TWSE Stock code: 6469

Great Tree Pharmacy Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

Company Address: 18F.,No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City
Company Phone: (03) 433-3123

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese language independent auditors' report and financial statements shall prevail.

Parent Company Only Financial Statements

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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, 2024 and December 31, 2023, and the related Parent Company Only Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2024 and December 31, 2023, 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 and the audit findings of our auditors and the audit reports of external auditors (please refer to the Other Matters section), 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, 2024 and December 31, 2023,as well as its individual financial performance and individual cash flow from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023.

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 2024 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$17,051,942 thousand in 2024. 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, 2024, the net inventory of Great Tree Pharmacy Co., Ltd. was NT$2,618,184 thousand, accounting for 22% 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.

Other Matters - Mention of Audit by Other Auditors

In the Parent Company Only Financial Statements of Great Tree Pharmacy Co., Ltd., certain financial statements of 2023 related to investments accounted for using the equity method have not been audited by our auditors but by other auditors. Therefore, in our opinion expressed in the Parent Company Only Financial Statements, the amounts included in the financial statements of the investee companies are based on the audit reports of other auditors. The equity method investments in these companies were recognized at NT$7,075 thousand, accounting for 0.07% of the parent company assets on December 31, 2023. The profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method amounted to NT$(925) thousand, representing (0.11)% of the net-profit before tax of parent company. The other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method amounted to NT$0, representing 0% of the parent company comprehensive income for the period from January 1 to December 31, 2023.

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 2024 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.(2014) FSC No. 1030025503
No.(2002) TCZ (VI) 144183

Certified Public Accountant (CPA)
Cheng Ching-Piao
Chang Chih-Ming

February 27, 2025

Great Tree Pharmacy Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2024 and 2023
(Amounts expressed in thousands of New Taiwan Dollars)

Asset			December 31, 2024		December 31, 2023	
Code	Accounting item	Note	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$1,660,310	14	$1,877,053	18
1136	Financial assets measured at amortized cost	4, 6.4 and 8	328,500	3	24,000	-
1150	Notes receivable, net	4 and 6.5	7,659	-	12,779	-
1170	Net accounts receivable	4 and 6.6	519,824	4	537,026	5
1180	Net accounts receivable - related parties	4, 6.6 and 7	714,071	6	594,140	6
1200	Other receivables		280,743	2	247,724	2
1210	Other receivables - related parties	7	42,399	1	23,345	-
1300	Inventory	4 and 6.7	2,618,184	22	2,334,917	22
1410	Prepayments		55,326	-	48,794	1
1470	Other current assets		40,896	-	9,135	-
	Total current assets		6,267,912	52	5,708,913	54
15xx	Non-current assets					
1510	Financial assets measured at fair value through profit or loss	4, 6.2 and 6.14	-	-	905	-
1517	Financial assets measured at fair value through other comprehensive income	4 and 6.3	134,624	1	84,671	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	447,530	4	398,465	4
1600	Property, plant, and equipment	4 and 6.9	834,249	7	764,261	7
1755	Right-of-use assets	4 and 6.20	3,857,042	32	3,311,460	31
1780	Intangible assets	4 and 6.10	56,330	-	42,715	-
1840	Deferred tax assets	4 and 6.24	11,051	-	13,612	-
1900	Other non-current assets	4 and 6.11	420,252	4	263,720	3
	Total non-current assets		5,764,078	48	4,882,809	46
1xxx	Total assets		$12,031,990	100	$10,591,722	100

(Please refer to the notes to the 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 Sheets (continued)
As of December 31, 2024 and 2023
(Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	4 and 6.12	$455,000	4	$-	-
2130	Contract liabilities	4 and 6.18	11,229	-	18,723	-
2150	Notes payable		533,465	5	679,831	7
2160	Notes payable - related parties	7	155,086	1	132,517	1
2170	Accounts payable		1,785,285	14	1,594,037	15
2180	Accounts payable - related parties	7	106,785	1	49,488	-
2200	Other payables	6.13 and 6.15	355,700	3	360,357	4
2220	Other payables - related parties	7	242	-	242	-
2230	Tax liabilities for this period	4 and 6.24	72,534	1	73,634	1
2280	Lease liabilities	4 and 6.20	506,305	4	436,075	4
2321	Corporate bonds that mature or execute the right to sell back within one year or one operating cycle	4 and 6.14	802,392	7	-	-
2300	Other current liabilities		28,181	-	28,336	-
	Total current liabilities		4,812,204	40	3,373,240	32
25xx	Non-current liabilities					
2530	Bonds payable	4 and 6.14	-	-	800,441	8
2572	Deferred income tax liabilities	4 and 6.24	2,728	-	1,972	-
2580	Lease liabilities	4 and 6.20	3,516,989	29	3,017,288	28
2640	Net defined benefit liabilities	4 and 6.15	2,720	-	4,150	-
2645	Guarantee deposits	7	100,727	1	113,066	1
	Total non-current liabilities		3,623,164	30	3,936,917	37
2xxx	Total liabilities		8,435,368	70	7,310,157	69
31xx	Equity attributable to shareholders of parent company					
3100	Share capital	6.16				
3110	Ordinary share capital		1,318,889	11	1,117,037	11
3130	Convertible Bond Warrant		-	-	4,220	-
3140	Prepaid share capital		3,678	-	4,516	-
3200	Capital surplus	6.16	1,311,886	11	1,286,228	12
3300	Retained earnings	6.16		-		-
3310	Legal capital reserve		270,196	2	203,591	2
3320	Special capital reserve		2,356	-	1,372	-
3350	Unappropriated earnings		684,390	6	666,957	6
36xx	Other equity		5,227	-	(2,356)	-
	Total equity		3,596,622	30	3,281,565	31
	Total liabilities and equity		$12,031,990	100	$10,591,722	100

(Please refer to the notes to the 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 Comprehensive Income
For the years ended December 31, 2024 and 2023
(Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	4, 6.18 and 7	$17,051,942	100	$15,979,329	100
5000	Operating costs	7	(12,466,221)	(73)	(11,721,989)	(73)
5900	Gross profit		4,585,721	27	4,257,340	27
6000	Operating expenses	7				
6100	Selling and marketing expenses		(3,381,504)	(20)	(3,039,779)	(19)
6200	General and administrative expenses		(496,617)	(3)	(495,266)	(3)
	Total operating expenses		(3,878,121)	(23)	(3,535,045)	(22)
6900	Operating profit		707,600	4	722,295	5
7000	Non-operating income and expenses					
7100	Interest income	6.22	12,584	-	15,311	-
7010	Other income	6.22 and 7	91,035	1	77,246	-
7020	Other gains and losses	6.22	8,599	-	2,618	-
7050	Financing costs	6.22	(57,098)	-	(55,544)	-
7070	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method		69,201	-	66,499	-
	Total non-operating income and expenses		124,321	1	106,130	-
7900	Net profit before tax		831,921	5	828,425	5
7950	Income tax expenses	4 and 6.24	(151,154)	(1)	(162,376)	(1)
8200	Net income		680,767	4	666,049	4
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		1,262	-	(3)	-
8316	Equity instruments measured at fair value through other comprehensive income Unrealized valuation gains (losses) on investments		2,528	-	523	-
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		5,055	-	(1,507)	-
	Other comprehensive income (loss) (net value after tax) for this period		8,845	-	(987)	-
8500	Total comprehensive income (loss)		$689,612	4	$665,062	4
	Earnings per share, EPS (NT$)					
9750	Basic EPS	6.25	$5.16		$5.13	
9850	Diluted EPS	6.25	$5.07		$4.98	

