



**Great Tree Pharmacy Co., Ltd.**

**Meeting Minutes of 2023 Annual General Meeting**

**(Translation)**

Time : 10:00 a.m., Wednesday, May 31, 2023

Venue : 17F, No. 186, Fuxing Rd., Taoyuan Dist., Taoyuan City

Attendance : 63,248,863 shares represented by shareholders present in person and by proxy (including electronic voting 59,985,802 shares), accounting for 70.34% of total outstanding shares (89,918,455)

**Attendant directors :**

Chairman : Zhen Han Investment Co., Ltd. representative: Ming- Lung Cheng

Director : Top Taiwan XI Venture Capital Co, Ltd. representative: Li- Ping Shen 、  
Shan-Feng Lu

Independent director : Tian- Dao Liu

**In attendance :** CPA Hsiao- Chin Lo from Ernst & Young

Chairman : Ming-Lung Cheng

Recorder : Shu- Yi Wu

**I. Calling the Meeting to Order :** The shares represented by the shareholders present in person and by proxy constituted a quorum. The Chairman called the meeting to order.

**II. The Chair's Remarks :** (Omitted)

**III. Report Items**

(I) Subject : To approve the Company's 2022 Business Report.

Description : Please see Attachment 1.

(II) Subject : To approve the Company's 2022 Audit Committee's Audit Report.

Description : Please see Attachment 2.

(III) Subject : To approve the Company's 2022 Distribution of Employee's and Directors' Remuneration.

Description : In 2022, the profit of the Company was NT\$889,909,452, the Directors' remuneration distributed under the Articles of Incorporation was 0.57% of the total amount of NT\$5,072,484, and the employees' remuneration was 3% of the total amount of NT\$26,697,284, which was paid in cash.

(IV) Subject : To approve the Company's 2022 Appropriation of Net Income in Cash Dividends.

Description :

1. Pursuant to Article 23 of the Company's Articles of Incorporation, the Board of Directors is authorized to distribute all or part of the dividends and bonuses in cash and report to the Shareholders' Meeting.
2. The Board of Directors meeting held on February 23, 2023 resolves to distribute cash dividends of NT\$422,522,017 for ordinary shares (cash dividends of NT\$4.70 per share), and they are to be distributed in cash.
3. Subsequently, if changes occur to the Company's share capital, affecting the number of shares outstanding, leading to adjustments to the rate of shareholders' dividend distribution, the Company proposes to delegate the Chairman with all competent authority to handle related matters. In addition, the Company also proposes to delegate the Chairman to establish related matters, including setting an ex-dividend date.
4. For the current cash dividend distribution, the dividend will be calculated to the amount of one whole NTD, and any decimal point below one NTD will be rounded down. Shares below one NTD will be adjusted from the largest decimal place, until the total amount of cash dividend has been distributed.

(V) Subject : Report on the Implementation of the Company's first private placement of domestic unsecured convertible corporate bonds in 2022.

Description:

1. On May 31, 2022, the Company passed a resolution at the General Shareholders' Meeting, authorizing the Board of Directors to issue domestic unsecured convertible corporate bonds through private placement, within the limit of 2 million common shares, to attract strategic investors. The par value of the corporate bonds is NT\$100,000 and can be issued once within a year from the date of the resolution at the General Shareholders' Meeting.
2. The Company's first private placement of domestic unsecured convertible corporate bonds amounts to NT\$220,000 thousand, with the outstanding amount received on September 15, 2022, and the issuance period is from September 29, 2022 to September 29, 2025.
3. The Company's first private placement of domestic unsecured convertible corporate bonds are in accordance with the "Directions for Public Companies Conducting Private Placements of Securities" and details are given in the table below.

Item	The first private placement of domestic unsecured convertible corporate bonds in 2022 Date of issuance: September 29, 2022
Types of Privately Placed Securities	Domestic unsecured convertible corporate bonds
Date and Amount of Approval by the Shareholders' Meeting	May 31, 2022, within the limit of no more than 2 million common shares
Basis and rationality of the pricing	According to the resolution of the General Shareholders' Meeting on May 31, 2022, the basis for determination shall be no less than eighty percent of the theoretical value, and the conversion price shall be NT\$270.5 per share on the conversion pricing date, September 6, 2022.
Method for selecting specific persons.	The private placement of domestic convertible corporate bonds shall be limited to specific persons as set out in Article 43-6 of the Securities and Exchange Act and the No. 0910003455 Order of the Financial Regulatory Commission (June 13, 2002). The offeree that the Company negotiated with on September 6, 2022 is Sugi Holdings Co., Ltd.

Item	The first private placement of domestic unsecured convertible corporate bonds in 2022 Date of issuance: September 29, 2022				
Necessities of the private placement	Considering the capital market, the timeliness, feasibility and issuance costs of raising funds, the actual needs of strategic investors, and the provision that privately placed securities are non-transferable within three years, the Company shall maintain a long-term cooperative relationship with strategic investors.				
Information about the offeree	Object of Private placement	Subscription Amount (NT\$)	Public offering shareholding weight %	Shareholding ratio in private placement %	Relationship with the Company
	Sugi Holdings Co., Ltd.	220,000,000	0%	100%	None
Actual Subscription (or Conversion) Price	NT\$270.5				
Actual Subscription (or Conversion) Price vs. Reference Price Difference	90%				
Impacts of private placement on shareholders' equity	The amount of private placement accounted for about 0.9% of the paid-in capital, and there was no significant damage to shareholders' equity.				
Use of Private Funds and Plan Implementation Progress	The first private placement of domestic unsecured convertible corporate bonds was completed in September 2022 with the proceeds of NT\$220,000,000. The bonds were fully provisioned to increase the working capital, expand channels, increase market share and reinforce the Company's financial structure in the fourth quarter of 2022.				
Appearance of private equity benefits	Private equity benefits are used to increase the working capital, expand channels, enlarge market shares, and reinforce the Company's financial structure.				

(VI) Subject : Report on the Implementation of the Company's second issuance of domestic unsecured convertible corporate bonds in 2022.

Description:

1. On July 7, 2022, the Board of Directors passed a resolution to raise NT\$1 billion through the second issuance of unsecured convertible corporate bonds for the repayment of bank borrowings and to increase the working capital.
2. For the Company's second issuance and fundraising of domestic unsecured convertible corporate bonds (Code: 64692), please refer to the table below.

Period/Type	The Second Issuance of Domestic Unsecured Convertible Corporate Bonds in 2022
Date of issuance	September 12, 2022
Expiry Date	September 12, 2025
Total amount issued	NT\$1,000,000,000
Par value per share	The par value is NT\$100,000
Duration	Triennial
Coupon rate	0%
Method of redemption	Except for the holders of the convertible bonds converted into the Company's common shares as set out in Article 10 of the Conversion Measures and the early redemption of the bonds by the Company as set out in Article 18 of the Measures or the cancellation of the bonds purchased by the securities dealers business premises, the Company shall repay the bonds held by the bondholders in cash and in one lump sum within ten business days from the day following the maturity of the bonds.
Execution of Fund Application Plans	It has been used to repay bank borrowings and replenish working capital in the fourth quarter of 2022 and has been implemented according to the full use of the capital utilization plan.
Remark	The bondholder had applied for conversion of NT\$200,000, a total of 654 common shares was converted, until the conversion ceased on April 2, 2023.

(Questions raised by the shareholders and the managements' responses were omitted)

## IV. Proposals

Proposal 1. (proposed by the Board of Directors)

Proposal: Please approve of the Company's 2022 Business Report and Financial Statements.

Description:

1. The Company's 2022 Financial Statements have been audited by Certified Public Accountants (CPA) Lo Hsiao Chin and Hung Mao I from EY Taiwan and reviewed by the Audit Committee along with the Business Report, and written Audit Report has been issued accordingly.
2. Please see Attachment 1 and Attachment 3 for the 2022 Business Report, CPA Audit Report and the Financial Statements (including Consolidated Financial Statements).

(Questions raised by the shareholders and the managements' responses were omitted)

Resolution: The chairman ordered that the proposal be voted. Among 63,245,606 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-60,204,535 votes (including 56,959,836 votes in an electronic form)	95.19%
Dissenting votes-11,215 votes (including 11,215 votes in an electronic form)	0.01%
Invalid votes/Abstained or were not exercised-3,029,856 votes (including 3,014,751 votes in an electronic form)	4.79%

As the affirmative votes accounted for 95.19% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

Proposal 2. (proposed by the Board of Directors)

Proposal: Please approve of the Company's 2022 Appropriation of Net Income.

Description:

1. The Company's net income after tax in 2022 was NT\$700,070,675. The Company made a legal provision for legal capital reserve and special reserve. After adding the undistributed surplus and other comprehensive incomes at the beginning of the year (the re-evaluation of the defined benefit plan in 2022), the Company's available distribution surplus was NT\$630,200,455, the cash dividend of common shares was NT\$422,522,017 (cash dividend of NT\$4.70 per share), and common stock dividends amount to NT\$206,766,090 (with 230 shares distributed per thousand shares, without compensation).

2. The Company's 2022 Appropriation of Net Income is listed in the table below:

Great Tree Pharmacy Co., Ltd.

2022 Appropriations of Net Income

Unit: NT\$

Item	Amount
Beginning retained earnings	\$463,843
Add: other comprehensive income (remeasurement of defined benefit plan in 2022)	1,160,884
Add: Net profit after tax in 2022	700,070,675
Less: appropriation of legal capital reserve	(70,123,156)
Less: appropriation of special reserve	(1,371,791)
Income available for distribution for this period	<u>630,200,455</u>
Allocations	
Cash dividends (approximately NT\$4.70 per share)	(422,522,017)
Shareholder dividends (approximately NT\$2.30 per share)	(206,766,090)
	<u>(629,288,107)</u>
Ending retained earnings	<u><u>\$912,348</u></u>
Note:	
1. Profits from 2022 would be appropriated first during current appropriations of profits.	
2. Calculation of appropriation of legal capital reserve: (700,070,675 + 1,160,884) * 10% = 70,123,156	
3. Calculation is based on 89,898,301 shares outstanding as of January 31, 2023.	

