd. and its subsidiaries
Consolidated Cash Flow Statement
For the nine months ended September 30, 2024 and 2023

Unit: NT\$ thousand

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash flows from operating activities:		
Net income before tax for the period	\$ 103,010	62,642
Items adjusted:		
Income and expense items		
depreciation expense	214,321	218,028
Amortization expenses	18,762	22,988
Losses on expected credit impairment	9,257	1,952
Net gains on financial assets at fair value through profit or loss	(5,697)	(11,270)
Interest expenses	42,619	40,289
Interest income	(6,100)	(4,968)
Dividend income	(35,991)	(1,643)
Share of (gains) losses of affiliates recognized by the equity method	(67)	2,180
Gains on disposal and retirement of properties, plants and equipment	(18,406)	(24,820)
Gains on disposal of subsidiaries' investments	(965)	-
Unrealized foreign exchange gains	(138)	(1,268)
Lease modification gains	(235)	(502)
Total income and expense items	<u>217,360</u>	<u>240,966</u>
Changes in assets/liabilities related to operating activities:		
Notes receivable (including related parties)	208	2,611
Accounts receivable (including related parties)	159,025	(45,645)
Lease payments receivable (including related parties)	(4,506)	(20,933)
Other receivables (including related parties)	(12,764)	2,762
Inventories	(3,288)	(21,254)
Prepayments	1,622	(4,438)
Other current assets	479	(8,361)
Notes payable (including related parties)	(72,035)	1,751
Accounts payable (including related parties)	(53,540)	33,685
Other payables (including related parties)	(54,722)	(24,817)
contract liability	31,790	20,030
Other current liabilities	8,246	6,607
Net defined benefit liabilities	(1,283)	(58)
Total net changes in assets and liabilities related to operating activities	<u>(768)</u>	<u>(58,060)</u>
Cash inflow from operation	319,602	245,548
Interests received	6,100	4,968
Interests paid	(41,954)	(39,789)
Income taxes paid	(77,470)	(57,614)
Cash inflow from operating activities	<u>206,278</u>	<u>153,113</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 (Continued)
For the nine months ended September 30, 2024 and 2023

Unit: NT\$ thousand

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (42,510)	(27,020)
Capital returned due to capital reduction in financial assets at fair value through other comprehensive income	2,247	26,514
Disposal of financial assets at fair value through profit or loss	-	71,171
Acquisition of long-term equity method investments	-	(12,000)
Acquisition of financial assets at amortized cost	-	(18,451)
Disposal of financial assets at amortized cost	10,389	-
Disposal of subsidiaries	2,808	-
Acquisition of property, plant and equipment	(46,579)	(173,071)
Disposal of property, plant and equipment	58,083	3,005
Increase in refundable deposits	(19,271)	(14,349)
Increase (decrease) in other receivables-from related parties	5,316	(2,672)
Acquisition of intangible assets	(8,739)	(22,322)
(Increase) decrease in other non-current assets	(3,206)	10,934
Dividends received	35,991	1,643
Cash outflow from investing activities:	<u>(5,471)</u>	<u>(156,618)</u>
Cash flows from financing activities:		
Increase in short-term loans	5,544	118,855
Borrowing of long-term loans	2,550	35,000
Repayment of long-term loans	(66,452)	(8,092)
(Decrease) increase in deposits received	(1,314)	2,242
Lease principal payment	(88,358)	(93,967)
Distribution of cash dividends	(53,864)	(62,447)
Buyback cost of treasury stock	-	(227,434)
Changes in non-controlling interests	43,613	(28)
Net cash outflow from financing activities	<u>(158,281)</u>	<u>(235,871)</u>
Impact of exchange rate changes on cash and cash equivalents	1,663	1,944
Increase (decrease) in cash and cash equivalents for the current period	44,189	(237,432)
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>\$ 1,427,211</u>	<u>1,297,750</u>
Composition of cash and cash equivalents:		
Cash and cash equivalents reported in the balance sheet	\$ 1,426,553	1,297,750
Cash and cash equivalents classified as disposal groups held for sold	658	-
Balance of cash and cash equivalents at the end of the period	<u>\$ 1,427,211</u>	<u>1,297,750</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 September 30, 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 November 8, 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) The impact of not yet adopting the IFRSs approved by the Financial Supervisory Commission

The Consolidated Company adopted the following newly amended terms of the IFRSs effective from January 1, 2025, based on evaluation, which will not have a significant impact on the Consolidated Financial Statements.

- Amendments to IAS 21 “Lack of Exchangeability”

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

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

Newly issued or amended standards	Major amendments	Effective date of standards issued by the Board
IFRS 18 "Presentation and Disclosure in Financial Statements"	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.	January 1, 2027

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"> • 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. • 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. • 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. 	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
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendment to the Classification and Measurement of Financial Instruments"
- IFRS Annual Improvements

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

IV. Summary of Major Accounting Policies

(I) Compliance statement

These Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to “Regulations”) and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC. The Consolidated Financial Statements do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to 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
			September 30, 2024	December 31, 2023	September 30, 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, formerly known as Mytrex Co., Ltd.)	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	61.46%	61.46%	61.46%	
The Company	ShareHope Medicine (HongKong) Co., Ltd. (hereinafter referred to as ShareHope Hong Kong Company)	Investment management	100.00%	100.00%	100.00%	
The Company	Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd. (hereinafter referred to as Minsheng Asia-Pacific (Beijing) Company)	Hospital management consulting services	100.00%	100.00%	100.00%	
The Company	Pregetic Medical Health Co., Ltd. (hereinafter referred to as Pregetic Health Company)	Health management services	38.19%	38.90%	38.90%	Note 3
The Company	Medzoneasia Co., Ltd. (hereinafter referred to as Medzoneasia, formerly known as Medzoneasia Co., Ltd.)	Health management services and hotels	91.47%	91.47%	83.47%	Note 1
The Company	Shengshi Digital Health Co., Ltd. (hereinafter referred to as Shengshih Company, formerly known as Shengshih Technology 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%	80.00%	
The Company	YWLT Co., Ltd. (hereinafter referred to as YWLT Company)	Biotechnology Services	100.00%	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 2
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%	
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%	

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

Name of investor	Name	Name of subsidiary	Nature of business	Percentage of equity held			Explanation
				September 30, 2024	December 31, 2023	September 30, 2023	
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		Harvard Health Inc. (hereinafter referred to as Harvard Company, formerly known as Fu Yi Health Management Consulting Co., Ltd.)	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%	Note 4
Hung-Han Company		Hanting Digital Technology Co., Ltd. (hereinafter referred to as Hanting Company)	Information software services	- %	66.67%	100.00%	Note 5
Hung-Han Company		Chinachem	Healthcare services	- %	50.00%	50.00%	Note 4
Hung-Han Company		Macro Global Corporation	Wholesale and trading of medicines	100.00%	100.00%	100.00%	
Macro Global Corporation		Hanting Company	Information software services	- %	33.33%	- %	Note 5

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

Note 2: 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.

Note 3: In September 2024, Pregetic Company conducted a cash capital increase. However, the Company did not subscribe fully in proportion to its shareholding, which led to a decrease in its shareholding ratio.

Note 4: Pregetic Company and Hung-Han Company fully disposed of the equity of Chinachem they held in August 2024, resulting in the loss of control over the subsidiary. Therefore, the Consolidated Company no longer include the gains and expenses in the Consolidated Statement of Comprehensive Income at the time losing control.

Note 5: Hung-Han Company and Macro Global Corporation fully disposed of the equity of Hanting Company they held in August 2024, resulting in the loss of control over the subsidiary. Therefore, the Consolidated Company no longer include the gains and expenses in the Consolidated Statement of Comprehensive Income at the time losing control.

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

(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.

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

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.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and working capital	\$ 5,853	5,956	5,911
Cheques, demand deposits and foreign currency deposits	1,325,829	1,326,305	1,241,148
Demand deposits	43,862	-	-
Cash equivalents - repurchase bonds	51,009	50,761	50,691
	<u>\$ 1,426,553</u>	<u>1,383,022</u>	<u>1,297,750</u>

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Fund beneficiary certificates	\$ 10,571	10,463	10,430
Non-TWSE/TPEX listed stocks	25,273	19,684	22,096
	<u>\$ 35,844</u>	<u>30,147</u>	<u>32,526</u>
Current	\$ 10,571	10,463	10,430
Non-current	25,273	19,684	22,096
	<u>\$ 35,844</u>	<u>30,147</u>	<u>32,526</u>

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

Please refer to Note 6 (31) 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Stocks issued by non-TWSE/TPEX listed companies	\$ 299,317	348,419	358,774
Stocks issued by non-listed foreign companies	391,896	341,871	373,059
Limited partnership interests	136,083	124,682	131,433
	<u>\$ 827,296</u>	<u>814,972</u>	<u>863,266</u>

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

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 (32) for credit risk and market risk information.

