Great Tree Pharmacy Co., Ltd.
Procedures for Lending Funds to Other Parties

Article 1 Purpose and legal reference

In order to safeguard shareholder interests, strengthen financial management, and reduce operational risks, the Company has formulated procedures in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies issued by the Financial Supervisory Commission of the Executive Yuan. All matters related to the Company's provision of funds to other parties shall be implemented in accordance with the provisions of this procedure.

Article 2 Recipients of fund loans

The recipients of fund loans from the Company must meet one of the following conditions. However, for the purpose of conducting business-related outward investments, those who invest through borrowing, in accordance with Article 3, Paragraph 2 of the Regulations Governing the Approval of Outward Investment or Technical Cooperation by the Ministry of Economic Affairs, are not subject to this restriction.

I. Companies or businesses engaged in transactions with the Company.

II. There is a necessity for short-term financing between companies or businesses, or between companies and financial institutions.

The term "short-term" as referred to in the preceding paragraph shall mean a period of one year or one business cycle (whichever is longer).

The provision of funds by the Company to foreign companies, in which the Company directly or indirectly holds 100% of the voting shares, or the receipt of funds by the Company from foreign companies, in which our company directly or indirectly holds 100% of the voting shares, shall not be subject to the restriction stipulated in the second subparagraph of the first paragraph. However, total limits for fund loans and individual limits for specific recipients shall still be established, and the loan terms shall be clearly specified.

When the responsible person of the Company violates the provisions of the first paragraph and the preceding provisos, they shall bear joint and several liability with the borrower for repayment. If the Company suffers damages, the responsible person shall also be liable for compensation for the losses.

Article 3 For fund loans engaged in due to business transactions, the principle shall be based on transactions that have already occurred. The amount of the loan should be equivalent to the higher of either the total purchases or sales amounts between the Company and the borrower in the most recent fiscal year or up to the time of the fund loan in the current fiscal year.

For fund loans necessitated by short-term financing, the following conditions shall apply:

I. Companies in which the Company directly or indirectly holds more than 50% of the shares, for the purpose of repaying bank loans, purchasing equipment, or meeting operational turnover needs.

II. Companies in which the Company directly or indirectly holds more than 50% of the shares, for the purpose of investment transfer, provided that the investment project is related to the Company's business and contributes to the Company's future business development.

Article 4 Total and individual limits for fund loans by the Company

The total amount of fund loans extended by the Company to others shall not exceed 40% of the Company's most recent audited or reviewed Financial Statements' net worth, as certified by the auditor. The limits for each borrower shall be established separately based on the reasons for the loan as follows:

I. For borrowers engaged in business transactions with the Company, the individual loan amount shall not exceed the higher of either the total purchases or sales amounts between the Company and the borrower in the most recent fiscal year or up to the time of the fund loan in the current fiscal year.

II. For those requiring short-term financing, the individual loan amount shall not exceed 20% of the Company's most recent audited or reviewed Financial Statements' net worth, as certified by the auditor. Furthermore, the financing amount shall not exceed 40% of the borrowing enterprise's net worth.

Article 5 The operational procedure for fund loans by the Company is as follows:

I. Review Process

The fund lending process of the Company requires the applying company or business to submit relevant financial documents and provide a description of the loan purpose in writing prior to requesting the fund loan.

Upon receiving an application, the Company's responsible department shall conduct an investigation and assessment of the borrowing entity, including its direct or indirect business relations with the Company, financial condition, debt repayment ability and creditworthiness, profitability, and the purpose of the loan. After considering the impact of the total fund lending amount on the Company's operational status, the department will prepare a relevant written report for submission to the Board of Directors for review. The detailed review process should include:

(I) The necessity and reasonableness of lending funds to others.

(II) Credit investigation and risk assessment of the borrowing entities.

(III) The impact on the Company's operational risks, financial condition, and shareholders' equity.

(IV) Whether collateral should be obtained and the assessment value of the collateral.

II. Preservation

When the Company engages in fund loans or short-term financing, it should obtain corresponding collateral notes. When necessary, it should also arrange for the establishment of movable or immovable property mortgages. In the event that the debtor provides a guarantee from an individual or entity with sufficient financial capacity and creditworthiness in lieu of providing collateral for the aforementioned debt, the Board of Directors may proceed after considering the review report from the relevant department. If the Company itself acts as the guarantor, attention should be paid to whether the Articles of Incorporation contain provisions allowing for guarantees.

III. Scope of authorization

Before lending funds to others, the Company should carefully assess whether it complies with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Company's established operational procedures for lending funds to others. Together with the assessment results of the four-point review procedure in the first paragraph, the matter should be presented to the Board of Directors for resolution. No one else should be authorized to make decisions.

When lending funds to other parties, the Company should give due consideration to the opinions of each Independent Director. The clear opinions of agreement or dissent, along with the reasons for dissent, should be included in the records of the Board of Directors.