Resolution: The chairman ordered that the proposal be voted. Among 63,245,606 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-60,204,677 votes (including 56,959,978 votes in an electronic form)	95.19%
Dissenting votes-11,215 votes (including 11,215 votes in an electronic form)	0.01%
Invalid votes/Abstained or were not exercised-3,029,714 votes (including 3,014,609 votes in an electronic form)	4.79%

As the affirmative votes accounted for 95.19% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

## V. Discussions

Proposal 1. (proposed by the Board of Directors)

Proposal: Please discuss the proposal to issue new shares through capitalization of earnings.

Description:

1. To meet the operating needs and increase the Company's working capital, the Company intends to transfer NT\$206,766,090 to issue 20,676,609 new shares, with a par value of NT\$10 per share, all of which are common shares, from the profit available for distribution in 2022.
2. Shareholders' stock dividends are allocated approximately 230 shares per thousand shares according to the proportion of shares held by the shareholders listed in the shareholders' register on the base date of capital increase and allotment. Odd lots of less than 1 share shall be distributed in cash and rounded to the nearest dollar (NT\$) pursuant to Article 240 of the Company Act. Shareholders can also piece together shares owned to the nearest one whole share to the share transfer agency within 5 days from the ex-dividend date. The Chair shall be authorized to negotiate with specific persons to purchase the petty cash at par value.
3. Subsequently, if changes occur to the Company's share capital, affecting the number of shares outstanding, leading to adjustments to the rate of shareholders' dividend distribution, the Company proposes to delegate the Chairman with all competent authority to handle related matters.
4. New shares to be issued in the current capital increase have the same rights and obligations as the common shares already issued.
5. Upon approval from the Shareholders' Meeting and applying to the competent authority for approval pursuant to legal regulations, the Company proposes to ask the Shareholders' Meeting to authorize the Board of Directors to establish the ex-rights date and related matters. In case changes are needed based on competent authority's request for amendment or based on actual needs, the Company proposes to ask the Shareholders' Meeting to delegate the Chairman with all rights to handle related matters.

Resolution: The chairman ordered that the proposal be voted. Among 63,245,606 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-60,204,549 votes (including 56,959,850 votes in an electronic form)	95.19%
Dissenting votes-13,132 votes (including 13,132 votes in an electronic form)	0.02%
Invalid votes/Abstained or were not exercised-3,027,925 votes (including 3,012,820 votes in an electronic form)	4.78%

As the affirmative votes accounted for 95.19% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.



Proposal 2. (proposed by the Board of Directors)

Proposal: Please discuss the proposal to amend the Company's "Articles of Incorporation".

Description:

1. In response to its future capital planning, the Company plans to increase the total capital to NT\$2 billion, a total of 200,000,000 shares.
2. In addition, in conjunction with the increase in the total amount of capital, it is proposed to adjust the reserved amount of the warrants for the issuing employees, revise the provisions of the "Articles of Incorporation" of the Company, and revise the comparison table of the provisions before and after, please refer to Attachment 4.

Resolution: The chairman ordered that the proposal be voted. Among 63,245,606 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-59,945,378 votes (including 56,700,679 votes in an electronic form)	94.78%
Dissenting votes-260,559 votes (including 260,559 votes in an electronic form)	0.41%
Invalid votes/Abstained or were not exercised-3,039,669 votes (including 3,024,564 votes in an electronic form)	4.80%

As the affirmative votes accounted for 94.78% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

Proposal 3. (proposed by the Board of Directors)

Proposal: Please discuss the proposal to amend the Company's "Regulations Governing the Acquisition and Disposal of Assets".

Description:

1. In order to meet the Company's actual needs, the provisions of the "Regulations Governing the Acquisition and Disposal of Assets" shall be amended.
2. For a comparison of the provisions before and after the amendment of the "Regulations Governing the Acquisition and Disposal of Assets", please refer to Attachment 5.

Resolution: The chairman ordered that the proposal be voted. Among 63,245,606 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-52,676,838 votes (including 49,432,139 votes in an electronic form)	83.28%
Dissenting votes-5,687,018 votes (including 5,687,018 votes in an electronic form)	8.99%

Invalid votes/Abstained or were not exercised-4,881,750 votes (including 4,866,645 votes in an electronic form)	7.71%
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As the affirmative votes accounted for 83.28% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

Proposal 4. (proposed by the Board of Directors)

Proposal: Please discuss the proposal on private placement of common shares and/or domestic convertible corporate bonds.

Description:

In order to enrich the working capital to achieve the benefits of expanding the channel, increasing the market share and strengthening the financial structure, the Company intends to propose to the Board of Shareholders to authorize the Board, within the limit of not more than 2 million shares of common shares, depending on the market environment and the Company's needs, to select one or match the following financing methods at an appropriate time in accordance with the relevant laws, the Articles of Incorporation of the Company and other competent authorities. If the domestic unsecured convertible corporate bonds are issued through private placement, the number of common shares that can be converted into convertible bonds shall be calculated at the conversion price on the date of private placement within 2 million shares.

I. As for the proposal to offer common shares and/or domestic unsecured convertible corporate bonds in a private placement form, the Board decides to implement the offering by the following method, after being approved by the Shareholders' Meeting:

(I) Matters which shall be explained when offering private placement as set out in Articles 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities:

1. The basis and reasonableness of the private placement pricing:

①. The basis for setting the offering price of these privately placed common shares is not lower than 80 percent of the reference price. The reference price of private placement of common shares shall be the higher of the following two calculations:

A. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

- B. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- ②. The offering price of the Company's privately placed domestic unsecured convertible corporate bonds is determined to be at no less than 80 percent of the theoretical price of such corporate bonds. The conversion price of private placement of common shares shall be the higher of the following two calculations, and is determined to be at no less than 80 percent of the reference price:
- A. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- B. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- ③. The fixed price per share for privately placing common shares and the conversion price for privately placed domestic unsecured convertible corporate bonds comply with the laws and regulations concerning the current situation and prospects of the Company, and considering the three-year transfer restriction on privately placed securities under the Securities and Exchange Act and the basis for the price of the Company's privately placed securities are set under the "Directions for Public Companies Conducting Private Placements of Securities." It may be reasonable that the regulations on items needing attention in the private placement of securities shall not cause significant damage to shareholders' equity.
- ④. The actual pricing date, and the actual private placement price, of the Company's securities above, are proposed to be submitted to the 2023 annual shareholders meeting to authorize the Board to set the price by law and within the range of not less than the number and

basis of the resolution of the 2023 annual shareholders meeting, subject to future contact with specific persons and the market conditions at that time.

- ⑤. In the future, due to the impact of any change in the securities market, if the actual price per share issued or the conversion price per share set is lower than the par value of the stock, such price setting is deemed to be necessary and reasonable, given that the price is set based on the provisions of laws and regulations, that it is a reflection of the market price, and that the purpose of the private placement is to successfully raise funds for the Company's long-term and stable growth. If the price per share and the conversion price are lower than the par value, resulting in an increase in accumulated losses and an impact on shareholders' equity, shareholders shall evaluate the annual operational results at the future Annual shareholders' meetings, and discuss whether to reduce capital or make up for the losses through other statutory methods.

2. The method for selecting the specific persons:

- ① The places for the private placement of this resolution are limited to specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and relevant official letters and orders issued by the competent authority. At present, the candidates to be negotiated are mostly strategic investors. The 2023 Annual General Shareholders' Meeting proposes to empower the Board to handle the relevant matters with full authority.

② Fundraisers are strategic investors

A. Method and purpose of selection of candidates: Candidates shall meet the above regulations and qualifications, and can provide the Company's profits, through their own experience, technology, knowledge, brand or channel, through industry vertical integration, horizontal integration or joint development of goods or markets, etc., can help the Company reduce costs, improve efficiency and expand the market and other benefits of the legal person.

B. Necessity: In order to improve the operating performance and strengthen the financial structure for the Company's long-term

operation planning, the introduction of strategic investor funds in this private placement shall help the Company's operation and business development, and can improve the overall operation of the Company and strengthen the centripetal force on the Company. Therefore, it is necessary to introduce strategic investors in this private placement.

C. Estimated Benefits: Through strategic investor capital injection, the pressure on working capital costs can be reduced and the Company's financial structure and competitiveness can be strengthened, which promotes the stable growth of the Company's operations and is beneficial to shareholders' equity. The participation of places helps to improve the Company's competitiveness, expand channels directly or indirectly, and provide diversified products.

3. The reasons for the necessity of offering private placement:

① The reasons for not using a public offering:

Considering the conditions of the capital market, the timeliness and feasibility of raising capital, the cost of issuance and the actual needs of introducing strategic investors, the private placement of securities is subject to the three-year non-free transfer requirement, which can ensure that the Company and the strategic investors have a long-term cooperative relationship. Therefore, instead of public offering, the Company plan to issue securities by private placement.

② Estimated number of times:

The Company shall handle them once or in stages, no more than three stages, during a given calendar year since the resolution of the 2023 Annual General Shareholders' Meeting, depending on the market and the situation of contacting specific persons.

③ The use of the funds raised by the private placement and the anticipated benefits:

A. The purpose of private placements is to increase the working capital.

B. Expected benefits: Expand channels, increase market shares and reinforce the Company's financial structure.

(II) The rights and obligations of the common shares in this private placement and the common shares in the domestic unsecured convertible corporate

bonds of the private placement are the same as those of the common shares issued by the Company, except that according to the provisions of the Securities Exchange Law, the securities in this private placement shall not be sold to other objects within three years from the date of delivery, except for the objects of transfer prescribed in Article 43-8 of the Securities Exchange Law. The 2023 Annual General Shareholders' Meeting is proposed to authorize the Board to declare the Supplementary Public Offering Procedure after the expiration of three years from the date of delivery of the common shares of the Private Placement and after the expiry of three years from the date of delivery of the domestic unsecured convertible corporate bonds of the Private Placement and their conversion into common shares, according to the relevant provisions at that time, after applying to the Over-the-Counter Trading Center for a letter of consent, and applying for over-the-counter trading.

