

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

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

For the Six Months Ended June 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 June 30, 2024 and 2023, and the Consolidated Statement of Comprehensive Income for the three months ended June 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 six months ended June 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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months ended June 30, 2024 and 2023 and its consolidated cash flows for the six months ended June 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

Independent auditor:

KOU,HUI-CHIH
KUO,HSIN-I

| | |
|---|---|
| Number of documents approved and certified by the securities regulatory | Tai-Tsai-Zheng-(6)-Zi-0930106 739 Jin-Kuan-Zheng-Shen-Zi-10400 03949 |
| August 9, 2024 | |

ShareHope Medicine Co., Ltd. and its subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31 and June 30, 2023

Unit: NT\$ thousand

| Assets | | June 30, 2024 | | December 31, 2023 | | June 30, 2023 | | | | June 30, 2024 | | December 31, 2023 | | June 30, 2023 | |
|----------------------------|--|------------------|-----------|-------------------|-----------|------------------|-----------|------|---|---------------------|------------|-------------------|------------|------------------|------------|
| | | Amount | % | Amount | % | Amount | % | | | Amount | % | Amount | % | Amount | % |
| Current assets: | | | | | | | | | | | | | | | |
| 1100 | Cash and cash equivalents (Note 6 (1)) | \$ 1,394,673 | 19 | 1,383,022 | 19 | 1,305,199 | 19 | 2100 | Short-term borrowings (Note 6(16) and 8) | \$ 398,307 | 5 | 407,467 | 5 | 425,312 | 6 |
| 1110 | Financial assets at fair value through profit or loss - current (Note 6 (2)) | 10,533 | - | 10,463 | - | 10,398 | - | 2110 | Short-term bills payable (Note 6(17)) | 54,904 | 1 | 54,901 | 1 | 54,891 | 1 |
| 1136 | Financial assets at amortized cost - current (Note 8) | 60,007 | 1 | 32,097 | - | 16,252 | - | 2130 | Contract liabilities - current (Note 6(27)) | 14,729 | - | 12,662 | - | 9,049 | - |
| 1150 | Notes receivable (Note 6 (4) and (27)) | 9,538 | - | 12,273 | - | 9,317 | - | 2150 | Notes payable | 23,070 | - | 95,890 | 1 | 97,910 | 1 |
| 1170 | Net accounts receivable (Note 6 (4) and (27)) | 275,564 | 4 | 260,775 | 4 | 183,736 | 3 | 2170 | Accounts payable | 854,559 | 11 | 745,323 | 10 | 556,664 | 8 |
| 1180 | Accounts receivable - related parties, net (Note 6(4), (6), (27), and 7) | 1,081,873 | 15 | 1,115,312 | 15 | 910,425 | 13 | 2181 | Accounts payable - related parties (Note 7) | 1,481 | - | 1,076 | - | 1,528 | - |
| 1200 | Other net accounts receivable (Note 6 (5)) | 50,950 | 1 | 37,799 | 1 | 50,016 | 1 | 2200 | Other payables (Note 6(21)) | 292,160 | 4 | 283,508 | 4 | 287,086 | 4 |
| 1210 | Other accounts receivable - related parties (Note 6 (5) and Note 7) | 25,959 | - | 36,101 | - | 47,092 | 1 | 2220 | Other accounts payable - related parties (Note 7) | 1,552 | - | 10,420 | - | 2,545 | - |
| 1220 | Income tax assets for the period | 179 | - | 177 | - | 132 | - | 2230 | Income tax liabilities for the period | 25,292 | - | 52,448 | 1 | 26,379 | - |
| 130X | Inventories (Note 6 (7)) | 300,646 | 4 | 296,474 | 4 | 312,079 | 4 | 2260 | Liabilities directly associated with disposal groups held for sale (Note 6(8)) | 42,869 | 1 | - | - | - | - |
| 1410 | Prepayments (Note 7) | 38,842 | - | 45,137 | 1 | 73,839 | 1 | 2280 | Lease liabilities - current (Note 6(19)) | 112,420 | 2 | 140,853 | 2 | 111,434 | 2 |
| 1460 | Disposal groups held for sale (Note 6(8)) | 55,155 | 1 | - | - | - | - | 2322 | Long-term borrowings due within one year (Note 6(18) and 8) | 122,367 | 2 | 121,207 | 2 | 32,079 | - |
| 1470 | Other current assets | 9,243 | - | 9,994 | - | 9,042 | - | 2323 | Long-term accounts payable due in one year | 2,792 | - | 2,746 | - | 2,701 | - |
| | Total current assets | <u>3,313,162</u> | <u>45</u> | <u>3,239,624</u> | <u>44</u> | <u>2,927,527</u> | <u>42</u> | 2399 | Other current liabilities | 38,126 | 1 | 36,471 | - | 21,166 | 1 |
| Non-current assets: | | | | | | | | | Total current liabilities | <u>1,984,628</u> | <u>27</u> | <u>1,964,972</u> | <u>26</u> | <u>1,628,744</u> | <u>23</u> |
| 1510 | Financial assets at fair value through profit or loss - non-current (Note 6 (2)) | 50,629 | 1 | 19,684 | - | 23,046 | - | 2540 | Long-term borrowings (Note 6(18) and 8) | 938,505 | 13 | 1,005,678 | 14 | 966,903 | 14 |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (Note 6 (3)) | 830,834 | 11 | 814,972 | 11 | 724,338 | 10 | 2570 | Deferred income tax liabilities | 41,815 | 1 | 33,238 | 1 | 22,944 | 1 |
| 1536 | Financial assets at amortized cost - non-current (Note 8) | 44,500 | 1 | 44,500 | 1 | 40,590 | 1 | 2580 | Lease liabilities - non-current (Note 6(19)) | 396,221 | 5 | 449,914 | 6 | 492,342 | 7 |
| 1550 | Equity method investments | 76,460 | 1 | 76,578 | 1 | 78,747 | 1 | 2612 | Long-term payables | 7,033 | - | 8,440 | - | 9,825 | - |
| 1600 | Property, plant and equipment (Note 6(11) and 8) | 1,570,765 | 21 | 1,676,551 | 23 | 1,678,069 | 24 | 2640 | Net defined benefit liabilities - non-current | 7,100 | - | 8,231 | - | 8,099 | - |
| 1755 | Right-of-use assets (Note 6(12)) | 361,261 | 5 | 407,790 | 5 | 444,452 | 6 | 2645 | Deposits received (Note 7) | 18,746 | - | 19,606 | - | 20,407 | - |
| 1760 | Investment property (Note 6(13) and 8) | 303,942 | 4 | 338,194 | 5 | 320,157 | 5 | | Total non-current liabilities | <u>1,409,420</u> | <u>19</u> | <u>1,525,107</u> | <u>21</u> | <u>1,520,520</u> | <u>22</u> |
| 1780 | Intangible assets (Note 6(14)) | 330,978 | 5 | 337,124 | 4 | 347,143 | 5 | | Total liabilities | <u>3,394,048</u> | <u>46</u> | <u>3,490,079</u> | <u>47</u> | <u>3,149,264</u> | <u>45</u> |
| 1840 | Deferred income tax assets | 13,243 | - | 12,982 | - | 11,284 | - | 3110 | Ordinary share capital | 1,260,443 | 17 | 1,260,443 | 17 | 1,200,422 | 17 |
| 194D | Net long-term finance lease receivables (Note 6(6), (27) and 7) | 11,389 | - | 24,626 | - | 27,624 | - | 3150 | Stock dividends to be distributed | 50,418 | 1 | - | - | 60,021 | - |
| 1990 | Other non-current assets (Note 6(15) and 7) | 446,084 | 6 | 452,913 | 6 | 421,367 | 6 | 3200 | Additional paid-in capital | 1,153,697 | 16 | 1,155,834 | 15 | 1,166,656 | 17 |
| | Total non-current assets | <u>4,040,085</u> | <u>55</u> | <u>4,205,914</u> | <u>56</u> | <u>4,116,817</u> | <u>58</u> | 3310 | Legal reserves | 229,009 | 3 | 216,895 | 3 | 216,895 | 3 |
| | | | | | | | | 3350 | Undistributed earnings | 714,854 | 10 | 732,111 | 10 | 677,706 | 10 |
| | | | | | | | | 3410 | Exchange difference from translation of the financial statements of foreign operations | (1,553) | - | (2,507) | - | (2,671) | - |
| | | | | | | | | 3420 | Unrealized gains or losses on financial assets at fair value through other comprehensive income | 117,429 | 1 | 125,160 | 2 | 61,236 | 1 |
| | | | | | | | | | Total equity attributable to owners of the parent company | 3,524,297 | 48 | 3,487,936 | 47 | 3,380,265 | 48 |
| | | | | | | | | 36xx | Non-controlling interests | 434,902 | 6 | 467,523 | 6 | 514,815 | 7 |
| | | | | | | | | | Total equity | <u>3,959,199</u> | <u>54</u> | <u>3,955,459</u> | <u>53</u> | <u>3,895,080</u> | <u>55</u> |
| | | | | | | | | | Total liabilities and equity | <u>\$ 7,353,247</u> | <u>100</u> | <u>7,445,538</u> | <u>100</u> | <u>7,044,344</u> | <u>100</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 Comprehensive Income
For the three months and six months ended June 30, 2024 and 2023

Unit: NT\$ thousand

| | | For the three months ended June 30, 2024 | | For the three months ended June 30, 2023 | | For the six months ended June 30, 2024 | | For the six months ended June 30, 2023 | |
|------|---|--|------------|--|----------|--|----------|--|----------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| 4000 | Operating revenue (Note 6(27) and 7) | \$ 1,091,740 | 100 | 941,170 | 100 | 2,064,289 | 100 | 1,837,428 | 100 |
| 5000 | Operating costs (Notes 6(7), (11), (12), (22) and 7) | (894,221) | (82) | (752,772) | (80) | (1,695,515) | (82) | (1,481,976) | (81) |
| | Gross profit | 197,519 | 18 | 188,398 | 20 | 368,774 | 18 | 355,452 | 19 |
| | Operating expenses (Notes 6(4), (11), (12), (19), (22), and 7): | | | | | | | | |
| 6100 | Marketing expenses | (55,964) | (5) | (53,828) | (6) | (120,774) | (6) | (107,727) | (6) |
| 6200 | Administrative expenses | (131,850) | (12) | (117,883) | (13) | (234,035) | (11) | (225,678) | (12) |
| 6300 | R&D expenses | (3,719) | - | (3,328) | - | (5,807) | - | (5,885) | - |
| 6235 | Losses on expected credit impairment | (8,197) | (1) | (229) | - | (8,214) | 1 | (1,925) | - |
| | Total operating expenses | (199,730) | (18) | (175,268) | (19) | (368,830) | (18) | (341,215) | (18) |
| 6500 | Other gains and losses, net (Note 6(29)) | 38,153 | 3 | 17,923 | 2 | 58,811 | 3 | 37,831 | 2 |
| | Net operating income | 35,942 | 3 | 31,053 | 3 | 58,755 | 3 | 52,068 | 3 |
| | Non-operating income and expenses (Note (19) and (30)): | | | | | | | | |
| 7100 | Interest income | 3,581 | - | 3,205 | - | 4,566 | - | 3,990 | - |
| 7010 | Other income | 41,149 | 4 | 6,282 | 1 | 49,447 | 2 | 14,031 | 1 |
| 7020 | Other gains and losses | (1,611) | - | 1,947 | - | 4,341 | - | 12,883 | 1 |
| 7050 | Finance costs | (13,786) | (1) | (13,864) | (1) | (27,913) | (1) | (26,547) | (2) |
| 7770 | Share of losses of affiliates recognized by the equity method | (581) | - | (105) | - | (118) | - | (824) | - |
| | Total non-operating income and expenses | 28,752 | 3 | (2,535) | - | 30,323 | 1 | 3,533 | - |
| 7900 | Net income before tax | 64,694 | 6 | 28,518 | 3 | 89,078 | 4 | 55,601 | 3 |
| 7950 | Income tax expenses (Note 6(23)) | (14,019) | (1) | (14,196) | (2) | (24,905) | (1) | (26,241) | (1) |
| | Net income for the period | 50,675 | 5 | 14,322 | 1 | 64,173 | 3 | 29,360 | 2 |
| 8300 | Other comprehensive income (Note 6(23) and (24)): | | | | | | | | |
| 8310 | Items not reclassified to profit or loss | | | | | | | | |
| 8316 | Unrealized valuation profits and losses on equity instrument investments at fair value through other comprehensive income | (67,390) | (6) | 34,033 | 4 | (778) | - | 62,972 | 3 |
| 8349 | Less: income taxes related to non-reclassified items | (3,962) | - | 6,036 | 1 | 9,288 | - | 5,239 | - |
| | Total items not reclassified to profit or loss | (63,428) | (6) | 27,997 | 3 | (10,066) | - | 57,733 | 3 |
| 8360 | Items that may be reclassified to profit or loss subsequently | | | | | | | | |
| 8361 | Exchange difference from translation of the financial statements of foreign operations | 455 | - | (742) | - | 1,552 | - | (706) | - |
| 8399 | Less: income taxes related to items that may be reclassified | 87 | - | (212) | - | 293 | - | (202) | - |
| | Total items that may be reclassified to profit or loss subsequently | 368 | - | (530) | - | 1,259 | - | (504) | - |
| 8300 | Other comprehensive income for the period | (63,060) | (6) | 27,467 | 3 | (8,807) | - | 57,229 | 3 |
| 8500 | Total comprehensive income for this period | <u>\$ (12,385)</u> | <u>(1)</u> | <u>41,789</u> | <u>4</u> | <u>55,366</u> | <u>3</u> | <u>86,589</u> | <u>5</u> |
| | Net profit attributable to (Note 6(10)): | | | | | | | | |
| 8610 | Owners of the parent company | \$ 71,164 | 7 | 32,787 | 3 | 95,693 | 5 | 70,191 | 4 |
| 8620 | Non-controlling interests | (20,489) | (2) | (18,465) | (2) | (31,520) | (2) | (40,831) | (2) |
| | Total comprehensive income attributable to (Note 6(10)): | <u>\$ 50,675</u> | <u>5</u> | <u>14,322</u> | <u>1</u> | <u>64,173</u> | <u>3</u> | <u>29,360</u> | <u>2</u> |
| 8710 | Owners of the parent company | \$ 11,135 | 1 | 58,732 | 6 | 88,916 | 4 | 122,330 | 7 |
| 8720 | Non-controlling interests | (23,520) | (2) | (16,943) | (2) | (33,550) | (1) | (35,741) | (2) |
| | Earnings per share (NTD) (Note 6(26)) | <u>\$ (12,385)</u> | <u>(1)</u> | <u>41,789</u> | <u>4</u> | <u>55,366</u> | <u>3</u> | <u>86,589</u> | <u>5</u> |
| 9750 | Basic earnings per share | <u>\$ 0.56</u> | | <u>0.26</u> | | <u>0.76</u> | | <u>0.56</u> | |
| 9850 | Diluted earnings per share | <u>\$ 0.56</u> | | <u>0.26</u> | | <u>0.76</u> | | <u>0.55</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 six months ended June 30, 2024 and 2023