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 12,065	12,273	10,512
Accounts receivable - measured at amortized cost	255,426	265,836	205,581
Accounts receivable-related parties - measured at amortized cost	963,110	1,105,850	1,063,695
Accounts receivable-finance lease payments - measured at amortized cost	-	291	388
Accounts receivable-related parties - finance lease payments - measured at amortized cost	11,202	13,429	12,593
Less: loss allowances	(15,942)	(7,657)	(6,562)
Unrealized interest income	(995)	(1,662)	(1,635)
	<u><u>\$ 1,224,866</u></u>	<u><u>1,388,360</u></u>	<u><u>1,284,572</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:

	September 30, 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	\$ 1,140,056	0%~0.02%	213
Less than 60 days overdue	13,219	0%~10%	-
61~90 days overdue	8,154	0%~100%	45
91-120 days overdue	6,882	0%~100%	-
More than 121 days overdue	72,497	0%~100%	15,684
	<u><u>\$ 1,240,808</u></u>		<u><u>15,942</u></u>

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

	December 31, 2023		
	The carrying amount of notes and accounts receivable and finance lease receivables (including related parties)	Weighted average expected credit loss rate	Loss allowances for lifetime expected credit losses
Not overdue	\$ 1,344,276	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
	<u>\$ 1,396,017</u>		<u>7,657</u>

	September 30, 2023		
	The Carrying Amount of Notes and Accounts Receivable and Finance Lease Receivables	Weighted average expected credit loss rate	Loss allowances for lifetime expected credit losses
Not overdue	\$ 1,260,172	0%~0.02%	339
Less than 60 days overdue	8,987	0%~15%	861
61~90 days overdue	7,587	0%~100%	47
91-120 days overdue	6,338	0%~40%	1,193
More than 121 days overdue	8,050	0%~100%	4,122
	<u>\$ 1,291,134</u>		<u>6,562</u>

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Beginning balance	\$ 7,657	4,608
Impairment loss	9,257	1,952
The irrecoverable amount written off in the current year	(991)	-
Foreign currency translation gains and losses	19	2
Ending balance	<u>\$ 15,942</u>	<u>6,562</u>

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

(V) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Receivables from chain pharmacies	\$ 29,852	27,207	23,714
Receivables for disposal of premises	-	-	37,525
Other receivables - related parties	23,393	36,101	28,641
Others	21,367	11,457	30,485
Less: loss allowances	-	(865)	(883)
	<u><u>\$ 74,612</u></u>	<u><u>73,900</u></u>	<u><u>119,482</u></u>

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Beginning balance	\$ 865	882
The irrecoverable amount written off in the current year	(865)	-
Foreign currency translation gains and losses	-	1
Ending balance	<u><u>\$ -</u></u>	<u><u>883</u></u>

Please refer to Note 6(32) for other credit risk information.

(VI) Finance lease receivables

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Less than one year	\$ 11,201	13,720	12,978
1~2 years	5,893	10,570	10,177
2~3 years	2,374	6,070	5,946
3~4 years	1,599	3,106	3,495
4~5 years	400	2,720	2,720
More than 5 years	-	4,203	4,884
Gross investment in the lease	21,467	40,389	40,200
Unearned finance income	(1,727)	(3,705)	(3,836)
Present value of lease payments receivable	<u><u>\$ 19,740</u></u>	<u><u>36,684</u></u>	<u><u>36,364</u></u>
Current	\$ 10,207	12,058	11,346
Non-current	9,533	24,626	25,018
	<u><u>\$ 19,740</u></u>	<u><u>36,684</u></u>	<u><u>36,364</u></u>

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 September 30, 2024, December 31 and September 30, 2023.

(VII) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Medicines and medical materials	\$ 33,399	40,772	42,781
Raw materials	18,494	27,486	27,144
Work in progress	752	533	708
Finished good	25,402	28,478	24,804
Commodity	221,357	198,000	211,338
Medical equipment	-	1,205	3,362
	<u>\$ 299,404</u>	<u>296,474</u>	<u>310,137</u>

Particulars of cost of sales are as follows:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cost of inventories sold	\$ 814,775	675,121	2,277,216	1,917,691
Inventory valuation losses	608	1,467	710	787
Obsolete inventories	156	151	474	457
Scrap income	(187)	(200)	(478)	(568)
Inventory loss	96	58	187	13
Others	16,750	10,146	16,442	16,167
	<u>\$ 832,198</u>	<u>686,743</u>	<u>2,294,551</u>	<u>1,934,547</u>

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. Then, the transaction was reported to the Board of Directors and Audit Committee on May 10, 2024. Per the resolution by the Board of Directors and Audit Committee, they should be bought back at the same selling price and then re-sold at appropriate price. As of September 30, 2024, the assets and liabilities of the disposal group available-for-sale amounted to NT\$57,812 thousand and NT\$41,850 thousand respectively. The details are as follows:

	September 30, 2024
Cash and cash equivalents	\$ 658
Accounts receivable	3,759
Other receivables	7,392
Prepayments	687
Other current assets	129
Property, plant and equipment	2,730
Right-of-use assets, net	18,357
Intangible assets, net	165
Refundable deposits	15,010
Other non-current assets	8,925
Assets included in a group held for sale	\$ 57,812
Short-term loans and long-term loans due within one year	\$ 14,403
Other payables (\$541 thousand arising from related party transactions has been written off)	794
Other current liabilities	12
Long-term loans	2,817
lease liabilities	23,824
Liabilities included in a disposal group held for sale	\$ 41,850

(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:

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

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:

	For the nine months ended September 30, 2023
The carrying amount of equity in YES Health Company sold	\$ (233,204)
Consideration for transfer to Mytrex Health Company	230,000
	<u>\$ (3,204)</u>
Additional paid-in capital - the difference between the price and book value of subsidiaries' equity actually acquired	\$ (483)
Deficit yet to be compensated	(2,721)
	<u>\$ (3,204)</u>

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

	For the nine months ended September 30, 2023
Undistributed earnings	<u>\$ (1,691)</u>

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

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

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

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

3. No participation in subsidiaries' cash capital increase without loss of control

The Consolidated Company did not subscribe for shares in the cash capital increase by -Sheng Yo Rehabilitative Technologies, Inc. based on its shareholding ratio in January 2024, resulting in a decrease in its shareholding ratio from 90.91% to 47.62%.

	For the nine months ended September 30, 2024
Decrease in equity attributable to subsidiaries after issuance of new shares	\$ 4,240
Undistributed earnings	<u>\$ 4,240</u>

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

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

	For the nine months ended September 30, 2024
Additional paid-in capital - changes in ownership interests in subsidiaries	\$ (2,605)

The Company did not subscribe for shares in the cash capital increase by Pregetic Health Company based on its shareholding ratio in September 2024, resulting in a decrease in its shareholding ratio from 38.90% to 38.19%.

	For the nine months ended September 30, 2024
Decrease in equity attributable to subsidiaries after issuance of new shares	\$ (22,782)
Equity attributable to subsidiaries recognized in the newly issued shares based on their equity ratio after issuance of new shares	23,514
Additional paid-in capital - changes in ownership interests in subsidiaries	\$ 732

(X) Loss of control over subsidiaries

The Consolidated Company disposed of 100% equity of Han ting Company and lost control over it in July 2024. The disposal consideration was NT\$8,520 thousand, and the disposal gain of NT\$753 thousand was included in the other gains and losses in the Consolidated Statement of Comprehensive Income.

The Consolidated Company disposed of 100% equity of Chinachem and lost control over it in July 2024. The disposal consideration was NT\$4,483 thousand, and the disposal gain of NT\$513 thousand was included in the other gains and losses in the Consolidated Statement of Comprehensive Income.

The breakdown of the carrying amount of assets and liabilities of Han ting Company and Chinachem as of July 2024 is as follows:

	Han ting Company	Chinachem
Cash and cash equivalents	\$ 8,172	2,023
Accounts receivable	1,839	1,300
Inventories	-	385
Prepayments	113	1,809
Other current assets	-	41
Property, plant and equipment	457	12,843
Intangible assets	-	8
Other non-current assets	-	186
Accounts payable	-	(1,080)
Other payables	(2,604)	(13,420)
Contract liabilities - current	(72)	(89)
Other current liabilities	(138)	(36)
	\$ 7,767	3,970

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

(XI) Subsidiaries with material non-controlling interests

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

Name of subsidiary	Principal business premises/ Country of company registration	Proportion of ownership interest and voting rights of non-controlling interests		
		September 30, 2024	December 31, 2023	September 30, 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%	16.53%
Pregetic Health Company	Taiwan	61.81%	61.10%	61.10%

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

The consolidated financial information of Mytrex Health Company:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 112,696	132,675	75,937
Non-current assets	542,453	562,709	634,163
Current liabilities	(10,100)	(20,421)	(20,585)
Non-current liabilities	(195)	(119)	(350)
Net assets	<u>\$ 644,854</u>	<u>674,844</u>	<u>689,165</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 270,845</u>	<u>282,404</u>	<u>287,924</u>

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Net loss for the period	\$ (16,983)	(20,848)	(24,718)	(42,373)
Other comprehensive income	(2,115)	(5,006)	(1,032)	(1,461)
Total comprehensive income	<u>\$ (19,098)</u>	<u>(25,854)</u>	<u>(25,750)</u>	<u>(43,834)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (6,545)</u>	<u>(8,213)</u>	<u>(9,526)</u>	<u>(16,331)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (7,361)</u>	<u>(10,142)</u>	<u>(9,924)</u>	<u>(16,894)</u>

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash flows from operating activities	\$ 19,798	(9,627)
Cash flows from investing activities	(2,101)	(230,000)
Cash flows from financing activities	-	90,000
Effects of exchange rate	416	(385)
Increase (decrease) in cash and cash equivalents	<u>\$ 18,113</u>	<u>(150,012)</u>

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 41,482	40,758	36,311
Non-current assets	2,519	3,229	1,708
Current liabilities	(21,717)	(21,694)	(17,968)
Non-current liabilities	(77)	(761)	-
Net assets	<u>\$ 22,207</u>	<u>21,532</u>	<u>20,051</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 16,532</u>	<u>18,320</u>	<u>18,301</u>

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating revenue	<u>\$ 16,806</u>	<u>12,913</u>	<u>48,205</u>	<u>42,604</u>
Net income for the period	\$ 1,958	1,107	7,707	6,327
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$ 1,958</u>	<u>1,107</u>	<u>7,707</u>	<u>6,327</u>
Net income for the period attributable to non-controlling interests	<u>\$ 254</u>	<u>(164)</u>	<u>1,658</u>	<u>981</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 254</u>	<u>(164)</u>	<u>1,658</u>	<u>981</u>

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash flows from operating activities	\$ 4,911	3,179
Cash flows from investing activities	(373)	(366)
Cash flows from financing activities	(7,699)	(5,620)
Decrease in cash and cash equivalents	<u>\$ (3,161)</u>	<u>(2,807)</u>

The consolidated financial information of Medzoneasia:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 40,189	57,719	36,555
Non-current assets	160,175	181,865	192,641
Current liabilities	(81,540)	(60,441)	(59,511)
Non-current liabilities	(30,921)	(43,512)	(19,790)
Net assets	<u>\$ 87,903</u>	<u>135,631</u>	<u>149,895</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 7,498</u>	<u>11,569</u>	<u>25,606</u>