(Please refer to the notes to the 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, 2024 and 2023
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	Share capital	Convertible bond warrant	Prepaid share capital	Capital surplus	Retained earnings			Other equity items		Total equity
						Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences translated from the financial statements of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive profit or loss	
		3100	3130	3140	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2023	$891,352	-	$7,239	$867,945	$133,468	$-	$701,696	$(205)	$(1,167)	$2,600,328
	Appropriation of earnings in 2022										
B1	Legal capital reserve					70,123		(70,123)			-
B3	Special capital reserve						1,372	(1,372)			-
B5	Cash dividends							(422,522)			(422,522)
B9	Share dividends	206,766						(206,766)			-
D1	2023 net income							666,049			666,049
D3	Other comprehensive income (loss) in 2023							(3)	(1,507)	523	(987)
D5	Total comprehensive income (loss)	-	-	-	-	-	-	666,046	(1,507)	523	665,062
I1	Convertible corporate bond conversion	10,415	4,220	-	370,167						384,802
M5	The difference between the actual acquisition or disposal price of subsidiary company equity and its book value.							(2)			(2)
N1	Share-based payment transaction	8,504		(2,723)	17,924						23,705
T1	Others - issuance of employee stock options				30,192						30,192
Z1	Balance as of December 31, 2023	1,117,037	4,220	4,516	1,286,228	203,591	1,372	666,957	(1,712)	(644)	3,281,565
	Appropriation of earnings in 2023										
B1	Legal capital reserve					66,605		(66,605)			-
B3	Special capital reserve						984	(984)			-
B5	Cash dividends							(405,514)			(405,514)
B9	Share dividends	191,493						(191,493)			-
D1	2024 net income							680,767			680,767
D3	Other comprehensive income (loss) in 2024							1,262	5,055	2,528	8,845
D5	Total comprehensive income (loss)	-	-	-	-	-	-	682,029	5,055	2,528	689,612
I1	Convertible corporate bond conversion	4,669	(4,220)		10,181						10,630
M5	The difference between the actual acquisition or disposal price of subsidiary company equity and its book value.				2						2
N1	Share-based payment transaction	5,690		(838)	11,929						16,781
T1	Others - issuance of employee stock options				3,546						3,546
Z1	Balance as of December 31, 2024	$1,318,889	$-	$3,678	$1,311,886	$270,196	$2,356	$684,390	$3,343	$1,884	$3,596,622

(Please refer to the notes to the 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, 2024 and 2023
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2024	2023
AAAA	Cash flow from operating activities:		
A10000	Net profit before tax for the period	$831,921	$828,425
A20000	Adjustment items:		
A20010	Gain or loss items that do not affect cash flows:		
A20100	Depreciation expense (including right-of-use assets)	740,306	651,554
A20200	Amortization expenses	18,275	10,896
A20400	Valuation loss (gain) on financial liabilities measured at fair value through profit or loss	905	715
A20900	Interest expenses	57,098	55,544
A21200	Interest income	(12,584)	(15,311)
A21900	Cost of share-based payments	3,546	30,192
A22300	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method	(69,201)	(66,499)
A22500	Loss on disposal of property, plant, and equipment	(422)	(499)
A22800	Gain on disposal of intangible assets	(2)	-
A23100	Gain on disposal of investments	(5,298)	-
A29900	Other item - gain on lease modification	-	(1,110)
A30000	Changes in assets/liabilities related to operating activities:		
A31130	(Increase) decrease in notes receivable	5,120	(10,877)
A31150	(Increase) decrease in accounts receivable	17,202	(188,749)
A31160	(Increase) decrease in accounts receivable - related parties	(119,931)	(103,192)
A31180	(Increase) decrease in other receivables	(33,019)	(134,035)
A31190	(Increase) decrease in other receivables - related parties	(23,954)	2,938
A31200	(Increase) decrease in inventories	(283,267)	(78,594)
A31230	(Increase) decrease in prepayments	(6,532)	(10,902)
A31240	(Increase) decrease in other current assets	(31,761)	(3,377)
A32125	Increase (decrease) in contract liabilities	(7,494)	2,362
A32130	Increase (decrease) in notes payables	(146,366)	(36,187)
A32140	Increase (decrease) in notes payable - related parties	22,569	8,632
A32150	Increase (decrease) in accounts payables	191,248	129,332
A32160	Increase (decrease) in accounts payable - related parties	57,297	(898)
A32180	Increase (decrease) in other payables	(11,362)	(23,025)
A32190	Increase (decrease) in other payables - related parties	-	(699)
A32230	Increase (decrease) in other current liabilities	(155)	3,721
A32240	Increase (decrease) in net defined benefit liabilities	(168)	(160)
A33000	Cash inflow (outflow) from operating activities	1,193,971	1,050,197
A33100	Interest received	12,584	15,311
A33200	Dividends received	95,115	102,778
A33300	Interest paid	(1,926)	(315)
A33500	Income tax paid	(148,937)	(201,876)
AAAA	Net cash inflow (inflow) from operating activities	1,150,807	966,095

Code	Item	2024	2023
BBBB	Cash flow from investing activities:		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(47,425)	(35,315)
B00040	Financial assets measured at amortized cost (increase) decrease	(304,500)	-
B01800	Acquisition of investments accounted for using the equity method	(71,724)	(217,630)
B01900	Disposal of investments accounted for using the equity method	12,000	-
B02700	Acquisition of property, plant, and equipment	(323,029)	(244,758)
B02800	Disposal of property, plant, and equipment	4,882	2,219
B03700	(Increase) decrease in deposits	(143,549)	(49,045)
B04500	Acquisition of intangible assets	(31,913)	(27,462)
B04600	Disposal of intangible assets	25	-
BBBB	Net Cash inflow (outflow) from investing activities	(905,233)	(571,991)
CCCC	Cash flow from financing activities:		
C00100	Proceeds from short-term borrowings	455,000	-
C03000	Increase (decrease) in guarantee deposits received	(12,339)	23,909
C04020	Repayment of principal on loan	(516,245)	(450,349)
C04500	Cash dividends	(405,514)	(422,522)
C04800	Employees exercising share option	16,781	23,705
CCCC	Net cash inflow (outflow) from financing activities	(462,317)	(825,257)
EEEE	Amount of Increase (decrease) in cash and cash equivalents for the period	(216,743)	(431,153)
E00100	Beginning balance of cash and cash equivalents	1,877,053	2,308,206
E00200	Ending balance of cash and cash equivalents	$1,660,310	$1,877,053

(Please refer to the notes to the Parent Company Only financial statements)

Chairman: Cheng Ming-Lung General Manager: Cheng Ming-Lung Accounting Manager: Wu Shu-Yi

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

1. Company Overview

Great Tree Pharmacy Co., Ltd. (hereinafter referred to as "the Company") was authorized to be established on May 15, 2001. Our main businesses include management and trade of various drugs, health supplements, maternity and infant products, and cosmetics products. We also provide coordinated medicine procurement services to various clinics, outpatient centers, and medical communities. Besides, we are also an agency for domestic and foreign health care products sold in clinics, outpatient centers, and medical communities.

The Company's initial public offering (IPO) was on March 29, 2016 at the Taipei Exchange (TPEx). The Company’s registered address and the main business operating site is at 18F., No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City

2. Dates and Procedures of Approving Financial Statements

The Company’s individual financial reports for the years 2024 and 2023 were approved by the Board of Directors on February 27, 2025.

3. Applicability of New and Amended Accounting Principles and Explanations

a. Changes in accounting policy from the first-time adoption of International Financial Reporting Standards (IFRS):

The Company has adopted the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations or Notices that have been approved by the Financial Supervisory Commission (hereinafter referred to as the "FSC") for application since January 1, 2024. The first-time application has had no significant impact on the Company.

b. As of the approval and announcement date of the financial statements, the Company has yet to adopt the following standards that have been announced by the International Accounting Standards Board (IASB) and have been approved by the FSC as either newly announced, revised, and amended standards or interpretations:

Item	Newly announced/amended/revised standard and interpretation	Effective date from IASB
1.	Amendment to International Accounting Standard No. 21: Lack of Convertibility	January 1, 2025

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

1) Amendment to International Accounting Standard No. 21: Lack of Convertibility

This amendment clarifies the convertibility and lack of convertibility between currencies, as well as how exchange rates are determined when a currency lacks convertibility, and provides additional disclosure requirements regarding the lack of convertibility of currencies.

The above amendments shall be applicable to the accounting year commencing on January 1, 2025. The Company has assessed that there are no significant impacts prior to this date.

c. As of the approval and announcement date of the financial statements, the Company has yet to adopt the following standards that have been announced by the International Accounting Standards Board (IASB) and have been approved by the FSC as either newly announced, amended, standards or interpretations:

Item	Newly announced/amended/revised standard and interpretation	Effective date from IASB
1.	Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Pending resolution from the IASB
2.	IFRS 17 - Insurance Contracts	January 1, 2023
3.	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
4.	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
5.	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
6.	Annual Improvements to International Financial Reporting Standards – Volume 11	January 1, 2026
7.	Contracts Related to Reliance on Natural Power (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

1) Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This project addresses the acknowledged inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or joint venture. IAS 28 requires that gains and losses resulting from upstream and downstream transactions between an investor and its associate or a joint venture should only be recognized to the extent of the interest attributable to the other equity holders in the associate or joint venture. IFRS 10 requires that any investment the parent has in the former subsidiary after control is lost should be measured at fair value and that any resulting gain or loss should be recognized in profit or loss. These amendments prohibit the aforementioned regulations from IAS 28; when the loss of control of a business, as defined in IFRS 3 occurs, all gains or losses arising from which shall be recognized.