- (III) For the Regulations Governing the Issuance and Conversion of Private Placement of Unsecured Convertible Corporate Bonds (Tentative), please refer to Attachment 6.
- (IV) In addition to the actual offering price and the actual conversion price per share, the number of shares issued, the actual issuance conditions and conversion methods, the amount of private placement, the capital increase base date, the planned project, the expected progress, the progress of the use of funds, estimated benefits and other outstanding matters, in the future, if amended by the instructions of the competent authority or due to any change in objective environment and market conditions, it is proposed to request the shareholders' ordinary meeting to authorize the Board to dispose of it at its sole discretion.
- (V) For cooperation in handling the Private Securities, it's planned to hold the 2023 annual shareholders meeting to pass the private placement and to authorize the Chair of the Board or his designated person to negotiate, sign and deliver all contracts or documents related to the issuance of the Private Placement Securities on behalf of the Company and handle all matters necessary for the Company to issue the Private Placement Securities. For all matters not covered above, the Chair of the Board is authorized to handle them by law.

(Questions raised by the shareholders and the managements' responses were omitted)

Resolution: The chairman ordered that the proposal be voted. Among 63,245,606 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-59,408,974 votes (including 56,164,275 votes in an electronic form)	93.93%
Dissenting votes-798,030 votes (including 798,030 votes in an electronic form)	1.26%
Invalid votes/Abstained or were not exercised-3,038,602 votes (including 3,023,497 votes in an electronic form)	4.80%

As the affirmative votes accounted for 93.93% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

## **VI. Electoral matters**

(proposed by the Board of Directors)

Proposal: Re-election of all Directors.

Description:

1. The third term of office is expiring on June 16, 2023, and all Directors of the Company are re-elected at the Annual General Shareholders' Meeting under the Company Law.
2. In accordance with the provisions of Article 14 of the Articles of Incorporation of the Company, the nine seats (including four seats for Independent Directors) of the elected Directors shall be nominated by the shareholders on the list of candidates for Directors.
3. The term of office of the newly appointed Directors (including Independent Directors) shall be three years, from May 31, 2023 to May 30, 2026. The term of office of the original director shall expire upon the completion of the shareholders' meeting.
4. The list of candidates for the election of Directors (including Independent Directors) was approved by the 22nd Board of Directors of the third session of the Company, and their academic experience and other relevant information are shown in the following table:

	Name	Education	Experiences	Current position	Name of the government or legal person represented	Have you served three consecutive terms as an Independent Director?
Director	Cheng Ming Lung	Bachelor's Degree, Shih Chien University	Chair and General Manager of the Company	Chair and General Manager of the Company Director of Tree Top Molecular Biotechnology Co., Ltd. Chairman of Da Yu Property Management Co., Ltd. Chairman of Zhen Han Investment Co., Ltd Chairman of Hao Cheng Investments Co., Ltd.	Zhen Han Investment Co., Ltd.	Not applicable
Director	Top Taiwan XI Venture Capital Co., Ltd.	Not applicable	Not applicable	Director, Steminent Biotherapeutics Inc. Director of TaiHao Medical Inc. Director of TRUST BIO-SONICS INC.	-	Not applicable
Director	Chen Hung Yi	Ph.D.in Chemistry, College of Pharmacy, China Medical University	Professor, Department of Pharmacy, the Chinese Medical University	Professor, Department of Pharmacy, the Chinese Medical University	-	Not applicable
Director	Lu Shan Feng	Bachelor's degree from Department of Pharmacy, Chia Nan University of Pharmacy & Science	Director and Deputy General Manager of the Company	Director and Deputy General Manager of the Company Chairman of Great Tree Pets Co., Ltd. Juridical Person Directors' Representatives of GREAT TREE INTERNATIONAL SDN.BHD.	-	Not applicable
Director	Yeh Shih Wei	Bachelor's Degree, School of Pharmacy, China Medical University	Associate Director, Commodity Purchasing and Marketing Department, Great Tree Pharmacy Co., Ltd.	Associate Director, Commodity Purchasing and Marketing Department, Great Tree Pharmacy Co., Ltd. Chairman of Bailin Logistics Co., Ltd. Juridical Person Directors'	Hao Cheng Investment Co., Ltd.	Not applicable



				Representatives of Great Tree Pets Co., Ltd.		
Independent Director	Liu Tian Dao	Bachelor of Commerce, NTU	Certified Public Accountant, Zhi-Dao Accounting Firm	Certified Public Accountant, Zhi-Dao Accounting Firm	-	Yes/The Independent Director of Liu Tiandao met the requirements of independence before and during his term of office, and had the accounting profession necessary for the operation of the Company. During his tenure as Independent Director, he had many suggestions for the operation of the Company, which greatly contributed to the operation of the Company.
Independent Director	Guo Dai Huang	PhD, College of Pharmacy, China Medical University	Professor of the Department of Pharmacy and Institute of Pharmacy and President of Tajen University	Professor of the Department of Pharmacy and Institute of Pharmacy and President of Tajen University	-	No
Independent Director	Wang Hsing-Wen	Graduate Institute of Industrial Economics of NCU School of Law, Soochow University	Chief Lawyer of Hsing-Wen Wang Law Firm	Chief Lawyer of Hsing-Wen Wang Law Firm	-	No
Independent Director	Pan Min-Hsiung	Ph.D., Institute of Student Chemistry, NTU	Professor, Institute of Food Science and Technology, NTU	Professor, Institute of Food Science and Technology, NTU	-	No

5. Please elect.

Result of election:

The list of candidates and the number of elected votes are as follows:

Category of the Candidate	Name of Candidate	Number of Elected Votes
Director	Zhen Han Investment Co., Ltd Representative : Ming-Lung Cheng	68,929,927
Director	Top Taiwan XI Venture Capital Co., Ltd.	48,961,986
Director	Hung-Yi Chen	55,222,963
Director	Shan-Feng Lu	55,571,074
Director	Hao Cheng Investment Co., Ltd Representative : Shi-Wei Ye	54,849,701
Independent Director	Tian-Dao Liu	52,108,588
Independent Director	Dai-Huang Kuo	55,852,778
Independent Director	Hsing-Wen Wang	55,849,131
Independent Director	Min-Hsiung Pan	56,019,263

## VII. Other Proposals

(proposed by the Board of Directors)

Proposal: The case for releasing the newly elected Directors and their representatives from non-competition restrictions, submitted for discussion.

Description:

1. Pursuant to Article 209 (1) of the Company Act, Directors shall explain the important contents of their actions to the shareholders' meeting and obtain their permission for their own or others' conduct that falls within the scope of the Company's business.
2. Considering the newly elected Directors or investment or operation of other companies with the same or similar business scope as the Company and acting as a director, as set out in Article 209 of the Company Act, the 2023 annual shareholders meeting is proposed to agree to lift the restrictions on the competitive behavior of the following Directors and their representatives.

Title	Name	Positions concurrently held in other companies
Juridical Person Directors' Representatives	Zhen Han Investment Co., Ltd. Representative: Ming-Lung Cheng	Director of Tree Top Molecular Biotechnology Co., Ltd. Chairman of Da Yu Property Management Co., Ltd. Chairman of Zhen Han Investment Co., Ltd

		Chairman of Hao Cheng Investment Co., Ltd.
Juridical Person Directors	Top Taiwan XI Venture Capital Co., Ltd.	Director of Steminent Biotherapeutics Inc. Director of TaiHao Medical Inc. Director of TRUST BIO-SONICS INC.
Director	Shan-Feng Lu	Chairman of Great Tree Pets Co., Ltd. Juridical Person Directors' Representatives of GREAT TREE INTERNATIONAL SDN.BHD.
Juridical Person Directors' Representatives	Hao Cheng Investment Co., Ltd Representative : Shi-Wei Ye	Chairman of Bailin Logistics Co., Ltd. Juridical Person Directors' Representatives of Great Tree Pets Co., Ltd.

(Questions raised by the shareholders and the managements' responses were omitted)

Resolution: The chairman ordered that the proposal be voted. Among 63,248,863 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-57,917,299 votes (including 54,733,643 votes in an electronic form)	91.57%
Dissenting votes-228,927 votes (including 228,927 votes in an electronic form)	0.36%
Invalid votes/Abstained or were not exercised-5,102,637 votes (including 5,023,232 votes in an electronic form)	8.06%

As the affirmative votes accounted for 91.57% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

## VIII. Extraordinary Motions :

(Questions raised by the shareholders and the managements' responses were omitted)

## IX. Adjournment

Time : 11:26 a.m., May 31, 2023

## Attachment 1

# Great Tree Pharmacy Co., Ltd. Business Report

The Company's 2022 operational performance and future outlook are summarized as below:

### I. 2022 Business Report

#### (I) Achievements from the implementation of the 2022 Business Plan

CommonWealth Magazine conducts 2,000 surveys on various industries in Taiwan every year, recording the growth of enterprises in Taiwan. According to its survey results released in 2022, the Company ranked 154th in the overall service industry in 2021, 24 levels higher than in 2020, ranking first in the pharmaceutical and healthcare service industry. Thanks to the Company's team and all colleagues, they focused on carefully selecting better products and building better services for consumers every day, and accordingly, the consolidated operating income in 2022 and the consolidated net profit after tax reached NT\$14.6 billion and NT\$700 million, respectively, increased by 29.11% and 71.79% in 2021, all hitting a record high.

Despite the challenges arising from the epidemic, the Company actively expanded its sales in 61 stores in 2022, breaking through 299 stores in that year, ranking first in the number of pharmacy chain stores in Taiwan.

In addition, given the accompanying demand derived from the declining birthrate and the aging population, according to the relevant statistics from the Ministry of the Interior, the number of dogs and cats registered in 2022 exceeded 2.95 million children under the age of 15. With the increasingly higher demand for woolly children's food and feed, the Company has also entered the field of pet health care. Therefore, the Company specialized in the first cross-border pet retailing channels in 2021 and had set up five stores by the end of 2022. With the continuous growth of pet stores, the Company has expanded its operations simultaneously.