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating revenue	<u>\$ 6,409</u>	<u>8,592</u>	<u>22,064</u>	<u>20,406</u>
Net loss for the period	\$ (8,938)	(12,615)	(25,680)	(29,293)
Other comprehensive income	(3,801)	14,666	(22,047)	14,010
Total comprehensive income	<u>\$ (12,739)</u>	<u>2,051</u>	<u>(47,727)</u>	<u>(15,283)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (762)</u>	<u>(2,011)</u>	<u>(2,190)</u>	<u>(6,711)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (1,087)</u>	<u>414</u>	<u>(4,071)</u>	<u>(4,383)</u>
			For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash flows from operating activities			\$ 26,429	(19,696)
Cash flows from investing activities			(8,298)	259,471
Cash flows from financing activities			(30,111)	(227,249)
Increase (decrease) in cash and cash equivalents			<u>\$ (11,980)</u>	<u>12,526</u>

The consolidated financial information of Pregetic Health Company:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 112,678	74,873	85,093
Non-current assets	334,607	364,387	379,050
Current liabilities	(170,875)	(146,070)	(148,303)
Non-current liabilities	(36,071)	(55,416)	(60,730)
Net assets	<u>\$ 240,339</u>	<u>237,774</u>	<u>255,110</u>
Carrying amount of non-controlling interests at the end of the period	<u>\$ 154,199</u>	<u>151,029</u>	<u>161,623</u>

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating revenue	<u>\$ 15,656</u>	<u>21,243</u>	<u>35,176</u>	<u>46,876</u>
Net loss for the period	\$ (12,927)	(8,363)	(55,926)	(55,320)
Other comprehensive income	94	(4,761)	(1,508)	1,457
Total comprehensive income	<u>\$ (12,833)</u>	<u>(13,124)</u>	<u>(57,434)</u>	<u>(53,863)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (7,899)</u>	<u>(5,109)</u>	<u>(34,171)</u>	<u>(33,800)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (7,841)</u>	<u>(8,018)</u>	<u>(35,092)</u>	<u>(32,910)</u>

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash flows from operating activities	\$ 5,458	(3,700)
Cash flows from investing activities	(38,005)	(66,682)
Cash flows from financing activities	77,247	32,919
Increase (decrease) in cash and cash equivalents	<u>\$ 44,700</u>	<u>(37,463)</u>

(XII) Property, plant and equipment

	Land	Houses and buildings	Machinery and equipment	Transport ation equipment	Office equipment	Leasehold improvm ents	Other equipment	Leased assets	Unfinished projects and equipment to be inspected	Total
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	-	-	4,576	-	6,891	4,343	3,898	11,849	946	32,503
Classified as non-current assets held for sale	-	-	-	-	-	(2,433)	(758)	-	-	(3,191)
Disposal	(13,901)	(15,146)	(6,493)	-	(1,039)	(20,814)	(102)	(30,340)	(946)	(88,781)
Disposal of subsidiaries	-	(1,000)	(14,640)	-	(1,538)	-	-	-	-	(17,178)
Reclassification	-	-	16,002	-	-	-	-	(16,002)	-	-
Effects of changes in foreign exchange rates	-	-	-	-	2	-	-	-	-	2
Balance on September 30, 2024	<u>\$ 651,352</u>	<u>514,180</u>	<u>521,985</u>	<u>2,183</u>	<u>104,373</u>	<u>211,317</u>	<u>89,693</u>	<u>434,769</u>	<u>-</u>	<u>2,529,852</u>
Balance on January 1, 2023\$	668,582	550,959	525,510	783	94,282	216,168	55,701	356,322	85,873	2,554,180
Increase	-	100	3,992	971	4,708	17,450	9,421	59,906	54,540	151,088
Disposal	(3,329)	(21,633)	(6,470)	-	(482)	(13,991)	(5,874)	(48,550)	-	(100,329)
Reclassification	-	900	(941)	-	(469)	10,594	28,381	37,763	(92,587)	(16,359)
Balance on September 30, 2023	<u>\$ 665,253</u>	<u>530,326</u>	<u>522,091</u>	<u>1,754</u>	<u>98,039</u>	<u>230,221</u>	<u>87,629</u>	<u>405,441</u>	<u>47,826</u>	<u>2,588,580</u>
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	-	15,108	26,258	477	10,450	17,842	4,765	46,482	-	121,382
Classified as non-current assets held for sale	-	-	-	-	-	(347)	(114)	-	-	(461)
Disposal	-	(10,680)	(6,493)	-	(423)	(7,099)	(82)	(23,199)	-	(47,976)
Reclassification	-	-	4,424	-	-	-	-	(4,424)	-	-
Disposal of subsidiaries	-	(317)	(2,889)	-	(672)	-	-	-	-	(3,878)
Effects of changes in foreign exchange rates	-	-	-	-	2	-	-	-	-	2
Balance on September 30, 2024	<u>\$ -</u>	<u>39,992</u>	<u>417,807</u>	<u>1,473</u>	<u>71,600</u>	<u>158,494</u>	<u>52,123</u>	<u>257,526</u>	<u>-</u>	<u>999,015</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	-	13,960	37,633	161	10,759	19,275	3,683	34,633	-	120,104
Disposal	-	(14,924)	(6,460)	-	(383)	(8,429)	(5,874)	(48,549)	-	(84,619)
Reclassification	-	-	(527)	-	(329)	-	329	514	-	(13)
Balance on September 30, 2023	<u>\$ -</u>	<u>31,320</u>	<u>384,850</u>	<u>872</u>	<u>58,412</u>	<u>141,724</u>	<u>47,344</u>	<u>230,399</u>	<u>-</u>	<u>894,921</u>
Book value:										
September 30, 2024	<u>\$ 651,352</u>	<u>474,188</u>	<u>104,178</u>	<u>710</u>	<u>32,773</u>	<u>52,823</u>	<u>37,570</u>	<u>177,243</u>	<u>-</u>	<u>1,530,837</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>
September 30, 2023	<u>\$ 665,253</u>	<u>499,006</u>	<u>137,241</u>	<u>882</u>	<u>39,627</u>	<u>88,497</u>	<u>40,285</u>	<u>175,042</u>	<u>47,826</u>	<u>1,693,659</u>

Please refer to Note 8 for details of long-term loan guarantees that have been provided as of September 30, 2024, December 31 and September 30, 2023.

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

(XIII) Right-of-use assets

	Houses and buildings	Transportation equipment	Total
Cost:			
Balance on January 1, 2024	\$ 561,411	22,523	583,934
Increase	8,790	6,372	15,162
Classified as non-current assets held for sale	(22,372)	-	(22,372)
Disposal	(14,927)	(12,782)	(27,709)
Reclassification	6	(6)	-
Balance on September 30, 2024	<u><u>\$ 532,908</u></u>	<u><u>16,107</u></u>	<u><u>549,015</u></u>
Balance on January 1, 2023	\$ 582,172	21,023	603,195
Increase	47,721	6,200	53,921
Disposal	(50,830)	(5,704)	(56,534)
Reclassification	(2,248)	2,248	-
Balance on September 30, 2023	<u><u>\$ 576,815</u></u>	<u><u>23,767</u></u>	<u><u>600,582</u></u>
Accumulated depreciation:			
Balance on January 1, 2024	\$ 162,326	13,818	176,144
Increase	45,634	5,452	51,086
Classified as non-current assets held for sale	(4,015)	-	(4,015)
Disposal	(6,585)	(12,782)	(19,367)
Balance on September 30, 2024	<u><u>\$ 197,360</u></u>	<u><u>6,488</u></u>	<u><u>203,848</u></u>
Balance on January 1, 2023	\$ 129,461	12,660	142,121
Increase	46,536	6,056	52,592
Disposal	(25,585)	(5,688)	(31,273)
Balance on September 30, 2023	<u><u>\$ 150,412</u></u>	<u><u>13,028</u></u>	<u><u>163,440</u></u>
Book value:			
September 30, 2024	<u><u>\$ 335,548</u></u>	<u><u>9,619</u></u>	<u><u>345,167</u></u>
December 31, 2023	<u><u>\$ 399,085</u></u>	<u><u>8,705</u></u>	<u><u>407,790</u></u>
September 30, 2023	<u><u>\$ 426,403</u></u>	<u><u>10,739</u></u>	<u><u>437,142</u></u>

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

(XIV) Investment properties

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

	Land and land improvements	Houses and buildings	Right-of-use assets	Total
Cost:				
Balance on January 1, 2024	\$ 152,641	36,669	290,912	480,222
Increase	-	-	10,652	10,652
Disposal	-	-	(14,107)	(14,107)
Balance on September 30, 2024	<u>\$ 152,641</u>	<u>36,669</u>	<u>287,457</u>	<u>476,767</u>
Balance on January 1, 2023	\$ 152,641	36,669	290,749	480,059
Increase	-	-	43,985	43,985
Disposal	-	-	(44,344)	(44,344)
Balance on September 30, 2023	<u>\$ 152,641</u>	<u>36,669</u>	<u>290,390</u>	<u>479,700</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ -	12,223	129,805	142,028
Depreciation for the year	-	1,000	40,853	41,853
Disposal for the period	-	-	(4,801)	(4,801)
Balance on September 30, 2024	<u>\$ -</u>	<u>13,223</u>	<u>165,857</u>	<u>179,080</u>
Balance on January 1, 2023	\$ -	10,889	122,378	133,267
Depreciation for the year	-	1,000	44,332	45,332
Disposal for the period	-	-	(37,934)	(37,934)
Balance on September 30, 2023	<u>\$ -</u>	<u>11,889</u>	<u>128,776</u>	<u>140,665</u>
Carrying amount:				
September 30, 2024	<u>\$ 152,641</u>	<u>23,446</u>	<u>121,600</u>	<u>297,687</u>
December 31, 2023	<u>\$ 152,641</u>	<u>24,446</u>	<u>161,107</u>	<u>338,194</u>
September 30, 2023	<u>\$ 152,641</u>	<u>24,780</u>	<u>161,614</u>	<u>339,035</u>

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 (21) 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.