Unit: NT\$ thousand

| | Ordinary share capital | Stock dividends to be distributed | 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 | - | - | - | - | - | 70,191 | - | - | 70,191 | (40,831) | 29,360 |
| Other comprehensive income for the period | - | - | - | - | - | - | (582) | 52,721 | 52,139 | 5,090 | 57,229 |
| Total comprehensive income for this period | - | - | - | - | - | 70,191 | (582) | 52,721 | 122,330 | (35,741) | 86,589 |
| 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) |
| Balance on June 30, 2023 | \$ 1,200,422 | 60,021 | 1,166,656 | 216,895 | - | 677,706 | (2,671) | 61,236 | 3,380,265 | 514,815 | 3,895,080 |
| 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 | - | - | - | - | - | 95,693 | - | - | 95,693 | (31,520) | 64,173 |
| Other comprehensive income for the period | - | - | - | - | - | - | 954 | (7,731) | (6,777) | (2,030) | (8,807) |
| Total comprehensive income for this period | - | - | - | - | - | 95,693 | 954 | (7,731) | 88,916 | (33,550) | 55,366 |
| 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 | - | - | (2,137) | - | - | - | - | - | (2,137) | 2,137 | - |
| Increase or decrease of non-controlling interests | - | - | - | - | - | - | - | - | - | 2,238 | 2,238 |
| Balance on June 30, 2024 | \$ 1,260,443 | 50,418 | 1,153,697 | 229,009 | - | 714,854 | (1,553) | 117,429 | 3,524,297 | 434,902 | 3,959,199 |

(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 six months ended June 30, 2024 and 2023

Unit: NT\$ thousand

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income before tax for the period | \$ 89,078 | 55,601 |
| Items adjusted: | | |
| Income and expense items | | |
| depreciation expense | 145,508 | 143,680 |
| Amortization expenses | 12,460 | 15,398 |
| Losses on expected credit impairment | 8,214 | 1,925 |
| Net gains on financial assets at fair value through profit or loss | (6,628) | (12,189) |
| Interest expenses | 27,913 | 27,387 |
| Interest income | (4,566) | (3,990) |
| Dividend income | (35,204) | - |
| Share of losses of affiliates recognized by the equity method | 118 | 824 |
| (Gains) losses on disposal and retirement of properties, plants and equipment | (18,654) | 3,183 |
| Unrealized foreign exchange losses (gains) | 1,027 | (91) |
| Lease modification gains | (147) | (502) |
| Total income and expense items | <u>130,041</u> | <u>175,625</u> |
| Changes in assets/liabilities related to operating activities: | | |
| Notes receivable (including related parties) | 2,735 | 3,806 |
| Accounts receivable (including related parties) | 15,392 | 64,918 |
| Lease payments receivable (including related parties) | (5,363) | 46,059 |
| Other receivables (including related parties) | (13,151) | 6,089 |
| Inventories | (3,226) | (28,126) |
| Prepayments | 5,490 | (25,327) |
| Other current assets | 704 | (6,042) |
| Increase in contract liabilities | 2,167 | 3,524 |
| Notes payable (including related parties) | (72,820) | (2,560) |
| Accounts payable (including related parties) | 109,641 | (144,128) |
| Other payables (including related parties) | (46,061) | (45,118) |
| Other current liabilities | 1,566 | 9,202 |
| Net defined benefit liabilities | (1,276) | (40) |
| Total net changes in assets and liabilities related to operating activities | <u>(4,202)</u> | <u>(117,743)</u> |
| Cash inflow from operation | 214,917 | 113,483 |
| Interests received | 4,566 | 3,990 |
| Interests paid | (27,627) | (26,160) |
| Income taxes paid | (51,715) | (57,602) |
| Cash inflow from operating activities | <u>140,141</u> | <u>33,711</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 six months ended June 30, 2024 and 2023

Unit: NT\$ thousand

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|
| Cash flows from investing activities: | | |
| Acquisition of financial assets at fair value through other comprehensive income | (42,510) | (7,000) |
| Capital returned due to capital reduction in financial assets at fair value through other comprehensive income | 1,483 | 26,514 |
| Acquisition of long-term equity method investments | - | (10,000) |
| Acquisition of financial assets at amortized cost | (27,910) | (11,251) |
| Disposal of financial assets at fair value through profit or loss | - | 71,171 |
| Acquisition of property, plant and equipment | (29,276) | (145,377) |
| Disposal of property, plant and equipment | 57,537 | 2,461 |
| (Increase) decrease in refundable deposits | (12,037) | 20,361 |
| Increase (decrease) in other receivables-from related parties | 3,843 | (21,123) |
| Acquisition of intangible assets | (6,672) | (18,707) |
| Decrease in other non-current assets | 6,141 | 3,897 |
| Dividends received | 35,204 | - |
| Cash outflow from investing activities: | <u>(14,197)</u> | <u>(89,054)</u> |
| Cash flows from financing activities: | | |
| (Decrease) increase in short-term loans | 840 | 119,058 |
| Borrowing of long-term loans | 2,550 | - |
| Repayment of long-term loans | (60,270) | (394) |
| (Decrease) increase in deposits received | (860) | 2,385 |
| Lease principal payment | (59,778) | (65,092) |
| Distribution of cash dividends | - | (2,426) |
| Buyback cost of treasury stock | - | (227,434) |
| Changes in non-controlling interests | 2,238 | (228) |
| Net cash outflow from financing activities | <u>(115,280)</u> | <u>(174,131)</u> |
| Impact of exchange rate changes on cash and cash equivalents | 1,561 | (509) |
| Increase (decrease) in cash and cash equivalents for the current period | 12,225 | (229,983) |
| 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>\$ 1,395,247</u> | <u>1,305,199</u> |
| Composition of cash and cash equivalents: | | |
| Cash and cash equivalents reported in the balance sheet | \$ 1,394,673 | 1,305,199 |
| Cash and cash equivalents classified as disposal groups held for sold | 574 | - |
| Balance of cash and cash equivalents at the end of the period | <u>\$ 1,395,247</u> | <u>1,305,199</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 Six Months Ended June 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 were approved and issued by the Board of Directors on August 9, 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 |

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

| Newly issued or amended standards | Major amendments | Effective date of standards issued by the Board |
|--|--|---|
| IFRS 18 "Presentation and Disclosure in Financial Statements" | <ul style="list-style-type: none"> • 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 |
|-----------------------|--|---|---------------------------|-------------------|---------------|-------------|
| | | | June 30, 2024 | December 31, 2023 | June 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, original name: Mytrex Industries Inc.) | Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials | 61.46% | 61.46% | 61.46% | |
| The Company | ShareHope Medicine (HongKong) Co., Ltd. (hereinafter referred to as ShareHope Hong Kong Company) | Investment management | 100.00% | 100.00% | 100.00% | |
| The Company | Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd. (hereinafter referred to as Minsheng Asia-Pacific (Beijing) Company) | Hospital management consulting services | 100.00% | 100.00% | 100.00% | |
| The Company | Pregetic Medical Health Co., Ltd. (hereinafter referred to as Pregetic Health Company) | Health management services | 38.90% | 38.90% | 38.90% | |
| The Company | Medzoneasia Co., Ltd. (hereinafter referred to as Medzoneasia, original name: Medzoneasia Co., Ltd.) | Health management services and hotels | 91.47% | 91.47% | 83.47% | Note 1 |
| The Company | Shengshi Digital Health Co., Ltd. (hereinafter referred to as Shengshih Digital, 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% | - | % |
| The Company | YWL Co., Ltd. (hereinafter referred to as YWL Co., Ltd.) | Biotechnology Services | 100.00% | 100.00% | - | % |
| Mytrex Health Company | Mytrex Industries Inc. (hereinafter referred to as Mytrex) | Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials | 100.00% | 100.00% | 100.00% | |
| Mytrex Health Company | Mytrex USA Co. (formerly known as TSVC Co.) | Health care support services | 88.89% | 88.89% | 88.89% | |
| Mytrex Health Company | Sheng Yo Rehabilitative Technologies, Inc. (hereinafter referred to as Sheng Yo Company) | Health management services | 47.62% | 90.91% | 90.91% | Note 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 of subsidiary | Nature of business | Percentage of equity held | | | Explanation |
|-------------------------------|--|------------------------------------|---------------------------|-------------------|---------------|-------------|
| | | | June 30, 2024 | December 31, 2023 | June 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 | Fuyi Health Management Consulting Co., Ltd. (hereinafter referred to as Fuyi Company) | Health management services | 100.00% | 100.00% | 100.00% | |
| Pregetic Health Company | Chinachem Biomedical Co., Ltd. (hereinafter referred to as Chinachem) | Healthcare services | 50.00% | 50.00% | 50.00% | |
| Hung-Han Company | Hanting Digital Technology Co., Ltd. (hereinafter referred to as Hanting Company) | Information software services | 66.67% | 66.67% | 100.00% | |
| Hung-Han Company | Chinachem | Healthcare services | 50.00% | 50.00% | 50.00% | |
| Hung-Han Company | Macro Global Corporation | Wholesale and trading of medicines | 100.00% | 100.00% | 100.00% | |
| Macro Global Corporation | Hanting Digital Technology Co., Ltd. (hereinafter referred to as Hanting Company) | Information software services | 33.33% | 33.33% | - | |

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

Note 2: In January 2024, Sheng Yo Company conducted a cash capital increase. However, MIN JIAN did not subscribe in proportion to its shareholding, which led to a decrease in its shareholding ratio.

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

(III) Non-current assets held for sale (disposal groups)

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

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

2. Discontinued operation

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

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

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

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

(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

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|--|----------------------------|--------------------------|-------------------------|
| Cash on hand and working capital | \$ 5,842 | 5,956 | 5,114 |
| Cheques, demand deposits and foreign currency deposits | 1,308,799 | 1,326,305 | 1,249,477 |
| Demand deposits | 29,086 | - | - |
| Cash equivalents - repurchase bonds | 50,946 | 50,761 | 50,608 |
| | <u>\$ 1,394,673</u> | <u>1,383,022</u> | <u>1,305,199</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

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|--|-------------------------|--------------------------|----------------------|
| Financial assets mandatorily measured at fair value through profit or loss: | | | |
| Non-derivative financial assets | | | |
| Fund beneficiary certificates | \$ 10,533 | 10,463 | 10,398 |
| Non-TWSE/TPEX listed stocks | 24,712 | 19,684 | 23,046 |
| Limited partnership interests | 25,917 | - | - |
| | <u>\$ 61,162</u> | <u>30,147</u> | <u>33,444</u> |
| Current | \$ 10,533 | 10,463 | 10,398 |
| Non-current | 50,629 | 19,684 | 23,046 |
| | <u>\$ 61,162</u> | <u>30,147</u> | <u>33,444</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 (30) for the amount recognized in profit or loss based on fair value remeasurement.

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

Equity instruments at fair value through other comprehensive income:

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|---|--------------------------|--------------------------|-----------------------|
| Stocks issued by non-TWSE/TPEX listed companies | \$ 321,194 | 348,419 | 313,692 |
| Stocks issued by non-listed foreign companies | 393,499 | 341,871 | 279,069 |
| Limited partnership interests | 116,141 | 124,682 | 131,577 |
| | <u>\$ 830,834</u> | <u>814,972</u> | <u>724,338</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 (31) 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

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---|----------------------------|--------------------------|-------------------------|
| Notes receivable | \$ 9,538 | 12,273 | 9,317 |
| Accounts receivable - measured at amortized cost | 279,829 | 265,836 | 187,706 |
| Accounts receivable-related parties - measured at amortized cost | 1,081,679 | 1,105,850 | 901,302 |
| Accounts receivable-finance lease payments - measured at amortized cost | 97 | 291 | 388 |
| Accounts receivable-related parties - finance lease payments - measured at amortized cost | 11,881 | 13,429 | 13,066 |
| Less: loss allowances | (14,891) | (7,657) | (6,491) |
| Unrealized interest income | (1,158) | (1,662) | (1,810) |
| | <u>\$ 1,366,975</u> | <u>1,388,360</u> | <u>1,103,478</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:

| | June 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 | \$ 1,276,904 | 0%~0.02% | 239 |
| Less than 60 days overdue | 25,632 | 0%~10.00% | 1,143 |
| 61~90 days overdue | 13,245 | 0%~100% | 581 |
| 91-120 days overdue | 9,876 | 0%~100% | 1,060 |
| More than 121 days overdue | 56,209 | 0%~100% | 11,868 |
| | <u>\$ 1,381,866</u> | | <u>14,891</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> |

| | June 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 | \$ 1,082,166 | 0%~0.16% | 203 |
| Less than 60 days overdue | 16,863 | 0%~15% | 906 |
| 61~90 days overdue | 1,051 | 0%~100% | 128 |
| 91-120 days overdue | 5,797 | 0%~40% | 1,162 |
| More than 121 days overdue | 4,092 | 0%~100% | 4,092 |
| | <u>\$ 1,109,969</u> | | <u>6,491</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 six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|
| Beginning balance | \$ 7,657 | 4,608 |
| Impairment loss | 8,214 | 1,925 |
| The irrecoverable amount written off in the current year | (991) | - |
| Foreign currency translation gains and losses | 11 | (42) |
| Ending balance | <u>\$ 14,891</u> | <u>6,491</u> |