These amendments also revise IFRS 10 in which a partial gain or loss should be recognized in accounting for the sale or contributions of assets or subsidiaries that do not constitute a business between an investor and its associate or joint venture as defined in IFRS 3.

2) IFRS 17 - Insurance Contracts

This standard provides a comprehensive model to insurance contracts, including all accounting treatment (recognition, measurement, expression, and disclosure principle). The core of the standard is general, and under this model, initial recognition measures the insurance contract group by the combination of the cash flow from performance obligation and contract service margin; the carrying amount at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the general model, a specific applicable method (Variable Fee Approach, VFA) for contracts with direct participation features as well as a simplified approach for short-term contracts (Premium Allocation Approach, PAA) are provided.

This standard was issued in May 2017 and was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

3) IFRS 18 "Presentation and Disclosure in Financial Statements"

This standard will replace IAS 1 "Presentation of Financial Statements," with the following main changes:

a) Enhancing the comparability of the income statement

In the income statement, revenues and expenses will be classified into five categories: operating, investing, financing, income taxes, or discontinued operations. The first three categories are new classifications aimed at improving the structure of the income statement. Additionally, all companies will be required to provide subtotals based on these new definitions, including operating profit. By enhancing the structure of the income statement and introducing new defined subtotals, investors will have a consistent starting point when analyzing financial performance across companies, making it easier to compare businesses.

b) Enhancing the transparency of management performance measurement

Requiring companies to disclose explanations of company-specific metrics related to the income statement, referred to as management performance measures.

c) Summary of useful financial statement information

Guidance will be established to determine whether financial information should be presented in the primary financial statements or in the notes. This change is expected to provide more detailed and useful information. Requiring companies to provide more transparent operating expense information to assist investors in identifying and understanding the information being used.

4) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Simplify the disclosure requirements for subsidiaries that do not have public accountability, and allow subsidiaries that meet the defined criteria to choose whether to apply this standard.

5) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

This amendment includes:

a) Clarify that financial liabilities are derecognized on the settlement date, and provide an explanation of the accounting treatment for financial liabilities settled using electronic payments prior to the settlement date.

b) Clarify how to assess the cash flow characteristics of financial assets that have environmental, social, and governance (ESG)-related linkages or other similar or contingent characteristics.

c) Clarify the treatment of non-recourse assets and contract-linked instruments.

d) For financial assets or liabilities with terms and contingent features (including those linked to ESG), as well as equity instruments classified as measured at fair value through other comprehensive income, additional disclosures are required under IFRS 7.

6) Annual Improvements to International Financial Reporting Standards – Volume 11

a) Amendment to IFRS 1

The main amendment is to align the explanation of hedge accounting for first-time adopters with IFRS 9.

b) Amendment to IFRS 7

This amendment updates outdated cross-references related to derecognition gains or losses.

c) Amendment to the Implementation Guidance of IFRS 7

This amendment improves certain textual descriptions in the implementation guidance, including the introduction, disclosures of deferred fair value and transaction price differences, and credit risk disclosures.

d) Amendment to IFRS 9

This amendment introduces cross-references to address the derecognition of lease liabilities for lessees and clarify transaction prices.

e) Amendment to IFRS 10

This amendment eliminates the inconsistency between paragraph B74 and paragraph B73 of the standards.

f) Amendment to IAS 7

This amendment removes the reference to the cost method in paragraph 37 of the standards.

7) Contracts Related to Reliance on Natural Power (Amendments to IFRS 9 and IFRS 7)

This amendment includes:

a) Clarify the provisions applicable to "own use."

b) When a contract is used as a hedging instrument, hedge accounting is allowed to be applied.

c) Add disclosure requirements in the notes to help investors understand the impact of such contracts on the company's financial performance and cash flows.

The above-mentioned standards or interpretations issued by the International Accounting Standards Board, but not yet approved by the Financial Supervisory Commission, will be applied in accordance with the regulations set by the Financial Supervisory Commission. Apart from the ongoing assessment of the potential impact of the newly published or amended standards or interpretations (3), for which the actual impact on the Company cannot be reasonably estimated at this time, the remaining newly published or amended standards or interpretations will not have a significant impact on the Company.

4. Explanations of Major Accounting Policies

a. Declaration of compliance

The Company's 2024 and 2023 Parent Company Only Financial Statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparations

The Company's Parent Company Only Financial Statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." Pursuant to Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current gain or loss and other comprehensive income in the Parent Company Only Financial Statements is equal to the current gain or loss and other comprehensive income as attributable to owners of parent company in the Consolidated Financial Statements. Furthermore, the owner's equity in the Parent Company Only Financial Statements is equal to the equity attributable to owners of the parent company in the Consolidated Financial Statements. Therefore, investments in subsidiaries are expressed using "investments accounted for using equity method" in the Parent Company Only Financial Statements, and necessary valuation adjustments will be made.

Besides the financial instruments measured at fair value, the Parent Company Only Financial Statements are prepared on the basis of historical costs. Unless otherwise specified, the Parent Company Only Financial Statements is denoted in thousands of New Taiwan Dollar (NT$1,000).

c. Foreign currency transaction

The functional currency of the Company's Parent Company Only Financial Statements is New Taiwan Dollar (NT$).

Transactions in foreign the currencies are recorded by their respective functional currency rates at the date of the transaction. At the end of every reporting period, items denoted in foreign currencies will be translated at the closing exchange rate of the day. Non-monetary foreign currency items measured at fair value will be translated using the exchange rate on the date when the fair value is measured. Non-monetary foreign currency items measured at historical cost are translated at the exchange rate of the date of the transaction.

Except for the following items, exchange differences resulting from delivery or exchange of monetary items will be recognized as gain or loss as they occur:

1) For foreign currency loans that arise from acquisition of assets that meet the requirements, if the resulting exchange differences are treated as adjustments of the interest capital, which is a component of the cost of loans, they will be capitalized as the cost of the asset.

2) Foreign currency items within the scope of IFRS 9 Financial Instruments: Recognition and Measurement are accounted for based on the accounting policy for financial instruments.

3) Monetary items that construe part of the net investments for overseas operations in the Parent Company Only Financial Statements. When translation differences that arise are recognized as other comprehensive income (loss), it will be reclassified to gain or loss from equity when the net asset is disposed.

When gains or losses from non-monetary items are recognized as other comprehensive income (loss), any translation component from such gain or profit will be recognized as other comprehensive income. When gains or losses from non-monetary items are recognized as loss, any translation component from such gain or profit will be recognized as loss.

d. Standard of classifying assets and liabilities as either current or non-current

When any of the following conditions occur, the item will be classified as a current asset, and when it is not a current asset, it will be classified as a non-current asset:

1) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
2) Asset is held for trading purposes.
3) The asset is due to be realized within 12 months after the reporting period.
4) It is cash or cash equivalent, except where the asset is exchanged or used to settle liabilities at least 12 months after the reporting period.

When any of the following conditions occur, the item will be classified as a current liability, and when it is not a current liability, it will be classified as a non-current liability:

1) The liability is expected to be settled during normal business cycle.
2) Liability is held for trading purposes.
3) The liability is due to be settled within 12 months after the reporting period.

4) At the end of the reporting period, there is no right to defer the settlement of the liability for at least twelve months after the reporting period.

e. Cash and cash equivalents

Cash and cash equivalents are cash on hand, demand deposit, short-term and highly liquid investments that can be immediately converted to fixed amount of cash with very small risks of valuation changes (including contract-based fixed deposits of less than 3 months).

f. Financial instruments

Financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments: Recognition and Measurement are recognized initially at fair value and the transaction costs directly attributable to the financial assets and financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss) are derived by addition or subtraction from the fair value of assets and financial liabilities.

1) Recognition and valuation of financial assets

The accounting treatment for recognition and derecognition of all customary trading of financial assets of the Company is made on the settlement date.