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

(XV) Intangible assets

	Managem ent rights	Tradem ark rights	Custom er relation	Lease contract	Goodwil l	Comput er softwar e	Franchi se	Right of alienati on	Others	Total
Book value:										
Balance on September 30, 2024	\$ 650	93,145	18,751	4,193	165,517	33,692	-	10,844	120	326,912
Balance on December 31, 2023	\$ 883	93,145	24,803	4,696	165,517	35,775	-	12,145	160	337,124
Balance on September 30, 2023	\$ 1,428	93,145	26,822	4,864	165,517	36,923	6	12,578	173	341,456

The intangible assets of the Consolidated Company had no significant addition, disposition, impairment, or reversal for the six months ended June 30, 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 nine months ended September 30, 2023.

(XVI) Other non-current assets

	September 30, 2024	December 31, 2023	September 30, 2023
Refundable deposits	\$ 436,326	432,251	426,865
Prepayments for equipment and engineering	10,385	8,504	7,737
Net defined benefit assets - non-current	5,300	5,087	4,845
Long-term prepayments	7,477	6,280	6,778
Others	767	791	883
	\$ 460,255	452,913	447,108

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.

(XVII) Short-term loans

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	\$ 353,011	347,467	390,109
Secured bank loans	50,000	60,000	35,000
	\$ 403,011	407,467	425,109
Interest rate range	2.00%~3.71%	1.87%~4.08%	1.65%~4.08%
Unused quota	\$ 1,203,128	1,092,749	912,749

For the nine months ended September 30, 2024 and 2023, the amount of addition was NT\$745,327 thousand and NT\$816,745 thousand, respectively; the interest rate range was from 1.87% to 3.71% and from 1.65% to 4.08%, respectively; the month of expiration was from October 2024 to September 2025 and from October 2023 to September 2023, respectively; the amount of repayment was NT\$739,783 thousand and NT\$697,890 thousand, respectively.

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

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

(XVIII) Short-term bills payable

	September 30, 2024		December 31, 2023		September 30, 2023	
	Interest rate	amount	Interest rate	amount	Interest rate	amount
Commercial paper payable	2.18%	55,000	2%	55,000	1.72%	55,000
Less: discount on short-term bills payable		(186)		(99)		(49)
		<u>\$ 54,814</u>		<u>54,901</u>		<u>54,951</u>
Unused quota		<u>\$ 60,000</u>		<u>60,000</u>		<u>60,000</u>

The short-term bills payable of the Consolidated Company had no significant issuance, buyback, or repayment for the nine months ended September 30, 2024 and 2023. Please refer to Note 6 (31) for the interest expenses.

(XIX) Long-term loans

September 30, 2024				
	Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.99%~3.275%	114.11~120.4	\$ 1,055,763
Less: amount due within one year				(126,704)
				<u>\$ 929,059</u>
Unused quota				<u>\$ 620,000</u>
December 31, 2023				
	Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.710%~3.165%	113.3~120.4	\$ 1,126,885
Less: amount due within one year				(121,207)
				<u>\$ 1,005,678</u>
Unused quota				<u>\$ 620,000</u>
September 30, 2023				
	Currency	Interest rate range	Expiration month	Amount
Secured bank loans	NT\$	1.710%~2.95%	113.3~120.3	\$ 1,026,284
Less: amount due within one year				(29,482)
				<u>\$ 996,802</u>
Unused quota				<u>\$ 620,000</u>

The long-term loans of the Consolidated Company had no significant issuance, buyback, or repayment for the nine months ended September 30, 2024 and 2023. Please refer to Note 6 (31) for the interest expenses.

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

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

(XX) Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ <u>111,837</u>	<u>140,853</u>	<u>120,423</u>
Non-current	\$ <u>375,313</u>	<u>449,914</u>	<u>496,184</u>

Please refer to Note 6 (32) Financial Instruments for maturity analysis.

The following amounts are recognized in profit or loss:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Interest expenses on lease liabilities	\$ <u>2,513</u>	<u>3,610</u>	<u>8,352</u>	<u>9,719</u>
Variable lease payments not included in the measurement of the lease liabilities	\$ <u>7,146</u>	<u>7,012</u>	<u>16,338</u>	<u>16,627</u>
Income from sublease of right-of-use assets	\$ <u>19,226</u>	<u>20,745</u>	<u>59,236</u>	<u>61,255</u>
Expenses on short-term leases and low-value leases	\$ <u>3,100</u>	<u>3,050</u>	<u>8,763</u>	<u>7,658</u>

The following amounts are recognized in the cash flow statement:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Total cash outflows for leases	\$ <u>121,811</u>	<u>127,971</u>

1. Houses and buildings

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

Please refer to Note 6 (21) 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.

(XXI) Operating lease

The Combined Company leases self-owned property, plant and equipment, investment properties and right-of-use assets. Since substantially all the risks and rewards attached to the ownership of the underlying assets have not been transferred, such lease contracts are classified as operating leases. Please refer to Note 6 (12) Property, Plant and Equipment, Note 13 Right-of-use Assets and Note 14 Investment Properties respectively for details.

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
1st year	\$ 132,974	209,439	156,048
2nd year	39,635	68,509	69,619
3rd year	9,934	33,536	36,403
4th year	3,284	24,653	25,129
5th year	2,782	23,987	24,292
More than 5 years	9,739	101,458	108,037
Total undiscounted lease payments	<u><u>\$ 198,348</u></u>	<u><u>461,582</u></u>	<u><u>419,528</u></u>

(XXII) Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Employee remuneration payable	\$ 87,750	94,298	90,521
Salaries and bonuses payable	60,704	70,285	56,684
Equipment payables	3,499	15,247	63,491
Directors' and supervisors' remuneration payable	3,003	3,244	2,568
Business tax payable	2,912	5,910	1,252
Investment payables	-	22,500	-
Others	65,208	72,024	73,566
	<u><u>\$ 223,076</u></u>	<u><u>283,508</u></u>	<u><u>288,082</u></u>

(XXIII) 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 September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating costs	\$ 45	45	141	146
Operating expenses	75	84	219	226
	<u><u>\$ 120</u></u>	<u><u>129</u></u>	<u><u>360</u></u>	<u><u>372</u></u>

2. Defined contribution plans

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating costs	\$ 1,531	1,648	4,567	4,821
Operating expenses	1,885	3,977	9,747	11,033
	<u><u>\$ 3,416</u></u>	<u><u>5,625</u></u>	<u><u>14,314</u></u>	<u><u>15,854</u></u>

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

(XXI) Income tax

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Income tax expenses for the period	\$ 13,066	11,291	38,705	38,149
Income tax expenses for the period before adjustment	317	-	84	(323)
Deferred income tax expenses (income)	(759)	1,863	(1,260)	1,569
Income tax expense	<u>\$ 12,624</u>	<u>13,154</u>	<u>37,529</u>	<u>39,395</u>

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Items not reclassified to profit or loss:				
Equity instruments at fair value through other comprehensive income	<u>\$ (1,191)</u>	<u>18,643</u>	<u>8,097</u>	<u>23,882</u>

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Items that may be reclassified to profit or loss subsequently				
Exchange difference from translation of the financial statements of foreign operations	<u>\$ 33</u>	<u>335</u>	<u>326</u>	<u>133</u>

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

Name of company	Year of approval
The Company	2022
Chungyuan Medical Management Company	2022
TECHGROUP Integrate Design Co., Ltd.	2022
Mytrex Health Company	2021
Macro Global Corporation	2021
YES Health Company	2021
Medzoneasia	2021
Pregetic Health Company	2022
Mytrex	2021
Shengshih Technology Co., Ltd.	2021
Hung-Han Company	2022
Harvard Health Company (formerly known as Fuyi Company)	2022
Digimed	2020

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

(XXV) Capital and other equity

Except for the following disclosures, there was no significant change in capital and other equity of the Consolidated Company for the nine months ended September 30, 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

	September 30, 2024	December 31, 2023	September 30, 2023
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	16,642	18,515	18,515
Lapsed share option	2,896	2,896	2,896
Share option for convertible corporate bonds	3,900	3,900	3,900
	<u><u>\$ 1,153,961</u></u>	<u><u>1,155,834</u></u>	<u><u>1,166,656</u></u>

2. Retained earnings

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

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

(1) Special reserves

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

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

(2) Distribution of earnings

The resolutions on the distribution of earnings for 2023 was approved by the shareholders' meetings of the Company on June 24, 2024, and the amounts of dividends distributed to owners are as follows:

	2023	
	Allotment rate (NT\$)	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.40	50,418
Stock	0.40	50,418
	\$	<u>100,836</u>

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

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

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	1,186	-	165	1,351
Unrealized gains on financial assets at fair value through other comprehensive income	-	(32,719)	(3,317)	(36,036)
Balance on September 30, 2024	\$ (1,321)	92,441	(21,646)	69,474
Balance on January 1, 2023	\$ (2,089)	8,515	(16,206)	(9,780)
Exchange difference from translation of the net assets of foreign operations	341	-	269	610
Unrealized gains on financial assets at fair value through other comprehensive income	-	155,535	2,463	157,998
Share of unrealized gains or losses of affiliates applying the equity method on financial assets at fair value through other comprehensive income	-	6	-	6
Balance on September 30, 2023	\$ (1,748)	164,056	(13,474)	148,834

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

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	(46,957)
Other comprehensive income for the period attributable to non-controlling interests	(3,152)
Distribution of ordinary share cash dividends	(3,446)
Capital increase in cash	43,613
Changes in ownership interests in subsidiaries	(1,635)
Failure to subscribe in the capital increase scheme of subsidiaries in proportion to shareholding ratio	3,508
Ending balance on September 30, 2024	<u><u>\$ 459,454</u></u>
Beginning balance on January 1, 2023	\$ 679,736
Net loss for the period attributable to non-controlling interests	(56,616)
Other comprehensive income for the period attributable to non-controlling interests	2,732
Distribution of ordinary share cash dividends	(2,426)
Acquisition of subsidiaries	200
The difference between the price and book value of treasury stock bought back by the subsidiary	(126,283)
The difference between the price and book value of subsidiaries' equity actually acquired and disposed of	(471)
Balance at September 30, 2023	<u><u>\$ 496,872</u></u>

(XXVI) Share-based payment

There was no significant change in share-based payments of the Consolidated Company for the nine months ended September 30, 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.