Article 6 The terms and methods for lending funds and financing of the Company are as follows:

I. <u>Each loan term starts from the disbursement date and is limited to not exceeding one year or one operating cycle (whichever is longer).</u>

II. Interest on funds lent by the Company shall not be lower than the average interest rate of short-term loans obtained by the Company from financial institutions, and shall be calculated on a monthly basis. In exceptional circumstances, adjustments may be made based on actual needs with the approval of the Board of Directors.

Article 7 The subsequent management measures and overdue debt handling procedures for the funds already lent by the Company are as follows:

After each disbursement of funds, the finance department should regularly monitor changes in the financial, business, and credit conditions of the borrower and their guarantors, as well as fluctuations in the value of collateral, and document these observations in writing. In the event of significant changes, the finance department should promptly notify the general manager and relevant authorities for immediate handling.

When the borrower repays the loan before or upon maturity, they should settle the principal amount along with the accrued interest payable. Only after this full repayment, the guarantee notes can be returned to the borrower or procedures such as the cancellation of mortgage rights can be carried out.

If the borrower is unable to repay upon maturity and requires an extension, they must submit a request in advance and obtain approval from the Board of Directors. Failure to do so may lead the Company to dispose of the collateral provided or seek compensation from the guarantor in accordance with the law.

Article 8 If a subsidiary of the Company intends to engage in fund loans to others, the Company should instruct the subsidiary to establish its own operational procedures for fund loans to others. The Company should then ensure that the subsidiary follows the operational procedures it has established. The total amount of fund loans by the subsidiary to others and the individual limits for each recipient are as follows:

I. For domestic subsidiaries established according to the Company Act, the total amount of fund loans to others shall not exceed 40% of their most recent audited or reviewed Financial Statements' net worth, as certified by the auditor. The limits for each borrower shall be established separately based on the reasons for the loan as follows:

(I) For borrowers engaged in business transactions with the Company, the individual loan amount shall not exceed the higher of either the total purchases or sales amounts between the Company and the borrower in the most recent fiscal year or up to the time of the fund loan in the current fiscal year.

(II) For those requiring short-term financing, the individual loan amount shall not exceed 20% of the Company's most recent audited or reviewed Financial Statements' net worth, as certified by the auditor.

II. For overseas subsidiaries not established according to the Company Act, the total amount of fund loans to others shall not exceed 100% of their most recent audited or reviewed Financial Statements' net worth, as certified by the auditor. The limits for each borrower shall be established separately based on the reasons for the loan as follows:

(I) For borrowers engaged in business transactions with the Company, the individual loan amount shall not exceed the higher of either the total purchases or sales amounts between the Company and the borrower in the most recent fiscal year or up to the time of the fund loan in the current fiscal year.

(II) For those requiring short-term financing, the individual loan amount shall not exceed 20% of the Company's most recent audited or reviewed Financial Statements' net worth, as certified by the auditor.

Article 9 For fund lending transactions, the Company should establish a register, recording details such as the borrower, amount, date of approval by the Board of Directors, date of fund disbursement, and any matters subject to careful assessment as required. These details should be meticulously documented in the register for reference purposes.

Article 10 The internal audit personnel of the Company should audit the fund lending to others operations and their execution at least quarterly. They should document their findings in writing. In case of significant violations, they should promptly notify the Audit Committee in writing.

Article 11 If a change in circumstances results in the borrower no longer complying with the Company's operational procedures or exceeding the limit, a corrective action plan should be developed. This plan should be submitted to the Audit Committee for review, and improvements should be implemented according to the schedule outlined in the plan.

Article 12 The Company should properly archive relevant documents related to fund lending to others and periodically assess the likelihood of debt recovery. In the event of overdue repayments, protective measures should be taken promptly.

Article 13 In the event that the managers and personnel responsible for fund lending to others violate these regulations, aside from being dealt with according to personnel operation regulations, relevant legal measures should be taken to mitigate losses incurred by the Company.

Article 14 From the month of the Company's stock listing (or over-the-counter listing), any instances of fund lending to others should be reported in accordance with the regulations announced by the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan.

Article 15 This procedure, once approved by the Audit Committee and subsequently passed by the Board of Directors, should be implemented after obtaining approval from the shareholders' meeting. In case any director raises objections with documented records or written statements, the Company should bring these objections to the attention of the shareholders' meeting for discussion. Similarly, any revisions should follow the same process.

With the approval of the Audit Committee not obtained as set out in the preceding paragraph, the establishment or revision of the Procedure may be completed, provided that more than two-thirds of all Directors agree upon, and accordingly, the Audit Committee's resolution shall be put in the Board's meeting minutes.

Article 16 When presenting this procedure for discussion at the Board of Directors, the Company should give due consideration to the opinions of each Independent Director. The clear opinions of agreement or dissent, along with the reasons for dissent, should be included in the records of the Board of Directors.

Article 17 This operational procedure was formulated on June 15, 2012.

The first amendment was made on June 25, 2013.

The second amendment was made on June 26, 2019.

The third amendment was made on June 17, 2020.

<u>The fourth amendment was made on May 31, 2024.</u>