In addition to continuously expanding channels, the shopping space continues to innovate and evolve to provide consumers with a more convenient and novel experience. At the same time, we are striving for higher service standards and satisfaction. We hope that, through feedback and the optimization of services, all consumers and colleagues can have a strong sense of mission.

(II) Budget implementation status: The Company has not disclosed its financial forecast for 2022, so there is no need to disclose any budget execution.

(III) Financial Revenue/Expense and Profitability Analysis

Unit: in NT\$1,000

Item	2022	2021
Cash flow from operating activities	1,226,695	1,077,660
Cash flow from investing activities	(465,579)	(268,427)
Cash flow from financing activities	389,097	(336,566)
Return on assets (%)	8.42	6.51
Return on equity (%)	30.61	23.49
Ratio of net profit before tax to paid-in capital	98.19	72.08
Net profit margin	4.81	3.61
Earnings per share (NT\$)	7.85	4.64

Note: The financial information entered above is consolidated information based on the adoption of IFRS.

(IV) Research and development (R&D) status: The Company, belonging to the chain pharmacy industry, does not have a dedicated research and development department, but based on the service of the vast consumer demand, the commodity marketing department is still actively involved in product development-related services.

II. Outline of 2022 Business Plan

The Company's latest five-year plan (from 2021 to 2025), with the following main business directions as planned specifically:

(I) Management policy and important production and marketing policies

- ① By continuously optimizing the successful exhibition store model, the Company shall open 300 to 200 stores of different sizes, depending upon the scales and types of communities in business districts.
- ② Three-cross plans: Among them, the cross-brand plan is to introduce commodities from Sugi Pharmacy and other exclusive agents overseas and to achieve the differentiation of the Company's channels through the diversification of commodities, the cross-industry plan is to invest in retail services of the healthcare industry other than pharmacy, as well as pet food, pet cosmetics and medical care of the booming pet industry in 2021, and the cross-overseas to carry out the overseas development plan with Sugi Pharmacy in stages, shall joint both sides of the pharmaceutical cosmetic pathway and category compound experience and to provide the partner's cosmeceuticals overseas by leveraging market transformation opportunities.

(II) Expected Sales Volume and Basis

The Company is a channel of chain pharmacy. Due to large variety of products sold and in different quantity units, it is not possible to provide the expected sales quantity. In

addition, according to the relevant statistics of "wholesale, retail and catering turnover" from the Ministry of Economy (from NT\$ 163.2 billion in 2012 to NT\$ 214.6 billion in 2022), the annual compound growth rate is 2.78% and generally speaking, the domestic pharmaceutical and cosmetic retail market has maintained a moderate and optimistic growth trend. The Company is actively opening up new stores and expanding its business scale and expects to maintain stable revenue growth.

### III. Sustainability

In the development process, the Company has always adhered to the spirit of "the most trustworthy pharmacy" and expects to benefit its employees, suppliers and shareholders, and the whole society and fulfill its corporate social responsibilities. During the period affected by the epidemic, in addition to insisting on providing the most complete pharmaceutical products for the public, the Company also provided a large number of epidemic prevention supplies to vulnerable groups to help them through this difficult time.

Before thinking about how to expand channels and provide consumers with warm and dedicated services, taking care of the staff is still a priority. In addition to providing supplies and actively caring for employee needs, the Company initiated employee protection measures against the pandemic. Taking care of employees and strengthening their recognition of the Company is a prerequisite for the Company to maintain its competitiveness during the epidemic.

The Company has long been concerned about socially disadvantaged groups. Especially in 2022, it participated in the Cathay Bank Foundation's Big Trees Project, calling attention to the equal education rights of school kids and promoting the development of grass-roots education. Regarding environmental protection, the Company actively cooperates with suppliers engaged in energy conservation and carbon reduction and intends to list the supplier's carbon footprint and carbon reduction performance as major indicators while procuring products and/or services.

### IV. Future Company development strategies

The Company shall follow an active and sound growth strategy by recruiting professional talent on one hand, and actively develop new products and new markets on the other, enabling it to become the best in the industry.

Since its establishment, the Company has deeply rooted in the pharmaceutical industry of Taiwan and has met the shareholders' expectations to become the largest pharmacy in Taiwan. Next, it shall reach other fields and even other countries. In new areas, in addition to finding the most helpful strategic partners for business, the Company shall also strictly control risks

and expect to create higher value for shareholders.

The Company shall continue to innovate in the next five years through all-member brainstorming, to change the past pharmacy consumption behavior, and to let everyone see that Great Tree Pharmacy shall not only be a pharmacy.

V. Impacts from external competitive environment, legal environment, and overall operating environment

The Company shall continue providing education and training for its employees, thereby establishing its professional brand value. It shall adhere to the principles of “professionalism and integrity” and provide consumers with a full range of services. Through the innovative senior management core team, it shall improve the threshold of services and quickly replicate successful experiences to expand its business map and widen its differences with competitors.

While pursuing corporate growth, in addition to maximizing the interests of shareholders, the Company also puts much emphasis on the implementation of environmental, social, and corporate governance (ESG) values in daily operations, and actively follows various indicators guided by the competent authorities, so as to meet the expectations of all stakeholders.

The transparent corporate governance accepts the shareholders' inspection. The shareholders' equity is the foremost, and making profits is still the Company's main objective. All colleagues shall uphold a high sense of responsibility, unity, and cooperation, form a competitive edge for the Company with better business performance, and create value for shareholders.

Chairman: Cheng Ming Lung

Manager: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

## **Attachment 2**

### **Great Tree Pharmacy Co., Ltd. Audit Committee's Audit Report.**

The Board of Directors has prepared and submitted the Company's 2022 Business Report, Financial Statements and the Proposal for Appropriation of Net Income, among which the Financial Statements have been audited by CPAs Lo Hsiao Chin and Hung Mao I from EY Taiwan, by whom an Audit Report has been issued accordingly. The aforementioned Business Report, Financial Statements and Proposal for Appropriation of Net Income have been examined and reviewed by the Audit Committee, and no irregularities were found. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please review.

To

Great Tree Pharmacy Co., Ltd. 2023 Annual Shareholders' Meeting

Liu Tian Dao, Convenor of the Audit Committee

February 23, 2023



## **Attachment 3**

### **Independent Auditors' Report**

To Great Tree Pharmacy Co., Ltd.,

#### **Audit Opinion**

We have audited the accompanying Parent Company Only Balance Sheets of Great Tree Pharmacy Co., Ltd. (the "Company") as of December 31, 2022 and December 31, 2021, and the related Parent Company Only Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2022 and December 31, 2021, as well as Notes to the Parent Company Only Financial Statements, including the Summary of Significant Accounting Policies (together "the Parent Company Only Financial Statements").

Based on the opinion of our CPA, the Parent Company Only Financial Statements in the preceding paragraph have been prepared according to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and may fairly present, in all material aspects, the individual financial status of Great Tree Pharmacy Co., Ltd. as of December 31, 2022 and December 31, 2021, as well as its individual financial performance and individual cash flow from January 1, 2022 to December 31, 2022 and from January 1, 2021 to December 31, 2021.

#### **Basis of Audit Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2022 Parent Company Only Financial Statements. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Revenue Recognition**

Great Tree Pharmacy Co., Ltd. recognized operating revenue of NT\$14,547,957 thousand in 2022. Since the Company's sources of revenue include different selling models such as retail transactions at pharmacies and revenue from management services and more, the judgment over performance obligation and the timing of its fulfillment over customer orders or contracts was needed, therefore leading to significant risk of revenue recognition. Hence, we have decided to include this as a key audit matter. Our audit procedures include (but are not limited to): understanding each selling model, evaluating the appropriateness of revenue recognition policy related to obligation fulfillment under each model, evaluating and testing the effectiveness of the relevant internal control to the timing of revenue recognition in the sales cycle, conducting detailed testing by sampling the sales

receipts, and conducting analytical review procedure and carrying out cut-off tests and more. We have also considered the appropriateness of revenue disclosure identified in Note 6 of the Parent Company Only Financial Statements.

### Inventory Valuation

As of December 31, 2022, the net inventory of Great Tree Pharmacy Co., Ltd. was NT\$2,256,323 thousand, accounting for 23% of the individual total asset. Great Tree Pharmacy Co., Ltd.'s main business involves trading of maternity and infant products as well as various drugs. Most of their products have shelf lives, leading evaluations of allowance for inventory valuation and obsolescence loss to require material judgment of the Company's management. Therefore, this was included as a key audit matter. Our audit procedures include (but are not limited to): evaluating the appropriateness of the policy of allowance for inventory valuation and obsolescence loss, evaluating the management method for near expiring goods and identification of expired inventory and testing the effectiveness of the relevant internal control, sampling the inventory aging report to test its accuracy and selecting significant inventory location for physical inventory observation and count, and inspecting current inventory and utilization status and more. We have also taken the appropriateness of inventory disclosure in Note 5 and Note 6 in the Notes to Parent Company Only Financial Statements into consideration.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company Only Financial Statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Material misstatement may result from fraud or error. Misstatement could be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company Only Financial Statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Great Tree Pharmacy Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including the accompanying Notes, and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the individual entities in the Group to express an opinion on the Parent Company Only Financial Statements. We are responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 Parent Company Only Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Financial Report of TWSE Listed Company as Authorized by the  
Competent Authority

Auditing and Attestation: No. (2017) FSC No. 1060026003

No. (1998)TCZ(VI)65315

Certified Public Accountant (CPA)