(XXVII) Earnings per share

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Basic earnings per share:				
Net profits attributable to ordinary equity holders of the Company	<u><u>\$ 16,745</u></u>	<u><u>9,672</u></u>	<u><u>112,438</u></u>	<u><u>79,863</u></u>
Weighted average number of outstanding ordinary shares	<u>131,086</u>	<u>131,086</u>	<u>131,086</u>	<u>131,086</u>
Basic earnings per share (NT\$)	<u><u>\$ 0.13</u></u>	<u><u>0.07</u></u>	<u><u>0.86</u></u>	<u><u>0.61</u></u>
Diluted earnings per share:				
Net profits attributable to ordinary equity holders of the Company (diluted)	<u><u>\$ 16,745</u></u>	<u><u>9,672</u></u>	<u><u>112,438</u></u>	<u><u>79,863</u></u>

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Weighted average number of outstanding ordinary shares (basic)	131,086	131,086	131,086	131,086
Effects of employee remuneration in stock	57	218	405	435
Weighted average number of outstanding ordinary shares (diluted)	131,143	131,304	131,491	131,521
Diluted earnings per share (NT\$)	<u>\$ 0.13</u>	<u>0.07</u>	<u>0.86</u>	<u>0.61</u>

(XXVIII) Revenue from customer contracts

1. Disaggregation of revenue

For the three months ended September 30, 2024				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 936,273	184,971	27,127	1,148,371
Europe	1,405	-	-	1,405
	<u>\$ 937,678</u>	<u>184,971</u>	<u>27,127</u>	<u>1,149,776</u>
Main product/service lines:				
Medicines and medical materials	\$ 910,744	-	-	910,744
Non-woven filter fabric	26,934	-	-	26,934
Service provision	-	184,971	-	184,971
Equipment leases	-	-	11,657	11,657
Leases of investment properties and real estate properties	-	-	15,470	15,470
	<u>\$ 937,678</u>	<u>184,971</u>	<u>27,127</u>	<u>1,149,776</u>
For the three months ended September 30, 2023				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	<u>\$ 778,012</u>	<u>154,900</u>	<u>36,162</u>	<u>969,074</u>
Main product/service lines:				
Medicines and medical materials	\$ 749,709	-	-	749,709
Non-woven filter fabric	28,303	-	-	28,303
Service provision	-	154,900	-	154,900
Equipment leases	-	-	18,281	18,281
Leases of investment properties and real estate properties	-	-	17,881	17,881
	<u>\$ 778,012</u>	<u>154,900</u>	<u>36,162</u>	<u>969,074</u>

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

For the nine months ended September 30, 2024				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 2,609,060	501,705	93,969	3,204,734
Europe	9,331	-	-	9,331
	<u>\$ 2,618,391</u>	<u>501,705</u>	<u>93,969</u>	<u>3,214,065</u>
Main product/service lines:				
Medicines and medical materials	\$ 2,531,712	-	-	2,531,712
Non-woven filter fabric	86,679	-	-	86,679
Service provision	-	501,705	-	501,705
Equipment leases	-	-	56,821	56,821
Leases of investment properties and real estate properties	-	-	37,148	37,148
	<u>\$ 2,618,391</u>	<u>501,705</u>	<u>93,969</u>	<u>3,214,065</u>
For the nine months ended September 30, 2023				
	Sales of goods	Service provision	Leases	Total
Main regional markets:				
Asia	\$ 2,208,079	484,865	104,179	2,797,123
Europe	8,202	-	-	8,202
Other countries	1,177	-	-	1,177
	<u>\$ 2,217,458</u>	<u>484,865</u>	<u>104,179</u>	<u>2,806,502</u>
Main product/service lines:				
Medicines and medical materials	\$ 2,114,256	-	-	2,114,256
Non-woven filter fabric	103,202	-	-	103,202
Service provision	-	484,865	-	484,865
Equipment leases	-	-	49,232	49,232
Leases of investment properties and real estate properties	-	-	54,947	54,947
	<u>\$ 2,217,458</u>	<u>484,865</u>	<u>104,179</u>	<u>2,806,502</u>

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

2. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 12,065	12,273	10,512
Accounts receivable	255,426	265,836	205,581
Accounts receivable - related parties	963,110	1,105,850	1,063,695
Finance lease receivables	-	277	364
Finance lease receivables - related parties	10,207	11,781	10,982
Long-term finance lease receivables - related parties	9,533	24,626	25,018
Less: loss allowances	(15,942)	(7,657)	(6,562)
	<u><u>\$ 1,234,399</u></u>	<u><u>1,412,986</u></u>	<u><u>1,309,590</u></u>
	September 30, 2024	December 31, 2023	September 30, 2023
Contract liability - sales of goods	\$ 42,440	11,458	24,033
Contract liability-customer loyalty programs	1,751	1,204	1,522
	<u><u>\$ 44,191</u></u>	<u><u>12,662</u></u>	<u><u>25,555</u></u>

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

The beginning balances of contract liabilities on January 1, 2024 and 2023 were recognized for the nine months ended September 30, 2024 and 2023 as income of NT\$9,553 thousand and NT\$4,592 thousand, respectively.

(XXVIV) Remuneration to employees and directors

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

The estimated amounts of employees' remuneration of the Company recognized for the three months and nine months ended September 30, 2024 and 2023 were NT\$1,738 thousand, NT\$1,132 thousand, NT\$9,409 thousand, and NT\$7,314 thousand, respectively, and the estimated amounts of directors' remuneration were NT\$289 thousand, NT\$189 thousand, NT\$1,568 thousand, and NT\$1,219 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.

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

(XXX) Other net income and expenses

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Income from sublease of investment property	\$ 10,268	11,189	32,366	32,861
Gains (losses) on disposal of property, plant and equipment	(248)	28,002	18,406	24,821
Lease modification gains	88	-	235	502
Income from subleases of right-of-use assets	8,958	9,556	26,870	28,394
	<u>\$ 19,066</u>	<u>48,747</u>	<u>77,877</u>	<u>86,578</u>

(XXXI) Non-operating income and expenses

1. Interest income

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Bank deposit interest	\$ 1,462	765	5,885	4,031
Other interest income	72	213	215	937
	<u>\$ 1,534</u>	<u>978</u>	<u>6,100</u>	<u>4,968</u>

2. Other income

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the three months ended September 30, 2023
Rental income	\$ -	455	-	455
Royalty income	1,592	706	5,132	3,595
Dividend income	787	14	35,991	1,643
Government grants	-	1,695	-	4,083
Logistics income	1,586	1,508	4,757	4,446
Others	3,955	2,617	11,487	6,804
	<u>\$ 7,920</u>	<u>6,995</u>	<u>57,367</u>	<u>21,026</u>

3. Other gains and losses

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Foreign exchange gains (losses)	\$ (1,046)	2,149	1,389	3,603
(Losses) gains on financial assets at fair value through profit or loss	(931)	(919)	5,697	11,270
Gains on the disposal of investments	965	-	965	-
Others	(415)	(280)	(5,137)	(1,040)
	<u>\$ (1,427)</u>	<u>950</u>	<u>2,914</u>	<u>13,833</u>

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

4. Finance costs

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Interest on loans from financial institutions	\$ 11,366	10,657	33,553	30,639
Amortization of interest on lease liabilities	2,659	3,081	8,352	9,640
Others	16	4	49	10
	<u>\$ 14,041</u>	<u>13,742</u>	<u>41,954</u>	<u>40,289</u>

(XXXII) 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 September 30, 2024, December 31 and September 30, 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
September 30, 2024							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	939,842	939,842	269,081	655,627	15,134	-	-
lease liabilities	487,150	516,264	9,998	51,872	58,424	174,864	221,106
Floating rate instruments	1,458,774	1,533,656	85,231	340,638	137,088	928,094	42,605
Fixed-rate instruments	54,814	55,000	-	55,000	-	-	-
	<u>\$ 2,940,580</u>	<u>3,044,762</u>	<u>364,310</u>	<u>1,103,137</u>	<u>210,646</u>	<u>1,102,958</u>	<u>263,711</u>
December 31, 2023							
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	-	-	-
	<u>\$ 3,327,423</u>	<u>3,457,685</u>	<u>810,603</u>	<u>823,113</u>	<u>246,460</u>	<u>1,217,375</u>	<u>360,134</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
September 30, 2023							
Non-derivative financial liabilities							
Non-interest bearing liabilities \$	1,145,597	1,145,597	585,659	543,528	7,275	5,724	3,411
lease liabilities	616,607	701,860	13,097	66,244	75,065	228,696	318,758
Floating rate instruments	1,451,393	1,543,899	3,514	309,305	215,774	965,090	50,216
Fixed-rate instruments	54,951	55,000	55,000	-	-	-	-
	<u>\$ 3,268,548</u>	<u>3,446,356</u>	<u>657,270</u>	<u>919,077</u>	<u>298,114</u>	<u>1,199,510</u>	<u>372,385</u>

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:

Currency exchange rate risk are as follows.										
	September 30, 2024				December 31, 2023			September 30, 2023		
	Foreign currency	Exchange rate (NT\$)	NT\$		Foreign currency	Exchange rate (NT\$)	NT\$	Foreign currency	Exchange rate (NT\$)	NT\$
Financial asset										
<u>Monetary items</u>										
USD	\$	1,306	31.65	41,335	2,003	30.705	61,502	1,799	32.27	58,054
CNY		10	4.523	45	10	4.3270	43	10	4.415	44
EUR		101	35.38	3,573	122	33.980	4,146	172	33.91	5,833
<u>Non-monetary items</u>										
USD		12,382	31.65	391,890	11,134	30.705	341,869	8,962	32.27	289,204
CNY		6,357	4.523	28,753	6,382	4.327	27,615	6,918	4.415	30,543

The exchange rate risk of the Consolidated Company mainly comes from cash and cash equivalents as well as accounts and borrowings receivable denominated in foreign currencies, which generate foreign currency exchange gains and losses during translation. On September 30, 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 nine months ended September 30, 2024 and 2023 would decrease or increase by NT\$2,248 thousand and NT\$3,197 thousand, respectively. The analysis of the two periods was conducted on the same basis.