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

(V) Other receivables

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|------------------------------------|----------------------|--------------------------|----------------------|
| Receivables from chain pharmacies | \$ 33,034 | 27,207 | 23,677 |
| Other receivables- related parties | 25,959 | 36,101 | 47,092 |
| Others | 17,916 | 11,457 | 27,195 |
| Less: loss allowances | - | (865) | (856) |
| | \$ 76,909 | 73,900 | 97,108 |

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

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|
| Beginning balance | \$ 865 | 882 |
| The irrecoverable amount written off in the current year | (865) | - |
| Foreign currency translation gains and losses | - | (26) |
| Ending balance | \$ - | 856 |

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

(VI) Finance lease receivables

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

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

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|--|----------------------|--------------------------|----------------------|
| Less than one year | \$ 11,978 | 13,720 | 13,453 |
| 1~2 years | 6,974 | 10,570 | 11,241 |
| 2~3 years | 2,881 | 6,070 | 6,756 |
| 3~4 years | 1,642 | 3,106 | 3,841 |
| 4~5 years | 798 | 2,720 | 2,762 |
| More than 5 years | - | 4,203 | 5,563 |
| Gross investment in the lease | 24,273 | 40,389 | 43,616 |
| Unearned finance income | (2,064) | (3,705) | (4,348) |
| Present value of lease payments receivable | \$ 22,209 | 36,684 | 39,268 |
| Current | \$ 10,820 | 12,058 | 11,644 |
| Non-current | 11,389 | 24,626 | 27,624 |
| | \$ 22,209 | 36,684 | 39,268 |

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

(VII) Inventories

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---------------------------------|----------------------|--------------------------|----------------------|
| Medicines and medical materials | \$ 33,883 | 40,772 | 46,296 |
| Raw materials | 24,936 | 27,486 | 36,080 |
| Work in progress | 243 | 533 | 431 |
| Finished good | 23,743 | 28,478 | 27,832 |
| Commodity | 217,603 | 198,000 | 201,230 |
| Medical equipment | 238 | 1,205 | 210 |
| | \$ 300,646 | 296,474 | 312,079 |

Particulars of cost of sales are as follows:

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---|---|---|---|---|
| Cost of inventories sold | \$ 773,571 | 632,217 | 1,462,441 | 1,242,570 |
| Inventory falling price loss (recovery benefit) | 140 | (675) | 102 | (680) |
| Obsolete inventories | 84 | 241 | 318 | 306 |
| Scrap income | (127) | (146) | (291) | (368) |
| Inventory loss (gain) | (10) | (6) | 91 | (45) |
| Others | 291 | 801 | (308) | 6,021 |
| | \$ 773,949 | 632,432 | 1,462,353 | 1,247,804 |

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 June 30, 2024, the assets and liabilities of the disposal group available-for-sale amounted to NT\$55,155 thousand and NT\$42,869 thousand respectively. The details are as follows:

| | June 30, 2024 |
|--|----------------------|
| Cash and cash equivalents | \$ 574 |
| Accounts receivable | 3,271 |
| Other receivables | 6,299 |
| Prepayments | 805 |
| Other current assets | 47 |
| Property, plant and equipment | 2,832 |
| Right-of-use assets, net | 18,931 |
| Intangible assets, net | 190 |
| Refundable deposits | 12,870 |
| Other non-current assets | 9,336 |
| Assets included in a group held for sale | \$ 55,155 |
| Short-term loans and long-term loans due within one year | \$ 14,359 |
| Other payables (\$400 thousand arising from related party transactions has been written off) | 953 |
| Other current liabilities | 12 |
| Long-term loans | 3,934 |
| lease liabilities | 23,611 |
| Liabilities included in a disposal group held for sale | \$ 42,869 |

(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 six months ended June 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 six months ended June 30, 2023 |
|--|---|
| The carrying amount of equity in YES Health Company sold | \$ (233,204) |
| Consideration for transfer to Mytrex Health Company | 230,000 |
| | \$ (3,204) |
| 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) |
| | \$ (3,204) |

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

| | For the six months ended June 30, 2023 |
|------------------------|---|
| Undistributed earnings | \$ (1,691) |

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 | \$ (101,151) |

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 six months ended June 30, 2024 |
|--|---|
| Decrease in equity attributable to subsidiaries after issuance of new shares | \$ 4,240 |
| Undistributed earnings | \$ 4,240 |

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

| | For the six months ended June 30, 2024 |
|---|---|
| Additional paid-in capital - changes in ownership interests in subsidiaries | \$ (2,137) |

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

(X) Subsidiaries with significant non-controlling interests

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

| Name of subsidiary | Principal business premises/ Country of company registration | Proportion of ownership interest and voting rights of non-controlling interests | | |
|--------------------------------------|---|---|----------|---------------|
| | | December | | |
| | | June 30, 2024 | 31, 2023 | June 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 | 61.10% | 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:

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---|-------------------|-------------------|----------------|
| Current assets | \$ 118,053 | 132,675 | 78,618 |
| Non-current assets | 556,743 | 562,709 | 657,533 |
| Current liabilities | (10,465) | (20,421) | (20,839) |
| Non-current liabilities | (379) | (119) | (293) |
| Net assets | <u>\$ 663,952</u> | <u>674,844</u> | <u>715,019</u> |
| Carrying amount of non-controlling interests at the end of the period | <u>\$ 277,738</u> | <u>282,404</u> | <u>298,006</u> |

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|--|--|--|--|
| Net loss for the period | \$ (2,813) | (14,969) | (7,735) | (21,525) |
| Other comprehensive income | (368) | 985 | 1,083 | 3,545 |
| Total comprehensive income | <u>\$ (3,181)</u> | <u>(13,984)</u> | <u>(6,652)</u> | <u>(17,980)</u> |
| Net loss for the period attributable to non-controlling interests | <u>\$ (1,084)</u> | <u>(5,591)</u> | <u>(2,981)</u> | <u>(8,118)</u> |
| Total comprehensive income attributable to non-controlling interests | <u>\$ (1,225)</u> | <u>(5,212)</u> | <u>(2,563)</u> | <u>(6,752)</u> |

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|--|--|
| Cash flows from operating activities | \$ 44,020 | (7,209) |
| Cash flows from investing activities | (35,000) | (140,000) |
| Effects of exchange rate | 452 | (87) |
| Increase (decrease) in cash and cash equivalents | <u>\$ 9,472</u> | <u>(147,296)</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.:

| | December 31, | | |
|---|-------------------------|----------------------|----------------------|
| | June 30, 2024 | 2023 | June 30, 2023 |
| Current assets | \$ 43,295 | 40,758 | 38,045 |
| Non-current assets | 2,686 | 3,229 | 1,856 |
| Current liabilities | (25,426) | (21,694) | (20,956) |
| Non-current liabilities | (307) | (761) | - |
| Net assets | <u>\$ 20,248</u> | <u>21,532</u> | <u>18,945</u> |
| Carrying amount of non-controlling interests at the end of the period | <u>\$ 16,278</u> | <u>18,320</u> | <u>19,944</u> |

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|---|---|
| Operating revenue | <u>\$ 14,256</u> | <u>16,572</u> | <u>31,399</u> | <u>29,691</u> |
| Net income for the period | \$ 1,206 | 3,373 | 5,749 | 5,220 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | <u>\$ 1,206</u> | <u>3,373</u> | <u>5,749</u> | <u>5,220</u> |
| Net income for the period attributable to non-controlling interests | <u>\$ (116)</u> | <u>946</u> | <u>1,404</u> | <u>1,145</u> |
| Total comprehensive income attributable to non-controlling interests | <u>\$ (116)</u> | <u>946</u> | <u>1,404</u> | <u>1,145</u> |

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---------------------------------------|---|---|
| Cash flows from operating activities | \$ 8,672 | 9,704 |
| Cash flows from investing activities | (173) | (171) |
| Cash flows from financing activities | (7,475) | (5,396) |
| Increase in cash and cash equivalents | <u>\$ 1,024</u> | <u>4,137</u> |

The consolidated financial information of Medzoneasia:

| | December 31, | | |
|---|--------------------------|-----------------------|-----------------------|
| | June 30, 2024 | 2023 | June 30, 2023 |
| Current assets | \$ 30,157 | 57,719 | 77,893 |
| Non-current assets | 159,812 | 181,865 | 141,163 |
| Current liabilities | (57,889) | (60,441) | (46,110) |
| Non-current liabilities | (31,437) | (43,512) | (25,552) |
| Net assets | <u>\$ 100,643</u> | <u>135,631</u> | <u>147,394</u> |
| Carrying amount of non-controlling interests at the end of the period | <u>\$ 8,585</u> | <u>11,569</u> | <u>18,464</u> |

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

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|--|--|--|--|
| Operating revenue | <u>\$ 7,683</u> | <u>7,064</u> | <u>15,655</u> | <u>11,814</u> |
| Net loss for the period | \$ (9,412) | (9,480) | (16,742) | (17,128) |
| Other comprehensive income | (8,046) | - | (18,246) | (656) |
| Total comprehensive income | <u>\$ (17,458)</u> | <u>(9,480)</u> | <u>(34,988)</u> | <u>(17,784)</u> |
| Net loss for the period attributable to non-controlling interests | <u>\$ (803)</u> | <u>(1,707)</u> | <u>(1,428)</u> | <u>(4,700)</u> |
| Total comprehensive income attributable to non-controlling interests | <u>\$ (1,489)</u> | <u>(1,825)</u> | <u>(2,984)</u> | <u>(4,797)</u> |

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|--|--|
| Cash flows from operating activities | \$ (1,718) | (34,492) |
| Cash flows from investing activities | - | 303,268 |
| Cash flows from financing activities | (24,313) | (237,099) |
| Increase (decrease) in cash and cash equivalents | <u>\$ (26,031)</u> | <u>31,677</u> |

The consolidated financial information of Pregetic Health Company:

| | December 31, June 30, 2024 | 2023 | June 30, 2023 |
|--|-------------------------------|----------------|----------------|
| Current assets | \$ 61,787 | 74,873 | 65,608 |
| Non-current assets | 315,773 | 364,387 | 358,583 |
| Current liabilities | (144,558) | (146,070) | (138,544) |
| Non-current liabilities | (39,830) | (55,416) | (17,413) |
| Net assets | <u>\$ 193,172</u> | <u>237,774</u> | <u>268,234</u> |
| Carrying amount of non-controlling interests at the end of the period | <u>\$ 123,779</u> | <u>151,029</u> | <u>180,161</u> |

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|--|--|--|--|
| Operating revenue | <u>\$ 9,205</u> | <u>16,867</u> | <u>19,520</u> | <u>25,633</u> |
| Net loss for the period | \$ (28,697) | (19,222) | (42,999) | (46,957) |
| Other comprehensive income | (3,641) | 2,006 | (1,602) | 6,218 |
| Total comprehensive income | <u>\$ (32,338)</u> | <u>(17,216)</u> | <u>(44,601)</u> | <u>(40,739)</u> |
| Net loss for the period attributable to non-controlling interests | <u>\$ (17,516)</u> | <u>(11,745)</u> | <u>(26,272)</u> | <u>(28,691)</u> |
| Total comprehensive income attributable to non-controlling interests | <u>\$ (19,742)</u> | <u>(10,519)</u> | <u>(27,251)</u> | <u>(24,892)</u> |

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

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---------------------------------------|--|--|
| Cash flows from operating activities | \$ (2,170) | (6,898) |
| Cash flows from investing activities | 2,896 | (39,924) |
| Cash flows from financing activities | (9,170) | 7,500 |
| Decrease in cash and cash equivalents | <u>\$ (8,444)</u> | <u>(39,322)</u> |

(XI) Property, plant and equipment

| | Land | Houses and buildings | Machine ry and equipme nt | Transpo rtation equipme nt | Office equipme nt | Leasehol d improve ments | Other equipme nt | Leased assets | Unfinishe d projects and equipmen t 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 | - | - | 529 | - | 3,748 | 4,343 | 4,010 | 5,966 | 946 | 19,542 |
| Classified as non-current assets held for sale | - | - | - | - | - | (2,433) | (758) | - | - | (3,191) |
| Disposal | (13,900) | (15,146) | (6,283) | - | (454) | (20,593) | (3) | (28,425) | (946) | (85,750) |
| Reclassification | - | - | 2,216 | - | - | - | - | (2,216) | - | - |
| Effects of changes in foreign exchange rates | - | - | - | - | 2 | - | - | - | - | 2 |
| Balance on June 30, 2024 | <u>\$ 651,353</u> | <u>515,180</u> | <u>519,002</u> | <u>2,183</u> | <u>103,353</u> | <u>211,538</u> | <u>89,904</u> | <u>444,587</u> | <u>-</u> | <u>2,537,100</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 | 3,587 | 686 | 3,835 | 13,942 | 9,156 | 45,175 | 2,636 | 79,117 |
| Disposal | - | - | (65) | - | (222) | (9,422) | (444) | (45,569) | - | (55,722) |
| Reclassification | - | 900 | (941) | - | (469) | 10,594 | 28,381 | 36,677 | (86,626) | (11,484) |
| Effects of changes in foreign exchange rates | - | - | - | - | (2) | - | - | - | - | (2) |
| Balance on June 30, 2023 | <u>\$ 668,582</u> | <u>551,959</u> | <u>528,091</u> | <u>1,469</u> | <u>97,424</u> | <u>231,282</u> | <u>92,794</u> | <u>392,605</u> | <u>1,883</u> | <u>2,566,089</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 | - | 10,789 | 16,083 | 318 | 6,878 | 12,686 | 3,038 | 32,874 | - | 82,666 |
| Classified as non-current assets held for sale | - | - | - | - | - | (282) | (76) | - | - | (358) |
| Disposal | - | (10,680) | (6,283) | - | (310) | (7,047) | (3) | (21,598) | - | (45,921) |
| Reclassification | - | - | 292 | - | - | - | - | (292) | - | - |
| Effects of changes in foreign exchange rates | - | - | - | - | 2 | - | - | - | - | 2 |
| Balance on June 30, 2024 | <u>\$ -</u> | <u>35,990</u> | <u>406,599</u> | <u>1,314</u> | <u>68,813</u> | <u>153,455</u> | <u>50,513</u> | <u>249,651</u> | <u>-</u> | <u>966,335</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 | - | 9,301 | 25,145 | 56 | 7,168 | 12,893 | 2,171 | 21,930 | - | 78,664 |
| Disposal | - | - | (65) | - | (142) | (3,860) | (444) | (45,569) | - | (50,080) |
| Reclassification | - | - | (354) | - | (324) | - | 324 | 343 | - | (11) |
| Effects of changes in foreign exchange rates | - | - | - | - | (2) | - | - | - | - | (2) |
| Balance on June 30, 2023 | <u>\$ -</u> | <u>41,585</u> | <u>378,930</u> | <u>767</u> | <u>55,065</u> | <u>139,911</u> | <u>51,257</u> | <u>220,505</u> | <u>-</u> | <u>888,020</u> |
| Book value: | | | | | | | | | | |
| June 30, 2024 | <u>\$ 651,353</u> | <u>479,190</u> | <u>112,403</u> | <u>869</u> | <u>34,540</u> | <u>58,083</u> | <u>39,391</u> | <u>194,936</u> | <u>-</u> | <u>1,570,765</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> |
| June 30, 2023 | <u>\$ 668,582</u> | <u>510,374</u> | <u>149,161</u> | <u>702</u> | <u>42,359</u> | <u>91,371</u> | <u>41,537</u> | <u>172,100</u> | <u>1,883</u> | <u>1,678,069</u> |

