

**Hi-Clearance Inc. and Subsidiaries**  
**Consolidated Financial Statements and**  
**Independent Auditors' Report**  
**For the Three Months Ended March 31, 2024 & 2023**

**Company Address: 8F.-2, No. 2, Ln. 609, Sec. 5, Chongxin Rd., Sanchong Dist.,  
New Taipei City**  
**Telephone: (02) 2995-3318**

## Table of Contents

Item	Page
I. Cover Page	1
II. Table of Contents	2
III. Independent Auditors' Report	3-4
IV. Consolidated Balance Sheets	5
V. Consolidated Statements of Comprehensive Income	6
VI. Consolidated Statements of Changes in Equity	7
VII. Consolidated Statements of Cash Flows	8
VIII. Notes to Consolidated Financial Statements	
(I) Company History	9
(II) Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization	9
(III) Application of New and Amended Standards and Interpretations	9-11
(IV) Summary of Significant Accounting Policies	11-13
(V) Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions	13
(VI) Details of Significant Accounts	13-36
(VII) Related Party Transactions	36-38
(VIII) Pledged Assets	39
(IX) Significant Contingent Liabilities and Unrecognized Contract Commitments	39
(X) Significant Disaster Loss	39
(XI) Significant Events after the Balance Sheet Date	39
(XII) Others	39-40
(XIII) Supplementary Disclosures	
1. Information on Significant Transactions	40-42
2. Information on Invested Companies	42
3. Information on Investments in Mainland China	43
4. Information on Major Shareholders	44
(XIV) Segment Information	44

## **Independent Auditors' Report**

Board of Directors of Hi-Clearance Inc. herein declares:

### **Introduction**

The March 31, 2024, and 2023 consolidated balance sheet of Hi-Clearance Inc. and subsidiaries, as well as the comprehensive income statement, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the Consolidated Financial Statements for the period from January 1 to March 31, 2024, and 2023 (including the aggregation of significant accounting policies), have been audited by our CPAs. In accordance with the Financial Reporting Standards for Securities Issuers, as approved and published by the Financial Supervisory Commission, the management is responsible for preparing the interim financial statements in accordance with IAS 34, Interim Financial Reporting. The auditors are responsible for forming a conclusion on the consolidated financial statements based on the review results.

### **Scope**

In addition to the introductory paragraph that provides a summary of the conclusion, the auditor performed the review work in compliance with TWSRE2410 "Review of Financial Statements." The procedures conducted during the review of the consolidated financial statements involve making inquiries (mainly to personnel responsible for financial and accounting matters), performing analytical procedures, and conducting other review procedures. The scope of review work is clearly smaller than that of audit work, so the auditor may not be able to detect all significant matters that can be identified through an audit, and therefore cannot express an audit opinion.

### **Basis for Retaining Conclusions**

As stated in Note 4(II) of the Consolidated Financial Statements, the non-significant subsidiaries included in the aforementioned Consolidated Financial Statements are based on the unaudited financial statements of those investee companies for the same period. As of March 31, 2024, and March 31, 2023, the total assets amounted to NT\$685,857 thousand and NT\$604,197 thousand, respectively, representing 14.29% and 12.37% of the consolidated total assets. The total liabilities amounted to NT\$277,504 thousand and NT\$241,493 thousand, respectively, accounting for 16.16% and 12.65% of the consolidated total liabilities. The comprehensive income for the period from January 1, 2024, to March 31, 2024, and January 1, 2023, to March 31, 2023, amounted to NT\$7,082 thousand and NT\$7,142 thousand, respectively, representing 7.28% and 8.35% of the consolidated comprehensive income.

In addition to the above, Note 6 (VI) of the Consolidated Financial Statements states that Hi-Clearance Inc. and its subsidiaries accounted for investments using the equity method were NT\$120,737 thousand and NT\$115,371 thousand on March 31, 2024, and March 31, 2023, respectively. The share of profit or loss from associates accounted for using the equity method for the period from January 1 to March 31, 2024, and 2023 was NT\$4,347 thousand and NT\$4,649 thousand, respectively, based on the unaudited financial statements of the investee companies for the same period.

## Retaining Conclusions

Based on the CPA's review, with the exception of the potential impact on the Consolidated Financial Statements mentioned in the basis paragraph, there have been no significant deviations from the Securities Issuer Financial Reporting Standards and IAS 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission in the financial statements of the invested companies. Therefore, it is not possible to provide an assessment of the financial condition of Hi-Clearance Inc. and its subsidiaries as of March 31, 2024, and March 31, 2023, as well as the consolidated financial performance and cash flows for the period from January 1, 2024, to March 31, 2024, and January 1, 2023 to March 31, 2023.

KPMG Taiwan

CPA:

Securities authorities approval document no.: Jin-Guan-Zheng-Shen No.  
1040003949  
Tai-Cai-Zheng-6 No.0920122026

May 3, 2024

**Hi-Clearance Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**March 31, 2024, December 31, 2023, and March 31, 2023**

Unit: NT\$ thousand

	2024.3.31		2023.12.31		2023.3.31			2024.3.31		2023.12.31		2023.3.31			
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%		
<b>Assets</b>													<b>Liabilities and equity</b>		
<b>Current assets:</b>													<b>Current liabilities:</b>		
1100	Cash and cash equivalents (Notes 6 (I))	\$ 368,723	8	401,137	9	759,433	16	2100	Short-term loans (Note 6 (XI) and Note 8)	\$ 197,987	4	91,565	2	523,532	11
1110	Financial assets at fair value through profit or loss - current (Note 6 (II))	52,850	1	51,966	1	50,935	1	2120	Financial liabilities at fair value through profit or loss - current (Note 6 (II))	-	-	240	-	-	-
1150	Net amount of notes receivable (Note 6 (IV), (XIX) and Note 8)	229,623	5	229,978	5	185,019	4	2130	Contract liabilities - current (Note 6 (XIX))	14,230	-	13,920	-	11,412	-
1170	Net amount of accounts receivable (Note 6 (IV), (XIX))	952,115	20	919,622	20	904,806	19	2150	Notes payable	7,802	-	7,521	-	7,652	-
1180	Net amount of accounts receivable - related parties (Notes 6 (IV), (XIX) and Note 7)	76,637	2	85,080	2	119,141	2	2170	Accounts payable	700,950	15	681,169	15	581,057	12
1197	Net amount of financial leases receivable (Note 6 (IV), (XIX))	39,406	1	39,337	1	41,936	1	2180	Accounts payable - related parties (Note 7)	2,741	-	2,282	-	1,304	-
1200	Other receivables	4,512	-	1,341	-	13,075	-	2200	Other payables - others	109,315	2	184,597	4	120,142	3
1300	Inventory (Note 6 (V))	703,620	14	645,457	14	636,712	13	2220	Other payables - related parties (Note 7)	8,952	-	14,665	-	7,747	-
1410	Prepayments	99,845	2	69,183	1	47,120	1	2230	Current income tax liabilities	51,440	1	29,218	1	73,971	2
1476	Other financial assets - current (Note 8)	60,446	1	58,895	1	52,981	1	2280	Lease liabilities - current (Note 6 (XIII))	74,699	2	71,364	2	68,392	1
1479	Other current assets - others	9,996	-	7,892	-	4,899	-	2300	Other current liabilities	26,191	1	26,516	1	13,320	-
	<b>Total current assets</b>	<b>2,597,773</b>	<b>54</b>	<b>2,509,888</b>	<b>54</b>	<b>2,816,057</b>	<b>58</b>		<b>Total current liabilities</b>	<b>1,194,307</b>	<b>25</b>	<b>1,123,057</b>	<b>25</b>	<b>1,408,529</b>	<b>29</b>
<b>Non-current assets:</b>													<b>Non-current liabilities:</b>		
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (III))	45,268	1	268	-	268	-	2527	Contract liabilities - non-current (Note 6 (XIX))	18,104	-	18,713	-	13,770	-
1550	Investments accounted for using the equity method (Note 6 (VI))	120,737	3	116,390	3	115,371	2	2540	Long-term loans (Note 6 (XII))	-	-	12,357	-	12,637	-
1600	Property, plant, and equipment (Note 6 (VII) and 8)	1,060,322	22	1,061,550	23	1,061,740	22	2570	Deferred income tax liabilities	8,372	-	8,372	-	8,079	-
1755	Right-of-use assets (Note 6 (VIII))	547,623	11	519,455	11	506,421	10	2580	Lease liabilities - non-current (Note 6 (XIII))	494,977	11	469,455	10	458,470	10
1760	Investment property (Note 6 (IX))	26,099	1	26,101	1	26,108	1	2600	Other non-current liabilities	1,930	-	2,063	-	7,277	-
1780	Intangible assets (Note 6 (X))	184,839	4	188,979	4	199,166	5		<b>Total non-current liabilities</b>	<b>523,383</b>	<b>11</b>	<b>510,960</b>	<b>10</b>	<b>500,233</b>	<b>10</b>
1840	Deferred income tax assets	4,917	-	4,917	-	14,699	-		<b>Total liabilities</b>	<b>1,717,690</b>	<b>36</b>	<b>1,634,017</b>	<b>35</b>	<b>1,908,762</b>	<b>39</b>
1930	Long-term notes receivable (Note 6 (IV), (XIX) and Note 8)	6,295	-	7,168	-	5,071	-	3110	<b>Equity (Note XVII):</b>						
194D	Net amount of long-term financial leases receivable (Note 6 (IV), (XIX))	95,022	2	96,086	2	72,572	1	3140	Capital stock	445,210	9	445,210	10	405,210	8
1990	Other non-current assets - others	109,973	2	87,083	2	66,363	1	3140	Capital collected in advance	-	-	-	-	450,000	9
	<b>Total non-current assets</b>	<b>2,201,095</b>	<b>46</b>	<b>2,107,997</b>	<b>46</b>	<b>2,067,779</b>	<b>42</b>	3200	Capital surplus	1,601,988	33	1,601,988	35	1,130,866	23
	<b>Total assets</b>	<b>\$ 4,798,868</b>	<b>100</b>	<b>4,617,885</b>	<b>100</b>	<b>4,883,836</b>	<b>100</b>	3300	Retained earnings	1,040,087	22	943,984	20	993,526	21
								3400	Other equity	(6,107)	-	(7,314)	-	(4,528)	-
									<b>Total equity</b>	<b>3,081,178</b>	<b>64</b>	<b>2,983,868</b>	<b>65</b>	<b>2,975,074</b>	<b>61</b>
									<b>Total liabilities and equity</b>	<b>\$ 4,798,868</b>	<b>100</b>	<b>4,617,885</b>	<b>100</b>	<b>4,883,836</b>	<b>100</b>

(Please refer to the notes of the Consolidated Financial Statements)