Due to the variety of functional currencies used by the Consolidated Company, information on exchange gains and losses on monetary items was disclosed on a consolidated basis. Foreign currency exchange gains (losses) (both realized and unrealized) for the nine months ended September 30, 2024 and 2023 amounted to NT\$1,389 thousand and NT\$3,603 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.

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

If the interest rate increases or decreases by 20 basis points, while all other variables remain unchanged, the pre-tax net profit of the Consolidated Company for the nine months ended September 30, 2024 and 2023 will increase or decrease by NT\$2,918 thousand and NT\$2,903 thousand, mainly due to changes in the interest rate of the Consolidated Company's floating rate loans.

4. Information on fair values

(1) Type and fair value of financial instruments

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

September 30, 2024					
Carrying amount	Fair value			Total	
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss:					
Fund beneficiary certificates	\$ 10,571	10,571	-	-	10,571
Non-TWSE/TPEx listed stocks	25,273	-	-	25,273	25,273
Subtotal	35,844	10,571	-	25,273	35,844
Financial assets at fair value through other comprehensive income					
Non-TWSE/TPEx listed stocks	299,317	-	-	299,317	299,317
Non-overseas listed stocks	391,896	-	-	391,896	391,896
Limited partnership interests	136,083	-	-	136,083	136,083
Subtotal	827,296	-	-	827,296	827,296
Financial assets at amortized cost					
Cash and cash equivalents	1,426,553	-	-	-	-
Restricted bank deposits	66,208	-	-	-	-
Net notes receivable and accounts receivable (including related parties)	1,214,659	-	-	-	-
Other net receivables (including related parties)	74,612	-	-	-	-
Finance lease receivables (including those due within one year)	19,740	-	-	-	-
Subtotal	2,801,772	-	-	-	-
Total	\$ 3,664,912	10,571	-	852,569	863,140
Financial liabilities at amortized cost					
Short-term loans	\$ 403,011	-	-	-	-
Long-term loans (including those due within one year)	1,055,763	-	-	-	-
Short-term bills payable	54,814	-	-	-	-
Notes and accounts payable (including related parties)	715,634	-	-	-	-
Other payables (including related parties)	224,208	-	-	-	-
Lease liabilities (including those due within one year)	487,150	-	-	-	-
Total	\$ 2,940,580	-	-	-	-

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

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	<u>30,147</u>	<u>10,463</u>	<u>-</u>	<u>19,684</u>	<u>30,147</u>
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	<u>814,972</u>	<u>-</u>	<u>-</u>	<u>814,972</u>	<u>814,972</u>
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	<u>2,946,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

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

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

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

- Stocks issued by TPEX listed companies

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

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

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

(3) There was no change in the fair value hierarchy of financial assets during the nine months ended September 30, 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	5,589	-
Recognized in other comprehensive income	-	(27,939)
Purchase	-	42,510
Capital returned due to capital reduction	-	(2,247)
September 30, 2024	<u>\$ 25,273</u>	<u>827,296</u>
January 1, 2023	\$ 20,174	680,880
Total gains or losses		
Recognized in profit or loss	1,922	-
Recognized in other comprehensive income	-	181,880
Purchase	-	27,020
Capital returned due to capital reduction	-	(26,514)
September 30, 2023	<u>\$ 22,096</u>	<u>863,266</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 September 30, 2024 and 2023 are as follows:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Total gains or losses				
Recognized in profit or loss (presented in "other gains and losses")	\$ (969)	(950)	5,589	1,922
Recognized in other comprehensive income (presented in "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income")	(27,161)	140,322	(27,939)	181,880

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

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

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

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

	Inputs	Up or down changes	Changes in fair value reflected in profit or loss for the period		Changes in fair value reflected in other comprehensive income for the period	
			Favorable changes	Adverse changes	Favorable changes	Adverse changes
September 30, 2024						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,580	(1,580)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	49,571	(49,591)
December 31, 2023						
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)
September 30, 2023						
Financial assets at fair value through profit or loss	Liquidity discount	5%	1,381	(1,381)	-	-
Financial assets at fair value through other comprehensive income	Liquidity discount	5%	-	-	52,855	(53,328)

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

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

(XXXIII) 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.

(XXXIV) 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.

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

The non-cash investing and financing activities of the Consolidated Company during the nine months ended September 30, 2024 and 2023 are as follows:

1. Please refer to Note 6 (13) and (14) for obtaining right-of-use assets and investment properties through leasing.
2. Cash paid for purchase of property, plant and equipment is as follows:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Acquisition of property, plant and equipment	\$ 32,503	151,088
Net changes in equipment payables in subsidiaries	14,076	21,983
Cash paid	<u>\$ 46,579</u>	<u>173,071</u>

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Acquisition of intangible assets	\$ 8,571	21,770
Net changes in payables on technology patent authorization	168	552
Cash paid	<u>\$ 8,739</u>	<u>22,322</u>

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

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

	January 1, 2024	Cash flows	Changes in non-cash items			September 30, 2024
			Lease changes	Effects of changes in foreign exchange rates	Others	
Short-term loans	\$ 407,467	5,544	-	-	-	413,011
Short-term bills payable	54,901	-	-	-	(87)	54,814
Long-term loans (including those due within one year)	1,126,885	(63,902)	-	-	-	1,062,983
Lease liabilities (including those due within one year)	590,767	(88,358)	8,565	-	-	510,974
Deposits received	19,606	(1,314)	-	-	-	18,292
	\$ 2,199,626	(148,030)	8,565	-	(87)	2,060,074

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

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)

Name of the related party	Relationship with the Consolidated Company
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
Chin-Shun Huang	Other related parties
Chien-Chiang Chiu	Other related parties
Chang-Ming Hsiao	Other related parties
Ming-Tsung Tsai	Other related parties
Ching-Yun Chou	Other related parties
Hung-Yi Li	The management
Hung-jen Yang	The management
Kun-chang Yang	The management
Qing-Wen Liu	The management
Ming-Hsun Wu	The management

(II) Significant transactions with related parties

1. Sales of goods

Category of the related party	Operating revenue			
	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Substantial related party				
Minsheng General Hospital	\$ 287,050	266,885	835,297	768,053
Others	24,973	18,585	71,932	57,095
Associate	165	-	197	-
Parent company	125	-	341	-
	<u>\$ 312,313</u>	<u>285,470</u>	<u>907,767</u>	<u>825,148</u>

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

2. Service provision

Category of the related party	Service income			
	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Substantial related party				
Minsheng General Hospital	\$ 85,504	122,304	292,915	378,366
Others	7,863	9,610	26,188	31,031
Associate	690	-	2,799	-
	<u>\$ 94,057</u>	<u>131,914</u>	<u>321,902</u>	<u>409,397</u>

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

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

3. Leases

Category of the related party	Lease income			
	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Substantial related party				
Minsheng General Hospital	\$ 20,411	11,306	60,572	32,255
Fuying Clinic	4,312	10,020	20,374	30,062
Harvard Clinic	-	3,585	2,689	10,897
Zhiyi Clinic	1,371	3,499	7,486	11,258
Others	3,326	5,521	10,487	12,504
	\$ 29,420	33,931	101,608	96,976

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	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related party				
Minsheng General Hospital	Accounts receivable	\$ 823,516	974,839	923,581
Fuying Clinic	Accounts receivable	72,088	62,241	61,582
Others	Accounts receivable	56,678	66,451	76,168
Parent company	Accounts receivable	3	-	-
Substantial related party				
Minsheng General Hospital	Finance lease receivables	3,928	2,565	2,933
Lungtan Minsheng Hospital	Finance lease receivables	1,549	1,048	970
Tayuan Minsheng Hospital	Finance lease receivables	2,176	2,078	2,120
Zhiyi Clinic	Finance lease receivables	2,554	4,630	3,506
Shengyu Clinic	Finance lease receivables	-	1,211	1,205
Others	Finance lease receivables	-	249	247
Substantial related party				
Minsheng General Hospital	Long-term finance lease receivables	746	1,132	1,791
Lungtan Minsheng Hospital	Long-term finance lease receivables	1,230	1,462	1,427
Tayuan Minsheng Hospital	Long-term finance lease receivables	5,976	7,619	8,151
Shengyu Clinic	Long-term finance lease receivables	-	-	7,102
Zhiyi Clinic	Long-term finance lease receivables	1,581	5,747	4,616
Others	Long-term finance lease receivables	-	10	1,931

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

Category of the related party	Account items	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related party				
Minsheng General Hospital	Other receivables	\$ 85	8,660	-
Shengyu Clinic	Other receivables	-	3,212	3,341
Harvard Clinic	Other receivables	4,007	4,370	4,404
Fuying Clinic	Other receivables	19,047	19,080	19,309
Others	Other receivables	254	779	1,587
		\$ 995,418	1,167,383	1,125,971

5. Payables to related parties

Category of the related party	Account items	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related party				
Minsheng General Hospital	Accounts payable	\$ 97	79	80
Fuying Clinic	Accounts payable	751	869	1,172
Others	Accounts payable	167	128	219
Parent company	Other payables	-	41	41
Substantial related party				
Shengyu Clinic	Other payables	-	7,520	7,234
Minsheng General Hospital	Other payables	838	1,082	-
Others	Other payables	208	634	-
The management	Other payables	86	853	42
Associate	Other payables	-	290	113
		\$ 2,147	11,496	8,901

6. Prepayments

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

Category of the related party	Account items	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related party				
Pisheng Construction	Prepayments	\$ 1,869	3,739	3,742
Pisheng Construction Associate	Long-term prepayments	-	935	1,869
Air Long-Term Care	Prepayments	-	46	607
		\$ 1,869	4,720	6,218

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

7. Property transactions

(1) Disposal of property, plant and equipment

The breakdown of the disposal of property, plant and equipment of the Company to related parties are summarized as follows:

	For the three months ended September 30, 2024		For the three months ended September 30, 2023		For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
	Disposal proceeds	Profits or losses on disposal	Disposal proceeds	Profits or losses on disposal	Disposal proceeds	Profits or losses on disposal	Disposal proceeds	Profits or losses on disposal
Substantial related party	\$ 7,429	526	-	-	7,429	526	-	-
Minsheng Asset Management								