Lo Hsiao Chin

Hong Mao Yi

February 23, 2023

**Great Tree Pharmacy Co., Ltd**  
**Parent Company Only Balance Sheets**  
**As of December 31, 2022 and December 31, 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Asset Accounting item	Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$2,308,206	23	\$1,247,408	17
1136	Financial assets measured at amortized cost	4, 6.4 and 8	24,000	-	24,000	-
1150	Notes receivable, net	4 and 6.5	1,902	-	2,144	-
1170	Net accounts receivable	4 and 6.6	348,277	5	421,827	6
1180	Net accounts receivable - related parties	4, 6.6 and 7	490,948	5	381,865	5
1200	Other receivables		113,689	1	43,213	1
1210	Other receivables - related parties	7	21,383	-	35,100	-
1300	Inventory	4 and 6.7	2,256,323	23	1,532,599	21
1410	Prepayments		37,892	-	13,913	-
1470	Other current assets		5,758	-	9,744	-
	Total current assets		5,608,378	57	3,711,813	50
15xx	Non-current assets					
1510	Financial assets measured at fair value through profit and loss	4, 6.2 and 6.14	1,620	-	-	-
1517	Financial assets at fair value through other comprehensive income (loss)	4 and 6.3	48,833	1	-	-
1535	Financial assets measured at amortized cost	4, 6.4 and 8	3,000	-	3,000	-
1550	Investments accounted for using the equity method	4 and 6.8	223,523	2	145,803	2
1600	Property, plant, and equipment	4 and 6.9	742,243	7	690,429	10
1755	Right-of-use assets	4 and 6.20	3,041,634	31	2,722,065	37
1780	Intangible assets	4 and 6.10	26,149	-	18,747	-
1840	Deferred tax assets	4 and 6.24	18,941	-	11,828	-
1900	Other non-current assets	4 and 6.11	208,788	2	94,534	1
	Total non-current assets		4,314,731	43	3,686,406	50
1xxx	Total assets		\$9,923,109	100	\$7,398,219	100

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd.**  
**Parent Company Only Balance Sheet (continued)**  
**As of December 31, 2022 and December 31, 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2022		December 31, 2021	
Code	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	6.12	\$-	-	\$370,000	5
2130	Contract liabilities	4 and 6.18	16,361	-	11,790	-
2150	Notes payable		716,018	7	556,961	7
2160	Notes payable - related parties	7	123,885	1	134,581	2
2170	Accounts payable		1,464,705	15	1,091,721	15
2180	Accounts payable - related parties	7	50,386	1	50,802	1
2200	Other payables	6.13 and 6.15	378,523	4	275,696	4
2220	Other payables - related parties	7	941	-	242	-
2230	Tax liabilities for this period	4 and 6.24	118,807	1	69,042	1
2280	Lease liabilities	4 and 6.20	387,569	4	303,748	4
2300	Other current liabilities		24,615	-	24,381	-
	Total current liabilities		3,281,810	33	2,888,964	39
25xx	Non-current liabilities					
2530	Bonds payable	4 and 6.14	1,167,392	12	-	-
2572	Deferred income tax liabilities	4 and 6.24	1,628	-	-	-
2580	Lease liabilities	4 and 6.20	2,778,487	28	2,518,332	34
2640	Net defined benefit liabilities	4 and 6.15	4,307	-	5,645	-
2645	Guarantee deposits	7	89,157	1	53,408	1
	Total non-current liabilities		4,040,971	41	2,577,385	35
2xxx	Total liabilities		7,322,781	74	5,466,349	74
31xx	Equity attributable to shareholders of parent company					
3100	Share capital	6.16				
3110	Ordinary share capital		891,352	9	700,431	9
3140	Prepaid share capital		7,239	-	6,679	-
3200	Capital surplus	6.16	867,945	9	726,345	10
3300	Retained earnings	6.16				
3310	Legal capital reserve		133,468	1	92,969	1
3350	Unappropriated earnings		701,696	7	405,446	6
36xx	Other equity		(1,372)	-	-	-
	Total equity		2,600,328	26	1,931,870	26
	Total liabilities and equity		\$9,923,109	100	\$7,398,219	100

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd.**  
**Parent Company Only Statement of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
(Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.18 and 7	\$14,547,957	100	\$11,322,396	100
5000	Operating costs	7	(10,701,896)	(74)	(8,480,073)	(75)
5900	Gross profit		3,846,061	26	2,842,323	25
6000	Operating expenses	7				
6100	Selling and marketing expenses		(2,670,262)	(18)	(2,071,890)	(18)
6200	General and administrative expenses		(404,702)	(3)	(340,220)	(3)
	Total operating expenses		(3,074,964)	(21)	(2,412,110)	(21)
6900	Operating profit		771,097	5	430,213	4
7000	Non-operating income and expenses					
7100	Interest income	6.22	4,190	-	714	-
7010	Other income	6.22 and 7	43,038	-	40,004	-
7020	Other gains and losses	6.22	13,729	-	155	-
7050	Financing costs	6.22	(44,636)	-	(34,507)	-
7070	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method		70,722	-	55,400	-
	Total non-operating income and expenses		87,043	-	61,766	-
7900	Net profit before tax		858,140	6	491,979	4
7950	Income tax expenses	4 and 6.24	(158,069)	(1)	(84,561)	(1)
8200	Net income		700,071	5	407,418	3
8300	Other comprehensive income (loss), net	6.23				
8310	Items that will not be reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans		1,161	-	(2,428)	-
8316	Equity instruments measured at fair value through other comprehensive income		(1,167)	-	-	-
	Unrealized valuation gains (losses) on investments					
8360	items that may subsequently be reclassified to profit or loss					
8380	Other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method		(205)	-	-	-
	Comprehensive income (loss) (net value after tax) for this period		(211)	-	(2,428)	-
8500	Total comprehensive income (loss)		\$699,860	5	\$404,990	3
	Earnings per share, EPS (NT\$)					
9750	Basic EPS	6.25	\$7.85		\$4.64	
9850	Diluted EPS	6.25	\$7.59		\$4.48	

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd.**  
**Parent Company Only Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	Share capital 3100	Prepaid share capital 3140	Capital surplus 3200	Retained earnings		Other equity items		Total equity 3XXX
					Legal capital reserve 3310	Unappropriated earnings 3350	Exchange differences translated from the financial statements of foreign operations 3410	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive profit or loss 3420	
A1	Balance as of January 1, 2021	\$530,659	\$2,787	\$658,506	\$73,419	\$233,891	\$-	\$-	\$1,499,262
	Appropriation and distribution of earnings in 2020								
B1	Legal capital reserve				19,550	(19,550)			-
B5	Cash dividends					(53,471)			(53,471)
B9	Share dividends	160,414				(160,414)			-
D1	2021 net income					407,418			407,418
D3	Other comprehensive income or loss in 2021					(2,428)			(2,428)
D5	Total comprehensive income (loss)	-	-	-	-	404,990	-	-	404,990
I1	Convertible corporate bond conversion	9,358	(2,787)	32,207					38,778
N1	Share-based payment transaction		6,679	29,459					36,138
T1	Others - issuance of employee stock options			6,173					6,173
Z1	Balance on December 31, 2021	700,431	6,679	726,345	92,969	405,446	-	-	1,931,870
	2021 appropriation and distribution of earnings								
B1	Legal capital reserve				40,499	(40,499)			-
B5	Cash dividends					(182,242)			(182,242)
B9	Share dividends	182,241				(182,241)			-
C5	Recognized equity components arising from the issuance of convertible bonds - stock options			97,348					97,348
D1	2022 net income					700,071			700,071
D3	Other comprehensive income or loss in 2022					1,161	(205)	(1,167)	(211)
D5	Total comprehensive income (loss)	-	-	-	-	701,232	(205)	(1,167)	699,860
N1	Share-based payment transactions	8,680	560	37,508					46,748
T1	Others - issuance of employee stock options			6,744					6,744
Z1	Balance as of December 31, 2022	\$891,352	\$7,239	\$867,945	\$133,468	\$701,696	\$(205)	\$(1,167)	\$2,600,328

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi



**Great Tree Pharmacy Co., Ltd.**  
**Parent Company Only Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2022	2021	Code	Item	2022	2021
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for the period	\$858,140	\$491,979	B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(50,000)	-
A20000	Adjustment items:			B01800	Acquisition of investments accounted for using the equity method	(70,257)	(30,000)
A20010	Gain or loss items that do not affect cash flows:			B02700	Acquisition of property, plant, and equipment	(253,752)	(246,182)
A20100	Depreciation expense (including right-of-use assets)	579,829	484,023	B02800	Disposal of property, plant, and equipment	7,364	3,286
A20200	Amortization expenses	4,323	2,902	B03700	(Increase) decrease in deposits	(105,606)	(16,852)
A20400	Valuation loss (gain) on financial liabilities measured at fair value through profit or loss	434	-	B04500	Acquisition of intangible assets	(11,725)	(3,631)
A20900	Interest expenses	44,636	34,507	BBBB	Net Cash inflow (outflow) from investing activities	<u>(483,976)</u>	<u>(293,379)</u>
A21200	Interest income	(4,190)	(714)				
A21900	Cost of share-based payments	6,744	6,173	CCCC	Cash flow from financing activities:		
A22300	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method	(70,722)	(55,400)	C00100	Decrease in short-term loans	(370,000)	-
A22500	Loss on disposal of property, plant, and equipment	(1,123)	(101)	C00120	Issuance of corporate bonds	1,257,088	-
A29900	Other item - gain on lease modification	(502)	(2,598)	C00130	Repayments of bonds	-	(2,000)
A30000	Changes in assets/liabilities related to operating activities:			C03000	Increase in guarantee deposits received	35,749	18,806
A31130	(Increase) decrease in notes receivable	242	2,373	C04020	Repayment of principal on loan	(391,343)	(326,145)
A31150	(Increase) decrease in accounts receivable	73,550	(126,575)	C04500	Cash dividends	(182,242)	(53,471)
A31160	(Increase) decrease in accounts receivable - related parties	(109,083)	(110,086)	C04800	Employees exercising share option	46,748	36,138
A31180	(Increase) decrease in other receivables	(70,476)	25,563	CCCC	Net cash inflow (outflow) from financing activities	<u>396,000</u>	<u>(326,672)</u>
A31190	(Increase) decrease in other receivables - related parties	13,717	12,487				
A31200	(Increase) decrease in inventories	(723,724)	(307,554)	EEEE	Amount of Increase (decrease) in cash and cash equivalents for the period	1,060,798	437,881
A31230	(Increase) decrease in prepayments	(23,979)	8,613	E00100	Beginning balance of cash and cash equivalents	1,247,408	809,527
A31240	(Increase) decrease in other current assets	3,986	(7,399)	E00200	Ending balance of cash and cash equivalents	<u>\$2,308,206</u>	<u>\$1,247,408</u>
A32125	Increase (decrease) in contract liabilities	4,571	3,686				
A32130	Increase (decrease) in notes payables	159,057	228,260				
A32140	Increase (decrease) in notes payable - related parties	(10,696)	(6,244)				
A32150	Increase (decrease) in accounts payables	372,984	306,352				
A32160	Increase (decrease) in accounts payable - related parties	(416)	2,387				
A32180	Increase (decrease) in other payables	91,404	61,068				
A32190	Increase (decrease) in other payables - related parties	699	-				
A32230	Increase (decrease) in other current liabilities	234	1,908				
A32240	Increase (decrease) in net defined benefit liabilities	(177)	(208)				
A33000	Cash inflow (outflow) from operating activities	<u>1,199,462</u>	<u>1,055,402</u>				
A33100	Interest received	<u>4,190</u>	<u>714</u>				
A33200	Dividends received	63,054	51,035				
A33300	Interest paid	(4,143)	(3,595)				
A33500	Income tax paid	<u>(113,789)</u>	<u>(45,624)</u>				
AAAA	Net cash inflow (inflow) from operating activities	<u>1,148,774</u>	<u>1,057,932</u>				

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

## Company Statement

The entities that are required to be included in the Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the Combined Financial Statements is included in the Consolidated Financial Statements. Consequently, Great Tree Pharmacy Co., Ltd. and Subsidiaries do not prepare a separate set of Consolidated Financial Statements.