Chairman: Lee Chung-Liang

Executive: Chen Kuo-Shih

Chief Accountant: Chang Yaw-Yuan

**Hi-Clearance Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**January 1 to March 31, 2024 and 2023**

Unit: NT\$ thousand

	<u>January to March 2024</u>		<u>January to March 2023</u>	
	Amount	%	Amount	%
4000 <b>Operating revenue (Note 6 (XIII), (XIX) and Note 7)</b>	\$ 964,843	100	972,979	100
5000 <b>Operating costs (Note 6 (V), (XV), Note 7, and Note 12)</b>	706,950	73	726,366	75
<b>Gross profit</b>	<u>257,893</u>	<u>27</u>	<u>246,613</u>	<u>25</u>
<b>Operating costs (Note 6 (IV), (XV), Note 7, and Note 12):</b>				
6100 Selling and marketing expenses	86,749	9	83,044	9
6200 General and administrative expenses	65,916	7	62,630	6
6450 Expected credit losses (or reversal)	(338)	-	1,448	-
<b>Total operating expenses</b>	<u>152,327</u>	<u>16</u>	<u>147,122</u>	<u>15</u>
<b>Net operating income</b>	<u>105,566</u>	<u>11</u>	<u>99,491</u>	<u>10</u>
<b>Non-operating income and expenses:</b>				
7100 Interest income (Note 6 (XXI))	2,083	-	2,235	-
7010 Other income (Note 6 (XXI) and Note 7)	5,552	1	1,565	-
7020 Other gains and losses (Note 6 (XXI))	3,659	-	2,551	-
7050 Financial costs (Note (XIII) and (XXI))	(2,507)	-	(3,890)	-
7060 Share of profit or loss of affiliates and joint ventures accounted for using the equity method (Note 6 (VI))	4,347	-	4,649	1
<b>Total non-operating income and expenses</b>	<u>13,134</u>	<u>1</u>	<u>7,110</u>	<u>1</u>
7900 <b>Income before tax</b>	118,700	12	106,601	11
7950 <b>Deduction: Income tax expenses (Note 6 (XVI))</b>	22,597	2	21,303	2
<b>Net income for the period</b>	<u>96,103</u>	<u>10</u>	<u>85,298</u>	<u>9</u>
8300 <b>Other comprehensive income:</b>				
8360 <b>Components that may be reclassified to profit or loss</b>				
8361 Exchange differences on translation of financial statements of foreign operations	1,207	-	248	-
<b>Total components that may be reclassified to profit or loss</b>	<u>1,207</u>	<u>-</u>	<u>248</u>	<u>-</u>
8300 <b>Other comprehensive income (net after tax)</b>	<u>1,207</u>	<u>-</u>	<u>248</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>\$ 97,310</u>	<u>10</u>	<u>85,546</u>	<u>9</u>
<b>Earnings per share (NT\$) (Note 6 (XVIII))</b>				
9750 <b>Basic earnings per share (NT\$)</b>	<u>\$ 2.16</u>		<u>2.11</u>	
9850 <b>Diluted earnings per share (NT\$)</b>	<u>\$ 2.16</u>		<u>2.10</u>	

(Please refer to the notes of the Consolidated Financial Statements)

Chairman: Lee Chung-Liang

Executive: Chen Kuo-Shih

Chief Accountant: Chang Yaw-Yuan

**Hi-Clearance Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1 to March 31, 2024 and 2023**

Unit: NT\$ thousand

	Capital Stock - Common Shares	Capital collected in advance	Capital Surplus	Retained Earnings			Total	Other Equity Items		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange differences on translation of financial statements of foreign operations	Others	
<b>Balance as of January 1, 2023</b>	\$ 405,210	-	1,130,866	362,933	5,569	539,726	908,228	(4,776)	-	2,439,528
Net income for the period	-	-	-	-	-	85,298	85,298	-	-	85,298
Other comprehensive income	-	-	-	-	-	-	-	248	-	248
Total comprehensive income for the period	-	-	-	-	-	85,298	85,298	248	-	85,546
Cash capital increase	-	450,000	-	-	-	-	-	-	-	450,000
<b>Balance as of March 31, 2023</b>	<b>\$ 405,210</b>	<b>450,000</b>	<b>1,130,866</b>	<b>362,933</b>	<b>5,569</b>	<b>625,024</b>	<b>993,526</b>	<b>(4,528)</b>	<b>-</b>	<b>2,975,074</b>
<b>Balance as of January 1, 2024</b>	\$ 445,210	-	1,601,988	400,322	4,776	538,886	943,984	(6,645)	(669)	2,983,868
Net income for the period	-	-	-	-	-	96,103	96,103	-	-	96,103
Other comprehensive income	-	-	-	-	-	-	-	1,207	-	1,207
Total comprehensive income for the period	-	-	-	-	-	96,103	96,103	1,207	-	97,310
<b>Balance as of March 31, 2024</b>	<b>\$ 445,210</b>	<b>-</b>	<b>1,601,988</b>	<b>400,322</b>	<b>4,776</b>	<b>634,989</b>	<b>1,040,087</b>	<b>(5,438)</b>	<b>(669)</b>	<b>3,081,178</b>

(Please refer to the notes of the Consolidated Financial Statements)

Chairman: Lee Chung-Liang

Executive: Chen Kuo-Shih

Chief Accountant: Chang Yaw-Yuan

**Hi-Clearance Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1 to March 31, 2024 and 2023**

Unit: NT\$ thousand

	January to March 2024	January to March 2023
<b>Cash flows from operating activities:</b>		
Income before tax for the period	\$ 118,700	106,601
<b>Adjustment items:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expenses	38,299	37,095
Amortization expenses	4,140	3,396
Expected credit (or reversal) losses	(338)	1,448
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(1,616)	194
Interest expenses	2,507	3,890
Interest income	(2,083)	(2,235)
Share of loss (profit) of associates and joint ventures accounted for using the equity method	(4,347)	(4,649)
Gain on disposal of property, plant, and equipment	(552)	(291)
Total adjustments to reconcile profit (loss)	36,010	38,848
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	511	68
Decrease in notes receivable	1,172	29,314
Increase in accounts receivable and financial leases	(31,112)	(27,461)
Decrease (increase) in accounts receivable - decrease in related parties	8,443	(4,635)
Increase in other receivables	(3,171)	(6,950)
Decrease (increase) in inventory	(74,483)	92,198
Increase in prepayments	(30,662)	(7,984)
Increase in other current assets	(2,104)	(363)
Increase in other financial assets	(1,551)	(10,716)
Increase in other operating assets	(5,480)	(128)
Total net changes in assets related to operating activities	(138,437)	63,343
Decrease in financial liabilities at fair value through profit or loss	(19)	(488)
Decrease in contractual liabilities	(299)	(1,057)
Increase in notes payable	281	27
Increase (decrease) in accounts payable	19,781	(118,731)
Increase (decrease) in payables to related parties	459	(8)
Decrease in other payables	(75,282)	(75,927)
Other payables - decrease in related parties	(5,713)	(14,165)
Decrease in other current liabilities	(325)	(2,723)
Decrease in net defined benefit liabilities	(133)	-
Total net changes in liabilities related to operating activities	(61,250)	(213,072)
Total net changes in assets and liabilities related to operating activities	(199,687)	(149,729)
Total adjustment items	(163,677)	(110,881)
Cash outflows from operations	(44,977)	(4,280)
Interest received	2,083	2,235
Interest paid	(2,507)	(3,890)
Income tax paid	(375)	(10)
<b>Net cash outflows from operating activities</b>	(45,776)	(5,945)
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(45,000)	-
Acquisition of property, plant, and equipment	(2,291)	(11,287)
Disposal of property, plant, and equipment	1,324	362
Increase in refundable deposits	(15,044)	(7,877)
Decrease in refundable deposits	11,231	6,568
Intangible asset acquisition	-	(2,381)
Increase in prepayments for equipment	(13,958)	(5,199)
<b>Net cash outflows from investing activities</b>	(63,738)	(19,814)
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	230,000	700,000
Decrease in short-term loans	(123,578)	(671,800)
Repayments of long-term loans	(12,475)	-
Lease principal payment	(18,153)	(17,523)
Cash capital increase	-	450,000
<b>Net cash inflows from financing activities</b>	75,794	460,677
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,306	295
<b>Increase (decrease) in cash and cash equivalents during the period</b>	(32,414)	435,213
<b>Cash and cash equivalents at beginning of period</b>	401,137	324,220
<b>Cash and cash equivalents at end of period</b>	<b>\$ 368,723</b>	<b>759,433</b>

(Please refer to the notes of the Consolidated Financial Statements)

Chairman: Lee Chung-Liang

Executive: Chen Kuo-Shih

Chief Accountant: Chang Yaw-Yuan



**Hi-Clearance Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 & 2023**  
**(Unless otherwise specified, all amounts are in NTS thousand)**

**I. Company History**

Hi-Clearance Inc. (hereinafter referred to as "the Company") was established on February 13, 1989, with the approval of the Ministry of Economic Affairs. The Company's registered address is 8F.-2, No. 2, Ln. 609, Sec. 5, Chongxin Rd., Sanchong Dist., New Taipei City, Taiwan (R.O.C.) Primary business activities of the Company and its subsidiaries (the Consolidated Companies) involve trading medical equipment, biochemical reagents, and Western medicine, as well as providing medical management consulting services.

**II. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization**

The Consolidated Financial Statements have been approved for release by the Board of Directors on May 3, 2024.

**III. Application of New and Amended Standards and Interpretations**

(I) The impact of adopting the newly issued and revised criteria and interpretations approved by the Financial Supervisory Commission.

Since January 1, 2024, the Consolidated Companies have been implementing the newly revised International Financial Reporting Standards (IFRSs), which has not significantly impacted the Consolidated Financial Statements.

- Amendments to IAS 1 "Classify Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liabilities in Sale and Leaseback Transactions"

(II) New and amended standards and interpretations not yet recognized by FSC

The International Accounting Standards Board has issued and revised standards and interpretations that have not yet been approved by the Financial Supervisory Commission. The following are the ones that may be relevant to the Consolidated Companies:

<b>New or Amended Standards</b>	<b>Main Content for Amendments</b>	<b>Effective Date of Issuance by the IASB</b>
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standards introduce three categories of income and expenses, two subtotals on the income statement, and a single note regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the	January 1, 2027

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

New or Amended Standards	Main Content for Amendments	Effective Date of Issuance by the IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>foundation for providing users with improved and consistent information, and will have an impact on all companies.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new standards have implemented a more structured income statement. They have introduced a new subtotal called "operating profit" and require that all revenues and expenses be classified into three new categories based on the company's main business activities.</li> <li>• Management Performance Measures (MPM): The new criteria introduce the concept of management performance measures. Companies are now required to provide an explanation, in a single note in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards and accounting principles.</li> <li>• More detailed information: The new standards provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further detailed in the notes.</li> </ul>	January 1, 2027

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

The Consolidated Companies is currently assessing the effects of the aforementioned criteria and interpretations on its financial condition and operating results. The relevant findings will be disclosed once the evaluation is complete.