(2) Disposal of financial assets

The breakdown of the disposal of financial assets of the Company to related parties are summarized as follows:

		For the three months ended September 30, 2024			
Category of the related party	Account items	Number of shares traded	Object of transaction	Disposal proceeds	Profits or losses on disposal
The management - Hung-Yi Li	Equity method investments	500	Hanting Company Ordinary share equity	\$ 1,065	94
Other related parties - Ching-Yun Chou	Equity method investments	1,500	Hanting Company Ordinary share equity	3,195	282
				<u>\$ 4,260</u>	<u>376</u>

		For the nine months ended September 30, 2024			
Category of the related party	Account items	Number of shares traded	Object of transaction	Disposal proceeds	Profits or losses on disposal
The management - Hung-Yi Li	Equity method investments	500	Hanting Company Ordinary share equity	\$ 1,065	94
Other related parties - Ching-Yun Chou	Equity method investments	1,500	Hanting Company Ordinary share equity	3,195	282
				<u>\$ 4,260</u>	<u>376</u>

8. Endorsement/Guarantee

(1) Lease contracts

Category of the related party	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related party - Minsheng General Hospital	\$ 229,880	228,736	228,736

(2) Bank loans:

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

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

9. Others

Category of the related party	Account items	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Substantial related party	Operating costs - Other expenses	\$ 491	591	1,337	3,573
Substantial related party	Operating costs - Rental expenses	36	2,735	107	5,506
Substantial related party	Operating expenses - Other expenses	3,295	8,311	9,705	17,096
Substantial related party	Operating expenses - Rental expenses	290	279	1,724	1,114
Associate	Operating costs - Other expenses	153	297	731	600
Associate	Operating expenses - Other expenses	16	300	320	583
Parent company	Operating expenses - Rental expenses	118	117	354	350
Substantial related party	Other income - Others	564	765	2,084	2,044
Parent company	Other income and expenses				
	-rental income	146	144	437	433
Substantial related party	Other income - Rental income	7,264	7,154	21,805	21,614

Category of the related party	Account items	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related party	Collection on behalf of others	\$ 4	21	4
Substantial related party	Payment on behalf of others	64	267	30
Substantial related party	Temporary payments	65	332	170
Associate	Temporary receipts	1,550	-	-
Substantial related party				
Minsheng General Hospital	Collection in advance	-	67	76
Zhiyi Clinic	Collection in advance	-	109	-
Shengyu Clinic	Collection in advance	2,889	-	-
Others	Collection in advance	-	33	32
Substantial related party				
Minsheng General Hospital	Refundable deposits	250,000	250,000	251,000
Fuying Clinic	Refundable deposits	23,000	17,000	17,000
Harvard Clinic	Refundable deposits	33,000	23,000	22,000
Zhiyi Clinic	Refundable deposits	52,500	40,000	40,000
Others	Refundable deposits	36,686	43,686	39,186
Parent company	Refundable deposits	83	82	82

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

Category of the related party	Account items	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related party				
Minsheng General Hospital	Deposits received	\$ 5,685	5,641	5,640
Tayuan Minsheng Hospital	Deposits received	902	902	902
Harvard Clinic	Deposits received	60	60	60
Zhiyi Clinic	Deposits received	3,600	3,600	3,600
Others	Deposits received	52	52	52
Parent company	Deposits received	102	101	101

(III) Transactions with key management personnel

Remuneration paid to key management personnel includes:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Short-term employee benefits	\$ 15,727	11,764	34,558	33,500
Post-employment benefits	256	288	801	818
	<u>\$ 15,983</u>	<u>12,052</u>	<u>35,359</u>	<u>34,318</u>

VIII. Pledged Assets

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

Name of the asset	Pledge object	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at amortized cost - current	Guarantee letters for bank loans and leases	\$ 21,708	32,097	34,042
Financial assets measured at amortized cost - non-current	Guarantees for bank loans and commercial papers	44,500	44,500	30,000
Investment properties	Bank loans	176,087	177,087	177,420
Property, plant and equipment	Bank loans	1,125,541	1,138,395	1,142,680
		<u>\$ 1,367,836</u>	<u>1,392,079</u>	<u>1,384,142</u>

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

Material unrecognized contractual commitments

	September 30, 2024	December 31, 2023	September 30, 2023
Purchase of property, plant and equipment	\$ 8,560	15,517	32,215
Purchase of intangible assets	-	546	641
Guaranteed notes issued for bank loan contracts	2,730,000	2,545,000	2,695,000
Issued and unused letters of credit	2,013	-	-
	<u>\$ 2,740,573</u>	<u>2,561,063</u>	<u>2,727,856</u>

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

X. Material Losses from Disasters: none.

XI. Material Subsequent Events

The Board resolved to approve the proposal for capital increase for Harvard Health Inc. (formerly known as Fuyi Health Management Consulting Co., Ltd.) on October 2, 2024 to enrich its working capital and improve its financial structure, and the total amount is NT\$30,000 thousand, issue at par value.

XII. Others

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

By function By property	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Remuneration expenses	31,622	41,008	72,630	33,705	70,157	103,862
Labor and health insurance expenses	2,733	3,497	6,230	3,094	7,327	10,421
Pension expenses	1,576	1,960	3,536	1,693	4,061	5,754
Remuneration to directors	-	2,715	2,715	-	280	280
Other employee benefit expenses	1,393	2,170	3,563	1,478	3,092	4,570
depreciation expense	38,752	30,061	68,813	36,904	37,445	74,349
Amortization expenses	941	5,361	6,302	2,013	5,577	7,590

By function By property	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Remuneration expenses	89,635	203,883	293,518	95,940	211,650	307,590
Labor and health insurance expenses	8,420	18,325	26,745	9,548	21,894	31,442
Pension expenses	4,708	9,966	14,674	4,967	11,259	16,226
Remuneration to directors	-	5,862	5,862	-	3,064	3,064
Other employee benefit expenses	4,300	9,304	13,604	4,716	10,421	15,137
depreciation expense	119,861	94,460	214,321	107,591	110,437	218,028
Amortization expenses	2,526	16,236	18,762	6,022	16,966	22,988

(II) Seasonality of operation:

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

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

XIII. Items Disclosed in Notes

(I) Information on major transactions

The information on major transactions that the Consolidated Company should disclose in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers during the nine months ended September 30, 2024 is as follows:

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

Unit: NT\$ thousand

Serial No.	Name of the endorser/guarantor	Endorsee/guarantee Name of company	Relationship	Limit of the guarantee/endorsement amount for a single enterprise	Maximum endorsement/guarantee balance for the period	Ending endorsement/guarantee balance	Actual expenditures	Amount of endorsement/s/guarantees with property guarantee	The ratio of accumulated endorsements/guarantees to the net value of the latest financial statements	Maximum amount limits for endorsement/s/guarantees	Endorsement/s/guarantees provided by parent company to the subsidiaries	Endorsement/s/guarantees provided by subsidiaries to the parent company	Endorsement/s/guarantees in China
0	ShareHope Medicine Co., Ltd.	Minsheng General Hospital	1	1,550,424	229,880	229,880	229,880	-	6.54%	1,758,275	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	10,571	-	10,571	
The Company	Stock Tsaihsin Health Business Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,000	25,273	3.70 %	25,273	
The Company	Stock Yichuang Second Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000	15,962	0.92 %	15,962	
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	34,267	2.86 %	34,267	
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	45,443	7.50 %	45,443	
The Company	Stock BenQ BM Holding Cayman Corporation	None	Financial assets at fair value through other comprehensive income - non-current	5,258	391,896	2.15 %	391,896	
The Company	Limited partnership interests Chunghua Development Second Biomedical Venture Capital Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	88,902	111,789	3.22 %	111,789	
The Company	Stocks AcroViz Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,820	27,609	8.88 %	27,609	

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

Holder of securities	Type and name of securities	Relationship with securities issuer	Accounting items	End of the period				Remarks
				Contribution amount/number of shares (thousand shares or thousand)	Carrying amount	Shareholding ratio	Fair value	
The Company	Stocks -UltraE Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,176	21,682	6.47 %	21,682	
Mytrex Health Company	Stock -Minsheng Asset Management Co., Ltd.	The chairperson of the Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	2,120	20,750	3.37 %	20,750	
Mytrex Health Company	Stock Shangching Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	68	1,526	0.81 %	1,526	
Mytrex Health Company	Stock Intelligent Medical Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,760	18,830	9.99 %	18,830	
Mytrex Health Company	Stock Yiho Smart Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	250	6,940	19.53 %	6,940	
Mytrex Health Company	Stock Yichuang Second Venture Capital Co., Ltd.	The Company is a director of the company	Financial assets at fair value through other comprehensive income - non-current	5,000	39,904	2.29 %	39,904	
Pregetic Health Company	Stock Yita International Hospital Management Consulting Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	417	4,771	4.20 %	4,771	
Pregetic Health Company	Stock Juichuan Data Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,000	19,079	14.29 %	19,079	
Pregetic Health Company	Stock Kangchien Gene Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,304	16,060	14.81 %	16,060	
Hung-Han Company	Stock Juichuan Data Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	250	4,770	3.57 %	4,770	
Macro Global Corporation	Limited partnership interests Chunchuang Development Venture Capital Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	19,051	24,294	1.75 %	24,294	
Medzoneasia	Stock Yaosheng Information Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	500	21,724	10.00 %	21,724	
					827,296		827,296	

- 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)	(834,869)	(46.21) %	Net 180 days	-		593,899	59.40%	
The Company	Minsheng General Hospital	Substantial related party	Service income	(266,596)	(14.76) %	Net 30-180 days	-		211,429	21.14%	
The Company	Minsheng General Hospital	Substantial related party	Lease income	(43,179)	(2.39) %	Net 30-180 days	-		9,747	0.97%	
									815,075		
The Company	YES Health Company	Subsidiary	(Sell)	(150,344)	(8.32) %	Net 60 days	-		51,597	5.16%	Note
YES Health Company	The Company	Parent company	Purchase	150,344	14.66 %	Net 60 days	-		(51,597)	(22.61)%	Note

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

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

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

Unit: NT\$ thousand

Payee of the accounts receivable	Name of the counterparty	Relationship	Balance of related party receivables	Turnover rate	Overdue related party receivables		Amount received in subsequent periods	Amount provisioned for loss allowances
					Amount	Accounting treatment		
The Company	Minsheng General Hospital	Substantial related party	815,067	1.73	-		137,340	495

9. Engagement in derivatives transactions: none.

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

Unit: NT\$ thousand

Serial No.	Name of the trading party	Counterparty	Relationship with the counterparty	Transaction situation			
				Item	amount	Transaction condition	Ratio of the amount to consolidated total operating income or total assets
0	The Company	YES Health Company	1	Sales income	150,344	Net 60 days	4.68%
0	"	"	1	Accounts receivable - related parties	51,597	"	0.72%
0	"	Medzoneasia	1	Lease income	17,145	—	0.53%
1	Medzoneasia	The Company	2	Refundable deposits	4,003	—	0.06%
1	"	"	2	Right-of-use assets	14,753	—	0.21%
1	"	"	2	lease liabilities	17,627	—	0.25%
2	Pregetic Health Company	The Company	2	Right-of-use assets	1,537	—	0.02%
2	"	"	2	lease liabilities	1,541	—	0.02%

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

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

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

- Parent to subsidiary.
- Subsidiary to parent.
- Subsidiary to subsidiary.