We hereby declare and affirm to the statement above

Company Name: Great Tree Pharmacy Co.,  
Ltd

Person in charge: Cheng Ming-Lung

February 23, 2023

## Independent Auditors' Report

To Great Tree Pharmacy Co., Ltd.,

### **Audit Opinion**

We have audited the accompanying Consolidated Balance Sheets of Great Tree Pharmacy Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2022 and December 31, 2021, and the related Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2022 and December 31, 2021, as well as Notes to the Consolidated Financial Statements, including the Summary of Significant Accounting Policies (together “the Consolidated Financial Statements”).

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and December 31, 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and December 31, 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee, or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Basis of Audit Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 Consolidated Financial Statements. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue Recognition

Great Tree Pharmacy Co., Ltd. and its subsidiaries recognized operating revenue of NT\$14,564,645 thousand in 2022. Since the Group’s sources of revenue include different selling models such as retail transactions at pharmacies and revenue from management services and more, the judgment over performance obligation and the timing of its fulfillment over customer orders or contracts was

needed, therefore leading to significant risk of revenue recognition. Hence, we have decided to include this as a key audit matter. Our audit procedures include (but are not limited to): understanding each selling model, evaluating the appropriateness of revenue recognition policy related to obligation fulfillment under each model, evaluating and testing the effectiveness of the relevant internal control to the timing of revenue recognition in the sales cycle, conducting detailed testing by sampling the sales receipts, and conducting analytical review procedure and carrying out cut-off tests and more. Our accountants have also considered the appropriateness of operating revenue disclosure identified in Note 6 of the Consolidated Financial Statements.

#### Inventory Valuation

As of December 31, 2022, the net inventory of Great Tree Pharmacy Co., Ltd. and its subsidiaries was NT\$2,632,098 thousand, accounting for 26% of the consolidated total asset. Main businesses of Great Tree Pharmacy Co., Ltd. and its subsidiaries include trading of maternity and infant products as well as various drugs. Most of their products have shelf lives, leading evaluations of allowance for inventory valuation and obsolescence loss to require material judgement from the Group's management. Therefore, this was included as a key audit matter. Our audit procedures include (but are not limited to): evaluating the appropriateness of the policy of allowance for inventory valuation and obsolescence loss, evaluating the management method for near expiring goods and identification of expired inventory and testing the effectiveness of the relevant internal control, sampling the inventory aging report to test its accuracy and selecting significant inventory location for physical inventory observation and count, and inspecting current inventory and utilization status and more. We have also taken the appropriateness of inventory disclosure in Note 5 and Note 6 in the Notes to Consolidated Financial Statements into consideration.

#### **Responsibility of the management and the governing body for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

The governing bodies of Great Tree Pharmacy Co., Ltd. and its subsidiaries (including the Audit Committee) have the responsibility to oversee the financial reporting process.

#### **Responsibilities of the CPA in Auditing the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to

issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Material misstatement may result from fraud or error. A misstatement can be considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Great Tree Pharmacy Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the accompanying Notes, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 Consolidated Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Others**

We have also audited and expressed unqualified opinions on the Parent Company Only Financial Statements of the Company as of and for the years ended December 31, 2022 and December 31, 2021.

Ernst & Young

Financial Report of TWSE Listed Company as Authorized by the Competent Authority

Auditing and Attestation    No. (2017) FSC No. 1060026003  
No. (1998)TCZ(VI)65315

Certified Public Accountant (CPA)

Lo Hsiao Chin  
Hong Mao-Yi

February 23, 2023

**Great Tree Pharmacy Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets**  
**As of December 31, 2022 and December 31, 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Asset Accounting item	Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$2,458,409	24	\$1,308,469	18
1136	Financial assets measured at amortized cost	4, 6.4 and 8	24,000	1	24,000	1
1150	Notes receivable, net	4 and 6.5	2,052	-	2,144	-
1170	Net accounts receivable	4 and 6.6	428,696	4	468,728	6
1200	Other receivables		114,634	1	44,412	1
1300	Inventory	4 and 6.7	2,632,098	26	1,839,468	25
1410	Prepayments		77,500	1	41,137	1
1470	Other current assets		7,773	-	10,498	-
	Total current assets		5,745,162	57	3,738,856	52
15xx	Non-current assets					
1510	Financial assets measured at fair value through profit and loss	4,6.2 and 6.13	1,620	-	-	-
1517	Financial assets at fair value through other comprehensive income (loss)	4 and 6.3	48,833	1	-	-
1535	Financial assets measured at amortized cost	4, 6.4 and 8	3,000	-	3,000	-
1600	Property, plant, and equipment	4 and 6.8	830,729	8	749,832	10
1755	Right-of-use assets	4 and 6.19	3,222,775	32	2,768,801	37
1780	Intangible assets	4 and 6.9	27,626	-	20,530	-
1840	Deferred tax assets	4 and 6.23	25,880	-	11,828	-
1900	Other non-current assets	6.10	212,844	2	97,017	1
	Total non-current assets		4,373,307	43	3,651,008	48
1xxx	Total assets		\$10,118,469	100	\$7,389,864	100

(Please refer to the accompanying Notes to the Consolidated Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets (continued)**  
**As of December 31, 2022 and December 31, 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2022		December 31, 2021	
Code	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	6.11	\$-	-	\$370,000	5
2130	Contract liabilities	4 and 6.17	16,451	-	11,902	-
2150	Notes payable		765,473	8	584,117	8
2170	Accounts payable		1,535,533	15	1,138,318	15
2200	Other payables	4, 6.12 and 6.14	391,984	4	295,222	4
2230	Tax liabilities for this period	4 and 6.23	140,397	1	78,312	1
2280	Lease liabilities	4 and 6.19	401,958	4	309,123	4
2300	Other current liabilities		27,362	-	26,672	1
	Total current liabilities		3,279,158	32	2,813,666	38
25xx	Non-current liabilities					
2530	Bonds payable	4 and 6.13	1,167,392	12	-	-
2572	Deferred income tax liabilities	4 and 6.23	1,628	-	-	-
2580	Lease liabilities	4 and 6.19	2,949,493	29	2,562,052	35
2640	Net defined benefit liabilities	4 and 6.14	4,307	-	5,645	-
2645	Guarantee deposits		91,755	1	56,005	1
	Total non-current liabilities		4,214,575	42	2,623,702	36
2xxx	Total liabilities		7,493,733	74	5,437,368	74
31xx	Equity attributable to shareholders of parent company					
3100	Share capital	6.15				
3110	Ordinary share capital		891,352	9	700,431	9
3140	Prepaid share capital		7,239	-	6,679	-
3200	Capital surplus	6.15	867,945	9	726,345	10
3300	Retained earnings	6.15				
3310	Legal capital reserve		133,468	1	92,969	1
3350	Unappropriated earnings		701,696	7	405,446	6
3400	Other equity		(1,372)	-	-	-
36xx	Non-controlling interests		24,408	-	20,626	-
3xxx	Total equity		2,624,736	26	1,952,496	26
	Total liabilities and equity		\$10,118,469	100	\$7,389,864	100

(Please refer to the accompanying Notes to the Consolidated Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi



**Great Tree Pharmacy Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**

(Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.17	\$14,564,645	100	\$11,280,942	100
5000	Operating costs		(10,553,517)	(72)	(8,337,939)	(74)
5900	Gross profit		4,011,128	28	2,943,003	26
6000	Operating expenses					
6100	Selling and marketing expenses		(2,719,124)	(19)	(2,100,411)	(19)
6200	General and administrative expenses		(430,320)	(3)	(350,364)	(3)
6450	Expected credit (loss) gain	4 and 6.18	189	-	84	-
	Total operating expenses		(3,149,255)	(22)	(2,450,691)	(22)
6900	Operating profit		861,873	6	492,312	4
7000	Non-operating income and expenses					
7100	Interest income	6.21	4,323	-	737	-
7010	Other income	6.21	48,257	-	51,597	1
7020	Other gains and losses	6.21	13,727	-	154	-
7050	Financing costs	6.21	(45,848)	-	(35,130)	-
	Total non-operating income and expenses		20,459	-	17,358	1
7900	Net profit before tax		882,332	6	509,670	5
7950	Income tax expenses	4 and 6.23	(181,829)	(1)	(101,909)	(1)
8200	Net income		700,503	5	407,761	4
8300	Other comprehensive income (loss)	4 and 6.22				
8310	Items that will not be reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans		1,161	-	(2,428)	-
8316	Financial assets at fair value measurement through other comprehensive income (loss) unrealized valuation gain or loss on instrument investment		(1,167)	-	-	-
8360	items that may subsequently be reclassified to profit or loss					
8361	Exchange differences translated from the financial statements of foreign operations		(273)	-	-	-
	Comprehensive income (loss) (net value after tax) for this period		(279)	-	(2,428)	-
8500	Total comprehensive income (loss)		\$700,224	5	\$405,333	4
8600	Net income attributable to:					
8610	Owners of the parent company		\$700,071	5	\$407,418	4
8620	Non-controlling interests		432	-	343	-
			\$700,503	5	\$407,761	4
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$699,860	5	\$404,990	4
8720	Non-controlling interests		364	-	343	-
			\$700,224	5	\$405,333	4
	Earnings per share(EPS) (NT\$)					
9750	Basic EPS	4 and 6.24	\$7.85		\$4.64	
9850	Diluted EPS	4 and 6.24	\$7.59		\$4.48	