The Consolidated Companies do not expect the following new releases and amendments to standards, that have yet to be endorsed by the FSC, to have a material impact on the Consolidated Financial Statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendments to IFRS 17 "Initial Application of IFRS17 and IFRS 9—Comparative Information"
- Amendments to IAS 21 "Lack of Exchangeability"

### IV. Summary of Significant Accounting Policies

Significant accounting policies adopted in the Consolidated Financial Statements: Unless stated otherwise, the following accounting policies have been applicable for all reporting periods of this Consolidated Financial Statements.

#### (I) Compliance declaration

The Consolidated Financial Statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Regulations") and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. The Consolidated Financial Statements do not include all the necessary information that should be disclosed in the full annual Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Announcements (hereinafter referred to as the "FSC-endorsed International Financial Reporting and Accounting Standards") approved and issued by the FSC and in effect.

Except as described below, the significant accounting policies adopted in the Consolidated Financial Statements are the same as those in the Consolidated Financial Statements for the year 2023. For further details, please see Note 4 of the Consolidated Financial Statements for the year 2023.

#### (II) Basis of consolidation

##### 1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the Consolidated Financial Statements:

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of Shareholding			Description
			2024.3.31	2023.12.31	2023.3.31	
The Company	Succeed Agents Limited (B.V.I.) (referred to as 'SA company')	Financial holding and investment	100.00%	100.00%	100.00%	Note 1
The Company	Renalysis Medical Care Co., Ltd.	Medical management consulting services	100.00%	100.00%	100.00%	
The Company	XinFu Healthcare Corp.	Medical management consulting services	100.00%	100.00%	100.00%	Note 1
The Company	Sin Hwa Co., Ltd.	Medical equipment trade	100.00%	100.00%	100.00%	Note 1

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of Shareholding			Description
			2024.3.31	2023.12.31	2023.3.31	
The Company	Sin Hwa Investment Co., Ltd.	Financial holding and investment	100.00%	100.00%	100.00%	Note 1
The Company	HC Healthcare Co., Ltd.	Medical management consulting services	100.00%	100.00%	100.00%	Note 1
SA company	PT Hiclearance Medical Indonesia (referred to as "HMI company")	Medical equipment trade	100.00%	100.00%	100.00%	Note 1
SA company	Moral Well Co., Ltd., (referred to as "MW company")	Financial holding and investment	100.00%	100.00%	100.00%	Note 1
MW company	Taicha Medical Corp. (Shanghai)	International trade and re-export trade	100.00%	100.00%	100.00%	Note 1

Note 1: Subsidiaries of little importance and the financial statements have not been audited by the CPA.

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

### (III) Income Tax

The Consolidated Companies comply with IAS 34, "Interim Financial Reporting," paragraph B12. This standard specifies the measurement and disclosure of income tax expenses for the interim period.

The income tax expense is calculated by multiplying the net profit before tax for the reporting period by the management's best estimate of the effective tax rate for the full year. The current income tax expense and deferred income tax expense are then allocated based on the proportion of the estimated full-year current income tax expense and deferred income tax expense.

Income tax expenses that are recognized in equity items or other comprehensive income items are measured based on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases. This measurement is done using the applicable tax rates that are expected to be realized or settled upon.

### (IV) Employee benefits

During the midterm period, the defined benefit plans are based on the actuarial retirement cost rate as of the reporting date of the previous year. The calculation covers the period from the beginning of the year to the end of the current period, and adjustments are made for significant market fluctuations, substantial reductions, liquidations, or other significant one-time events that occur after the reporting date.

### (V) Standards for categorization of assets and liabilities classified as current and non-current

Assets that meet one of the following criteria are classified as current assets, and all other assets that are not current assets are classified as non-current assets of the Consolidated Companies.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

1. The asset is expected to be realized in the normal operating cycle, or is intended to be sold or consumed;
2. The asset is held primarily for trading purposes;
3. The asset is realized within twelve months of the reporting period; or
4. The asset is cash or cash equivalents (as defined in IAS 7) unless there are restrictions on the exchange or settlement of the asset at least twelve months after the reporting period.

Liabilities that meet one of the following criteria are classified as current liabilities, and all other liabilities that are not current liabilities are classified as non-current liabilities of the Consolidated Companies.

1. The liability is expected to be settled in the normal operating cycle;
2. The liability is held primarily for trading purposes;
3. The liability is expected to be settled within twelve months of the reporting period; or
4. During the reporting period, there is no obligation to postpone the repayment of the debt for a minimum of twelve months following the end of the reporting period.

### V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When preparing the Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IAS 34 "Interim Financial Reporting" approved by the FSC, management is required to exercise judgment, make estimates, and make assumptions affecting the reported amounts of accounting policies, assets, liabilities, income, and expenses. Actual results may differ from the estimates.

When preparing the Consolidated Financial Statements, management made significant judgments and estimates regarding uncertainties in adopting the accounting policies of the Consolidated Companies, in accordance with Note 5 of the Consolidated Financial Statements for the year 2023.

### VI. Details of Significant Accounts

Except as described below, there are no significant differences in the descriptions of the major accounting items in this Consolidated Financial Statement compared to the report in 2023. For related information, please refer to Note 6 of the 2023 Consolidated Financial Statement.

#### (I) Cash and cash equivalents

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Cash on hand	\$ 482	481	454
Demand deposits	268,741	311,156	665,236
Time deposits	<u>99,500</u>	<u>89,500</u>	<u>93,743</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 368,723</u>	<u>401,137</u>	<u>759,433</u>

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

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

1. Details are as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Beneficiary certificate - fund	\$ 52,797	51,966	50,935
Non-hedging derivative instruments - Forward foreign exchange contracts	53	-	-
<b>Total</b>	<b>\$ 52,850</b>	<b>51,966</b>	<b>50,935</b>
	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Financial liabilities held for trading:			
Forward foreign exchange contracts	\$ -	240	-

2. Non-hedging derivative instruments

Derivative financial instrument transactions are undertaken to mitigate the exchange rate risk associated with business activities. The following is a detailed list of derivative instruments classified as financial assets measured at fair value through profit or loss and financial liabilities held for trading, which were not accounted for as hedging instruments by the Consolidated Companies:

<u>2024.3.31</u>				
	<u>Contract Amount</u>	<u>Currency</u>	<u>Maturity period</u>	
Derivative financial assets:				
Forward foreign exchange contracts	JPY 32,109	NTD to JPY	2024.02.16~2024.04.02	
<u>2023.12.31</u>				
	<u>Contract Amount</u>	<u>Currency</u>	<u>Maturity period</u>	
Derivative financial liabilities:				
Forward foreign exchange contracts	USD 610	NTD to USD	2024.01.08~2024.02.15	

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Domestic unlisted (over-the-counter) stocks - Taiwan Depository & Clearing Corporation	\$ 268	268	268
Domestic unlisted (over-the-counter) stocks - EPED Inc.	45,000	-	-
Total	<u>\$ 45,268</u>	<u>268</u>	<u>268</u>

1. The Consolidated Companies hold these investments in equity instruments as long-term strategic investments and not for trading purposes, therefore, they have been designated to be at fair value through other comprehensive income.
2. From January 1 to March 31, 2024, and 2023, the Consolidated Companies did not dispose of any strategic investments, and there were no transfers of accumulated gains and losses within the equity during that period.
3. The above financial assets have not been pledged as collateral.

(IV) Accounts Receivable, Notes Receivable, Receivable Financing Lease Payments, and Collections

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes receivable	\$ 232,928	233,218	186,907
Long-term notes receivable	6,360	7,242	5,123
Accounts receivable	970,991	938,874	918,464
Receivables from related parties	76,637	85,080	119,141
Finance lease receivables	39,804	39,734	42,351
Long-term finance lease receivables	95,982	97,057	73,289
Overdue receivables	4,217	4,217	4,217
Deduction: Loss allowance	(27,821)	(28,151)	(20,947)
Net amount	<u>\$ 1,399,098</u>	<u>1,377,271</u>	<u>1,328,545</u>

For details regarding the Consolidated Companies' bills for collection deposited in banks in the amounts of NT\$219,612 thousand, NT\$220,652 thousand, and NT\$177,120 thousand, respectively, as collateral for 10-20% of the forward letters of credit as of March 31, 2024, December 31, 2023, and March 31, 2023, please refer to Note 8.

Lease benefit maturity analysis for undiscounted lease benefits received after the reporting date:

**Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)**

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Under 1 year	\$ 44,844	44,710	48,171
1-2 year(s)	27,903	28,383	31,773
2-3 years	21,660	19,196	16,673
3-4 years	14,792	12,414	10,052
4-5 years	10,995	9,598	5,697
Over 5 years	<u>33,440</u>	<u>40,699</u>	<u>19,429</u>
Total lease investment	153,634	155,000	131,795
Unearned financing income	<u>(17,848)</u>	<u>(18,209)</u>	<u>(16,155)</u>
Present value of lease payments receivable	135,786	136,791	115,640
Deduction: Loss allowance	<u>(1,358)</u>	<u>(1,368)</u>	<u>(1,132)</u>
Net amount	<u><b>\$ 134,428</b></u>	<u><b>135,423</b></u>	<u><b>114,508</b></u>
	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Overdue receivables	\$ 4,217	4,217	4,217
Deduction: Loss allowance	<u>(4,217)</u>	<u>(4,217)</u>	<u>(4,217)</u>
	<u><b>\$ -</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

The Consolidated Companies estimate expected credit losses for all receivables, accounts receivable, finance lease receivables, and collection items using a simplified approach. This approach involves measuring the expected credit losses over the lifetime of the assets. For this measurement purpose, these receivables are grouped based on shared credit risk characteristics representing the customer's ability to pay all amounts due according to the contractual terms, with forward-looking information accounted for as well. Expected credit loss analysis for the consolidated accounts receivable, notes receivable, finance leases receivable, and collections:

	<u>2024.3.31</u>		
	<u>Carrying Amounts of Notes and Accounts Receivable, Finance Leases Receivable and Collections</u>	<u>Weighted Average Expected Credit Loss Rate</u>	<u>Allowance for Expected Credit Losses During the Period</u>
Not overdue	\$ 1,367,863	0.00%	-
1-180 days overdue	33,643	7.85%	2,642
181-365 days overdue	8,590	97.28%	8,356
Over 366 days overdue	<u>16,823</u>	100%	<u>16,823</u>
	<u><b>\$ 1,426,919</b></u>		<u><b>27,821</b></u>



Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

	<b>2023.12.31</b>		
	<b>Carrying Amounts of Notes and Accounts Receivable, Finance Leases Receivable and Collections</b>	<b>Weighted Average Expected Credit Loss Rate</b>	<b>Allowance for Expected Credit Losses During the Period</b>
Not overdue	\$ 1,345,537	0.00%	-
1-180 days overdue	36,533	13.68%	4,998
181-365 days overdue	6,444	96.91%	6,245
Over 366 days overdue	<u>16,908</u>	100%	<u>16,908</u>
	<b><u>\$ 1,405,422</u></b>		<b><u>28,151</u></b>

	<b>2023.3.31</b>		
	<b>Carrying Amounts of Notes and Accounts Receivable, Finance Leases Receivable and Collections</b>	<b>Weighted Average Expected Credit Loss Rate</b>	<b>Allowance for Expected Credit Losses During the Period</b>
Not overdue	\$ 1,311,230	0.02%	254
1-180 days overdue	19,941	13.69%	2,730
181-365 days overdue	8,011	95.53%	7,653
Over 366 days overdue	<u>10,310</u>	100%	<u>10,310</u>
	<b><u>\$ 1,349,492</u></b>		<b><u>20,947</u></b>

Changes in loss allowance for notes and accounts receivable, finance lease receivable and collections of the Consolidated Companies:

	<b>January to March 2024</b>	<b>January to March 2023</b>
Beginning balance	\$ 28,151	19,499
Recognized impairment loss (reversal)	(338)	1,448
Foreign currency exchange gain/loss	8	-
Ending balance	<b><u>\$ 27,821</u></b>	<b><u>20,947</u></b>

(V) Inventories

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Commodities	\$ 703,620	609,713	636,712
Goods in transit	-	35,744	-
	<b><u>\$ 703,620</u></b>	<b><u>645,457</u></b>	<b><u>636,712</u></b>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

From January 1 to March 31, 2024, improvements have been made to the factor that previously caused the net realizable value of inventory to be lower than the cost, and a decrease of NT\$1,991 thousand in operating costs was recognized due to an increase in net realizable value.