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

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

(XII) Right-of-use assets

| | Houses and buildings | Transportati on equipment | Office equipment | Total |
|--|-------------------------|---------------------------------|---------------------|----------------|
| Cost: | | | | |
| Balance on January 1, 2024 | \$ 561,411 | 22,523 | - | 583,934 |
| Increase | 7,115 | 4,735 | - | 11,850 |
| Classified as non-current assets held for sale | (22,372) | - | - | (22,372) |
| Disposal | (10,476) | (9,936) | - | (20,412) |
| Reclassification | 6 | (6) | - | - |
| Balance on June 30, 2024 | \$ 535,684 | 17,316 | - | 553,000 |
| Balance on January 1, 2023 | \$ 582,172 | 21,023 | - | 603,195 |
| Increase | 40,161 | 3,596 | - | 43,757 |
| Decrease | (44,427) | (2,781) | - | (47,208) |
| Balance on June 30, 2023 | \$ 577,906 | 21,838 | - | 599,744 |
| Accumulated depreciation: | | | | |
| Balance on January 1, 2024 | \$ 162,326 | 13,818 | - | 176,144 |
| Increase | 30,564 | 3,888 | - | 34,452 |
| Classified as non-current assets held for sale | (3,441) | - | - | (3,441) |
| Disposal | (5,480) | (9,936) | - | (15,416) |
| Balance on June 30, 2024 | \$ 183,969 | 7,770 | - | 191,739 |
| Balance on January 1, 2023 | \$ 129,461 | 12,660 | - | 142,121 |
| Increase | 31,130 | 3,987 | - | 35,117 |
| Disposal | (19,182) | (2,764) | - | (21,946) |
| Balance on June 30, 2023 | \$ 141,409 | 13,883 | - | 155,292 |
| Book value: | | | | |
| June 30, 2024 | \$ 351,715 | 9,546 | - | 361,261 |
| December 31, 2023 | \$ 399,085 | 8,705 | - | 407,790 |
| June 30, 2023 | \$ 436,497 | 7,955 | - | 444,452 |

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

(XIII) Investment property

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

| | Land and land improvements | Houses and buildings | Right-of-use assets | Total |
|-------------------------------|---------------------------------------|---------------------------------|--------------------------------|----------------|
| Cost: | | | | |
| Balance on January 1, 2024 \$ | 152,641 | 36,669 | 290,912 | 480,222 |
| Increase | - | - | 3,444 | 3,444 |
| Disposal | - | - | (14,107) | (14,107) |
| Balance on June 30, 2024 | \$ 152,641 | 36,669 | 280,249 | 469,559 |
| Balance on January 1, 2023 \$ | 152,641 | 36,669 | 290,749 | 480,059 |
| Increase | - | - | 7,080 | 7,080 |
| Disposal | - | - | (10,913) | (10,913) |
| Balance on June 30, 2023 | \$ 152,641 | 36,669 | 286,916 | 476,226 |
| Accumulated depreciation: | | | | |
| Balance on January 1, 2024 \$ | - | 12,223 | 129,805 | 142,028 |
| Depreciation for the year | - | 667 | 27,723 | 28,390 |
| Disposal for the period | - | - | (4,801) | (4,801) |
| Balance on June 30, 2024 | \$ - | 12,890 | 152,727 | 165,617 |
| Balance on January 1, 2023 \$ | - | 10,889 | 122,378 | 133,267 |
| Depreciation for the year | - | 667 | 29,232 | 29,899 |
| Disposal for the period | - | - | (7,097) | (7,097) |
| Balance on June 30, 2023 | \$ - | 11,556 | 144,513 | 156,069 |
| Carrying amount: | | | | |
| June 30, 2024 | \$ 152,641 | 23,779 | 127,522 | 303,942 |
| December 31, 2023 | \$ 152,641 | 24,446 | 161,107 | 338,194 |
| June 30, 2023 | \$ 152,641 | 25,113 | 142,403 | 320,157 |

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

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

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

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

(XIV) Intangible assets

| | Manage ment rights | Trade mark rights | Custo mer relatio n | Lease contrac t | Goodw ill | Compu ter softwar e | Franch ise | Techno logy authori zation | Right of alienati on | Others | Total |
|------------------------------|--------------------------|-------------------------|------------------------------|-----------------------|--------------|------------------------------|---------------|-------------------------------------|-------------------------------|--------|---------|
| Book value: | | | | | | | | | | | |
| Balance on June 30, 2024 | \$ 727 | 93,145 | 20,768 | 4,361 | 165,517 | 35,049 | - | - | 11,278 | 133 | 330,978 |
| Balance on December 31, 2023 | \$ 883 | 93,145 | 24,803 | 4,696 | 165,517 | 35,775 | - | - | 12,145 | 160 | 337,124 |
| Balance on June 30, 2023 | \$ 2,857 | 93,145 | 28,839 | 5,032 | 165,517 | 38,104 | 44 | 379 | 13,013 | 213 | 347,143 |

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 year ended December 31, 2023.

(XV) Other non-current assets

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---|-------------------|-------------------|----------------|
| Refundable deposits | \$ 431,418 | 432,251 | 392,155 |
| Prepayments for equipment and engineering | 1,711 | 8,504 | 15,154 |
| Net defined benefit assets - non-current | 5,232 | 5,087 | 4,762 |
| Long-term prepayments | 7,092 | 6,280 | 8,396 |
| Others | 631 | 791 | 900 |
| | \$ 446,084 | 452,913 | 421,367 |

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

(XVI) Short-term loans

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|----------------------|---------------------|--------------------|--------------------|
| Unsecured bank loans | \$ 308,307 | 347,467 | 390,312 |
| Secured bank loans | 90,000 | 60,000 | 35,000 |
| | \$ 398,307 | 407,467 | 425,312 |
| Interest rate range | 1.98%~3.56% | 1.87%~4.08% | 1.75%~4.08% |
| Unused quota | \$ 1,226,051 | 1,092,749 | 831,893 |

For the six months ended June 30, 2024 and 2023, the increases in amount were NT\$488,317 thousand and NT\$342,850 thousand, respectively; the range of interest rate was from 1.87% to 3.56% and from 1.75% to 4.08%, respectively. The months of expiration range from April 2024 to June 2025 and from February 2023 to June 2024, respectively. The amounts to be repaid were NT\$487,477 thousand and NT\$223,792 thousand, respectively.

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

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

(XVII) Short-term bills payable

| | June 30, 2024 | | December 31, 2023 | | June 30, 2023 | |
|--|---------------|------------------|-------------------|---------------|---------------|---------------|
| | Interest rate | amount | Interest rate | amount | Interest rate | amount |
| Commercial paper payable | 2% | 55,000 | 2% | 55,000 | 1.72%~2.18% | 55,000 |
| Less: discount on short-term bills payable | | (96) | | (99) | | (109) |
| | | <u>\$ 54,904</u> | | <u>54,901</u> | | <u>54,891</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 six months ended June 30, 2024 and 2023. Please refer to Note 6 (30) for the interest expenses, and for other related information, please refer to Note 6 (17) of the Consolidated Financial Statements for the year ended December 31, 2023.

(XVIII) Long-term loans

| June 30, 2024 | | | |
|----------------------------------|---------------------|------------------|---------------------------|
| Currency | Interest rate range | Expiration month | Amount |
| Secured bank loans | NT\$ | 1.99%~3.298% | 114.11~120.4 \$ 1,060,872 |
| Less: amount due within one year | | | (122,367) |
| | | | <u>\$ 938,505</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> |

| June 30, 2023 | | | |
|----------------------------------|---------------------|------------------|-------------------------|
| Currency | Interest rate range | Expiration month | Amount |
| Secured bank loans | NT\$ | 1.93%~2.93% | 113.11~120.3 \$ 998,982 |
| Less: amount due within one year | | | (32,079) |
| | | | <u>\$ 966,903</u> |
| Unused quota | | | <u>\$ 620,000</u> |

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

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

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

(XIX) Lease liabilities

| | December 31, | | |
|-------------|----------------------|----------------|----------------------|
| | June 30, 2024 | 2023 | June 30, 2023 |
| Current | \$ 112,420 | 140,853 | 111,434 |
| Non-current | \$ 396,221 | 449,914 | 492,342 |

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

The following amounts are recognized in profit or loss:

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|---|---|
| Interest expenses on lease liabilities | \$ 2,898 | 3,550 | 5,839 | 6,559 |
| Variable lease payments not included in the measurement of the lease liabilities | \$ 5,038 | 5,359 | 9,192 | 9,615 |
| Income from sublease of right-of-use assets | \$ 19,488 | 20,939 | 40,010 | 40,510 |
| Expenses on short-term leases and low-value leases | \$ 3,382 | 2,070 | 5,663 | 4,608 |

The following amounts are recognized in the cash flow statement:

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--------------------------------|---|---|
| Total cash outflows for leases | \$ 80,472 | 85,874 |

1. Houses and buildings

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

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

2. Other leases

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

(XX) Operating lease

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

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:

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|-----------------------------------|----------------------|--------------------------|----------------------|
| 1st year | \$ 146,639 | 209,439 | 175,499 |
| 2nd year | 44,470 | 68,509 | 71,686 |
| 3rd year | 13,219 | 33,536 | 43,601 |
| 4th year | 2,501 | 24,653 | 25,433 |
| 5th year | 2,292 | 23,987 | 24,292 |
| More than 5 years | 10,312 | 101,458 | 113,537 |
| Total undiscounted lease payments | \$ 219,433 | 461,582 | 454,048 |

(XXI) Other payables

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|--|----------------------|--------------------------|----------------------|
| Dividends Payable | \$ 53,863 | - | 62,447 |
| Employee remuneration payable | 88,221 | 94,298 | 90,421 |
| Salaries and bonuses payable | 57,084 | 70,285 | 49,136 |
| Equipment payables | 7,151 | 15,247 | 20,261 |
| Directors' and supervisors' remuneration payable | 4,880 | 3,244 | 6,431 |
| Business tax payable | 5,630 | 5,910 | 4,996 |
| Investment payables | - | 22,500 | - |
| Others | 75,331 | 72,024 | 53,394 |
| | \$ 292,160 | 283,508 | 287,086 |

(XXII) Employee benefits

1. Defined benefit plans

Since there was no material volatility of the market, material curtailments, settlements, or other significant one-off event that occurred subsequent to the end of prior fiscal year, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarially determined pension cost as of December 31, 2023 and 2022.

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--------------------|---|---|---|---|
| Operating costs | \$ 50 | 51 | 96 | 101 |
| Operating expenses | 70 | 71 | 144 | 142 |
| | \$ 120 | 122 | 240 | 243 |

2. Defined contribution plans

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--------------------|---|---|---|---|
| Operating costs | \$ 1,538 | 1,610 | 3,036 | 3,173 |
| Operating expenses | 3,789 | 3,447 | 7,862 | 7,056 |
| | \$ 5,327 | 5,057 | 10,898 | 10,229 |

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

(XXIII) Income tax

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

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|---|---|
| Income tax expenses for the period | \$ 14,730 | 14,155 | 25,639 | 26,858 |
| Income tax expenses for the period before adjustment | (233) | (323) | (233) | (323) |
| Deferred income tax (gain) | (478) | 364 | (501) | (294) |
| Income tax expense | \$ 14,019 | 14,196 | 24,905 | 26,241 |

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 June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---|---|---|---|---|
| Items not reclassified to profit or loss: | | | | |
| Equity instruments at fair value through other comprehensive income | \$ 3,962 | (6,036) | (9,288) | (5,239) |

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|---|---|
| Items that may be reclassified to profit or loss subsequently | | | | |
| Exchange difference from translation of the financial statements of foreign operations | \$ (87) | 212 | (293) | 202 |

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 |
| Fuyi Company | 2022 |
| Digimed | 2020 |

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

(XXIV) Capital and other equity

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

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|---|----------------------------|--------------------------|-------------------------|
| Premium on issuance of stocks and conversion of corporate bonds | \$ 1,095,196 | 1,095,196 | 1,095,196 |
| The difference between the price and book value of subsidiaries' equity actually acquired and disposed of | 35,327 | 35,327 | 46,149 |
| Recognized changes in ownership interests in subsidiaries | 16,378 | 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>\$ 1,153,697</u> | <u>1,155,834</u> | <u>1,166,656</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-controlling 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 | 954 | - | 305 | 1,259 |
| Unrealized gains on financial assets at fair value through other comprehensive income | - | (7,731) | (2,335) | (10,066) |
| Balance on June 30, 2024 | <u>\$ (1,553)</u> | <u>117,429</u> | <u>(20,524)</u> | <u>95,352</u> |
| Balance on January 1, 2023 | \$ (2,089) | 8,515 | (16,206) | (9,780) |
| Exchange difference from translation of the net assets of foreign operations | (582) | - | 75 | (507) |
| Unrealized gains on financial assets at fair value through other comprehensive income | - | 52,721 | 5,015 | 57,736 |
| Balance on June 30, 2023 | <u>\$ (2,671)</u> | <u>61,236</u> | <u>(11,116)</u> | <u>47,449</u> |

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 | (31,520) |
| Other comprehensive income for the period attributable to non-controlling interests | (2,030) |
| Distribution of ordinary share cash dividends | (3,446) |
| Capital increase in cash | 2,238 |
| Changes in ownership interests in subsidiaries | 2,137 |
| Ending balance on June 30, 2024 | <u><u>\$ 434,902</u></u> |
| Beginning balance on January 1, 2023 | \$ 679,736 |
| Net loss for the period attributable to non-controlling interests | (40,831) |
| Other comprehensive income for the period attributable to non-controlling interests | 5,090 |
| Distribution of ordinary share cash dividends | (2,426) |
| 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 | <u>(471)</u> |
| Ending balance on June 30, 2023 | <u><u>\$ 514,815</u></u> |

(XXV) Share-based payment

There was no significant change in share-based payments of the Consolidated Company for the six months ended June 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.