The Company classifies financial assets as either financial assets subsequently measured at amortized costs, measured at fair value through other comprehensive income (loss), or measured at fair value through profit or loss:

a) Business model used in managing the financial assets

b) Characteristics of the contractual cash flows from the financial asset

Financial assets measured at amortized cost

Financial assets that meet the following two conditions will be measured at cost after amortization, and will be listed in the balance sheet under one of the following items: notes payable, accounts receivable, financial assets measured at amortized cost and other receivables:

a) Business model used in managing the financial assets: financial asset is held to receive contractual cash flows

b) Characteristics of the contractual cash flows from the financial asset: cash flow is the interest paid solely on the principal and the outstanding principal

Such financial assets (excluding hedging relationships) will be measured at subsequent amortized cost {amount measured at the time of initial recognition, less the principal repaid, and add or subtract the accumulated amortized difference (using effective interest method) between the original amount and the amount due, and by adjusting allowances for loss}. When derecognizing, through amortization procedure, or recognizing impairment gain or loss, the gain or loss will be recognized as profit or loss.

Interest calculated through effective interest method (multiplying effective interest with the total book value of the financial asset) or the following conditions will be recognized in profit or loss:

a) If it is a purchased or originated credit-impaired financial asset, the credit-adjusted effective interest rate is multiplied by the cost of amortized financial assets

b) If it is not, in case of subsequent credit impairment, the effective interest rate will be multiplied by the cost of the financial instrument after amortization

<u>Financial assets measured at fair value through other comprehensive income</u>

Financial assets that meet both of the following criteria will be measured at fair value through other comprehensive income (loss), and stated on the Balance Sheet as financial assets measured at fair value through other comprehensive income (loss):

a) Business model used in managing the financial assets: financial asset is held to receive contractual cash flows and for sale of financial asset

b) Characteristics of the contractual cash flows from the financial asset: cash flow is the interest paid solely on the principal and the outstanding principal

Recognition of gain or loss related to such financial assets will be explained as follows:

a) Prior to derecognition or reclassification, except for impairment interest or loss, exchange gain or loss will be recognized in the profit or loss, and its gain or loss will be recognized in other comprehensive income (loss)

b) During derecognition, accumulated gain or loss recognized in other comprehensive income (loss) will be reclassified from equity to profit or loss as adjustments for reclassification

c) Interest calculated through effective interest method (multiplying effective interest with the total book value of the financial asset) or the following conditions will be recognized in profit or loss:

i. If it is a purchased or originated credit-impaired financial asset, the credit-adjusted effective interest rate is multiplied by the cost of amortized financial assets

ii. If it is not, in case of subsequent credit impairment, the effective interest rate will be multiplied by the cost of the financial instrument after amortization

In addition, for equity instruments applicable to IFRS 9 and are not held as available-for-sale or applicable as a contingent consideration by the acquirer in business consolidation in IFRS 3, during initial recognition, the Company will choose (this is not reversible) to state its subsequent fair value changes in the other comprehensive income (loss). Amounts stated in other comprehensive income cannot be converted to income or loss (during disposal of such equity instrument, the accumulated amount stated in other equity item will be directly transferred to retained earnings), and will be stated in the Balance Sheet as financial assets measured at fair value through other comprehensive income (loss). Investment dividends will be recognized in profit or loss, unless such dividends clearly represent a portion of the investment cost.

Financial assets measured at fair value through profit or loss

In addition to the aforementioned measurement at cost after amortization for having met certain conditions or measurement at fair value through other comprehensive income, financial assets are all measured at fair value through profit or loss, and are stated in the balance sheet as financial assets at fair value through profit or loss.

These financial assets are measured at fair value, and any gain or loss from their revaluation will be recognized as profit or loss. The gain or loss recognized as profit or loss includes any dividend or interest received from the financial asset.

2) Impairments of Financial Assets

For the debt instrument investment measured at fair value through other comprehensive income (loss) and the financial assets measured at amortized cost, the Company recognizes expected credit losses and measures allowances for loss. For the debt instrument investment measured at fair value through other comprehensive income, allowance for loss is recognized in the other comprehensive income (loss), and the book value of the investment will not be reduced.

The Company measures expected credit loss by reflecting the following methods:

a) Unbiased and probability-weighted amount determined by evaluating each possible outcome

b) The time value of money

c) Reasonable and corroborative information related to past events, current conditions, and future economic forecasts (can be obtained at no excessive cost or input on the Balance Sheet date)

Method for valuating allowance for loss is as follows:

a) Measure the expected credit loss over the next 12 months: including financial asset without significant increase in credit risk after initial recognition, or those ruled to have low credit risk on the Balance Sheet date. In addition, this also includes those with allowance loss measured by the expected credit loss during the previous reporting period, but no longer meets the condition in which the credit risk has significant increased since the original recognition on the Balance Sheet date.

b) Measurement of the amount of lifetime expected credit losses: including financial asset with significant increase in credit risk after initial recognition or purchased or originated credit-impaired financial asset with credit impairment.

c) For accounts receivable or contractual asset arising from transactions within the scope of IFRS 15, the Company adopts lifetime expected credit loss to measure allowance for loss.

d) For lease receivables arising from transactions within the scope of IFRS 16, the Group adopts lifetime expected credit loss to measure allowance for loss.

On each Balance Sheet date, the Company uses comparisons between the changes of default risk on the Balance Sheet date and on the date of initial recognition to measure whether there has been a significant increase in the financial instrument’s credit risk after initial recognition. Additionally, please refer to Note 12 for information related to credit risk.

3) Derecognition of financial asset

The Company’s financial assets will be derecognized when one of the following conditions occurs:

a) The contractual right from the cash flow of the financial asset is terminated.

b) When nearly all risk and compensations associated with ownership of a financial asset has been transferred.

c) Nearly all risk and compensations associated with ownership of an asset has neither been transferred nor retained, but the control of the asset has been transferred.

When a financial asset is derecognized in its entirety, the difference between its carrying amount and any cumulative gain or loss that has been received or is receivable and recognized in other comprehensive income (loss), will be recognized in profit or loss.

4) Financial liabilities and equity instruments

Classification of liability or equity

The Company classifies the liabilities and equities instrument issued as financial liability or equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

Equity instruments refer to any contract with residual interest after subtracting all liabilities from assets. Equity instruments issued by the Company are recognized by the acquisition cost minus direct distribution costs.

Hybrid instruments

The Company recognizes the financial liabilities and equity components of the convertible corporate bonds issued in accordance with contractual terms. In addition, the conversion of corporate bonds issued is based on the assessment of whether the economic characteristics and risks of the embedded purchase and sale rights are closely related to the primary debt commodity before classifying the equity elements.

For liabilities that do not involve derivatives, the fair value is measured using the market interest rate of a bond of comparable nature and without conversion characteristics. This amount is classified as a financial liability measured by amortized cost before conversion or redemption settlement. For other embedded derivatives that are not closely related to the risk characteristics of the principal contract (for instance, the embedded buy-back and redemption rights are confirmed to be substantially inconsistent with the amortized cost of the debt commodity on each execution date), they will be classified as components of liability and is measured at fair value through profit or loss in subsequent periods except for equity components. The amount of the equity component is determined by the conversion of fair value of the corporate bonds subtract the component of the liability, and the carrying amount will not be remeasured in subsequent accounting periods. If the issued conversion corporate bonds from the Company do include an equity element, they are handled in accordance with IFRS 9 Hybrid Instruments.

The transaction costs are allocated to the liability and equity components in proportion to the ratio of the convertible corporate bonds' allocations to liability and equity components during initial recognition.

When holder of the convertible corporate bonds should requests to exercise conversion rights before the maturity of the convertible bond, the person should adjust the carrying amount of the liability component element to the carrying amount at the time of exercise as the basis of entry for issuance of ordinary shares.

Financial liabilities

Financial liabilities within the scope of IFRS 9: upon initial recognition, recognition and measurement are either classified as financial liabilities at fair value through profit or loss, or financial liabilities measured at amortized cost.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss includes available-for-sale financial liabilities and designated financial liabilities at fair value through profit and loss.

A financial asset will be classified as available-for-sale when it meets one of the following conditions:

a) The primary purpose for acquisition of the asset is short-term sales;

b) It is part of an identifiable financial instrument combination of the consolidated management at the time of initial recognition, and there is evidence that the combination is a short-term profit operating model in the near future; or

c) It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

For contracts that include one or multiple embedded derivative instruments, the entire hybrid (integrated) contract could be designated as a financial instrument at fair value through profit or loss. In addition, when it meets one the following conditions and can provide more relevant information, it could be designated as at fair value through profit or loss during initial recognition:

a) It eliminates or significantly reduces a measurement or recognition inconsistency; or

b) A group of financial assets, financial liabilities or both, is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the investment is provided internally by the consolidated company on that basis to the key management personnel.