(Please refer to the accompanying Notes to the Consolidated Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	Equity attributable to shareholders of parent company						Total	Non-controlling interests	Total equity	
		Share capital	Prepaid share capital	Capital surplus	Retained earnings		Other equity items				
					Legal capital reserve	Unappropriated earnings	Exchange differences translated from the financial statements of foreign operations				Unrealized (loss) gain on financial assets measured at fair value through other comprehensive profit or loss
		3100	3140	3200	3310	3350	3410	3420	31XX	36XX	3XXX
A1	Balance as of January 1, 2021	\$530,659	\$2,787	\$658,506	\$73,419	\$233,891	\$-	\$-	\$1,499,262	\$20,283	\$1,519,545
	Appropriation and distribution of earnings in 2020										
B1	Legal capital reserve				19,550	(19,550)			-		-
B5	Cash dividends					(53,471)			(53,471)		(53,471)
B9	Share dividends	160,414				(160,414)			-		-
D1	2021 net income					407,418			407,418	343	407,761
D3	Other comprehensive income or loss in 2021					(2,428)			(2,428)	-	(2,428)
D5	Total comprehensive income (loss)	-	-	-	-	404,990	-	-	404,990	343	405,333
I1	Convertible corporate bond conversion	9,358	(2,787)	32,207					38,778		38,778
N1	Share-based payment transaction		6,679	29,459					36,138		36,138
T1	Others - issuance of employee stock options			6,173					6,173		6,173
Z1	Balance on December 31, 2021	700,431	6,679	726,345	92,969	405,446	-	-	1,931,870	20,626	1,952,496
	Appropriation and distribution of earnings in 2021										
B1	Legal capital reserve				40,499	(40,499)			-		-
B5	Cash dividends					(182,242)			(182,242)		(182,242)
B9	Share dividends	182,241				(182,241)			-		-
C5	Recognized equity components arising from the issuance of convertible bonds - stock options			97,348					97,348		97,348
D1	2022 net income					700,071			700,071	432	700,503
D3	Other comprehensive income or loss in 2022					1,161	(205)	(1,167)	(211)	(68)	(279)
D5	Total comprehensive income (loss)	-	-	-	-	701,232	(205)	(1,167)	699,860	364	700,224
N1	Share-based payment transactions	8,680	560	37,508					46,748		46,748
O1	Increase or decrease in non-controlling interest									3,418	3,418
T1	Others - issuance of employee stock options			6,744					6,744		6,744
Z1	Balance as of December 31, 2022	\$891,352	\$7,239	\$867,945	\$133,468	\$701,696	\$(205)	\$(1,167)	\$2,600,328	\$24,408	\$2,624,736

(Please refer to the accompanying Notes to the Consolidated Financial Statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
(Amounts expressed in thousands of New Taiwan Dollars)

		2022	2021			2022	2021
Code	Item	Amount	Amount	Code	Item	Amount	Amount
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for the period	\$882,332	\$509,670	B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(50,000)	-
A20000	Adjustment items:			B02700	Acquisition of property, plant and equipment	(302,684)	(248,449)
A20010	Adjustments:			B02800	Disposal of property, plant and equipment	7,364	3,286
A20100	Depreciation expense (including right-of-use assets)	601,284	495,492	B03700	(Increase) decrease in deposits	(107,179)	(17,229)
A20200	Amortization expenses	5,984	3,523	B04500	Acquisition of intangible assets	(13,080)	(6,035)
A20300	Amount of expected credit impairment loss (gain)	-	(84)	BBBB	Net Cash inflow (outflow) from investing activities	(465,579)	(268,427)
A20400	Net loss (gain) on financial assets measured at fair value through profit or loss	434	-	CCCC	Cash flow from financing activities:		
A20900	Interest expenses	45,848	35,130				
A21200	Interest income	(4,323)	(737)	C00200	Decrease in short-term loans	(370,000)	-
A21900	Cost of share-based payments	6,744	6,173	C00130	Repayments of bonds	-	(2,000)
A22500	Loss on disposal of property, plant, and equipment	(1,123)	(101)	C01200	Issuance of corporate bonds	1,257,088	-
A29900	Other items — gain on lease modification	(502)	(2,598)	C03000	Increase (decrease) in guarantee deposits received	35,750	15,816
A30000	Changes in assets/liabilities related to operating activities:			C04020	Repayment of principal on loan	(401,665)	(333,049)
A31130	(Increase) decrease in notes receivable	92	2,373	C04500	Cash dividends	(182,242)	(53,471)
A31150	(Increase) decrease in accounts receivable	(52,988)	(157,530)	C04800	Employees exercising share option	46,748	36,138
A31180	(Increase) decrease in other receivables	22,801	26,613	C05800	Changes in non-controlling interests	3,418	-
A31200	(Increase) decrease in inventories	(792,630)	(377,223)	CCCC	Net cash inflow (outflow) from financing activities	389,097	(336,566)
A31230	(Increase) decrease in prepayments	(36,363)	(6,879)				
A31240	(Increase) decrease in other current assets	2,725	(7,041)	DDDD	Effect of changes in exchange rate on cash and cash equivalents	(273)	-
A32125	Increase (decrease) in contract liabilities	4,549	3,798				
A32130	Increase (decrease) in notes payables	181,356	233,794	EEEE	Amount of Increase (decrease) in cash and cash equivalents for the period	1,149,940	472,667
A32150	Increase (decrease) in accounts payables	397,215	318,645	E00100	Beginning balance of cash and cash equivalents	1,308,469	835,802
A32180	Increase (decrease) in other payables	94,737	58,020	E00200	Ending balance of cash and cash equivalents	\$2,458,409	\$1,308,469
A32230	Increase (decrease) in other current liabilities	690	3,162				
A32240	Increase (decrease) in net defined benefit liabilities	(177)	(208)				
A33000	Cash inflow (outflow) from operating activities	1,358,685	1,143,992				
A33100	Interest received	4,323	737				
A33300	Interest paid	(4,143)	(3,595)				
A33500	Income tax paid	(132,170)	(63,474)				
AAAA	Net cash inflow (inflow) from operating activities	1,226,695	1,077,660				

(Please refer to the accompanying Notes to the Consolidated Financial Statements)  
General Manager: Cheng Ming-Lung

Chairman: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

## Attachment 4

### Great Tree Pharmacy Co., Ltd.

#### Table of Comparisons Before and After Amendments to the Articles of Incorporation

Articles after amendments	Articles before amendments	Revision Notes
<p>Article 7: The total capital amount of the Company shall be <u>two billion</u> New Taiwan Dollars, divided into two hundred million shares, at a par value of ten New Taiwan Dollars (NT\$10) per share, and may be issued separately by the Board of Directors. An amount of <u>three hundred million</u> New Taiwan Dollar (NT\$300,000,000) out of the aforesaid capital is reserved as subscription warrants for employees, divided into <u>thirty million</u> shares (30,000,000) at a par value of ten New Taiwan Dollars (NT\$10) per share and may be issued separately by the Board of Directors depending on actual needs.</p>	<p>Article 7: The total capital amount of the Company shall be <u>one-point-five billion</u> New Taiwan Dollars, divided into <u>one hundred and fifty million</u> shares, at a par value of ten New Taiwan Dollars (NT\$10) per share, and may be issued separately by the Board of Directors. An amount of <u>seventy-five million</u> New Taiwan Dollar (NT\$75,000,000) out of the aforesaid capital is reserved as subscription warrants for employees, divided into <u>seventy million and five-hundred thousand</u> shares (7,500,000) at a par value of ten New Taiwan Dollars (NT\$10) per share and may be issued separately by the Board of Directors depending on actual needs.</p>	<p>It's required to handle by law and according to the Company's actual needs.</p>
<p>Article 26: The Articles were enacted on April 18, 2001. ... (omitted) The eleventh amendment was on June 17, 2020. The twelfth amendment was on July 2, 2021. <u>The thirteenth amendment was made on May 31, 2023.</u></p>	<p>Article 26: The Articles were enacted on April 18, 2001. ... (omitted) The eleventh amendment was on June 17, 2020. The twelfth amendment was on July 2, 2021.</p>	<p>The number and date of revision was added.</p>

## Attachment 5

### Great Tree Pharmacy Co., Ltd.

#### Table of Comparisons Before and After Amendments of "Regulations Governing the Acquisition and Disposal of Assets"

Articles after amendments	Articles before amendments	Explanation of amendments
<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: One to Three (omitted)</p> <p>If issuing valuation reports or opinions, the persons mentioned in the preceding paragraph shall handle the following matters under the self-discipline regulations of their respective <u>trade associations</u>:</p> <p>... (omitted)</p>	<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: One to three (omitted).</p> <p>If issuing valuation reports or opinions, the personnel in the preceding paragraph shall handle the following matters under the self-discipline regulations of their <u>respective interbank</u> companies:</p> <p>... (omitted)</p>	Text correction.
<p>Article 6: Evaluation and procedures are as follows: I. Property, equipment or right-of-use assets In acquiring or disposing of equipment, or right-of-use assets thereof if the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or</p>	<p>Article 6: Evaluation and procedures are as follows: I. Property, equipment or right-of-use assets In acquiring or disposing of equipment, or right-of-use assets thereof if the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or</p>	In line with the Company's actual needs, "short-term investment" shall be deleted and "long-term investment" shall be amended to "securities".