(XXVI) Earnings per share

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---|---|---|---|---|
| Basic earnings per share: | | | | |
| Net profits attributable to ordinary equity holders of the Company | <u>\$ 71,164</u> | <u>32,787</u> | <u>95,693</u> | <u>70,191</u> |
| Weighted average number of outstanding ordinary shares | <u>126,044</u> | <u>126,044</u> | <u>126,044</u> | <u>126,044</u> |
| Basic earnings per share (NT\$) | <u>\$ 0.56</u> | <u>0.26</u> | <u>0.76</u> | <u>0.56</u> |
| Diluted earnings per share: | | | | |
| Net profits attributable to ordinary equity holders of the Company for the period (basic) | <u>\$ 71,164</u> | <u>32,787</u> | <u>95,693</u> | <u>70,191</u> |
| Effects of dilutive potential ordinary shares | | | | |
| Net profits attributable to ordinary equity holders of the Company (diluted) | <u>\$ 71,164</u> | <u>32,787</u> | <u>95,693</u> | <u>70,191</u> |

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

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|---|---|
| Weighted average number of outstanding ordinary shares (basic) | 126,044 | 126,044 | 126,044 | 126,044 |
| Effects of employee remuneration in stock | 226 | 154 | 370 | 487 |
| Weighted average number of outstanding ordinary shares (diluted) | 126,270 | 126,198 | 126,414 | 126,531 |
| Diluted earnings per share (NT\$) | <u><u>\$ 0.56</u></u> | <u><u>0.26</u></u> | <u><u>0.76</u></u> | <u><u>0.55</u></u> |

The distribution of stock dividends was approved by the Shareholders' Meeting on June 24, 2024. The base date for this distribution will be determined by the Board of Directors in a separate meeting. If the distribution of stock dividends occurs before the date when the financial statements were approved and issued, the pro forma earnings per share after retrospective adjustment are as follows:

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|-------------------------------|---|---|---|---|
| Basic earnings per share | <u><u>\$ 0.54</u></u> | <u><u>0.26</u></u> | <u><u>0.73</u></u> | <u><u>0.53</u></u> |
| Diluted earnings per share | <u><u>\$ 0.54</u></u> | <u><u>0.26</u></u> | <u><u>0.73</u></u> | <u><u>0.53</u></u> |

(XXVII) Revenue from customer contracts

1. Disaggregation of revenue

| | For the three months ended June 30, 2024 | | | |
|--|---|------------------------------|----------------------|-------------------------|
| | Sales of goods | Service provision | Leases | Total |
| Main regional markets: | | | | |
| Asia | \$ 876,694 | 182,303 | 27,602 | 1,086,599 |
| Europe | 5,141 | - | - | 5,141 |
| | <u><u>\$ 881,835</u></u> | <u><u>182,303</u></u> | <u><u>27,602</u></u> | <u><u>1,091,740</u></u> |
| Main product/service lines: | | | | |
| Medicines and medical materials | \$ 852,240 | - | - | 852,240 |
| Non-woven filter fabric | 29,595 | - | - | 29,595 |
| Service provision | - | 182,303 | - | 182,303 |
| Equipment leases | - | - | 21,665 | 21,665 |
| Leases of investment properties and real estate properties | - | - | 5,937 | 5,937 |
| | <u><u>\$ 881,835</u></u> | <u><u>182,303</u></u> | <u><u>27,602</u></u> | <u><u>1,091,740</u></u> |

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

| For the three months ended June 30, 2023 | | | | |
|--|---------------------|-------------------|---------------|------------------|
| | Sales of goods | Service provision | Leases | Total |
| Main regional markets: | | | | |
| Asia | \$ 721,367 | 178,323 | 34,931 | 934,621 |
| Europe | 6,549 | - | - | 6,549 |
| | \$ 727,916 | 178,323 | 34,931 | 941,170 |
| Main product/service lines: | | | | |
| Medicines and medical materials | \$ 693,071 | - | - | 693,071 |
| Non-woven filter fabric | 34,845 | - | - | 34,845 |
| Service provision | - | 178,323 | - | 178,323 |
| Equipment leases | - | - | 17,447 | 17,447 |
| Leases of investment properties and real estate properties | - | - | 17,484 | 17,484 |
| | \$ 727,916 | 178,323 | 34,931 | 941,170 |
| For the six months ended June 30, 2024 | | | | |
| | Sales of goods | Service provision | Leases | Total |
| Main regional markets: | | | | |
| Asia | \$ 1,672,787 | 316,734 | 66,842 | 2,056,363 |
| Europe | 7,926 | - | - | 7,926 |
| | \$ 1,680,713 | 316,734 | 66,842 | 2,064,289 |
| Main product/service lines: | | | | |
| Medicines and medical materials | \$ 1,620,968 | - | - | 1,620,968 |
| Non-woven filter fabric | 59,745 | - | - | 59,745 |
| Service provision | - | 316,734 | - | 316,734 |
| Equipment leases | - | - | 45,164 | 45,164 |
| Leases of investment properties and properties | - | - | 21,678 | 21,678 |
| | \$ 1,680,713 | 316,734 | 66,842 | 2,064,289 |

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

| For the six months ended June 30, 2023 | | | | |
|--|---------------------|-------------------|------------------|------------------|
| | Sales of goods | Service provision | Leases | Total |
| Main regional markets: | | | | |
| Asia | \$ 1,430,067 | 329,965 | 68,017 | 1,828,049 |
| Europe | 8,202 | - | - | 8,202 |
| Other countries | 1,177 | - | - | 1,177 |
| | \$ 1,439,446 | 329,965 | 68,017 | 1,837,428 |
| Main product/service lines: | | | | |
| Medicines and medical materials | \$ 1,364,547 | - | - | 1,364,547 |
| Non-woven filter fabric | 74,899 | - | - | 74,899 |
| Service income | - | 329,965 | - | 329,965 |
| Equipment leases | - | - | 30,951 | 30,951 |
| Leases of investment properties and real estate properties | - | - | 37,066 | 37,066 |
| | \$ 1,439,446 | 329,965 | 68,017 | 1,837,428 |
| 2. Contract balances | | | | |
| | June 30, 2024 | December 31, 2023 | June 30, 2023 | |
| Notes receivable | \$ 9,538 | 12,273 | 9,317 | |
| Accounts receivable | 279,829 | 265,836 | 187,706 | |
| Accounts receivable - related parties- | 1,081,679 | 1,105,850 | 901,302 | |
| Finance lease receivables | 95 | 277 | 353 | |
| Finance lease receivables - related parties- | 10,725 | 11,781 | 11,291 | |
| Long-term finance lease receivables | - | - | 95 | |
| Long-term finance lease receivables - related parties- | 11,389 | 24,626 | 27,529 | |
| Less: loss allowances | (14,891) | (7,657) | (6,491) | |
| | \$ 1,378,364 | 1,412,986 | 1,131,102 | |
| | June 30, 2024 | December 31, 2023 | June 30, 2023 | |
| Contract liability - sales of goods | \$ 13,222 | 11,458 | 7,527 | |
| Contract liability-customer loyalty programs | 1,507 | 1,204 | 1,522 | |
| | \$ 14,729 | 12,662 | 9,049 | |

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

The beginning balances of contract liabilities on January 1, 2023 and 2022 were recognized for the six months ended June 30, 2024 and 2023 as income of NT\$8,420 thousand and NT\$370 thousand, respectively.

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

(XXVIII) Remuneration to employees and directors

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

The estimated amounts of employees' remuneration of the Company recognized for the three months and six months ended June 30, 2024 and 2023 were NT\$5,483 thousand, NT\$2,996 thousand, NT\$7,671 thousand, and NT\$5,998 thousand, respectively, and the estimated amounts of directors' remuneration were NT\$914 thousand, NT\$530 thousand, NT\$1,279 thousand, and NT\$1,030 thousand, respectively. The estimates were based on the Company's net profit before tax in that period less employees' and directors' remuneration, multiplied by the distribution percentages of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation, and the remuneration was presented in operating expenses for that period. In case of a difference between the actual distribution amount in the following year and the estimated amount recognized, it shall be accounted for as changes in accounting estimates and recognized in profit or loss for the following year.

In 2023 and 2022, the Company appropriated NT\$11,194 thousand and NT\$24,494 thousand respectively for employees' remuneration, and NT\$1,866 thousand and NT\$4,082 thousand respectively for directors' remuneration, which did not differ from the resolutions on distribution of employees' and directors' remuneration by the Company's Board of Directors in 2023 and 2022. Relevant information can be found on the MOPS.

(XXIX) Other net income and expenses

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---|---|---|---|---|
| Income from sublease of investment property | \$ 10,651 | 10,979 | 22,098 | 21,672 |
| Gains (losses) on disposal of property, plant and equipment | 18,518 | (3,180) | 18,654 | (3,181) |
| Lease modification gains | 147 | 165 | 147 | 502 |
| Income from subleases of right-of-use assets | 8,837 | 9,959 | 17,912 | 18,838 |
| | \$ 38,153 | 17,923 | 58,811 | 37,831 |

(XXX) Non-operating income and expenses

1. Interest income

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|-----------------------|---|---|---|---|
| Bank deposit interest | \$ 3,510 | 2,486 | 4,423 | 3,266 |
| Other interest income | 71 | 719 | 143 | 724 |
| | \$ 3,581 | 3,205 | 4,566 | 3,990 |

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

2. Other income

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|-------------------|---|---|---|---|
| Royalty income | \$ 1,979 | 1,586 | 3,540 | 2,889 |
| Government grants | - | - | - | 2,388 |
| Logistics income | 1,585 | 1,354 | 3,171 | 2,938 |
| Dividend income | 32,759 | 1,629 | 35,204 | 1,629 |
| Others | 4,826 | 1,713 | 7,532 | 4,187 |
| | \$ 41,149 | 6,282 | 49,447 | 14,031 |

3. Other gains and losses

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|---|---|
| Foreign exchange gain | \$ 587 | 1,894 | 2,435 | 1,454 |
| Gains on financial assets at fair value through profit or loss | 2,403 | 739 | 6,628 | 12,189 |
| Others | (4,601) | (686) | (4,722) | (760) |
| | \$ (1,611) | 1,947 | 4,341 | 12,883 |

4. Finance costs

| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|---|---|
| Interest on loans from financial institutions | \$ 11,001 | 10,312 | 22,187 | 19,982 |
| Amortization of interest on lease liabilities | 2,752 | 3,550 | 5,693 | 6,559 |
| Others | 33 | 2 | 33 | 6 |
| | \$ 13,786 | 13,864 | 27,913 | 26,547 |

(XXXI) Financial instruments

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

1. Credit risk of accounts receivable

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

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

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

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

The Consolidated Company made no provision of loss allowances for other financial assets measured at amortized cost as of June 30, 2024, December 31 and June 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 |
|--------------------------------------|---------------------|------------------------|------------------------------------|-----------------|----------------|------------------|------------------|
| June 30, 2024 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Non-interest bearing \$ liabilities | 1,182,647 | 1,182,649 | 529,723 | 643,559 | 2,334 | 5,868 | 1,165 |
| lease liabilities | 508,641 | 539,874 | 10,130 | 51,330 | 59,822 | 184,461 | 234,131 |
| Floating rate instruments | 1,459,179 | 1,582,135 | 174,649 | 254,962 | 167,488 | 937,277 | 47,759 |
| Fixed-rate instruments | 54,904 | 55,000 | 35,000 | 20,000 | - | - | - |
| | \$ 3,205,371 | 3,359,658 | 749,502 | 969,851 | 229,644 | 1,127,606 | 283,055 |
| 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 | - | - | - |
| | \$ 3,327,423 | 3,457,685 | 810,603 | 823,113 | 246,460 | 1,217,375 | 360,134 |
| June 30, 2023 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Non-interest bearing \$ liabilities | 958,259 | 958,259 | 451,206 | 495,016 | 2,213 | 5,678 | 4,146 |
| lease liabilities | 603,776 | 698,009 | 12,981 | 61,037 | 70,823 | 217,321 | 335,847 |
| Floating rate instruments | 1,424,294 | 1,501,090 | 38,094 | 352,312 | 89,087 | 358,855 | 662,742 |
| Fixed-rate instruments | 54,891 | 55,000 | 55,000 | - | - | - | - |
| | \$ 3,041,220 | 3,212,358 | 557,281 | 908,365 | 162,123 | 581,854 | 1,002,735 |

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:

| | June 30, 2024 | | | | December 31, 2023 | | | June 30, 2023 | | |
|-----------------------|---------------------|-----------------------------|-------|---------|---------------------|-----------------------------|---------|---------------------|-----------------------------|---------|
| | Foreign currency | Exchang e rate (NT\$) | NT\$ | | Foreign currency | Exchang e rate (NT\$) | NT\$ | Foreign currency | Exchang e rate (NT\$) | NT\$ |
| Financial asset | | | | | | | | | | |
| Monetary items | | | | | | | | | | |
| USD | \$ | 1,285 | 32.45 | 41,698 | 2,003 | 30.705 | 61,502 | 2,496 | 31.14 | 77,725 |
| CNY | | 10 | 4.445 | 44 | 10 | 4.3270 | 43 | 34 | 4.282 | 146 |
| EUR | | 84 | 34.71 | 2,916 | 122 | 33.980 | 4,146 | 237 | 33.81 | 8,013 |
| Non-monetary items | | | | | | | | | | |
| USD | | 12,126 | 32.45 | 393,489 | 11,134 | 30.705 | 341,869 | 8,962 | 31.14 | 279,077 |
| CNY | | 6,253 | 4.445 | 27,795 | 6,382 | 4.327 | 27,615 | 6,581 | 4.282 | 28,180 |

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

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 June 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 six months ended June 30, 2024 and 2023 would decrease or increase by NT\$2,233 thousand and NT\$4,294 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 six months ended June 30, 2024 and 2023 amounted to NT\$2,435 thousand and NT\$1,454 thousand, respectively.