Any gain or loss from revaluation of these financial liabilities will be recognized as profit or loss. The gain or loss recognized as profit or loss includes any dividend or interest received from the financial liabilities.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include accounts payables and loans, and will continue to be measured through effective interest method after initial recognition. When financial liabilities are derecognized and amortized using effective interest method, related gain or loss and amortization will be recognized in profit or loss.

Calculation of the amortized cost will take discount or premium during acquisition and transaction cost into consideration.

Derecognition of financial liabilities

When the obligation of a financial liability is terminated, canceled or no longer effective, the financial liability will be derecognized.

When the Company and the creditors exchange debt instruments with significant differences, or make major changes to all or part of the existing financial liabilities (whether due to financial difficulties or otherwise), treatment will include derecognition of the original liabilities and the recognition of new liabilities, During derecognition of financial liabilities, the difference between the carrying amount and the total amount of the consideration paid or payable, including the transferred non-cash assets or liabilities assumed, is recognized in profit or loss.

5) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities can only be offset and presented in net terms on the balance sheet only when the recognized amounts currently contain exercise of legal rights for offset and are intended to be settled on a net basis or can be realized simultaneously and the debt can be settled.

g. Fair value measurement

Fair value refers to the price required or transferred to an asset in an orderly transaction between market participants on a measurement date. Fair value measurement assumes that the transaction for the asset being sold or liability being transferred takes place in one of the following markets:

1) Principal market of the asset or liability, or
2) If no principal market exists, the most favorable market for the asset or liability

The Company needs to be able to enter the principal or most favorable market in order to carry out the transaction.

Fair value measurement of the asset or liability uses the assumption that market participants would adopt while pricing the asset or liability, where the assumption is that the market participants would take the most favorable economic conditions into consideration.

The fair value measurement of a non-financial asset takes into consideration the market participant's use of the asset for its highest price and best use or by selling the asset to another market participant who will use the asset for its highest price and best use to generate economic benefits.

The Company uses valuation techniques that are appropriate and relevant in the relevant circumstances to measure fair value and maximize the use of observable inputs and to minimize the use of unobservable inputs.

h. Inventory

Inventories are evaluated on a case-by-case basis by the cost and net realizable value.

Cost refers to the cost of bringing inventory to a state of sale or availability for production and location:

Commodities - The weighted average method is used for the actual purchase cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

i. Investments accounted for using the equity method

Investments to subsidiaries are made pursuant to Article 21 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." These investments are expressed by "investments accounted for using equity method" and necessary rating adjustment is conducted so that current profit and loss and other comprehensive income in the Parent Company Only Financial Statements and the current profit and loss and other comprehensive income (loss) attributable to owners of the parent company in the Consolidated Financial Statements are equivalent, and the owner's equity in the Parent Company Only Financial Statements is equivalent to the equity attributable to owners of parent company in the Consolidated Financial Statements. Such adjustments are made in consideration of the differences between the investment in subsidiaries in the Consolidated Financial Statements in accordance with IFRS 10 - Consolidated Financial Statements, and the applicable IFRS reporting at different levels, and either debits or credits the "investment accounted for using equity method," "profit or loss from subsidiaries, affiliates, and joint venture accounted for using equity method," or "other comprehensive income (loss) from subsidiaries, affiliates, and joint venture accounted for using equity method."

The Company's investment in affiliates adopts equity method except for those classified as available-for-sale. Affiliates refer to the companies in which the Company has material influence over.

Under the equity method, the investment affiliates are accounted for on the balance sheet as the amount recognized by the Company for the change in the net assets of the affiliate based on the shareholding ratio. After the carrying amount and other related long-term equity in investments in affiliates under the equity method are reduced to zero, extraneous losses and liabilities will be recognized in the context of legal obligations, constructive obligations, or payments made on behalf of the affiliates. Unrealized gain or loss occurring between the Company and affiliates will be eliminated in proportion to the shares held in the affiliates.

When the change in the equity of the affiliate is not due to profit or loss and other comprehensive profit or loss items, and does not affect the Company’s shareholding ratio, the Company will recognize the change in the relevant ownership interest based on the shareholding ratio. Therefore, recognized capital surplus will be reverted to profit or loss in proportion to the disposal subsequent to disposal of the affiliates.

When an affiliate issues new shares, if the Company does not subscribe in proportion to its shareholding, the Company’s shareholdings in the affiliate’s net assets will increase or decrease accordingly. The change will be adjusted by "capital surplus" and "investments accounted for using equity method." When the shareholding ratio decreases, the recognized related items in other comprehensive income (loss) will be first reclassified to profit or loss or other appropriate item in proportion to the decrease in shareholding ratio. The aforementioned recognized capital surplus will be reverted to profit or loss during subsequent disposal of the affiliate.

The financial statements of the affiliates are prepared for the same reporting period as the Company, and adjusted to align their accounting policies with the Company’s accounting policies.

The Company determines at each reporting date whether there is any objective evidence that the investment in the affiliate company is impaired in accordance with IAS 28 - Investment in Related Companies and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the affiliate company and its carrying value and recognizes the amount in the "share of profit or loss of an affiliate company" in the statement of comprehensive income in accordance with IAS 36 - Impairment of Assets. In case the aforementioned recoverable amount adopts the useful value of the investment, the Company will determine the relevant useful value based on the following estimates:

1) The share of the present value of the estimated cash flows generated by the affiliates of the Company, including the cash flows generated by the affiliates due to the operation and the final disposal of the investment; or
2) The Company expects to receive dividends from the investment and ultimately dispose of the present value of the estimated future cash flows generated by the investment.

Since goodwill component item that construes the carrying amount of the investment in affiliates is not separately recognized; hence, the Company is not required to undertake the test for goodwill impairment as stipulated in IFRS 36 - Impairment of Assets.

When material influence over affiliates is lost, the Company will conduct fair value measurement and recognize the remaining investments. When material influence is lost, the difference between the carrying amount of the investment in affiliates and the fair value of the retained investment plus the disposal price, will be recognized as profit or loss.

j. Property, plant, and equipment

Property, plant and equipment is recognized at the acquisition cost less accumulated depreciation and accumulated impairment. The aforementioned cost includes the dismantling of property, plant, and equipment, removing, and restoring the site on which it is located, and any necessary interest expense arising from unfinished construction. If the various component of property, plant, and equipment is material, it shall be separately recognized for depreciation. When the material components of property, plant and equipment requires to be regularly replaced, the Company will see the item as a separate asset and to separately recognize it through its useful life and depreciation method. The carrying amount of the replaced component will be derecognized in accordance with the derecognition rule in IAS 16 - Property, Plant, and Equipment. When material inspection cost complies with criteria for recognition, it will be treated as a replacement cost and recognized as a part of the carrying amount of the property, plant, and equipment. All other fixture and maintenance expense will be recognized in profit or loss.

Depreciation is recognized through the straight-line method with the following asset useful life estimation:

Transportation vehicle: 5 years

Office equipment: 3-15 years

Leasehold improvements: 3-10 years

Other equipment: 3-10 years

After initial recognition of property, plant, and equipment, or any of its material components, if disposal occurs or if inflow of economic benefit is not expected to occur from its use or disposal thereof in the future, it shall be derecognized and recognized in profit or loss.

Residual value, useful life and depreciation methods of property, plant, and equipment will be evaluated at the end of each fiscal year. If expected value differs from previous estimates, the changes will be treated as changes in accounting estimates.

k. Lease

The Company evaluates whether a contract is (or includes) a lease on the contract establishment date. A contract is (or includes) a lease if it transfers control of the use of an identified asset for a period of time in exchange for considerations. To evaluate whether the contract has transferred the control of the use of an identified asset for a period of time, the Company will evaluate whether the following two factors will occur during the entire duration of use:

1) Rights to nearly all economic benefits of the identified asset have been received; and
2) The control over the right to use the identified asset.

For contracts that are (or include) leases, the Company will treat each lease component in the contract individually, and to separately treat them from the non-lease components in the contracts. For leases that include one lease component and one or more additional lease or non-lease components, the Company will use the single comparison price of each lease component and the aggregated single prices of non-lease components as the basis, and distribute the consideration in the contract to the lease component. The comparison single unit price of the lease and non-lease components will be decided upon the prices separately received by the lessor (or supplier) for such components. If observable single unit prices are not readily available, the Company will maximize the use of observable information to estimate their respective single unit prices.