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

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

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

Information on reinvestment business of the Consolidated Company for the nine months ended September 30, 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%	380,620	(24,718)	(15,192)	Note 1
The Company	ShareHope Hong Kong Company	Hong Kong, China	Investment management	44,831	44,831	1,500	100.00%	22,208	426	426	Note 1
The Company	Chungyuan Medical Management Company	Taoyuan City	Management Consulting Services	11,389	11,389	1,000	100.00%	11,743	90	90	Note 1
The Company	Pohui Biotechnology Co., Ltd	Taipei City	Biotechnology Services	-	22,106	-	- %	-	(375)	(94)	Note 2
The Company	Medzoneasia	Taoyuan City	Health management services and hotels	336,669	336,669	17,154	91.47%	83,279	(25,680)	(26,022)	Note 1
The Company	Pregetic Health Company	Taoyuan City	Health management services	122,006	101,000	12,601	38.19%	86,144	(55,926)	(21,774)	Note 1
The Company	Shengshih Technology Co., Ltd.	Taipei City	Management Consulting Services	1,000	1,000	100	100.00%	698	(86)	(86)	Note 1
The Company	Sheng Tai Company	Taipei City	Food and beverage retail	800	800	80	80.00%	106	(75)	(60)	Note 1
The Company	YWLT Company	Taipei City	Biotechnology Services	1,000	1,000	100	100.00%	880	(76)	(76)	Note 1
Mytrex Health Company	Mytrex USA Co.	California, USA	Health care support services	23,516	23,516	800	88.89%	12,517	(177)	(158)	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	
				End of the period	End of last year	Number of shares	Ratio	Carrying amount			
Mytrex Health Company	Air Long-Term Care Co., Ltd.	Taoyuan City	Management Consulting Services	10,000	10,000	667	22.37%	10,820	1,604	359	Note 2
Mytrex Health Company	Mytrex	Taoyuan City	Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials	447,888	447,888	6,000	100.00%	203,787	(6,768)	(6,768)	Note 1
Mytrex Health Company	Sheng Yo Company	Tainan City	Health management services	22,381	20,000	4,381	47.62%	7,344	(3,573)	(1,701)	Note 1
Mytrex Health Company	YES Health Company	Taoyuan City	Wholesale and trading of medicines and management consulting for pharmacies	230,000	230,000	8,135	100.00%	213,103	(2,320)	(8,937)	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%	2,193	1,604	108	Note 2
Medzoneasia	TECHGROUP	New Taipei City	Medical information software services	50,759	50,759	1	51.00%	38,530	7,707	1,725	Note 1
Medzoneasia	Shengyu Health Technologies Co., Ltd.	Taoyuan City	Other management consulting services	2,000	2,000	200	40.00%	-	(1,460)	-	Note 2
Medzoneasia	Global Biotech Multimedia Co., Ltd.	Taipei City	Magazine (periodical) publication	10,000	10,000	500	23.98%	9,471	1,105	265	Note 2
Medzoneasia	Digimed	Taipei City	Information software services	6,000	6,000	600	60.00%	2,134	(4,102)	(2,461)	Note 1
Pregetic Health Company	Hung-Han Company	Taipei City	Health management services	128,880	128,880	5,500	100.00%	62,500	(14,371)	(15,265)	Note 1
Pregetic Health Company	Employee Community Co., Ltd.	Taipei City	Advertising	1,700	1,700	170	48.57%	840	954	463	Note 2
Pregetic Health Company	Harvard Company	Taipei City	Health management consulting services	229,288	229,288	20,500	100.00%	142,527	(25,293)	(25,696)	Note 1
Pregetic Health Company	Anchun Technology Co., Ltd.	Taipei City	Health management services	20,000	20,000	2,000	40.00%	15,592	(4,101)	(1,640)	Note 2
Pregetic Health Company	Chinachem	Taipei City	Healthcare services	-	10,000	-	- %	-	(3,250)	(1,625)	Note 4
Pregetic Health Company	Shangchia Health Business Co., Ltd.	Taipei City	Health management services	36,527	-	3,390	30.82%	36,772	1,936	245	Note 2
Hung-Han Company	Hanting Company	New Taipei City	Information software services	-	20,000	-	- %	-	(8,855)	(5,470)	Note 5
Hung-Han Company	Chinachem	Taipei City	Healthcare services	-	10,000	-	- %	-	(3,250)	(1,625)	Note 4
Hung-Han Company	Macro Global Corporation	Taichung City	Wholesale and trading of medicines	74,820	74,820	6,450	100.00%	74,791	2,045	2,045	Note 1 and 3
Harvard Company	Shangchia Health Business Co., Ltd.	Taipei City	Health management services	-	33,900	-	- %	-	1,936	361	Note 2
YES Health Company	Digimed	Taipei City	Information software services	2,000	2,000	200	20.00%	711	(4,102)	(820)	Note 1
Macro Global Corporation	Hanting Company	New Taipei City	Information software services	-	10,000	-	- %	-	(8,855)	(3,384)	Note 5

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.

Note 4: Pregetic Company and Hung-Han Company fully disposed of the equity of Chinachem they held in August 2024, resulting in the loss of control over the subsidiary. Therefore, the Consolidated Company no longer include the gains and expenses in the Consolidated Statement of Comprehensive Income at the time losing control.

Note 5: Hung-Han Company and Macro Global Corporation fully disposed of the equity of Hanting Company they held in August 2024, resulting in the loss of control over the subsidiary. Therefore, the Consolidated Company no longer include the gains and expenses in the Consolidated Statement of Comprehensive Income at the time losing control.

(III) Information on investments in mainland China:

1. Information on reinvestments in mainland China:

Unit: NT\$/US\$ thousand

Name of investee company in Mainland China	Principal business	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted outward or inward over the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profits and losses of the investee for the period	Shareholding ratio of the Company in direct or indirect investee	Investment income and losses recognized in the period (Note 2)	Book value of investment at the end of the period	Investment income received as of the end of the period
					Outward remittance	Inward remittance						
Minsheng (Tianjin) Investment Management Co., Ltd.	Investment management	11,885	(2)	11,885	-	-	11,885	1,040	100.00%	1,040	3,761	-
Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd.	Hospital management consulting services	5,124	(1)	5,124	-	-	5,124	(535)	100.00%	(535)	6,545	-

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.

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

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	2,109,930

Note: 60% of the net value.

3. Information on major transactions: none.

(IV) Information about the major shareholder

Unit: share

Name of the major shareholder	Share	Number of shares held	Shareholding
Minsheng Medical Holding Co., Ltd.		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 September 30, 2024							
	Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation	Total
Revenue:							
Revenue from external customers	\$ 855,874	186,514	26,934	14,607	65,847	-	1,149,776
Interdepartmental revenue	49,543	2,376	-	-	6,352	(58,271)	-
Total revenue	<u>\$ 905,417</u>	<u>188,890</u>	<u>26,934</u>	<u>14,607</u>	<u>72,199</u>	<u>(58,271)</u>	<u>1,149,776</u>
Profits and losses of reportable departments	<u>\$ 14,302</u>	<u>30,621</u>	<u>2,212</u>	<u>9,493</u>	<u>(67,155)</u>	<u>24,459</u>	<u>13,932</u>

For the three months ended September 30, 2023							
	Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation	Total
Revenue:							
Revenue from external customers	\$ 628,363	239,591	28,303	24,937	47,880	-	969,074
Interdepartmental revenue	48,195	2,379	-	30	9,563	(60,167)	-
Total revenue	<u>\$ 676,558</u>	<u>241,970</u>	<u>28,303</u>	<u>24,967</u>	<u>57,443</u>	<u>(60,167)</u>	<u>969,074</u>
Profits and losses of reportable departments	<u>\$ 23,740</u>	<u>16,459</u>	<u>(1,158)</u>	<u>9,200</u>	<u>(68,539)</u>	<u>27,339</u>	<u>7,041</u>

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

For the nine months ended September 30, 2024							
	Pharmaceutical Distribution Department	Health Management Department	Technological Materials Department	Hospital Department	Other departments	Adjustment and cancellation	Total
Revenue:							
Revenue from external customers	\$ 2,368,171	480,135	86,679	81,189	197,891	-	3,214,065
Interdepartmental revenue	151,563	6,152	-	-	18,916	(176,631)	-
Total revenue	<u>\$ 2,519,734</u>	<u>486,287</u>	<u>86,679</u>	<u>81,189</u>	<u>216,807</u>	<u>(176,631)</u>	<u>3,214,065</u>
Profits and losses of reportable departments	<u>\$ 72,317</u>	<u>50,798</u>	<u>8,494</u>	<u>66,079</u>	<u>(158,637)</u>	<u>63,959</u>	<u>103,010</u>

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