From January 1 to March 31, 2023, inventory was adjusted to its net realizable value, leading to an inventory impairment loss of NT\$5,204 thousand, and reported as operating costs.

As of March 31, 2024, December 31, 2023, and March 31, 2023, none of the inventories of the Consolidated Companies have been pledged as collaterals.

### (VI) Investments Accounted for Using the Equity Method

- Investments of the Consolidated Companies accounted for under the equity method at the reporting date:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Associate	\$ <u>120,737</u>	<u>116,390</u>	<u>115,371</u>

The financial information of associates of the Consolidated Companies, which are individually immaterial, and accounted for using the equity method, and is included in the Consolidated Financial Statements as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Closing aggregated carrying amount of interests in individually insignificant related parties	\$ <u>120,737</u>	<u>116,390</u>	<u>115,371</u>

	<u>January to March 2024</u>	<u>January to March 2023</u>
Equity owned by the Consolidated Companies:		
Net profit from ongoing operations for the current period	4,347	4,649
Other comprehensive income	-	-
Total comprehensive income	\$ <u>4,347</u>	<u>4,649</u>

- As of March 31, 2024, December 31, 2023, and March 31, 2023, no investments in related parties of the Consolidated Companies, accounted for under the equity method, have been pledged as collaterals.

- Investments Accounted for Using the Equity Method without Auditing

Investee and Consolidated Companies that use the equity method calculate their share of profit and other comprehensive income based on unaudited financial statements.

### (VII) Property, Plant, and Equipment

Changes in cost and depreciation of properties, plants, and equipment of the Consolidated Companies from January 1 to March 31, 2024, and 2023:

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

	<u>Land</u>	<u>Building and Construction</u>	<u>Transportation Equipment</u>	<u>Office Equipment</u>	<u>Leased Assets</u>	<u>Construction in Process</u>	<u>Total</u>
Cost:							
Balance as of							
January 1, 2024	\$ 412,632	455,875	4,565	83,044	417,090	-	1,373,206
Addition	-	-	-	591	1,700	-	2,291
Reclassifications	-	-	-	975	15,686	-	16,661
Disposal and obsolescence	-	-	-	(1,150)	(1,499)	-	(2,649)
Effects of exchange rate changes	-	-	-	3	34	-	37
Balance as of							
March 31, 2024	<u>\$ 412,632</u>	<u>455,875</u>	<u>4,565</u>	<u>83,463</u>	<u>433,011</u>	<u>-</u>	<u>1,389,546</u>
Balance as of							
January 1, 2023	\$ 412,632	426,833	1,877	64,701	423,601	17,003	1,346,647
Addition	-	158	-	2,571	1,248	7,310	11,287
Reclassifications	-	-	-	3,694	15,085	-	18,779
Disposal and obsolescence	-	-	-	(303)	(1,869)	-	(2,172)
Effects of exchange rate changes	-	-	-	1	39	-	40
Balance as of							
March 31, 2023	<u>\$ 412,632</u>	<u>426,991</u>	<u>1,877</u>	<u>70,664</u>	<u>438,104</u>	<u>24,313</u>	<u>1,374,581</u>
Depreciation:							
Balance as of							
January 1, 2024	\$ -	67,549	1,984	35,864	206,259	-	311,656
Current year depreciation	-	2,781	132	2,925	13,617	-	19,455
Reclassifications	-	-	-	-	(21)	-	(21)
Disposal and obsolescence	-	-	-	(653)	(1,224)	-	(1,877)
Effects of exchange rate changes	-	-	-	1	10	-	11
Balance as of							
March 31, 2024	<u>\$ -</u>	<u>70,330</u>	<u>2,116</u>	<u>38,137</u>	<u>218,641</u>	<u>-</u>	<u>329,224</u>
Balance as of							
January 1, 2023	\$ -	57,716	1,563	26,132	210,671	-	296,082
Current year depreciation	-	2,328	81	2,678	13,883	-	18,970
Reclassifications	-	-	-	-	(112)	-	(112)
Disposal and obsolescence	-	-	-	(303)	(1,798)	-	(2,101)
Effects of exchange rate changes	-	-	-	1	1	-	2
Balance as of							
March 31, 2023	<u>\$ -</u>	<u>60,044</u>	<u>1,644</u>	<u>28,508</u>	<u>222,645</u>	<u>-</u>	<u>312,841</u>
Carrying amount:							
January 1, 2024	<u>\$ 412,632</u>	<u>388,326</u>	<u>2,581</u>	<u>47,180</u>	<u>210,831</u>	<u>-</u>	<u>1,061,550</u>
March 31, 2024	<u>\$ 412,632</u>	<u>385,545</u>	<u>2,449</u>	<u>45,326</u>	<u>214,370</u>	<u>-</u>	<u>1,060,322</u>
January 1, 2023	<u>\$ 412,632</u>	<u>369,117</u>	<u>314</u>	<u>38,569</u>	<u>212,930</u>	<u>17,003</u>	<u>1,050,565</u>
March 31, 2023	<u>\$ 412,632</u>	<u>366,947</u>	<u>233</u>	<u>42,156</u>	<u>215,459</u>	<u>24,313</u>	<u>1,061,740</u>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

For details regarding the Consolidated Companies' property, plant and equipment pledged as collaterals for loans and lines of credit, please refer to Note 8.

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

Changes in cost and depreciation of leased premises, buildings, and transportation equipment of the Consolidated Companies:

	<b>Building and Construction</b>	<b>Transportation Equipment</b>	<b>Total</b>
Costs of right-of-use assets:			
Balance as of January 1, 2024	\$ 781,067	1,309	782,376
Addition	47,010	-	47,010
Balance as of March 31, 2024	<b>\$ 828,077</b>	<b>1,309</b>	<b>829,386</b>
Balance as of January 1, 2023	\$ 757,462	-	757,462
Addition	16,486	1,309	17,795
Decrease	(16,772)	-	(16,772)
Balance as of March 31, 2023	<b>\$ 757,176</b>	<b>1,309</b>	<b>758,485</b>
Accumulated depreciation of right-of-use assets:			
Balance as of January 1, 2024	\$ 262,521	400	262,921
Current period depreciation	18,733	109	18,842
Balance as of March 31, 2024	<b>\$ 281,254</b>	<b>509</b>	<b>281,763</b>
Balance as of January 1, 2023	\$ 250,713	-	250,713
Current period depreciation	18,050	73	18,123
Decrease	(16,772)	-	(16,772)
Balance as of March 31, 2023	<b>\$ 251,991</b>	<b>73</b>	<b>252,064</b>
Carrying amount:			
January 1, 2024	<b>\$ 518,546</b>	<b>909</b>	<b>519,455</b>
March 31, 2024	<b>\$ 546,823</b>	<b>800</b>	<b>547,623</b>
January 1, 2023	<b>\$ 506,749</b>	<b>-</b>	<b>506,749</b>
March 31, 2023	<b>\$ 505,185</b>	<b>1,236</b>	<b>506,421</b>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### (IX) Investment properties

	<b>Land and Improvements</b>	<b>Building and Construction</b>	<b>Total</b>
Carrying amount:			
January 1, 2024	\$ 25,736	365	26,101
March 31, 2024	\$ 25,736	363	26,099
January 1, 2023	\$ 25,736	374	26,110
March 31, 2023	\$ 25,736	372	26,108

There were no significant additions, disposals, impairments, or reversals of investment properties of the Consolidated Companies during the period from January 1 to March 31, 2024 and 2023. Please refer to Note 12(I) for the depreciation amount for this period. For other related information, please see Note 6(IX) of the 2023 Consolidated Financial Statements.

As of March 31, 2024, December 31, 2023, and March 31, 2023, no investment properties of the Consolidated Companies were pledged as collaterals.

There are no significant differences in the disclosed information regarding the fair value of investment properties between the Consolidated Financial Statements of the Consolidated Companies and Note 6 (IX) to the 2023 Consolidated Financial Statements.

### (X) Intangible assets

Changes in cost and amortization of intangible assets of the Consolidated Companies from January 1 to March 31, 2024 and 2023:

	<b>Goodwill</b>	<b>Other Intangible Assets</b>	<b>Total</b>
Cost:			
Balance as of January 1, 2024 (opening balance)	\$ 116,961	119,910	236,871
Balance as of January 1, 2023	\$ 116,961	96,100	213,061
Addition	-	2,381	2,381
Reclassifications	-	21,429	21,429
Balance as of March 31, 2023	\$ 116,961	119,910	236,871
Amortization:			
Balance as of January 1, 2024	\$ -	47,892	47,892
Current period amortization	-	4,140	4,140
Balance as of March 31, 2024	\$ -	52,032	52,032
Balance as of January 1, 2023	\$ -	34,309	34,309
Current period amortization	-	3,396	3,396
Balance as of March 31, 2023	\$ -	37,705	37,705
Carrying amount:			
January 1, 2024	\$ 116,961	72,018	188,979
March 31, 2024	\$ 116,961	67,878	184,839
January 1, 2023	\$ 116,961	61,791	178,752
March 31, 2023	\$ 116,961	82,205	199,166

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

As of March 31, 2024, December 31, 2023, and March 31, 2023, no investment properties of the Consolidated Companies were pledged as collaterals.

### (XI) Short-term loans

Short-term loans of the Consolidated Companies:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Unsecured bank loans	\$ 100,000	-	440,000
Secured bank loans	<u>97,987</u>	<u>91,565</u>	<u>83,532</u>
Total	<u>\$ 197,987</u>	<u>91,565</u>	<u>523,532</u>
Unused credit line	<u>\$ 915,957</u>	<u>1,050,212</u>	<u>723,559</u>
Interest rate	<u>1.79%~1.95%</u>	<u>1.75%</u>	<u>1.55%~1.90%</u>

Assets of the Consolidated Companies pledged as collaterals for bank loans are described in Note 8.