(2) Interest rate risk

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

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

If the interest rate increases or decreases by 20 basis points, while all other variables remain unchanged, the pre-tax net profit of the Consolidated Company for the six months ended June 30, 2024 and 2023 will increase or decrease by NT\$2,918 thousand and NT\$2,849 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:

| | | June 30, 2024 | | | | |
|---|----|--------------------|------------|---------|---------|---------|
| | | Carrying amount | Fair value | | | |
| | | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss: | | | | | | |
| Fund beneficiary certificates | \$ | 10,533 | 10,533 | - | - | 10,533 |
| Non-TWSE/TPEX listed stocks | | 24,712 | - | - | 24,712 | 24,712 |
| Limited partnership interests | | 25,917 | - | - | 25,917 | 25,917 |
| Subtotal | | 61,162 | 10,533 | - | 50,629 | 61,162 |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Non-TWSE/TPEX listed stocks | | 321,194 | - | - | 321,194 | 321,194 |
| Non-overseas listed stocks | | 393,499 | - | - | 393,499 | 393,499 |
| Limited partnership interests | | 116,141 | - | - | 116,141 | 116,141 |
| Subtotal | | 830,834 | - | - | 830,834 | 830,834 |

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

| June 30, 2024 | | | | | |
|--|---------------------|---------------|---------|----------------|----------------|
| | Carrying amount | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at amortized cost | | | | | |
| Cash and cash equivalents | \$ 1,394,673 | - | - | - | - |
| Restricted bank deposits | 104,507 | - | - | - | - |
| Net notes receivable and accounts receivable (including related parties) | 1,356,155 | - | - | - | - |
| Other net receivables (including related parties) | 76,909 | - | - | - | - |
| Finance lease receivables (including those due within one year) | 22,209 | - | - | - | - |
| Subtotal | 2,954,453 | - | - | - | - |
| Total | \$ 3,846,449 | 10,533 | - | 881,463 | 891,996 |
| Financial liabilities at amortized cost | | | | | |
| Short-term loans | \$ 398,307 | - | - | - | - |
| Long-term loans (including those due within one year) | 1,060,872 | - | - | - | - |
| Short-term bills payable | 54,904 | - | - | - | - |
| Notes and accounts payable (including related parties) | 879,110 | - | - | - | - |
| Other payables (including related parties) | 293,712 | - | - | - | - |
| Long-term accounts payable (including those due within one year) | 9,825 | - | - | - | - |
| Lease liabilities (including those due within one year) | 508,641 | - | - | - | - |
| Total | \$ 3,205,371 | - | - | - | - |

| December 31, 2023 | | | | | |
|--|---------------------|---------------|---------|----------------|----------------|
| | Carrying amount | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value through profit or loss | | | | | |
| Fund beneficiary certificates | \$ 10,463 | 10,463 | - | - | 10,463 |
| Non-TWSE/TPEX listed stocks | 19,684 | - | - | 19,684 | 19,684 |
| Subtotal | 30,147 | 10,463 | - | 19,684 | 30,147 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Non-TWSE/TPEX listed stocks | 348,419 | - | - | 348,419 | 348,419 |
| Non-overseas listed stocks | 341,871 | - | - | 341,871 | 341,871 |
| Limited partnership interests | 124,682 | - | - | 124,682 | 124,682 |
| Subtotal | 814,972 | - | - | 814,972 | 814,972 |
| Financial assets at amortized cost | | | | | |
| Cash and cash equivalents | 1,383,022 | - | - | - | - |
| Restricted bank deposits | 76,597 | - | - | - | - |
| Net notes receivable and accounts receivable (including related parties) | 1,376,302 | - | - | - | - |
| Other net receivables (including related parties) | 73,900 | - | - | - | - |
| Finance lease receivables (including those due within one year) | 36,684 | - | - | - | - |
| Subtotal | 2,946,505 | - | - | - | - |
| Total | \$ 3,791,624 | 10,463 | - | 834,656 | 845,119 |
| 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 | \$ 3,327,423 | - | - | - | - |

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

| | June 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 | \$ 10,398 | 10,398 | - | - | 10,398 |
| Non-TWSE/TPEx listed stocks | 23,046 | - | - | 23,046 | 23,046 |
| Subtotal | 33,444 | 10,398 | - | 23,046 | 33,444 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Non-TWSE/TPEx listed stocks | 313,692 | - | - | 313,692 | 313,692 |
| Non-overseas listed stocks | 279,069 | - | - | 279,069 | 279,069 |
| Limited partnership interests | 131,577 | - | - | 131,577 | 131,577 |
| Subtotal | 724,338 | - | - | 724,338 | 724,338 |
| Financial assets at amortized cost | | | | | |
| Cash and cash equivalents | 1,305,199 | - | - | - | - |
| Restricted bank deposits | 56,842 | - | - | - | - |
| Net notes receivable and accounts receivable (including related parties) | 1,091,834 | - | - | - | - |
| Other net receivables (including related parties) | 97,108 | - | - | - | - |
| Finance lease receivables (including those due within one year) | 39,268 | - | - | - | - |
| Subtotal | 2,590,251 | - | - | - | - |
| Total | \$ 3,348,033 | 10,398 | - | 747,384 | 757,782 |
| Financial liabilities at amortized cost | | | | | |
| Short-term loans | \$ 425,312 | - | - | - | - |
| Long-term loans (including those due within one year) | 998,982 | - | - | - | - |
| Short-term bills payable | 54,891 | - | - | - | - |
| Notes and accounts payable (including related parties) | 656,102 | - | - | - | - |
| Other payables (including related parties) | 289,631 | - | - | - | - |
| Long-term payables (including those due within one year) | 12,526 | - | - | - | - |
| Lease liabilities (including those due within one year) | 603,776 | - | - | - | - |
| Total | \$ 3,041,220 | - | - | - | - |

(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 six months ended June 30, 2024 and 2023.

(4) Table of Changes in Level 3

| | Measured at fair value through profit or loss | Measured at fair value through other comprehensive income |
|---|--|--|
| | Non-derivative financial assets mandatorily measured at fair value through profit or loss | Equity instruments without quoted prices |
| January 1, 2024 | \$ 19,684 | 814,972 |
| Total gains or losses | | |
| Recognized in profit or loss | 6,558 | - |
| Recognized in other comprehensive income | - | (778) |
| Purchase | 24,387 | 42,510 |
| Disposal | - | (24,387) |
| Capital returned due to capital reduction | - | (1,483) |
| June 30, 2024 | \$ 50,629 | 830,834 |
| January 1, 2023 | \$ 20,174 | 680,880 |
| Total gains or losses | | |
| Recognized in profit or loss | 2,872 | - |
| Recognized in other comprehensive income | - | 62,972 |
| Purchase | - | 7,000 |
| Capital returned due to capital reduction | - | (26,514) |
| June 30, 2023 | \$ 23,046 | 724,338 |

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 June 30, 2024 and 2023 are as follows:

| | | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---|----|---|---|---|---|
| Total gains or losses | | | | | |
| Recognized in profit or loss (presented in "other gains and losses") | \$ | 2,367 | 709 | 6,558 | 2,872 |
| Recognized in other comprehensive income (presented in "unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income") | | (67,390) | 12,619 | (778) | 41,558 |

(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 |
| June 30, 2024 | | | | | | |
| Financial assets at fair value through profit or loss | Liquidity discount | 5% | 2,840 | (2,841) | - | - |
| Financial assets at fair value through other comprehensive income | Liquidity discount | 5% | - | - | 50,020 | (50,083) |
| 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) |
| June 30, 2023 | | | | | | |
| Financial assets at fair value through profit or loss | Liquidity discount | 5% | 1,440 | (1,440) | - | - |
| Financial assets at fair value through other comprehensive income | Liquidity discount | 5% | - | - | 44,879 | (44,290) |

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

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

(XXXII) Financial risk management

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

(XXXIII) Capital management

Objectives, policies, and procedures of the Consolidated Company's capital management were consistent with those disclosed in the Consolidated Financial Statements for the year ended December 31, 2023. Also, there were no significant changes in the summarized quantitative information for capital management as disclosed in the Consolidated Financial Statements for the year ended December 31, 2023. Please refer to Note 6 (33) of the Consolidated Financial Statements for the year ended December 31, 2023 for further details.

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

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

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

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|---|---|---|
| Acquisition of property, plant and equipment | \$ 19,542 | 79,117 |
| Net changes in equipment payables in subsidiaries | 9,734 | 66,260 |
| Cash paid | <u>\$ 29,276</u> | <u>145,377</u> |

- Cash paid for purchase of intangible assets is as follows:

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|--|---|---|
| Acquisition of intangible assets | \$ 6,504 | 19,867 |
| Net changes in payables on technology patent authorization | 168 | (1,160) |
| Cash paid | <u>\$ 6,672</u> | <u>18,707</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 | | | June 30, 2024 |
|---|---------------------|------------------|---------------------------|--|----------|------------------|
| | | | Lease changes | Effects of changes in foreign exchange rates | Others | |
| Short-term loans | \$ 407,467 | 840 | - | - | - | 408,307 |
| Short-term bills payable | 54,901 | - | - | - | 3 | 54,904 |
| Long-term loans (including those due within one year) | 1,126,885 | (57,720) | - | - | - | 1,069,165 |
| Lease liabilities (including those due within one year) | 590,767 | (59,778) | 1,264 | - | - | 532,253 |
| Deposits received | 19,606 | (860) | - | - | - | 18,746 |
| | \$ 2,199,626 | (117,518) | 1,264 | - | 3 | 2,083,375 |

| | January 1, 2023 | Cash flows | Changes in non-cash items | | | June 30, 2023 |
|---|---------------------|---------------|---------------------------|--|------------|------------------|
| | | | Lease changes | Effects of changes in foreign exchange rates | Others | |
| Short-term loans | \$ 306,254 | 119,058 | - | - | - | 425,312 |
| Short-term bills payable | 54,892 | - | - | - | (1) | 54,891 |
| Long-term loans (including those due within one year) | 999,376 | (394) | - | - | - | 998,982 |
| Lease liabilities (including those due within one year) | 645,079 | (65,092) | 23,789 | - | - | 603,776 |
| Deposits received | 18,022 | 2,385 | - | - | - | 20,407 |
| | \$ 2,023,623 | 55,957 | 23,789 | - | (1) | 2,103,368 |

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 |
| Hung-jen Yang | The management |
| Kun-chang Yang | The management |

(II) Significant transactions with related parties

1. Sales of goods

| Category of the related party | Operating revenue | | | |
|--------------------------------------|---|---|---|---|
| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
| Substantial related party | | | | |
| Minsheng General Hospital | \$ 278,916 | 248,680 | 548,247 | 501,168 |
| Others | 27,542 | 18,254 | 46,959 | 38,510 |
| Associate | 32 | - | 32 | - |
| Parent company | 142 | - | 216 | - |
| | \$ 306,632 | 266,934 | 595,454 | 539,678 |

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 June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
| Substantial related party | | | | |
| Minsheng General Hospital | \$ 129,566 | 144,022 | 207,411 | 256,062 |
| Others | 13,352 | 15,146 | 18,325 | 21,421 |
| Associate | 348 | - | 2,109 | - |
| | \$ 143,266 | 159,168 | 227,845 | 277,483 |

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

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

3. Leases

| Category of the related party | Lease income | | | |
|-------------------------------|--|--|--|--|
| | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
| Substantial related party | | | | |
| Minsheng General Hospital | \$ 20,179 | 10,975 | 40,161 | 20,949 |
| Fuying Clinic | 4,425 | 13,689 | 16,062 | 20,042 |
| Harvard Clinic | - | 3,642 | 2,689 | 7,312 |
| Zhiyi Clinic | 1,919 | 5,946 | 6,115 | 7,759 |
| Others | 3,412 | 485 | 7,161 | 6,983 |
| | \$ 29,935 | 34,737 | 72,188 | 63,045 |

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 | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|-------------------------------|-------------------------------------|---------------|-------------------|---------------|
| Substantial related party | | | | |
| Minsheng General Hospital | Accounts receivable | \$ 932,856 | 974,839 | 780,123 |
| Fuying Clinic | Accounts receivable | 71,161 | 62,241 | 63,246 |
| Others | Accounts receivable | 67,128 | 66,451 | 57,182 |
| Parent company | Accounts receivable | 3 | - | - |
| Substantial related party | | | | |
| Minsheng General Hospital | Finance lease receivables | 4,538 | 2,565 | 3,192 |
| Lungtan Minsheng Hospital | Finance lease receivables | 1,420 | 1,048 | 2,162 |
| Tayuan Minsheng Hospital | Finance lease receivables | 2,142 | 2,078 | 1,046 |
| Zhiyi Clinic | Finance lease receivables | 2,625 | 4,630 | 3,446 |
| Shengyu Clinic | Finance lease receivables | - | 1,211 | - |
| Others | Finance lease receivables | - | 249 | 28 |
| Substantial related party | | | | |
| Minsheng General Hospital | Long-term finance lease receivables | 1,294 | 1,132 | 2,329 |
| Lungtan Minsheng Hospital | Long-term finance lease receivables | 1,390 | 1,462 | 1,610 |
| Tayuan Minsheng Hospital | Long-term finance lease receivables | 6,532 | 7,619 | 8,674 |
| Shengyu Clinic | Long-term finance lease receivables | - | - | 7,406 |
| Zhiyi Clinic | Long-term finance lease receivables | 2,173 | 5,747 | 5,516 |
| Others | Long-term finance lease receivables | - | 10 | 1,994 |

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

| Category of the related party | Account items | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|--------------------------------------|----------------------|----------------------|--------------------------|----------------------|
| Substantial related party | | | | |
| Minsheng General Hospital | Other receivables | \$ 170 | 8,660 | 77 |
| Shengyu Clinic | Other receivables | - | 3,212 | 2,138 |
| Harvard Clinic | Other receivables | 4,007 | 4,370 | 4,370 |
| Fuying Clinic | Other receivables | 19,088 | 19,080 | 19,716 |
| Zhiyi Clinic | Other receivables | 219 | - | 20,192 |
| Minsheng Asset Management | Other receivables | 2,430 | - | - |
| Others | Other receivables | 45 | 779 | 599 |
| | | \$ 1,119,221 | 1,167,383 | 985,046 |

5. Payables to related parties

| Category of the related party | Account items | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|--------------------------------------|----------------------|----------------------|--------------------------|----------------------|
| Substantial related party | | | | |
| Minsheng General Hospital | Accounts payable | \$ 260 | 79 | 33 |
| Fuying Clinic | Accounts payable | 869 | 869 | 869 |
| Others | Accounts payable | 352 | 128 | 626 |
| Parent company | Other payables | 41 | 41 | - |
| Substantial related party | | | | |
| Shengyu Clinic | Other payables | - | 7,520 | - |
| Minsheng General Hospital | Other payables | 1,080 | 1,082 | 355 |
| Others | Other payables | 237 | 634 | 2,003 |
| The management | Other payables | 131 | 853 | 36 |
| Associate | Other payables | 63 | 290 | 151 |
| | | \$ 3,033 | 11,496 | 4,073 |

6. Prepayments

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

| Category of the related party | Account items | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|--------------------------------------|-----------------------|----------------------|--------------------------|----------------------|
| Substantial related party | | | | |
| Pisheng Construction | Prepayments | \$ 2,804 | 3,739 | 3,739 |
| Pisheng Construction Associate | Long-term prepayments | - | 935 | 2,804 |
| Air Long-Term Care | Prepayments | - | 46 | 607 |
| | | \$ 2,804 | 4,720 | 7,150 |

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

7. Endorsement/Guarantee

(1) Lease contracts

| Category of the related party | December 31, | | |
|---|---------------|---------|---------------|
| | June 30, 2024 | 2023 | June 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.