Articles after amendments	Articles before amendments	Explanation of amendments
<p>acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: (i) ~ (iv) (omitted).</p> <p>II. <u>Marketable securities</u> If the Company acquires or disposes of marketable securities, the latest financial statements of the Target Company before the date of the fact shall be used as a reference for evaluating the transaction price. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or more than NT\$300 million, the Company shall contact the accountant to express an opinion on the reasonableness of the transaction price before the date of the fact. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or if otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>... (omitted)</p>	<p>acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: (i) ~ (iv) (omitted).</p> <p>II. <u>Short- and long-term marketable securities</u> If the Company acquires or disposes of marketable securities, the latest financial statements of the Target Company before the date of the fact shall be used as a reference for evaluating the transaction price. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or more than NT\$300 million, the Company shall contact the accountant to express an opinion on the reasonableness of the transaction price before the date of the fact. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or if otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>... (omitted)</p>	
<p>Article 8: Trading Terms and Authorization Limit In the acquisition or disposal</p>	<p>Article 8: Trading Terms and Authorization Limit In the acquisition or disposal</p>	<p>1. In line with the Company's actual needs,</p>

Articles after amendments	Articles before amendments	Explanation of amendments
<p>of assets, the Company shall follow the below trading terms and authorization limit:</p> <p><u>I. Procedures and quotas for securities acquisition or disposal are as follows:</u></p> <p>1. <u>If the accumulated amount of execution of the same investment target in the same fiscal year is NT\$100 million (or less), it shall be evaluated by the executive unit, submitted to the Chair for approval, and then reported to the latest Board of Directors for confirmation.</u></p> <p>2. <u>If the accumulated amount of execution of the same investment target in the same fiscal year exceeds NT\$100 million (or more), it shall be evaluated by the executing unit and reported to the Board for approval.</u></p> <p><u>II.</u> For the acquisition or disposal of property less than NT\$10 million, approval from the General Manager shall be needed; between NT\$10 million to NT\$30 million, approval from the Chair shall be needed; and for amounts over NT\$30 million, approval from the Board shall be required before the acquisition or the disposal can be made. However, capital expenditure budget approved by the Board is exempted from this limit.</p> <p><u>III.</u> The acquisition or disposal of other fixed asset less than NT\$10</p>	<p>of assets, the Company shall follow the below trading terms and authorization limit:</p> <p><u>I. Short-term investments less than NT\$10 million shall be approved by the General Manager; between NT\$10 million to NT\$30 million, approval from the Chair shall be needed; and for amounts between NT\$30 million to NT\$50 million, approval from the Board shall be required.</u></p> <p><u>II. Regarding the purchase and disposal of long-term investments, the amount of NT\$30 million or less shall be approved by the Chair of the Board and reported to the latest Board of Directors for confirmation. The amount exceeds NT\$30 million shall be subject to the resolution of the Board.</u></p> <p><u>III.</u> For the acquisition or disposal of property less than NT\$10 million, approval from the General Manager shall be needed; between NT\$10 million to NT\$30 million, approval from the Chair shall be needed; and for amounts over NT\$30 million, approval from the Board shall be required before the acquisition or the disposal can be made. However, capital expenditure budget approved by the Board is exempted from this limit.</p> <p><u>IV.</u> The acquisition or disposal of other fixed asset less than NT\$10</p>	<p>"short-term investment" shall be deleted and "long-term investment" shall be amended to "securities".</p> <p>2. Item Changes.</p>

Articles after amendments	Articles before amendments	Explanation of amendments
<p>million shall be approved by the General Manager; between NT\$10 million to NT\$30 million, approval from the Chair shall be needed; and for amounts over NT\$30 million, approval from the Board shall be required before the acquisition or the disposal can be made. However, capital expenditure budget approved by the Board is exempted from this limit.</p> <p><u>IV.</u> The acquisition or disposal of membership or intangible asset shall be handled after the implementation department submits relevant information for approval from the Board.</p> <p><u>V.</u> The acquisition or disposal of derivatives shall be carried out as set out in Section 3 of the Procedure.</p> <p><u>VI.</u> The acquisition or disposal of assets through merger, demerger, acquisition, or transfer of shares by law will be handled as set out in Section 4 of the Procedure.</p> <p>According to the preceding paragraph or other laws and bylaws, the Company shall apply for an approval from the Audit Committee for the acquisition or disposal of assets and submit it to the Board for resolution.</p>	<p>million shall be approved by the General Manager; between NT\$10 million to NT\$30 million, approval from the Chair shall be needed; and for amounts over NT\$30 million, approval from the Board shall be required before the acquisition or the disposal can be made. However, capital expenditure budget approved by the Board is exempted from this limit.</p> <p><u>V.</u> The acquisition or disposal of membership or intangible asset shall be handled after the implementation department submits relevant information for approval from the Board.</p> <p><u>VI.</u> The acquisition or disposal of derivatives shall be carried out as set out in Section 3 of the Procedure.</p> <p><u>VII.</u> The acquisition or disposal of assets through merger, demerger, acquisition, or transfer of shares by law will be handled as set out in Section 4 of the Procedure.</p> <p>According to the preceding paragraph or other laws and bylaws, the Company shall apply for an approval from the Audit Committee for the acquisition or disposal of assets and submit it to the Board for resolution.</p>	
<p>Article 9: Implementation unit</p> <p>I. Real estate and other fixed assets: Users, related authorities and</p>	<p>Article 9: Implementation unit</p> <p>I. Real estate and other fixed assets: Users, related authorities and</p>	<p>In accordance with the Company's actual needs, the phrase "long-term</p>



Articles after amendments	Articles before amendments	Explanation of amendments
<p>responsible units.</p> <p>II. Securities investment: Financial unit.</p> <p>... (omitted)</p>	<p>responsible units.</p> <p>II. <u>Long- and short-term</u> portfolio investments: financial units.</p> <p>... (omitted)</p>	<p>and short-term investments" shall be deleted and amended to "marketable securities".</p>
<p>Article 39: This processing procedure was formulated on June 15, 2012.</p> <p>... (omitted)</p> <p>The seventh revision was made on May 31, 2022.</p> <p><u>The eighth revision was made on May 31, 2023.</u></p>	<p>Article 39: This processing procedure was formulated on June 15, 2012.</p> <p>... (omitted)</p> <p>The seventh revision was made on May 31, 2022.</p>	<p>The number and date of revision was added.</p>

## **Attachment 6**

### **Great Tree Pharmacy Co., Ltd.**

#### **Regulations Governing the Issuance and Conversion of Private Placement of Unsecured Convertible Corporate Bonds (Tentative)**

I. Total amount issued

The number of common shares that may be converted shall be calculated by the conversion price at the time of private placement within the scope of the aforesaid 2 million shares if the Board is authorized to handle the cash increase of common shares and/or the private placement of domestic convertible bonds within the limit of not more than 2 million shares by private placement (the "Bonds").

II. Date of issuance

To handle once or in stages (no more than three times) within one year since the resolution of the 2023 Annual General Shareholders' Meeting.

III. Method of issuance

The convertible corporate bond is to be issued as set out in Articles 43-6 of the Securities and Exchange Act. This private placement is limited to specific persons in compliance with the provisions of Article 43-6 of the Securities and Exchange Act, and the candidates to be negotiated are mainly strategic investors.

IV. Par value and offering price of the Company's bonds

The Company's bonds are convertible bonds privately placed in the registered form, each denomination is NT\$1,000,000, and the offering price shall be no less than 80% of the theoretical price.

V. Coupon rate

Coupon rate, 0%, on a yearly basis.

VI. Duration

Within five years from the date of issuance.

VII. Repayment method

Except for those who have been converted, sold back, redeemed or repurchased for cancellation, this convertible corporate bond shall be repaid by the Company at maturity in cash at the face value of the bond or with additional interest compensation.

VIII. Conversion target

Newly issued common shares of the Company.

## IX. Conversion

### 1. Conversion period

Except under the circumstances of early redemption, repurchase, cancellation and exercise of conversion right, or during the book closure period as stipulated by law, the holders of the convertible bonds may, starting from a certain period after the issuance of the convertible bonds until the maturity date of the convertible bonds, at any time by the relevant law, and request the Company to convert the convertible bonds held by them into the Company's common shares.

### 2. Conversion procedure

If requesting a conversion, the creditor shall prepare a "notification of conversion", check the bonds and the documents or certificates required by the laws of the Republic of China, and submit a conversion application to the Company.

### 3. Determination and adjustment of conversion price

The conversion price shall not be lower than the simple arithmetic average of the closing price of the Company's common shares calculated one business day before the pricing date, deducting the deductible rights and ex-dividends of the unpaid allotment of shares, and the share price of the capital reduction cancellation right, or the simple arithmetic average closing price of the Company's common shares 30 business days before the pricing date, deducting the deductible rights and dividends of the unpaid allotment of shares, and 80% of the share price after the capital reduction cancellation right. For the actual price, it is proposed that the shareholders' meeting shall authorize the Board to determine it in accordance with relevant laws and regulations. The Board of Directors is also authorized to adjust the conversion price.

### 4. Attribution of relevant dividends in the year of conversion

Holders of the convertible bonds shall not be entitled to cash dividends or stock dividends before the conversion; holders of the Company's common shares after the conversion are entitled to the distribution of cash dividends or stock dividends by law, which are the same as other holders of the Company's common shares.

### 5. Rights and obligations after conversion

Except that this convertible bond is subject to the restriction of transfer within three years after the delivery date as set out in Article 43-8 of the Securities and Exchange Act, the common shares converted from this convertible bond have the same rights and obligations as the common shares already issued by the Company.

## X. Conditions for the Company's early redemption

To be determined by the Board, which is authorized to do so.

XI. Conditions for the Bondholders' Redemption

The Company may elect not to create a right of sale, or the Bondholder may, after a certain period has elapsed since the issuance, require the Issuer to redeem the Bonds, in whole or in part, at a rate of return calculated by the Issuer at a specific rate of return per annum.

XII. Other important matters as agreed

XIII. The Board of Directors is authorized to make necessary formulations and amendments and is given full authority to handle the conditions of the issuance of convertible bonds and other unresolved matters.