### (XII) Long-term loans

Long-term loans of the Consolidated Companies:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Borrowing from non-financial institutions	\$ -	12,357	12,637
Deduction: Portion due within one year	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>12,357</u>	<u>12,637</u>
Unused credit line	<u>\$ -</u>	<u>-</u>	<u>-</u>
Interest rate	<u>-</u>	<u>3%</u>	<u>3%</u>

As of December 31, 2023 and March 31, 2023, no long-term loans unsecured by assets of the Consolidated Companies were pledged as collaterals.

### (XIII) Lease liabilities

Carrying amount of the consolidated lease liabilities:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Current	<u>\$ 74,699</u>	<u>71,364</u>	<u>68,392</u>
Non-current	<u>\$ 494,977</u>	<u>469,455</u>	<u>458,470</u>

For an analysis of maturity, please refer to Note 6 (XXII): Financial Instruments.

Leases recognized in the income statement:

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

	<b>January to March 2024</b>	<b>January to March 2023</b>
Interest expenses for lease liabilities	<u>\$ 1,733</u>	<u>1,600</u>
Changes in lease payments not accounted for in measurement of lease liabilities	<u>\$ 765</u>	<u>945</u>
Income from subleasing right-of-use assets	<u>\$ 21,551</u>	<u>20,378</u>
Short-term lease expenses	<u>\$ 363</u>	<u>90</u>
Expenses for low-value lease assets (excluding low-value short-term leases)	<u>\$ 34</u>	<u>459</u>

Leases recognized in the cash flow statement:

	<b>January to March 2024</b>	<b>January to March 2023</b>
Total cash flows on lease	<u>\$ 21,048</u>	<u>20,617</u>

### 1. Real estate, construction, and transportation equipment leasing

The Consolidated Companies lease buildings and structures as office spaces and storage locations, and the usual lease term is 3-10 years for office spaces, 2 years for storage locations. Some leases offer the option to extend for the same duration as the original contract when the lease term expires. The lease term for transportation equipment is three years.

For right-of-use assets subleased under operating leases, please refer to Note 6 (XIV).

Certain lease agreements offer extension options, but specific terms and conditions agreed upon may differ within the Consolidated Companies as these agreements are handled independently by various regions. These options are enforceable only by the Consolidated Companies and not by the lessor. Where it is not reasonably certain that the optional extended lease term will be exercised, the lease liability does not include payments for the period covered by the option.

### 2. Other leases

The Consolidated Companies lease office equipment and other assets for a period of one to two years under short-term or low-value leases. In accordance with the exemption recognition rules, the Consolidated Companies do not recognize the associated right-of-use assets and lease liabilities.

### (XIV) Operating Leases

The Consolidated Companies had no significant new operating lease agreements from January 1 to March 31, 2024 and 2023. For related information, please refer to Note 6 (XV) of the 2023 Consolidated Financial Statements.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### (XV) Employee benefits

#### 1. Defined benefit plans

The details of expenses reported by the Consolidated Companies are as follows:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Operating costs	\$ 6	6
Selling and marketing expenses	1,430	1,430
Total	<u><b>\$ 1,436</b></u>	<u><b>1,436</b></u>

#### 2. Defined contribution plans

Pension costs under the defined contribution plan amounted are as follows, and have been allocated to the Bureau of Labor Insurance:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Operating costs	\$ 727	729
Operating expenses	3,042	2,892
Total	<u><b>\$ 3,769</b></u>	<u><b>3,621</b></u>

### (XVI) Income Tax

#### 1. Detailed breakdown of the Consolidated Companies' income tax expenses:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Income tax expenses	<u><b>\$ 22,597</b></u>	<u><b>21,303</b></u>

#### 2. The Consolidated Companies have no income tax expense that is recognized directly in equity and other comprehensive income.

#### 3. Income tax assessment

The income tax settlement declarations of the Company, Renalysis Medical Care, XinFu Healthcare, Sin Hwa, Sin Hwa Investment, and HC-Healthcare have been approved by tax authorities until 2021.

### (XVII) Capital and other equity

Except as described below, there were no significant changes in capital and other equity for the Consolidated Companies from January 1 to March 31, 2024 and 2023. For related information, please refer to Note 6 (XVIII) of the 2023 Consolidated Financial Statements.

#### 1. Issuance of common stock

On October 20, 2022, the Board of Directors passed a resolution to increase cash capital by issue 4,000 thousand new shares of common stock at a premium of NT\$125 per share, resulting in a total amount of NT\$498,750 thousand (excluding issuance costs of NT\$1,250 thousand). The reference date is April 7, 2023. As of March 31, 2023, the advance receipts for share capital amounted to NT\$450,000 thousand, recorded under "advance receipts for share capital." The Company received full payment for all shares on April 7, 2023, and the necessary legal registration procedures were completed on April 25, 2023.



## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### 2. Capital Surplus

Breakdown of the Company's capital surplus is as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Premium on share issuance \$	1,591,611	1,591,611	1,121,223
Employees stock option	9,174	9,174	9,174
Expired stock options	706	706	-
Income from donations	497	497	469
	<u>\$ 1,601,988</u>	<u>1,601,988</u>	<u>1,130,866</u>

### 3. Retained Earnings

In accordance with the Articles of Incorporation, if the annual final accounts show a surplus, taxes should be paid first to offset any past losses, then 10% of the surplus should be allocated to legal reserve, unless the legal reserve has already reached the paid-in capital. Furthermore, a special reserve may be set aside based on operational needs and legal requirements of the Consolidated Companies. Afterwards, if there is still a surplus and unappropriated earnings from the beginning of the period, the Board of Directors shall propose a earnings distribution plan and submit for approval at the shareholders' meeting.

The Company is currently experiencing a period of business growth, and its dividend policy prioritizes the Company's future development and financial condition, while also ensuring reasonable remuneration for shareholders. As a result, at least fifty percent of the dividends and profits distributed to shareholders are in the form of cash dividends.

#### (1) Distribution of earnings

The Company presented the 2023 profit distribution plan to the Board of Directors on May 3, 2024. The 2022 profit distribution plan was approved at the Shareholders' Meeting on June 14, 2023. The dividends distributed to the shareholders are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Allotment ratio (NT\$)</u>	<u>Amount</u>	<u>Allotment ratio (NT\$)</u>	<u>Amount</u>
Cash dividends \$	7.00	<u>311,647</u>	7.00	<u>311,647</u>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### (XVIII) Earnings per Share

	<b>January to March 2024</b>	<b>January to March 2023</b>
Basic earnings per share		
Net income attributable to the Company for the current period	\$ 96,103	85,298
Net profit attributable to the common equity holders of the Company	<u>\$ 96,103</u>	<u>85,298</u>
Weighted average number of common shares outstanding (thousand shares)	<u>44,521</u>	<u>40,521</u>
	<u>\$ 2.16</u>	<u>2.11</u>
Diluted earnings per share		
Net income attributable to the Company for the current period	\$ 96,103	85,298
Effect of potentially dilutive common shares:	-	-
Net profit attributable to the common equity holders of the Company (After adjusting for the effects of dilutive potential common shares)	<u>\$ 96,103</u>	<u>85,298</u>
Weighted average number of common shares outstanding (thousand shares)	44,521	40,521
Effect of potentially dilutive common shares:		
Effect of employee stock compensation (thousand shares)	26	28
Weighted average number of common shares outstanding (After adjusting for the effects of dilutive potential common shares) (thousand shares)	<u>44,547</u>	<u>40,549</u>
	<u>\$ 2.16</u>	<u>2.10</u>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

(XIX) Revenue from contracts with customers

1. Revenue breakdown

	<b>January to March 2024</b>		
	<b>Hemodialysis Division</b>	<b>Other Divisions</b>	<b>Total</b>
Main markets in the region:			
Taiwan	\$ 713,526	246,697	960,223
China	-	906	906
Indonesia	3,714	-	3,714
	<b>\$ 717,240</b>	<b>247,603</b>	<b>964,843</b>
Main products/services:			
Dialyzer and blood tubing	\$ 349,508	-	349,508
Erythropoietin and liquid medications	297,419	-	297,419
Hemodialysis machine, maintenance and repair	33,722	-	33,722
Respiration and anesthesia	-	60,036	60,036
Lease income	1,746	48,058	49,804
Service revenue	3,789	31,659	35,448
Others	31,056	107,850	138,906
	<b>\$ 717,240</b>	<b>247,603</b>	<b>964,843</b>
	<b>January to March 2023</b>		
	<b>Hemodialysis Division</b>	<b>Other Divisions</b>	<b>Total</b>
Main markets in the region:			
Taiwan	\$ 700,315	265,320	965,635
China	-	4,299	4,299
Indonesia	3,045	-	3,045
	<b>\$ 703,360</b>	<b>269,619</b>	<b>972,979</b>
Main products/services:			
Dialyzer and blood tubing	\$ 335,345	-	335,345
Erythropoietin and liquid medications	301,903	-	301,903
Hemodialysis machine, maintenance and repair	32,534	-	32,534
Anesthesia and sleep	-	66,167	66,167
Lease income	527	46,832	47,359
Service revenue	3,373	31,131	34,504
Others	29,678	125,489	155,167
	<b>\$ 703,360</b>	<b>269,619</b>	<b>972,979</b>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### 2. Contract balance

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes receivable	\$ 232,928	233,218	186,907
Long-term notes receivable	6,360	7,242	5,123
Accounts receivable	970,991	938,874	918,464
Receivables from related parties	76,637	85,080	119,141
Finance lease receivables	39,804	39,734	42,351
Long-term finance lease receivables	95,982	97,057	73,289
Overdue receivables	4,217	4,217	4,217
Deduction: Loss allowance	(27,821)	(28,151)	(20,947)
Total	<u>\$ 1,399,098</u>	<u>1,377,271</u>	<u>1,328,545</u>
	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Contractual liabilities for maintenance and repair services	<u>\$ 32,334</u>	<u>32,633</u>	<u>25,182</u>

Please refer to Note 6 (IV) for the disclosure of notes receivable, accounts receivable and finance lease receivables and their impairment.

Revenue recognized from January 1 to March 31, 2024, and 2023 for the initial balance of contract liabilities as of January 1, 2024, and 2023, was NT\$2,867 thousand and NT\$2,925 thousand, respectively.

Changes in contract liabilities are mainly due to timing difference between the Consolidated Companies' performance obligations and customer payment.

### 3. Allocation to transaction price of outstanding performance obligations

On March 31, 2024, December 31, 2023, and March 31, 2023, the total transaction price for the extended warranty service allocated to outstanding performance obligations, which has not yet been fulfilled, was NT\$32,334 thousand, NT\$32,633 thousand, and NT\$25,182 thousand, respectively. The Consolidated Companies shall recognize this revenue gradually as the service is provided, which is expected to be completed within two to six years.