<u>The Company is the lessee</u>

Except for leases that meet and are selected to be treated as short-term leases or low-value assets, when the Company is the lessee of a lease contract, the Company will recognize all right-of-use asset and lease liabilities related to all leases.

At the start date, the Company measures the lease liability at the present value of the unpaid lease payments on that date. If the interest rate implicit in a lease is easy to determine, the lease payment is discounted using that interest rate. If such interest rate is difficult to determine, the lessee's incremental loan rate of interest will be used. On the start date, the lease payment of the lease liability will be accounted for, including the following payments that have to do with the target right-of-use asset during the lease period that have not been paid on that date:

a) Fixed payments (including substantial fixed payments), minus any lease incentives that can be obtained;
b) Variable lease payments dependent upon certain indicators or rates (measured by the indicators or rates used on the start date);
c) Expected residual value guarantee from the lessee;
d) Exercise price for purchase of options, if the Company can be reasonably assured that the right will be exercised; and

e) Penalties for termination of the lease, in case the lease period reflects that the lessee will exercise the option to terminate the lease.

After the start date, the Company will measure the lease liability using amortized cost-based measurement, and the carrying amount of the lease liability will be added by the effective interest method to reflect interest of the lease liability. Lease payment will be subtracted from the carrying amount of the lease liability.

On the start date, the Company will measure the right-of-use asset at cost, and the cost of the right-of-use asset will include:

a) The original valuation of the lease liability;

b) Any lease payment paid on the start date or before, minus any lease incentives taken;

c) Any original direct cost that the lessee incurs; and

d) Estimated cost of the lessee's dismantling, removing the target asset and restoration at the asset's location, or the cost to restore the target asset to the state required in the terms and conditions of the lease.

Valuation of the right-of-use asset will be cost minus accumulated depreciation and accumulated impairment loss, or the right-of-use asset can be measured at cost model.

If the ownership of the target asset will be transferred to the Company when the lease period expires, or if the cost of the right-of-use asset reflects that the Company will exercise purchase option, then the depreciation of the right-of-use asset will be measured from the start date of the lease until the end of the asset's useful life. Otherwise, the Company will depreciate the right-of-use asset from the start date until the end of its useful life, or the end of the lease term, whichever is the earlier of the two.

The Company uses IAS 36 Asset Impairment to determine whether an asset has been impaired and treats any identified impairment loss.

Except for lease of assets that meet and were selected to be short-term lease or low-value asset, the Company will recognize right-of-use assets and lease liabilities on the balance sheet, and separately recognize any depreciation expense and interest expense related to the lease on the statement of comprehensive income.

For short-term leases and low-value asset leases, the Company chooses to use straight-line basis or another systematic basis, and recognizes related lease payments as expenses during the lease terms.

The Company is the lessor

On the date of establishing the contract, the Company will classify each lease as either operating lease or financing lease. If nearly all risks and rewards associated with the ownership of the asset will be transferred during the lease, it will be categorized as a financing lease; if risks and rewards will not be transferred, it will be an operating lease. The Company will recognize assets held under financing leases on the balance sheet on the start date, and express them as lease payment receivable based on the net lease investment.

For contracts that include lease components and non-lease components, the Company will distribute the considerations in the contract using regulations from IFRS 15.

The Company uses direct-line basis or another systematic basis to recognize lease payments from operating leases as lease revenue. For variable lease payments not based on certain indicators or rates in operating leases, the Company will recognize them as lease revenue when they occur.

l. .Intangible assets

Separately acquired intangible assets will be measured by cost during initial recognition. After initial recognition of intangible asset, its carrying amount will be the cost reduced by any accumulated amortization. Internally-arising intangible assets that do not meet the recognition criteria will not be capitalized, and will be recognized in profit or loss as they occur.

The useful life of an intangible asset has been classified as either finite or indefinite.

Intangible assets with finite useful life will be amortized during the duration of the useful life, and impairment tests will be conducted when there are indicators of impairment. The duration of amortization and method of amortization of intangible assets with finite useful life should be reviewed at least once at the end of each fiscal year. If the expected useful life of an asset is found to be different from the estimation or if the expected model of consumption of future economic benefits has changed, then the amortization method or duration of amortization shall be adjusted and treated as changes in estimate.

Intangible assets with indefinite useful life will not be amortized; however, impairment test shall be conducted based on individual asset or cash-generating unit level in each year. Intangible asset with indefinite useful life will be expected in each term for whether matters and conditions continue to support its indefinite useful life. If the useful life is changed from indefinite to finite, applicability will be deferred.

Gains or loss arising from derecognition of intangible assets will be recognized in profit or loss.

Below is a compilation of the Company's accounting policy for intangible assets:

	Computer software	Trademarks
Useful life	1-5 years	Indefinite
Amortization method used	Straight-line amortization during the expected useful life	Do not amortize
Internally-arising or acquired externally	Acquired externally	Acquired externally

m. Non-monetary impairment

At the end of every reporting period, the Company will evaluate all assets for indicators of impairment pursuant to IAS 36 - Impairment of Assets. If signs of impairment exist or if regular annual impairment test is required for a certain asset, the Company will test it on the basis of individual assets or the cash generating unit to which the asset belongs. If result of the impairment test indicates that the carrying amount of the asset or the cash generating unit to which the asset belongs is greater than its recoverable amount, impairment loss will be recognized. Recoverable amount is the higher of the net fair value or useful value.

At the end of every reporting period, the Company will evaluate all assets except for goodwill for indicators of whether previously recognized impairment loss no longer exists or has been reduced. If such signs exist, the Company will estimate the recoverable amount of the asset or the cash generating unit. If the estimated service potential of the asset changes, resulting in an increase in the recoverable amount, the impairment will be reversed to profit or loss. However, the carrying amount after reversal shall not exceed the amount of the depreciation or amortization of the asset after deducting the depreciation or amortization.

Impairment loss and reversal of continuing operations will be recognized in profit or loss.

n. Revenue Recognition

The Company's revenue from customer contracts are mostly from sales of goods and provision of service, and their accounting treatments are explained as follows:

<u>Sales of goods</u>

The Company sells products and recognizes revenue when the promised product is delivered to the customer and the customer obtains control (the customer has the ability to lead the use of the product and obtain almost all of the remaining benefits of the product) and satisfies performance obligation. The Company's primary products are various types of medicine, health supplements, and maternity and infant products. During some of the sales transactions, when the ownership of the goods is transferred to the customer, the Company will provide points as part of the customer loyalty program based on the transaction price. The points will provide the customers with preferential discount during the customer's subsequent purchases within the next year. The Company distributes the transaction price and points given based on the relative selling price of the goods sold and the points, and the transaction price allocated to the sales goods is recognized when the ownership of the goods is transferred to the customer, while the rest will be recognized as contractual liability based on the acquisition price.

Retail customers of the Company have the right to enjoy discount during future purchase with the points they collect. When points are collected from customer use or when the points expire one year after the initial sales, revenue from the points given will be recognized, and relevant contractual liability will be adjusted accordingly.

The credit period for the product sales transactions of the Company is 60~120 days. Accounts receivable will be recognized when most of the contracts are subject to product transfer control and have the right to receive unconditional consideration. These receivables are usually short-term and do not pose as significant financing components.

<u>Provision of service</u>

Service revenue of the Company mostly come from provision of management service. Revenue will be recognized when the committed service is transferred to the customer and satisfies performance obligation.

o. Retirement pension plan

The Company's employee retirement method is applicable for all formal employees. The full amount of employee pension fund is managed by the Labor Retirement Reserve Supervisory Committee, and deposited in designated pension fund.

For retirement pension plans with defined allocations, the Company is obliged to allocate a certain ratio of employee pension allocation of no less than 6% of the employee's monthly pay. The amount of allocation will be recognized as current expense.

For retirement pension plans with defined benefit plan, the Company will include the amounts after the reporting period on actuarial report through projected unit credit method. Revaluation of net defined benefit liabilities (asset) includes any changes in return on plan assets and asset ceiling and will be reduced by amount of net interest included in the net defined benefit liability (asset) and actuarial profit or loss. When revaluation of net defined benefit liability (asset) occurs, it will be recognized under other comprehensive income (loss) and immediately recognized in retained earnings.

Past service cost is the change from the present value of the defined benefit plan due to plan revision or reduction, and will be recognized as expense on the earlier of the two dates:

1) When the plan is revised or reduced; and
2) When the Company recognizes relevant restructuring cost or termination benefits.