8. Others

| Category of the related party | Account items | For the three months ended June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
|-------------------------------|---------------------------|--|--|--|--|
| Substantial related party | Operating costs - | | | | |
| | Other expenses \$ | 481 | 2,064 | 846 | 2,332 |
| Substantial related party | Operating costs - | | | | |
| | Rental expenses | 35 | 2,736 | 71 | 2,771 |
| Substantial related party | Operating expenses - | | | | |
| | Other expenses | 3,185 | 1,660 | 6,410 | 3,306 |
| Substantial related party | Operating expenses - | | | | |
| | Rental expenses | 1,146 | 547 | 1,434 | 835 |
| Associate | Operating costs - | | | | |
| | Other expenses | 123 | 111 | 578 | 111 |
| Associate | Operating expenses - | | | | |
| | Other expenses | 258 | 235 | 304 | 283 |
| Parent company | Operating expenses - | | | | |
| | Rental expenses | 118 | 116 | 236 | 233 |
| Substantial related party | Other income - | | | | |
| | Other income | 555 | 1,279 | 1,520 | 1,279 |
| Parent company | Other income and expenses | | | | |
| | -rental income | 145 | 145 | 291 | 289 |
| Substantial related party | Other income - | | | | |
| | Rental income | 7,265 | 7,259 | 14,541 | 14,460 |

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

| Category of the related party | Account items | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---|---|---|---|---|
| Substantial related party | Collection on behalf of others | \$ 234 | 21 | 10 |
| Substantial related party | Payment on behalf of others | 4 | 267 | 59 |
| Substantial related party | Temporary payments | 44 | 332 | 143 |
| Associate | Temporary receipts | 1,723 | - | - |
| Substantial related party | | | | |
| Minsheng General Hospital | Collection in advance | 57 | 67 | - |
| Zhiyi Clinic | Collection in advance | - | 109 | - |
| Shengyu Clinic | Collection in advance | 3,095 | - | - |
| Others | Collection in advance | - | 33 | - |
| Substantial related party | | | | |
| Minsheng General Hospital | Refundable deposits | 250,000 | 250,000 | 250,000 |
| Fuying Clinic | Refundable deposits | 18,000 | 17,000 | 15,000 |
| Harvard Clinic | Refundable deposits | 23,000 | 23,000 | 22,000 |
| Zhiyi Clinic | Refundable deposits | 52,500 | 40,000 | - |
| Others | Refundable deposits | 44,546 | 43,686 | 39,186 |
| Parent company | Refundable deposits | 82 | 82 | 82 |
| 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 June 30, 2024 | For the three months ended June 30, 2023 | For the six months ended June 30, 2024 | For the six months ended June 30, 2023 |
| Short-term employee benefits | \$ 7,315 | 10,546 | 18,831 | 21,736 |
| Post-employment benefits | 250 | 244 | 545 | 530 |
| | \$ 7,565 | 10,790 | 19,376 | 22,266 |

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

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 | June 30, 2024 | December 31, | June 30, 2023 |
|---|---|---------------------|------------------|------------------|
| | | | 2023 | |
| Financial assets at amortized cost - current | Guarantee letters for bank loans and leases | \$ 60,007 | 32,097 | 16,252 |
| Financial assets measured at amortized cost - non-current | Guarantees for bank loans and commercial papers | 44,500 | 44,500 | 40,590 |
| Investment properties | Bank loans | 176,420 | 177,087 | 177,753 |
| Property, plant and equipment | Bank loans | | | |
| | | 1,129,826 | 1,138,395 | 1,146,965 |
| | | <u>\$ 1,410,753</u> | <u>1,392,079</u> | <u>1,381,560</u> |

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Material unrecognized contractual commitments

| | June 30, 2024 | December 31, | June 30, 2023 |
|---|---------------------|------------------|------------------|
| | | 2023 | |
| Purchase of property, plant and equipment | \$ 8,727 | 15,517 | 95,112 |
| Purchase of intangible assets | - | 546 | 1,500 |
| Guaranteed notes issued for bank loan contracts | 2,790,000 | 2,545,000 | 2,645,000 |
| Issued and unused letters of credit | 2,051 | - | - |
| | <u>\$ 2,800,778</u> | <u>2,561,063</u> | <u>2,741,612</u> |

(II) Collection and payment of contract prices:

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

| | June 30, 2024 | December 31, | June 30, 2023 |
|---------------|---------------|--------------|---------------|
| | | 2023 | |
| Unpaid amount | \$ - | - | 540 |

X. Material Losses from Disasters: none.

XI. Material Subsequent Events

- (I) On June 21, 2024, YES Health, a subsidiary of Mytrex Health Company, issued the ordinary shares amounting to NT\$60,000 thousand in cash, at the par value of NT\$10 per share, for a total of 6,000 thousand shares per the resolution of the Board of Directors. The record date of the capital increase was set as July 22, 2024, and 600 thousand shares, 10% of the total shares issued, were scheduled to be reserved for subscription for by employees, and 90% of the remaining shares, totaling 5,400,000 shares, should be subscribed for by the original shareholders subject to their shareholding ratios. On July 12, 2024, the Board of Directors of Mytrex Health Company resolved to participate in said cash capital increase by subscribing for 2,100 thousand shares and waiving the subscription for 3,300 thousand shares that shareholders could subscribe for originally. As a result, its shareholding was reduced from 100% to 67.59%. Notwithstanding, Mytrex Health Company did not lose its controlling power therefor.

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

- (II) On July 29, 2024, the Board of Directors of Pregetic Health Company approved the re-election of the Chairman to have Mr. Hung-Jen Yang, the former Director, serve as the new Chairman. Meanwhile, in order to supplement the capital and improve the financial structure, the Board of Directors resolved to issue the ordinary shares amounting to NT\$60,000 thousand, at par value of NT\$10 per share, for a total of 6,000 thousand shares. The issuance price was set at NT\$10 per share. The record date of the capital increase was set as September 30, 2024, and 600 thousand shares, 10% of the total shares issued, were scheduled to be reserved for subscription for by employees, and 90% of the remaining shares, totaling 5,400,000 shares, should be subscribed for by the original shareholders subject to their shareholding ratios recorded in the roster of shareholders on the record date.
- (III) In order to integrate the Company's investment structure and focus on the development of the health diagnosis business, Pregetic Health Company plans to sell the whole equity of its subsidiaries, Hanting Company and Chinachem.

XII. Others

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

| By function | For the three months ended June 30, 2024 | | | For the three months ended June 30, 2023 | | |
|-------------------------------------|--|--------------------|---------|--|--------------------|--------|
| | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| By property | | | | | | |
| Employee benefit expenses | | | | | | |
| Remuneration expenses | 28,372 | 84,831 | 113,203 | 30,607 | 68,557 | 99,164 |
| Labor and health insurance expenses | 2,721 | 7,261 | 9,982 | 3,106 | 7,072 | 10,178 |
| Pension expenses | 1,588 | 3,859 | 5,447 | 1,661 | 3,518 | 5,179 |
| Remuneration to directors | - | 1,577 | 1,577 | - | 1,752 | 1,752 |
| Other employee benefit expenses | 1,505 | 4,001 | 5,506 | 1,648 | 4,159 | 5,807 |
| depreciation expense | 39,286 | 32,950 | 72,236 | 40,724 | 33,841 | 74,565 |
| Amortization expenses | 862 | 5,310 | 6,172 | 2,007 | 5,739 | 7,746 |

| By function | For the six months ended June 30, 2024 | | | For the six months ended June 30, 2023 | | |
|-------------------------------------|--|--------------------|---------|--|--------------------|---------|
| | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| By property | | | | | | |
| Employee benefit expenses | | | | | | |
| Remuneration expenses | 58,013 | 162,875 | 220,888 | 62,235 | 141,493 | 203,728 |
| Labor and health insurance expenses | 5,687 | 14,828 | 20,515 | 6,454 | 14,567 | 21,021 |
| Pension expenses | 3,132 | 8,006 | 11,138 | 3,274 | 7,198 | 10,472 |
| Remuneration to directors | - | 3,147 | 3,147 | - | 2,784 | 2,784 |
| Other employee benefit expenses | 2,907 | 7,134 | 10,041 | 1,590 | 7,329 | 8,919 |
| depreciation expense | 81,109 | 64,399 | 145,508 | 70,687 | 72,993 | 143,680 |
| Amortization expenses | 1,585 | 10,875 | 12,460 | 4,009 | 11,389 | 15,398 |

- (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 six months ended June 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 | | Limit of the guarantee/endorsement amount for a single enterprise | Maximum endorsement/guarantee balance for the period | Ending endorsement/guarantee balance | Actual expenditures | Amount of endorsements/guarantees with property guarantee | The ratio of accumulated endorsements/guarantees to the net value of the latest financial statements | Maximum amount limits for endorsements/guarantees | Endorsements/guarantees provided by parent company to the subsidiaries | Endorsements/guarantees provided by subsidiaries to the parent company | Endorsements/guarantees in China |
|------------|--------------------------------|---------------------------|--------------|---|--|--------------------------------------|---------------------|---|--|---|--|--|----------------------------------|
| | | Name of company | Relationship | | | | | | | | | | |
| 0 | ShareHope Medicine Co., Ltd. | Minsheng General Hospital | 1 | 1,550,424 | 229,880 | 229,880 | 229,880 | - | 6.52% | 1,762,149 | 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 | None | Financial assets at fair value through profit or loss - current | 771 | 10,533 | - | 10,533 | |
| The Company | Federal Money Market Fund | None | Financial assets at fair value through profit or loss - current | 1,000 | 24,712 | 3.70 % | 24,712 | |
| The Company | Stock | None | Financial assets at fair value through profit or loss - non-current | 19,813 | 25,917 | 1.75 % | 25,917 | |
| Macro Global Corporation | Limited partnership interests | None | Financial assets at fair value through profit or loss - non-current | | 50,629 | | 50,629 | |
| Chunchuang Development Venture Capital Limited Partnership | | | | | 15,976 | 0.92 % | 15,976 | |
| The Company | Stock | None | Financial assets at fair value through other comprehensive income - non-current | 2,000 | 47,969 | 2.86 % | 47,969 | |
| The Company | Yichuang Second Venture Capital Co., Ltd. | | | | 47,969 | | | |
| The Company | Stock | The Company is a legal representative supervisor of the company | Financial assets at fair value through other comprehensive income - non-current | 1,129 | 47,969 | 2.86 % | 47,969 | |
| The Company | Chunghua Development Biomedical Venture Capital Co., Ltd. | | | | 47,969 | | | |
| The Company | Stock | The Company is a legal person director of the company | Financial assets at fair value through other comprehensive income - non-current | 4,095 | 47,457 | 7.50 % | 47,457 | |
| The Company | Yiting Biotech Venture Capital Co., Ltd. | | | | 47,457 | | | |
| The Company | Stock | None | Financial assets at fair value through other comprehensive income - non-current | 5,258 | 393,499 | 2.15 % | 393,499 | |
| The Company | BenQ BM Holding Cayman Corporation | | | | 393,499 | | | |

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

| Holder of securities | Type and name of securities | Relationship with securities issuer | Accounting items | End of the period | | | | Remarks |
|-------------------------|---|---|---|--|-----------------|--------------------|------------|---------|
| | | | | Contribution amount/number of shares (thousand shares or thousand) | Carrying amount | Shareholding ratio | Fair value | |
| The Company | Limited partnership interests Chunghua Development Second Biomedical Venture Capital Limited Partnership | None | Financial assets at fair value through other comprehensive income - non-current | 88,902 | 116,141 | 3.22 % | 116,141 | |
| The Company | Stocks -AcroViz Inc. | None | Financial assets at fair value through other comprehensive income - non-current | 1,820 | 27,573 | 8.88 % | 27,573 | |
| The Company | Stocks -UltraE Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 1,176 | 21,627 | 6.47 % | 21,627 | |
| Mytrex Health Company | Stock -Minsheng Asset Management Co., Ltd. | The chairperson of the Company is a director of the company | Financial assets at fair value through other comprehensive income - non-current | 2,120 | 21,382 | 3.37 % | 21,382 | |
| Mytrex Health Company | Stock Shangching Technology Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 68 | 1,607 | 0.81 % | 1,607 | |
| Mytrex Health Company | Stock Intelligent Medical Technology Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 1,760 | 20,063 | 9.99 % | 20,063 | |
| Mytrex Health Company | Stock Yiho Smart Technology Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 250 | 6,818 | 19.53 % | 6,818 | |
| 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 | 39,941 | 2.29 % | 39,941 | |
| Pregetic Health Company | Stock Yita International Hospital Management Consulting Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 417 | 4,792 | 4.20 % | 4,792 | |
| Pregetic Health Company | Stock Juichuan Data Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 1,000 | 18,110 | 14.29 % | 18,110 | |
| Pregetic Health Company | Stock Kangchien Gene Technology Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 1,304 | 17,827 | 14.81 % | 17,827 | |
| Hung-Han Company | Stock Juichuan Data Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 250 | 4,527 | 3.57 % | 4,527 | |
| Medzoneasia | Stock Yaosheng Information Technology Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 500 | 25,525 | 10.00 % | 25,525 | |
| | | | | | 830,834 | | 830,834 | |