### (XX) Remuneration for employees, directors, and supervisors

According to the Articles of Incorporation of the Company, if there are profits for the year, the allocation for the remuneration of employees shall be at least 1%, and that of directors and supervisors shall be no more than 3%. However, the Consolidated Companies should reserve a deficit compensation amount in advance losses have accumulated. Remuneration in stock or cash is targeted at employees of the Consolidated Companies who meet certain criteria.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

The estimated remuneration for employees, directors, and supervisors of the Company is as follows:

	<b>January to March 2024</b>	<b>January to March 2023</b>
Remuneration for employees	\$ 1,174	1,033
Remuneration for directors and supervisors	3,522	3,098
	<b><u>\$ 4,696</u></b>	<b><u>4,131</u></b>

Remuneration to employees, directors, and supervisors was estimated by multiplying the net profit before tax for each respective period by the percentage of employee remuneration and director and supervisor remuneration specified in the Company's Articles of Incorporation. The remuneration was recorded as operating expenses for the respective period and was all paid in cash. Any differences between the actual amount distributed in the following year and the estimated amount are treated as changes in accounting estimate, and are recognized in the profit or loss of the subsequent year. For related information, please refer to the Market Observation Post System (MOPS).

The employee remuneration provisions for the fiscal years 2023 and 2022 of the Company amounted to NT\$4,320 thousand and NT\$4,488 thousand, respectively. The remuneration provision for directors and supervisors amounted to NT\$12,959 thousand and NT\$13,463 thousand, respectively. These amounts are consistent with the actual payments made. For more information, please refer to the MOPS.

(XXI) Non-operating income and expenses

1. Interest income

Interest income of the Consolidated Companies:

	<b>January to March 2024</b>	<b>January to March 2023</b>
Interest on bank deposits	\$ 529	301
Interest income on finance lease receivables	1,523	1,916
Other interest income	31	18
	<b><u>\$ 2,083</u></b>	<b><u>2,235</u></b>

2. Other income

Other income of the Consolidated Companies:

	<b>January to March 2024</b>	<b>January to March 2023</b>
Other income	<b><u>\$ 5,552</u></b>	<b><u>1,565</u></b>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### 3. Other gains and losses

Other gains and losses of the Consolidated Companies:

	<b>January to March 2024</b>	<b>January to March 2023</b>
Gains on foreign currency exchange	\$ 1,492	2,740
Gains on disposal of property, plant, and equipment	552	291
Net loss on financial assets (liabilities) at fair value through profit or loss	1,616	(194)
Others	(1)	(286)
	<b><u>\$ 3,659</u></b>	<b><u>2,551</u></b>

### 4. Finance costs

Finance costs of the Consolidated Companies:

	<b>January to March 2024</b>	<b>January to March 2023</b>
Interest Expenses	<b><u>\$ 2,507</u></b>	<b><u>3,890</u></b>

## (XXII) Financial Instruments

Apart from the exceptions mentioned below, there have been no significant changes in the fair value of the financial instruments of the Consolidated Companies, nor in its exposure to credit risk, liquidity risk, and market risk. For further details, please consult Note 6 (XXIV) of the 2023 Consolidated Financial Statements.

### 1. Liquidity risk

The table below displays maturity dates of financial liabilities, including interest but excluding the impact of netting agreements.

	<b>Carrying Amount</b>	<b>Contract Cash Flow</b>	<b>Within 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
<b>March 31, 2024</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 197,987	198,356	198,356	-	-
Notes payable	7,802	7,802	7,802	-	-
Accounts payable	700,950	700,950	700,950	-	-
Payables to related parties	2,741	2,741	2,741	-	-
Other payables	109,315	109,315	109,315	-	-
Other payables to related parties	8,952	8,952	8,952	-	-
Lease liabilities	569,676	606,361	83,015	268,012	255,334
	<b><u>\$ 1,597,423</u></b>	<b><u>1,634,477</u></b>	<b><u>1,111,131</u></b>	<b><u>268,012</u></b>	<b><u>255,334</u></b>
<b>December 31, 2023</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 91,565	91,712	91,712	-	-
Notes payable	7,521	7,521	7,521	-	-
Accounts payable	681,169	681,169	681,169	-	-
Payables to related parties	2,282	2,282	2,282	-	-

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

	Carrying Amount	Contract Cash Flow	Within 1 Year	1-5 Years	Over 5 Years
Other payables	184,597	184,597	184,597	-	-
Other payables to related parties	14,665	14,665	14,665	-	-
Long-term loans	12,357	13,701	374	13,327	-
Lease liabilities	540,819	574,872	77,552	253,146	244,174
Other forward exchange contracts	240	240	240	-	-
	<b>\$ 1,535,215</b>	<b>1,570,759</b>	<b>1,060,112</b>	<b>266,473</b>	<b>244,174</b>

### March 31, 2023

Non-derivative financial liabilities						
Short-term loans	\$	523,532	525,151	525,151	-	-
Notes payable		7,652	7,652	7,652	-	-
Accounts payable		581,057	581,057	581,057	-	-
Payables to related parties		1,304	1,304	1,304	-	-
Other payables		120,142	120,142	120,142	-	-
Other payables to related parties		7,747	7,747	7,747	-	-
Long-term loans		12,637	13,817	365	13,452	-
Lease liabilities		526,862	561,616	74,336	236,574	250,706
		<b>\$ 1,780,933</b>	<b>1,818,486</b>	<b>1,317,754</b>	<b>250,026</b>	<b>250,706</b>

The Consolidated Companies does not anticipate cash flows for the maturity analysis to occur earlier or differ significantly in amount.

## 2. Foreign exchange risk

### (1) Exposure to foreign exchange risk

Consolidated financial assets and liabilities that are exposed to significant foreign exchange rate risk:

	2024.3.31			2023.12.31			2023.3.31			
	Foreign Currency	Exchange Rate	NT\$	Foreign Currency	Exchange Rate	NT\$	Foreign Currency	Exchange Rate	NT\$	
<u>Financial assets</u>										
<u>Monetary items</u>										
JPY	\$	33,444	0.2115	7,073	34,345	0.2171	7,456	13,454	0.2289	3,080
USD		70	32.005	2,240	184	30.705	5,650	327	30.452	9,958
<u>Financial liabilities</u>										
<u>Monetary items</u>										
JPY		647,610	0.2115	136,970	489,429	0.2171	106,255	412,783	0.2289	94,486
USD		1,284	32.005	41,094	1,216	30.705	37,337	2,150	30.452	65,472

### (2) Sensitivity analysis

The Consolidated Companies' exposure to foreign exchange risk on monetary items mainly arises from cash, cash equivalents, and accounts payable denominated in foreign currencies, which generate foreign exchange gains or losses upon translation. As of March 31, 2024, and 2023, if NT\$ depreciates or appreciates by 0.25% against US\$ and JPY, with all other factors remaining constant, the net income before tax for January 1 to

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

March 31, 2024, and 2023, would decrease or increase by NT\$422 thousand and NT\$367 thousand, respectively.

### (3) Exchange gains and losses on monetary items

The Consolidated Companies disclose information on foreign exchange gains and losses on monetary items on a consolidated basis. From January 1 to March 31, 2024, and 2023 (including realized and unrealized items), the Consolidated Companies recorded foreign exchange gains and losses of NT\$1,492 thousand and NT\$2,740 thousand, respectively.

### 3. Interest rate analysis

Financial assets and financial liabilities with interest rate risk of the Consolidated Companies:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Variable rate instruments			
(book value)			
Financial assets	\$ 428,687	459,551	811,960
Financial liabilities	197,987	103,922	536,169

Financial assets and financial liabilities with interest rate risk of the Consolidated Companies are described in the liquidity risk management segment of these notes.

The sensitivity analysis below is prepared based on the risk exposure of non-derivative instruments to the interest rates at the report date. Floating rate assets are analyzed by assuming that the amount of assets outstanding at the reporting date is outstanding for the entire year.

If the interest rate increased or decreased by 0.25%, the Consolidated Companies' net income before tax from January 1 to March 31, 2024, and 2023, would have increased or decreased by NT\$144 thousand and NT\$172 thousand, respectively, with all other variables remaining constant, which was mainly due to the Consolidated Companies' changing bank deposit rates and loans.

### 4. Information on fair value:

#### (1) Classification of financial instruments and determination of fair value

The Consolidated Companies measure financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income on a recurring basis. Carrying amounts and fair values of various financial assets and financial liabilities (including fair value hierarchy information, but excluding financial instruments measured at fair value where the carrying amount is a reasonable approximation of fair value, and lease liabilities, of which fair value information disclosure is not required):



## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

	2024.3.31				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>					
Beneficiary certificate - fund	\$ 52,797	52,797	-	-	52,797
Non-hedging derivative instruments - Forward foreign exchange contracts	<u>53</u>	-	53	-	53
Subtotal	<u>52,850</u>				
<b>Financial assets at fair value through other comprehensive income</b>	<u>45,268</u>	-	-	45,268	45,268
Total	<u>\$ 98,118</u>				
	2023.12.31				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>					
Beneficiary certificate - fund	\$ 51,966	51,966	-	-	51,966
<b>Financial assets at fair value through other comprehensive income</b>	<u>268</u>	-	-	268	268
Total	<u>\$ 52,234</u>				
	2023.3.31				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>					
Beneficiary certificate - fund	\$ 50,935	50,935	-	-	50,935
<b>Financial assets at fair value through other comprehensive income</b>	<u>268</u>	-	-	268	268
Total	<u>\$ 51,203</u>				

### (2) Fair value measurement techniques for financial instruments at fair value

#### A. Non-derivative financial instruments

The fair value of financial instruments is determined based on active market quotations when they are available. The fair value of listed (OTC) equity instruments and debt instruments with active market quotations is determined based on the market prices of the Central Government Bonds for popular securities.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

If a public quotation for the financial instrument can be obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely and regular manner, and if the price reflects actual and frequent transactions by fair market traders, then the financial instrument is considered to have an active market with public quotations. If the above conditions are not met, the market shall be deemed inactive. Generally, substantial disparities or notable increases between buying and selling prices, and low trading volume, are all indications of an inactive market.

Classification and attributes of financial instruments with active markets of the Consolidated Companies:

Domestic funds and forward foreign exchange contracts and other financial assets and liabilities that are traded in active markets are valued at fair value, which is determined based on market quotations.

Apart from the financial instruments mentioned above that have active markets, the fair value of other financial instruments is determined using valuation techniques or by referring to quotes from counterparties. The fair value obtained through valuation techniques can be referenced to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques, including models that use market information available on the reporting date (such as the Taipei Exchange reference yield curve, or Reuters commercial paper rate average quotes).

(3) Fluctuations in level 3

	<b>Measured at fair value through other comprehensive income</b>
January 1, 2024	\$ 268
Purchases	45,000
March 31, 2024	<u><u>\$ 45,268</u></u>
March 31, 2023 (opening balance)	<u><u>\$ 268</u></u>

(4) Quantitative information on fair value measurement of significant unobservable inputs (Level 3)

The fair value measurement of the Consolidated Companies is classified as Level 3, primarily due to the fair value measurement of financial assets recognized in other comprehensive income - equity securities.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

Investments in debt instrument without active market of the Consolidated Companies involve multiple significant unobservable input values. These values are independent of each other and therefore have no correlation.