Net interest of net defined benefit liability (asset) is net defined benefit liability (asset) multiplied by the discount rate, and both will be decided at the beginning of a reporting period. Subsequently, any changes that occur to the net defined benefit liability (asset) from allocations and benefit expense during the period will be considered.

p. Share-based payment transaction

The cost of the equity-settled share-based payment transaction between the Company and the employees is measured by the fair value on the date of the share-based payment transaction. The fair value is measured by an appropriate pricing model.

The cost of the equity-settled share-based payment transaction is gradually recognized when service terms and performance conditions are met, and when the equity recognized by the counterparty increases. The accumulated expense from equity-settled share-based payment transactions before the end of every reporting period before the vesting date, is a reflection on the passing of the vesting period at the best estimate from the Company for the number of equity instruments that the Company will ultimately own. At the beginning and end of each reporting period, the cumulative cost changes recognized for the share-based payment transactions will be recognized in profit or loss for the period.

If ultimately, the bonus for share-based payment does not meet the vesting criteria, no expense shall be recognized. However, if the vesting conditions of the equity delivery transaction are related to market conditions or non-vested conditions, when all service or performance conditions are met, related expenses shall be recognized whether the market conditions or non-vested conditions have been met or otherwise.

When equity delivery transaction conditions are modified, at least the initial benefit cost prior to the alternation shall be recognized. In case the share-based payment terms are modified, if the total fair value of the share-based payment transaction is increased or more beneficial to the employees, the additional equity delivery transaction cost will be recognized.

If the share-based payment bonus plan for the equity delivery is canceled, it will be treated as vested on the date of cancellation and the remaining unrecognized share-based payment will be immediately recognized. This includes rewards outside of vesting conditions that have not been achieved by either the Company or the employees. If the original cancelled reward is replaced by a new reward scheme, and has been confirmed that the new plan will replace the existing on the grant date, the cancelled and the new granted reward will be treated as modifications to the existing plan.

Dilution effect of outstanding options will be calculated by additional shares during calculation of the dilution on the EPS.

q. Income tax

Income tax expense (benefit) refers to the aggregated amount related to current income tax and deferred income tax that is included in the current profit or loss.

Income tax in the current period

Income tax liabilities (assets) for this period and for prior periods, are measured at the tax rates and tax laws enacted in the legislative or substantive legislation at the end of the reporting period. Current income tax related to items recognized in other comprehensive income or directly recognized in equity, will be separately recognized in other comprehensive income (loss) or equity rather than profit or loss.

Surtax on unappropriated retained earnings will be recognized as income tax expense on the date of surplus distribution from the Shareholders' Meeting.

Deferred income tax

Deferred tax is calculated based on the temporary difference between the taxable basis of assets and liabilities and the carrying amounts on the Balance Sheet at the end of the reporting period.

All taxable temporary difference shall be recognized as deferred tax liabilities except for the following:

1) The initial recognition of goodwill; or the initial recognition of assets or liabilities not arising from business combination transactions, which neither affect accounting profit nor taxable income (loss) at the time of transaction, and do not generate equivalent taxable temporary differences at the time of transaction that can be deductible.
2) Arising from investment in subsidiaries, affiliates or joint ventures, whose point of reversal can be controlled and there may not be any taxable temporary difference that shall be reversed in the foreseeable future.

Deferred income tax assets that are deductible from temporary differences, unused tax losses and unused income tax deductions are recognized in the context of probable future taxable income except for the following:

1) The deductible temporary differences arising from the initial recognition of assets or liabilities not arising from business combination transactions are those that neither affect accounting profit nor taxable income (loss) at the time of transaction, and do not generate equivalent taxable temporary differences at the time of transaction that can be deductible.
2) Related to deductible temporary difference from equity in investments in subsidiaries, affiliates, or joint ventures, and is highly possible to revert in the foreseeable future, and the revert may be to the extent that there will be sufficient taxable income at the time for recognition of the temporary difference.

Deferred income tax assets and liabilities are measured at the tax rate of the expected asset realization or in the period in which the liability is settled. The tax rate is based on the tax rates and tax laws that have been enacted in the legislative or substantive legislation at the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences arising from the manner in which the asset is expected to be recovered or the carrying amount of the liability is settled at the end of the reporting period. The deferred income tax that is related to items not recognized in profit or loss will also not be recognized in profit or loss. It will be recognized in other comprehensive income (loss) or directly recognized in equity based on its related transaction.

Deferred tax assets shall be reviewed and recognized at the end of each reporting period. For deferred tax assets and liabilities, only the offset between the current tax assets and current tax liabilities carries legally enforceable rights. Moreover, deferred income tax may be offset when it is subject to the same taxpayer and is related to the income tax levied by the same tax authority.

In accordance with the provisions of the "International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12)," the temporary exception rules apply, and therefore, deferred tax assets and liabilities related to Pillar Two income taxes should not be recognized, nor should related information be disclosed.

5. Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When preparing the Parent Company Only Financial Statements, the Company's management shall exercise judgment, estimation and assumption at the end of the reporting period. This will influence the reported amounts of revenue, expense, assets and liabilities, and disclosure on liabilities. Nevertheless, the uncertainty of these material assumptions and estimates may result in material adjustments to the carrying amount of an asset or liability in the future.

Estimates and assumptions

At the end of a reporting period, major source of information for uncertainties in regards to estimates and assumptions for the future, present material risk in material adjustments to the carrying amounts of assets and liabilities in the next fiscal year. This will be explained in the following:

1) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be obtained from an active market, the fair value will be determined by valuation techniques. These include income approach (for example, the discounted cash flow method) or market approach, and changes in the assumptions used in these models will influence the fair value of the reported financial instruments. Please refer to Note 12 for details.

2) Accounts receivable - estimates on impairment loss

The Company's estimate of impairment loss for receivables is measured by the amount of estimated credit losses over its lifetime, which will be based on the difference between the contractual cash flow (carrying amount) receivable and the expected cash flow (assessment of forward-looking information). However, discount effect of short-term receivables is insignificant and credit loss will not be measured by undiscounted difference. If the actual cash flow in the future is less than the estimate, there may be material impairment loss. Please refer to Note 6 for details.

3) Inventory

The estimated value of the net realized value of inventories is the most reliable evidence of the expected change in the amount of cash available for the inventory at the estimated time when the inventory is damaged, all or part of it becomes obsolete or declines in the selling price and influences from product shelf life. Please see refer to Note 6 for detail.

4) Retirement pension plan

The present value of defined benefit costs and defined benefits obligations in retirement pension plan is measured by actuarial valuation. Actuarial valuation involves various assumptions, including discount rate and changes in expected salaries and more. Please refer to Note 6 for details on the assumptions used to measure the cost of defined benefit costs and defined benefit obligations.

5) Share-based payment transaction

Cost of equity settlement transaction between the Company and our employees are measured by the fair value of the equity instrument on the grant date. When estimating the fair value of the share-based payment transaction, the best pricing model should be determined based on the benefit conditions. These estimates also require determining the best parameters used in the pricing model, including: expected duration of the stock options, estimated fluctuations, estimated rate of dividend, and any assumptions made therein. Please refer to Note 6 for explanations on the assumptions and models used to measure the fair value of the share-based payment transaction.

6) Income tax

Uncertainties for income tax exist in the interpretation of complex tax laws, and the future taxable amounts and time points. Due to the prevalence of international business relationships and the long-term nature and complexity of contracts, there may be differences between the actual results and assumptions made, or alternatively, such assumptions in the future may force recorded interest tax benefits and expenses to be adjusted in the future. Recognition of income tax is based on reasonable estimates of the possible audit results of the tax authorities of the countries in which the Company operates. Amounts recognized are based on different elements, for instance, the past experience of tax review and the taxation subject may have different interpretations of the tax law from the taxation authority. Differences in these interpretations could lead to various issues due to the conditions of the countries of the Company’s operations.