4. The amounts from purchase or sale of the same securities that accumulatively amount to NT\$300 million or account for more than 20% of paid-in capital: none.
5. The amounts from acquisition of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.
6. The amounts from disposal of properties that amount to NT\$300 million or account for more than 20% of the paid-in capital: none.
7. The amounts from purchase and sale of goods from and to related parties that amount to NT\$100 million or account for more than 20% of the paid-in capital:

Unit: NT\$ thousand

| Unit: RMB 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) | (548,047) | (46.15) % | Net 180 days | - | | 672,250 | 59.25% | |
| The Company | Minsheng General Hospital | Substantial related party | Service income | (194,749) | (16.40) % | Net 30-180 days | - | | 237,334 | 20.92% | |
| The Company | Minsheng General Hospital | Substantial related party | Lease income | (28,667) | (2.41) % | Net 30-180 days | - | | 16,273 | 1.43% | |
| | | | | | | | | | 925,857 | | |
| The Company | YES Health Company | Subsidiary | (Sell) | (101,212) | (8.52) % | Net 60 days | - | | 74,209 | 6.54% | Note |
| YES Health Company | The Company | Parent company | Purchase | 101,212 | 15.99 % | Net 60 days | - | | (74,209) | (25.64)% | 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 | 925,857 | 1.64 | - | | 279,343 | 229 |

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 | | | Ratio of the amount to consolidated total operating income or total assets |
|------------|---------------------------|--------------------|------------------------------------|---------------------------------------|---------|-----------------------|--|
| | | | | Account | Amount | Transaction condition | |
| 0 | The Company | YES Health Company | 1 | Sales income | 101,212 | Net 60 days | 4.90% |
| 0 | " | " | 1 | Accounts receivable - related parties | 74,209 | " | 1.01% |
| 0 | " | Medzoneasia | 1 | Lease income | 11,429 | — | 0.55% |
| 1 | Medzoneasia | The Company | 2 | Refundable deposits | 4,003 | — | 0.05% |
| 1 | " | " | 2 | Right-of-use assets | 19,312 | — | 0.33% |
| 1 | " | " | 2 | lease liabilities | 23,059 | — | 0.39% |
| 2 | Pregetic Health Company | The Company | 2 | Right-of-use assets | 2,174 | — | 0.04% |
| 2 | " | " | 2 | lease liabilities | 2,225 | — | 0.04% |

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

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

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

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

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

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

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

Information on reinvestment business of the Consolidated Company for the six months ended June 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% | 392,827 | (7,735) | (4,754) | Note 1 |
| The Company | ShareHope Medicine (HongKong) Co., Ltd. | Hong Kong, China | Investment management | 44,831 | 44,831 | 1,500 | 100.00% | 23,013 | 1,601 | 1,601 | Note 1 |
| The Company | Chungyuan Medical Management Co., Ltd. | Taoyuan City | Management Consulting Services | 11,389 | 11,389 | 1,000 | 100.00% | 11,735 | 82 | 82 | Note 1 |
| The Company | Pohui Biotechnology Co., Ltd. | Taipei City | Biotechnology Services | 22,106 | 22,106 | 2,211 | 25.00% | 676 | (296) | (74) | Note 2 |
| The Company | Medzoneasia | Taoyuan City | Health management services and hotels | 336,669 | 336,669 | 17,154 | 91.47% | 95,804 | (16,742) | (16,973) | Note 1 |
| The Company | Pregetic Health Company | Taoyuan City | Health management services | 101,000 | 101,000 | 10,500 | 38.90% | 69,446 | (42,999) | (16,735) | Note 1 |
| The Company | Shengshi Digital Health Co., Ltd. (formerly known as Shengshih Technology Co., Ltd.) | Taipei City | Management Consulting Services | 1,000 | 1,000 | 100 | 100.00% | 734 | (50) | (50) | Note 1 |
| The Company | Sheng Tai Food Technology Co., Ltd. | Taipei City | Food and beverage retail | 800 | 800 | 80 | 80.00% | 134 | (41) | (33) | Note 1 |
| The Company | YWL Co., Ltd. | Taipei City | Biotechnology Services | 1,000 | 1,000 | 100 | 100.00% | 916 | (40) | (40) | Note 1 |

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

| Name of investor | Name of investee | Region | Principal business | Initial investment amount | | Shareholding at the end of the period | | | Profits and losses of the investee for the period | Investment income and losses recognized for the period | Remarks |
|--------------------------------------|---------------------------------------|-----------------|---|---------------------------|------------------|---------------------------------------|---------|-----------------|---|--|--------------|
| | | | | End of the period | End of last year | Number of shares | Ratio | Carrying amount | | | |
| Mytrex Health Company | Mytrex USA Co. | California, USA | Health care support services | 23,516 | 23,516 | 800 | 88.89% | 13,038 | 50 | 44 | Note 1 |
| Mytrex Health Company | Air Long-Term Care Co., Ltd. | Taoyuan City | Management Consulting Services | 10,000 | 10,000 | 667 | 22.37% | 10,727 | 1,189 | 266 | Note 2 |
| Mytrex Health Company | Mytrex Industries Inc. | Taoyuan City | Manufacturing and processing of non-woven fabrics and sales of medical and sanitary materials | 447,888 | 447,888 | 6,000 | 100.00% | 205,622 | (4,932) | (4,932) | Note 1 |
| Mytrex Health Company | Sheng Yo Company | Tainan City | Health management services | 20,000 | 20,000 | 2,000 | 47.62% | 5,547 | (2,346) | (1,117) | Note 1 |
| Mytrex Health Company | YES Health Company | Taoyuan City | Wholesale and trading of medicines and management consulting for pharmacies | 230,000 | 230,000 | 6,035 | 100.00% | 224,848 | 9,262 | 2,045 | 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% | 2,165 | 1,189 | 80 | Note 2 |
| Medzoneasia | TECHGROUP Integrate Design Co., Ltd. | New Taipei City | Medical information software services | 50,759 | 50,759 | 1 | 51.00% | 38,267 | 5,749 | 1,462 | Note 1 |
| Medzoneasia | Shengyu Health Technologies Co., Ltd. | Taoyuan City | Other management consulting services | 2,000 | 2,000 | 200 | 40.00% | - | (837) | - | Note 2 |
| Medzoneasia | Global Biotech Multimedia Co., Ltd. | Taipei City | Magazine (periodical) publication | 10,000 | 10,000 | 500 | 23.98% | 9,127 | (332) | (80) | Note 2 |
| Medzoneasia | Digimed Co., Ltd. | Taipei City | Information software services | 6,000 | 6,000 | 600 | 60.00% | 1,560 | (5,058) | (3,035) | Note 1 |
| Pregetic Health Company | Hung-Han Company | Taipei City | Health management services | 128,880 | 128,880 | 5,500 | 100.00% | 67,556 | (8,701) | (9,297) | Note 1 |
| Pregetic Health Company | Employee Community Co., Ltd. | Taipei City | Advertising | 1,700 | 1,700 | 170 | 48.57% | 978 | 1,237 | 601 | Note 2 |
| Pregetic Health Company | Fuyi Company | Taipei City | Health management consulting services | 229,288 | 229,288 | 20,500 | 100.00% | 148,807 | (19,148) | (19,416) | Note 1 |
| Pregetic Health Company | Anchun Technology Co., Ltd. | Taipei City | Health management services | 20,000 | 20,000 | 2,000 | 40.00% | 16,118 | (2,786) | (1,114) | Note 2 |
| Pregetic Health Company | Chinachem Biomedical Co., Ltd. | Taipei City | Healthcare services | 10,000 | 10,000 | 1,000 | 50.00% | 2,510 | (2,200) | (1,100) | Note 1 |
| Hung-Han Company | Hanting Digital Technology Co., Ltd. | New Taipei City | Information software services | 20,000 | 20,000 | 2,000 | 66.67% | 244 | (6,257) | (4,171) | Note 1 |
| Hung-Han Company | Chinachem Biomedical Co., Ltd. | Taipei City | Healthcare services | 10,000 | 10,000 | 1,000 | 50.00% | 2,510 | (2,200) | (1,100) | Note 1 |
| Hung-Han Company | Macro Global Corporation | Taichung City | Wholesale and trading of medicines | 74,820 | 74,820 | 6,450 | 100.00% | 79,364 | 2,348 | 2,376 | Note 1 and 3 |
| Fuyi Company | Shangchia Health Business Co., Ltd. | Taipei City | Health management services | 33,900 | 33,900 | 3,390 | 30.82% | 36,670 | 629 | 203 | Note 2 |
| YES Health Company | Digimed Co., Ltd. | Taipei City | Information software services | 2,000 | 2,000 | 200 | 20.00% | 520 | (5,058) | (1,012) | Note 1 |
| Macro Global Corporation | Hanting Digital Technology Co., Ltd. | New Taipei City | Information software services | 10,000 | 10,000 | 1,000 | 33.33% | 122 | (6,257) | (2,085) | Note 1 |

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

Note 2: It is an affiliate of the Company.

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

(III) Information on investments in mainland China:

1. Information on reinvestments in mainland China:

Unit: NT\$/US\$ thousand

| Name of 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 | 1,949 | 100.00% | 1,949 | 4,620 | - |
| Minsheng Asia-Pacific (Beijing) Enterprise Management Co., Ltd. | Hospital management consulting services | 5,124 | (1) | 5,124 | - | - | 5,124 | (221) | 100.00% | (221) | 6,744 | - |

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 | 2,114,578 |

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 June 30, 2024 | | | | | | Total |
|--|---|------------------------------------|---|------------------------|----------------------|-----------------------------------|------------------|
| | Pharmaceutica I Distribution Department | Health Management Department | Technologica I Materials Department | Hospital Department | Other departments | Adjustment and cancellation | |
| Revenue: | | | | | | | |
| Revenue from external customers | \$ 801,452 | 145,741 | 29,595 | 52,058 | 62,894 | - | 1,091,740 |
| Interdepartmental revenue | 53,745 | 1,696 | - | - | 6,360 | (61,801) | - |
| Total revenue | <u>\$ 855,197</u> | <u>147,437</u> | <u>29,595</u> | <u>52,058</u> | <u>69,254</u> | <u>(61,801)</u> | <u>1,091,740</u> |
| Profits and losses of reportable departments | <u>\$ 37,405</u> | <u>628</u> | <u>2,997</u> | <u>47,091</u> | <u>(44,757)</u> | <u>21,330</u> | <u>64,694</u> |

| | For the three months ended June 30, 2023 | | | | | | Total |
|--|---|------------------------------------|---|------------------------|----------------------|-----------------------------------|----------------|
| | Pharmaceutica I Distribution Department | Health Management Department | Technologica I Materials Department | Hospital Department | Other departments | Adjustment and cancellation | |
| Revenue: | | | | | | | |
| Revenue from external customers | \$ 595,845 | 194,062 | 34,844 | 54,038 | 62,381 | - | 941,170 |
| Interdepartmental revenue | 42,716 | 3,212 | (22) | 30 | 4,420 | (50,356) | - |
| Total revenue | <u>\$ 638,561</u> | <u>197,274</u> | <u>34,822</u> | <u>54,068</u> | <u>66,801</u> | <u>(50,356)</u> | <u>941,170</u> |
| Profits and losses of reportable departments | <u>\$ 22,877</u> | <u>4,899</u> | <u>3,563</u> | <u>39,589</u> | <u>(67,178)</u> | <u>24,768</u> | <u>28,518</u> |

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

| For the six months ended June 30, 2024 | | | | | | | |
|--|---|------------------------------------|---|------------------------|----------------------|-----------------------------------|------------------|
| | Pharmaceutica l Distribution Department | Health Management Department | Technologica l Materials Department | Hospital Department | Other departments | Adjustment and cancellation | Total |
| Revenue: | | | | | | | |
| Revenue from external customers | \$ 1,512,297 | 293,621 | 59,745 | 66,582 | 132,044 | - | 2,064,289 |
| Interdepartmental revenue | 102,020 | 3,776 | - | - | 12,564 | (118,360) | - |
| Total revenue | <u>\$ 1,614,317</u> | <u>297,397</u> | <u>59,745</u> | <u>66,582</u> | <u>144,608</u> | <u>(118,360)</u> | <u>2,064,289</u> |
| Profits and losses of reportable departments | <u>\$ 58,015</u> | <u>20,177</u> | <u>6,282</u> | <u>56,586</u> | <u>(91,482)</u> | <u>39,500</u> | <u>89,078</u> |

| For the six months ended June 30, 2023 | | | | | | | |
|--|---|------------------------------------|---|------------------------|----------------------|-----------------------------------|------------------|
| | Pharmaceutica l Distribution Department | Health Management Department | Technologica l Materials Department | Hospital Department | Other departments | Adjustment and cancellation | Total |
| Revenue: | | | | | | | |
| Revenue from external customers | \$ 1,206,731 | 368,216 | 74,898 | 79,202 | 108,381 | - | 1,837,428 |
| Interdepartmental revenue | 79,742 | 4,384 | - | 60 | 8,706 | (92,892) | - |
| Total revenue | <u>\$ 1,286,473</u> | <u>372,600</u> | <u>74,898</u> | <u>79,262</u> | <u>117,087</u> | <u>(92,892)</u> | <u>1,837,428</u> |
| Profits and losses of reportable departments | <u>\$ 44,762</u> | <u>29,760</u> | <u>5,430</u> | <u>50,268</u> | <u>(119,263)</u> | <u>44,644</u> | <u>55,601</u> |