The list of quantified information for significant unobservable input values is as follows:

Item	Evaluation	Significant unobservable input values	Relationship between significant unobservable input values and fair value
Financial assets at fair value through other comprehensive income - Investments in debt instrument without active market	Comparable to the Company Act	<ul style="list-style-type: none"> <li>• The price-to-earnings ratio multiple (as of March 31, 2024: 10.55%)</li> <li>• Lack of market liquidity discount (as of March 31, 2024: 30%)</li> </ul>	<ul style="list-style-type: none"> <li>• The fair value increases as the multiple and control premium increase</li> <li>• The fair value decreases as the lack of market liquidity discount increases</li> </ul>

- (5) For the fair value measurement of Level 3, a sensitivity analysis is conducted to assess the impact of reasonably possible alternative assumptions on the fair value

The fair value measurement of financial instruments by the Consolidated Companies is reasonable. However, employing alternative valuation models or parameters may yield varying valuation outcomes. With regards to financial instruments classified as Level 3, the changes in valuation parameters have the following impact on the current period's profit or other comprehensive income:

	Input Value	Upward or downward	Fair value changes are reflected in other comprehensive income	
			Favorable Changes	Unfavorable Changes
<b>March 31, 2024</b>				
Financial assets at fair value through other comprehensive income	10.55	1%	484	(484)

Favorable and unfavorable changes for the Consolidated Companies refer to fluctuations in fair value, which are calculated using valuation techniques based on varying degrees of unobservable inputs. If the fair value of financial instruments is influenced by multiple inputs, the table above only shows the impact of a single change in input value. It does not take into account the correlation and variability between input values.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### (XXIII) Financial Risk Management

There have been no significant changes to the financial risk management objectives and policies of the Consolidated Companies, as stated in Note 6 (XXV) of 2023 Consolidated Financial Statements.

### (XXIV) Capital Management

The capital management objectives, policies, and procedures of the Consolidated Companies remain consistent with those disclosed in the 2023 Consolidated Financial Statements. Furthermore, there have been no significant changes in the quantified data for the capital management items, as previously disclosed in the 2023 Consolidated Financial Statements. Please refer to Note 6 (XXVI) of the 2023 Consolidated Financial Statements for the relevant information.

### (XXV) Non-cash Transactions in Financing Activities

The Consolidated Companies' non-cash transaction financing activities from January 1 to March 31, 2024 and 2023:

- For right-of-use assets acquired under leases, please refer to Note 6 (VIII).

### (XXVI) Changes in liabilities from financing activities

Adjustment of liabilities from financing activities:

	<u>Non-cash Transactions</u>				
	<u>2024.1.1</u>	<u>Cash Flow</u>	<u>New Lease</u>	<u>Exchange Rate Changes</u>	<u>2024.3.31</u>
Short-term loans	\$ 91,565	106,422	-	-	197,987
Long-term loans	12,357	(12,475)	-	118	-
Lease liabilities	540,819	(18,153)	47,010	-	569,676
Guarantee deposits received	211	-	-	-	211
Total liabilities from financing activities	<u>\$ 644,952</u>	<u>75,794</u>	<u>47,010</u>	<u>118</u>	<u>767,874</u>

	<u>Non-cash Transactions</u>				
	<u>2024.1.1</u>	<u>Cash Flow</u>	<u>New Lease</u>	<u>Exchange Rate Changes</u>	<u>2023.3.31</u>
Short-term loans	\$ 495,332	28,200	-	-	523,532
Long-term loans	12,552	-	-	85	12,637
Lease liabilities	526,590	(17,523)	17,795	-	526,862
Guarantee deposits received	51	-	-	-	51
Total liabilities from financing activities	<u>\$ 1,034,525</u>	<u>10,677</u>	<u>17,795</u>	<u>85</u>	<u>1,063,082</u>

## VII. Related Party Transactions

- (I) The parent company and the ultimate controller are different entities, one of them has prepared Consolidated Financial Statements for public dissemination.

Hi-Clearance Investment Inc. holds 14.64% of the Consolidated Companies' outstanding common shares. While the shareholding does not exceed 50%, it gained control over the financial and operational aspects of the Consolidated Companies on June 2, 2016, and is regarded as the parent company. Collins Co., Ltd. is the ultimate controlling entity of the Group affiliated with the Consolidated Companies. Collins Co., Ltd. has prepared Consolidated Financial Statements for public dissemination.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

(II) Names and relations of related parties

Related parties that had transactions with the Consolidated Companies during the period covered in the Consolidated Financial Statements:

<u>Related Party</u>	<u>Relationship with the Consolidated Companies</u>
Collins Co., Ltd.	Ultimate controller of the Consolidated Companies
QSC Corp.	Affiliate of the Consolidated Companies
WS Far IR Medical Technology Co., Ltd	Affiliate of the Consolidated Companies
Yi Sheng Medical Care Co., Ltd.	Substantive related party of the Consolidated Companies
Xing Tian Medical Care Co., Ltd.	Substantive related party of the Consolidated Companies

(III) Significant transactions with related parties

1. Operating revenue

Sales to related parties and their outstanding balances:

	<u>Sales</u>		<u>Receivables from Related Parties</u>		
	<u>January to March 2024</u>	<u>January to March 2023</u>	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Substantive related party:					
Yi Sheng Medical Care Co., Ltd.	\$ 52,358	88,246	55,279	72,017	94,589
Substantive related party:					
Xing Tian Medical Care Co., Ltd.	17,084	14,103	21,358	13,063	24,552
	<u>\$ 69,442</u>	<u>102,349</u>	<u>76,637</u>	<u>85,080</u>	<u>119,141</u>

Prices of goods sold to related parties are based on mutual agreement, and terms of payment are not significantly different from those of normal sales. Commission is paid based on the sales amount. Commission amounts from January 1 to March 31, 2024 and 2023 were NT\$5,072 thousand and NT\$4,799 thousand, respectively. As of March 31, 2024, December 31, 2023, and March 31, 2023, there are still outstanding amounts of NT\$6,552 thousand, NT\$4,665 thousand, and NT\$5,347 thousand respectively, which are recorded under "Other Payables - Related Parties".

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### 2. Purchases

Purchases of the Consolidated Companies from related parties and their outstanding balances:

	Purchases		Payables to Related Parties		
	January to March 2024	January to March 2023	2024.3.31	2023.12.31	2023.3.31
Associate	\$ 1,707	1,087	2,741	2,282	1,301
Substantive related party (Yi Sheng Medical Care Co., Ltd.)	-	3	-	-	3
	<u>\$ 1,707</u>	<u>1,090</u>	<u>2,741</u>	<u>2,282</u>	<u>1,304</u>

The Consolidated Companies acquired the products from related parties without comparing the specifications with other suppliers, leading to a lack of price comparison. The payment terms are set at net 30-120 days.

### 3. Leases

Rental income from leasing office space to related parties (classified under "Other income") and its outstanding balance:

	Rental Income		Receivables from Related Parties		
	January to March 2024	January to March 2023	2024.3.31	2023.12.31	2023.3.31
Associate	\$ 14	14	-	-	-

### 4. Labor expenses

Amounts and outstanding balances for management services provided by related parties to the Consolidated Companies (recorded under "Operating expenses"):

	Amount of Transaction		Other payables to Related Parties		
	January to March 2024	January to March 2023	2024.3.31	2023.12.31	2023.3.31
Parent Company: Collins Co., Ltd.	\$ 2,400	2,400	2,400	10,000	2,400

### (IV) Major Senior Management Personnel Transactions

Major Senior Management Personnel Remuneration:

	January to March 2024	January to March 2023
Short-term employee benefits	<u>\$ 13,340</u>	<u>11,970</u>

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### VIII. Pledged Assets

(I) Carrying values of assets pledged by the Consolidated Companies:

Asset Name	Collateral Pledged	2024.3.31	2023.12.31	2023.3.31
Restricted bank deposits (listed under Other Financial Assets - Current)	Performance guarantee/letter of credit limit	\$ 60,446	58,895	52,981
Land	Letter of credit limit/bank loan limit	107,873	107,873	107,873
Building and Construction	Letter of credit limit/bank loan limit	51,738	52,134	53,322
		<b>\$ 220,057</b>	<b>218,902</b>	<b>214,176</b>

(II) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Consolidated Companies have opened forward letters of credit amounting to NT\$546,056 thousand, NT\$459,066 thousand, and NT\$452,910 thousand, respectively, and have used bills for collection deposited in banks in the amounts of NT\$219,612 thousand, NT\$220,652 thousand, and NT\$177,120 thousand, respectively, as collateral for 10-20% of the forward letters of credit.

### IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

	2024.3.31	2023.12.31	2023.3.31
Unused balance of issued letters of credit	<b>\$ 313,105</b>	<b>213,055</b>	<b>108,350</b>
Unrecognized contractual commitments for acquisition of property, plant and equipment	<b>\$ 3,641</b>	<b>12,036</b>	<b>5,455</b>

X. Significant Disaster Loss: None.

### XI. Significant Events after the Balance Sheet Date

On April 12, 2024, the Consolidated Companies passed a resolution by the Board of Directors to undertake a warehouse expansion project to meet future operational needs. The Consolidated Companies intend to acquire the land in the Chiayi Interchange Special Zone Project Cargo Transfer Center Area, as announced by the ChiaYi County Government, through public bidding. The land area is approximately 1,178.51 square meters, with a price of NT\$175 thousand per square meter, resulting in a total transaction amount of NT\$206,180 thousand.

### XII. Others

(I) Employee Benefits, Depreciation and Amortization Expenses by Function:

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

Functions Characteristics	January to March 2024			January to March 2023		
	Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total
Employee benefits						
Salary expenses	16,016	87,349	103,365	16,006	85,579	101,585
Labor and health insurance	1,489	7,470	8,959	1,512	7,218	8,730
Pension expenses	733	4,472	5,205	735	4,322	5,057
Other employee benefits	397	1,855	2,252	403	1,792	2,195
Depreciation expenses	32,851	5,448	38,299	32,512	4,583	37,095
Amortization expenses	-	4,140	4,140	-	3,396	3,396

### XIII. Supplementary Disclosures

#### (I) Information on Significant Transactions

The Consolidated Companies are required to disclose the following significant transaction information from January 1 to March 31, 2024, in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers:

- Loans provided for others: None.
- Endorsements/guarantees provided for others:

Number	Company of Endorser/ Guarantor	Endorsed and guaranteed parties		Limit on Endorsements /Guarantees Provided for a Single Entity	Maximum Endorsement/ Guarantee Balance	Ending Endorsement /Guarantee Balance	Actual Amount Drawn	Amount of Endorsements /Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth per Latest Financial Statements	Endorsement/ Guarantee Ceiling	Endorsements /Guarantees Provided by Parent for Subsidiary	Endorsements /Guarantees Provided by Subsidiary for Parent	Endorsements /Guarantees Provided for Subsidiary in Mainland China
		Name of Company	Relationship										
0	The Company	Sin Hwa Co., Ltd.	2	1,540,589	50,000	50,000	-	Promissory note 50,000	1.62%	1,540,589	Y	N	N
0	The Company	HC-Healthcare Co., Ltd.	2	1,540,589	120,000	120,000	97,987	Promissory note 120,000	3.89%	1,540,589	Y	N	N

Note 1: The total endorsement/guarantee amount is limited to 50% of the net worth indicated in the Consolidated Companies' previous financial statements. The endorsement/guarantee amount to a single enterprise is limited to 50% of the net worth indicated in the previous period's financial statements.

Note 2: The relationships between endorsers/guarantors and endorsees/guarantees are categorized into the following 7 types. Please specify the type:

- Companies engaged in business transactions.
- Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
- A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- Companies in which the Company directly or indirectly holds at least 90% of the voting shares.
- Companies that are in the same industry that have mutual endorsements/guarantees in favor of each other, or those that enter in contracts with such provisions, for the purpose of contracting works.
- A company that is endorsed/guaranteed by all of the contributing shareholders in proportion with their shareholding ratios due to a joint investment relationship.
- Companies in the same industry who participate in the joint guarantee of performance for pre-sale house sales contracts in compliance with the Consumer Protection Act.



## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

Note 3: The above transactions were eliminated in the preparation of the Consolidated Financial Statements.

- Securities held at end of period (excluding investments in subsidiaries, associates, and interests in joint ventures):

Unit: thousand shares/thousand units

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Remark
				Number of Shares/Units	Carrying Amount	Shareholding Ratio	Fair Value	
Sin Hwa Investment Co., Ltd.	Fuh Hwa You Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	742	10,277	- %	10,277	
Sin Hwa Investment Co., Ltd.	SinoPac Global Multi Income Fund TWD Acc	-	Financial assets at fair value through profit or loss - current	1,000	11,157	- %	11,157	
XinFu Healthcare Corp.	Fuh Hwa You Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,264	31,363	- %	31,363	
The Company	Taiwan Depository & Clearing Corporation	-	Financial assets at fair value through other comprehensive income - non-current	1	268	- %	268	
The Company	EPED Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,406	45,000	4.87%	45,000	
Taicha Medical Corp. (Shanghai)	Shanghai Shen Shang Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	-	-	6.20%	-	

- Accumulated purchase or sale of the same securities amounting to NT\$300 million or 20% of paid-in capital or more: None.
- Acquisition of property amounting to NT\$300 million or 20% of paid-in capital or more: None.
- Disposal of property amounting to NT\$300 million or 20% of paid-in capital or more: None.
- Purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital or more: None.
- Derivatives transactions: Please refer to Note 6 (II).
- Business relationships and significant transactions between the parent company and subsidiaries:

Number	Company	Counterparty	Relationship	Trading Activities in 2024			Percentage of Consolidated Total Revenue or Total Assets
				Ledger Account	Amount	Transaction Term	
0	The Company	Renalysis Medical Care Co., Ltd.	1	Accounts receivable	2,515	Net 120 EOM	0.05%
0	The Company	Sin Hwa Co., Ltd	1	Purchases	1,198	Net 30 EOM	0.12%
0	The Company	HC-Healthcare Co., Ltd.	1	Accounts receivable	5,803	Net 120 EOM	0.12%
0	The Company	HC-Healthcare Co., Ltd.	1	Sales	5,739	Net 120 EOM	0.59%

Note 1: The number should be filled in using the following method:

- 0 represents the parent company.
- Subsidiaries are sorted in a numerical order starting from 1.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

Note 2: Types of relationships with counterparties are indicated as follows:

1. The parent company to subsidiaries.
2. Subsidiaries to the parent company.
3. Subsidiaries to subsidiaries.

Note 3: The report only provides one-sided information on sales, revenue, and accounts receivable, without any additional details on purchases, expenses, and accounts payable.

Note 4: Transactions with a value of NT\$1 million or more should be disclosed.

Note 5: The above transactions were eliminated in the preparation of the Consolidated Financial Statements.

### (II) Information on Invested Companies:

Details regarding the Consolidated Companies' investments from January 1 to March 31, 2024 (excluding investments in Mainland China):

Unit: NT\$ thousand/thousand shares

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Ending Balance			Profit/Loss of Investee for the Period	Investment Profit (Loss) Recognized	Remark
				Ending Balance for the Current Period	End of Previous Year	Shares	Shareholding	Carrying Amount			
The Company	Succeed Agents Limited (B.V.I.)	British Virgin Islands.	Financial holding and investment	11,918	11,918	375	100.00%	85,125	(603)	(603)	(Note 1)
The Company	Renalysis Medical Care Co., Ltd.	Sanchong District, New Taipei City	Medical management consulting services	165,037	165,037	10,000	100.00%	281,891	16,111	16,111	(Note 1)
The Company	XinFu Healthcare Corp.	Sanchong District, New Taipei City	Medical management consulting services	50,000	50,000	5,000	100.00%	54,346	574	574	(Note 1)
The Company	Sin Hwa Co., Ltd.	Sanchong District, New Taipei City	Medical equipment trade	100,000	100,000	10,000	100.00%	118,450	3,091	3,091	(Note 1)
The Company	Sin Hwa Investment Co., Ltd.	Sanchong District, New Taipei City	Financial holding and investment	80,000	80,000	8,000	100.00%	81,256	3,559	3,559	(Note 1)
The Company	HC-Healthcare Co., Ltd.	Sanchong District, New Taipei City	Medical management consulting services	118,919	118,919	36,517	100.00%	136,667	1,123	1,270	(Note 1)
The Company	WS Far IR Medical Technology Co., Ltd	Xindian District, New Taipei City	Medical equipment manufacturing and sales	63,600	63,600	600	30.00%	64,274	5,059	1,518	
Sin Hwa Investment Co., Ltd.	QSC Corp.	Sanchong District, New Taipei City	Medical equipment manufacturing and sales	60,000	60,000	6,000	20.00%	56,463	14,149	2,829	
Succeed Agents Limited (B.V.I.)	Moral Well Co.,Ltd.	Apia Samoa	Financial holding and investment	58,973	58,973	2,000	100.00%	31,927	(241)	(241)	(Note 1)
Succeed Agents Limited (B.V.I.)	PT Hieclearance Medical Indonesia	Republic of Indonesia	Medical equipment trade	23,694	23,694	2,000	100.00%	50,381	(362)	(362)	(Note 1)

Note 1: The above transactions were eliminated in the preparation of the Consolidated Financial Statements.

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### (III) Information on investments in mainland China:

#### 1. Information on investments in Mainland China:

Unit: US\$ thousand/NT\$ thousand/RMB thousand

Investee Company	Main Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	The Company's Direct or Indirect Ownership	Investment Profit/Loss Recognized	End-of-period Investment Book Value	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Taicha Medical Corp. (Shanghai)	International trade and re-export trade	64,000 (USD2,000) (Note 3)	(III)	20,785 (USD700)	-	-	20,785 (USD700)	(241) (USD(8))	100.00%	(241) (USD(8)) (Note 2)	31,917 (USD 997) (Note 2)	-
Shanghai Shen Shang Technology Co., Ltd. (Note 4)	Medical software development and technical services	1 (RMB4,034)	(III)	-	-	-	-	-	6.20%	-	-	-

Note 1: Methods of investment are divided into the following three types:

- (I) Direct investment in mainland China.
- (II) Reinvestment in Mainland China via a third-party company located in a different region.
- (III) Others.

Note 2: The above transactions were eliminated in the preparation of the Consolidated Financial Statements.

Note 3: A portion of the investment funds came from MW's own capital and was not transferred from Taiwan.

Note 4: The investment amount was established by Taicha Medical Corp.'s own funds, not transferred from Taiwan, and full impairment was recorded in 2022. The transaction was not eliminated in the preparation of the Consolidated Financial Statements.

#### 2. Limit for investment to Mainland China:

Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period (Note 1)	Amount of Investments Authorized by Investment Commission, M.O.E.A. (Note 2)	Ceiling on Amount of Investments Stipulated by Investment Commission, M.O.E.A.
23,768 (US\$800 thousand)	67,200 (US\$2,100 thousand)	1,848,706

Note 1: Xing Tai International Trading (Shanghai) Co., Ltd. was sold in the first quarter of 2013, however, the payment has not yet been remitted to Taiwan. Therefore, the Consolidated Companies have accumulated a remittance amount of US\$100 thousand, equivalent to NT\$2,983 thousand, which still needs to be accounted for in line with regulations of the Investment Commission.

Note 2: Accumulated amount of investments remitted from Taiwan to Mainland China at end of period was calculated based on historical exchange rates.

#### 3. Information on significant transactions:

For details regarding significant transactions between the Consolidated Companies and their investees in Mainland China from January 1 to March 31, 2024 (eliminated at the time of preparation of the Consolidated Financial Statements), please refer to the section "Information on Significant Transactions".

## Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)

### (IV) Information on Major Shareholders:

Unit: shares

Name of Major Shareholders	Shareholding	Shares	Percentage of Ownership
Hi-Clearance Investment Inc.		6,519,991	14.64%
LCL Capital Inc.		3,531,994	7.93%
Collins Co., Ltd.		2,385,536	5.35%

Note:

- (1) The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares that have completed delivery without physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's financial report may differ from the actual number of shares that have been issued and delivered by the Company without physical registration, as a result of different basis of preparation.
- (2) If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. Please refer to MOPS for information on shareholders who declare themselves to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings including their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property.

### XIV. Division Information

Information and adjustments pertain to the business segments of the Consolidated Companies:

	<b>January to March 2024</b>			
	<b>Hemodialysis Division</b>	<b>Other Divisions</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
Revenue:				
Revenue from external customers	\$ 717,240	247,603	-	964,843
Intersegment revenue	-	-	-	-
<b>Total revenue</b>	<b><u>\$ 717,240</u></b>	<b><u>247,603</u></b>	<b><u>-</u></b>	<b><u>964,843</u></b>
<b>Reportable division profit or loss</b>	<b><u>\$ 82,772</u></b>	<b><u>22,794</u></b>	<b><u>-</u></b>	<b><u>105,566</u></b>
<b>Reportable segment assets (Note)</b>	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**Notes to the Consolidated Financial Statements of Hi-Clearance Inc. and Subsidiaries (Cont.)**

	<b>January to March 2023</b>			
	<b>Hemodialysis Division</b>	<b>Other Divisions</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
Revenue:				
Revenue from external customers	\$ 703,360	269,619	-	972,979
Intersegment revenue	-	-	-	-
Total revenue	<u>\$ 703,360</u>	<u>269,619</u>	<u>-</u>	<u>972,979</u>
<b>Reportable division profit or loss</b>	<u>\$ 78,775</u>	<u>20,716</u>	<u>-</u>	<u>99,491</u>
<b>Reportable segment assets (Note)</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Note) The disclosed amount for the Consolidated Companies is 0 because the measurement of total divisional assets was not provided to the operational decision-makers.