Unused tax loss and deferred tax carried forward and deductible temporary differences are recognized as deferred tax assets based on the context that it is highly likely future taxable income or taxable temporary differences will occur in the future. The determination of the amount of deferred tax asset to be recognized is at the point and standards where there may be differences between the future taxable income and taxable temporary difference as well as the estimate of future tax planning strategies.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

6. Explanations of significant accounting items

a. Cash and cash equivalents

	2024.12.31	2023.12.31
Cash on hand and petty cash	$13,057	$11,268
Checks and demand deposit	1,231,703	1,135,908
Fixed deposit	415,550	729,877
Total	$1,660,310	$1,877,053

b. Financial assets measured at fair value through profit or loss

	2024.12.31	2023.12.31
Measured at fair value through profit and loss:		
Convertible corporate bond	$-	$905
Current	$-	$-
Non-current	-	905
Total	$-	$905

The Company's financial assets measured at fair value have not had conditions of guarantee/endorsement.

c. Financial assets measured at fair value through other comprehensive income

	2024.12.31	2023.12.31
Investments in equity instruments measured at fair value through other comprehensive income:		
Over-the-counter (OTC) company stocks	$20,000	$-
Unlisted and non-OTC company stock	112,740	85,315
Subtotal	132,740	85,315
Valuation adjustment	1,884	(644)
Total	$134,624	$84,671
Current	$-	$-
Non-current	134,624	84,671
Total	$134,624	$84,671

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

The Company's financial assets measured at fair value through other comprehensive income have not had conditions of guarantee/endorsement.

d. Financial assets measured at amortized cost

	2024.12.31	2023.12.31
Restrictive fixed deposit	$24,000	$24,000
Fixed deposit	3,000	3,000
Corporate bonds	304,500	-
Less: allowance for loss	-	-
Total	$331,500	$27,000
Current	$328,500	$24,000
Non-current	$3,000	$3,000

The Company only has transactions with financial institutions in good credit standing and therefore has no material credit risk.

The Company's financial assets measured at amortized cost are used as collateral, please refer to Note 8.

e. Notes receivable

	2024.12.31	2023.12.31
Notes receivable - from operating activities	$7,659	$12,779
Less: allowance for loss	-	-
Total	$7,659	$12,779

The Company's notes receivable have not had conditions of endorsement/guarantee.

The Company assesses information related to impairment and allowance for impairment using regulations from IFRS 9. Please refer to Note 6(19) for details. Please refer to Note 12 for information on credit risk.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

f. Net accounts receivable and accounts receivable - related parties

1) Below is a list of the accounts receivable, net:

	2024.12.31	2023.12.31
Total accounts receivable	$520,242	$537,444
Less: allowance for loss	(418)	(418)
Subtotal	519,824	537,026
Total accounts receivable - related parties	714,071	594,140
Less: allowance for loss	-	-
Subtotal	714,071	594,140
Total	$1,233,895	$1,131,166

2) The aforementioned accounts receivable has not had conditions of endorsement/guarantee.

3) The Company's credit line to customers is usually 60-120 days. The total carrying amounts were NT$1,234,313 thousand and NT$1,131,584 thousand on December 31, 2024 and December 31, 2023 respectively. Please refer to Note 6 (19) for information related to allowance for impairment loss in 2024 and 2023. Please refer to Note 12 for information on credit risk.

g. Inventory

1) Net inventory is as follows:

	2024.12.31	2023.12.31
Goods on hand	$2,618,184	$2,334,917

2) The Company recognized cost of inventories of NT$12,466,221 thousand and NT$11,721,989 thousand on December 31, 2024 and December 31, 2023 as expenses respectively. These expenses included the following:

Item	2024	2023
Allowance for inventory valuation and obsolescence loss (gain)	$-	$(10,000)
Inventory scrap loss	48,220	30,197
Inventory loss	9,120	16,616
Total	$57,340	$36,813

The Company recognized allowance for inventory valuation and gain as a result of the disposal of a portion of allowance for valuation and obsolescence loss.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

3) Aforementioned inventory has not had conditions of endorsement/guarantee.

h. Investments accounted for using the equity method

The Company’s investments accounted for using equity method are as follows:

	2024.12.31		2023.12.31	
Investee	Amount	Shareholding ratio	Amount	Shareholding ratio
Investment in subsidiary:				
Ivy Biotechnology Co., Ltd.	$168,175	100%	$153,643	100%
Bai-Lin Logistics Co., Ltd.	11,745	100%	8,529	100%
Great Tree Pets Co., Ltd.	104,354	100%	134,424	100%
Great Tree Pharmacy Hong Kong	124,025	100%	73,536	100%
Enki Biomedical Co., Ltd.	5,717	100%	12,008	100%
GREAT TREE INTERNATIONAL SDN.BHD.	9,514	74.26%	9,250	74.26%
SUNYAO Healthcare Co., Ltd.	24,000	80%	-	-%
Subtotal	447,530		391,390	
Investments in associates and joint ventures:				
Keychain Community Technology Co., Ltd.	$-	-%	$7,075	40%
Total	$447,530		$398,465	

1) Investments in subsidiaries are expressed in "investments accounted for using equity method" in the Parent Company Only Financial Statements.

2) Upon resolution from the Board of Directors on May 10, 2023, the Company has invested to set up Enki Biomedical Co., Ltd., which has completed company registration on May 19, 2023.

3) The Company's board of directors resolved to participate in the cash capital increase of Keychain Community Technology Co., Ltd., investing an amount of 8,000 thousand, acquiring a 40% equity interest on August 10, 2023.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

4) The share of income (loss) from subsidiaries, associates, and joint ventures accounted for using the equity method, based on the audit of the financial statements of the investee companies by other auditors, amounted to NT$(925) thousand in 2023, and the share of other comprehensive income from subsidiaries, associates, and joint ventures accounted for using the equity method amounted to NT$0. The related investment balance accounted for using the equity method as of December 31, 2023, was NT$7,075 thousand.

5) Upon resolution from the Board of Directors on May 10, 2024, the Company has invested to set up SUNYAO Healthcare Co., Ltd., which has completed company registration on October 18, 2024.

6) The Company disposed of Keychain Community Technology Co., Ltd. in August 2024, with the disposal amount totaling NT$12,000 thousand, and recognized a gain on the disposal of investments amounting to NT$5,298 thousand.

7) Aforementioned investments accounted for using equity method has not had conditions with endorsement/guarantee.

i. Property, plant, and equipment

	Transportation vehicle	Office equipment	Leasehold improvements	Other equipment	Total
Cost:					
2024.01.01	$13,516	$672,656	$702,621	$357,357	$1,746,150
Acquisition	-	176,958	114,328	25,465	316,751
Disposal	-	(2,215)	(3,008)	-	(5,223)
Transfer	-	-	-	-	-
2024.12.31	$13,516	$847,399	$813,941	$382,822	$2,057,678
2023.01.01	$13,516	$524,010	$639,208	$328,348	$1,505,082
Acquisition	-	150,223	64,498	29,009	243,730
Disposal	-	(1,577)	(1,085)	-	(2,662)
Transfer	-	-	-	-	-
2023.12.31	$13,516	$672,656	$702,621	$357,357	$1,746,150
Depreciation and impairment:					
2024.01.01	$13,516	$365,171	$381,405	$221,797	$981,889
Depreciation	-	91,305	92,550	58,448	242,303
Disposal	-	(358)	(405)	-	(763)
Transfer	-	-	-	-	-
2024.12.31	$13,516	$456,118	$473,550	$280,245	$1,223,429

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

	Transportation vehicle	Office equipment	Leasehold improvements	Other equipment	Total
2023.01.01	$13,239	$291,773	$295,533	$162,294	$762,839
Depreciation	277	73,924	86,288	59,503	219,992
Disposal	-	(526)	(416)	-	(942)
Transfer	-	-	-	-	-
2023.12.31	$13,516	$365,171	$381,405	$221,797	$981,889
Net carrying amount:					
2024.12.31	$-	$391,281	$340,391	$102,577	$834,249
2023.12.31	$-	$307,485	$321,216	$135,560	$764,261

The aforementioned property, plant, and equipment have no conditions of endorsement/guarantee.

j. Intangible assets

	Computer software	Trademarks	Total
Cost:			
2024.01.01	$50,928	$14,286	$65,214
Acquisition - separately acquired	31,913	-	31,913
Derecognized at the end of useful life	(56)	-	(56)
2024.12.31	$82,785	$14,286	$97,071
2023.01.01	$23,466	$14,286	$37,752
Acquisition - separately acquired	27,462	-	27,462
Derecognized at the end of useful life	-	-	-
2023.12.31	$50,928	$14,286	$65,214
Amortization and impairment:			
2024.01.01	$22,499	$-	$22,499
Amortization	18,275	-	18,275
Derecognized at the end of useful life	(33)	-	(33)
2024.12.31	$40,741	$-	$40,741
2023.01.01	$11,603	$-	$11,603
Amortization	10,896	-	10,896
Derecognized at the end of useful life	-	-	-
2023.12.31	$22,499	$-	$22,499

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Net carrying amount:			
2024.12.31	$42,044	$14,286	$56,330
2023.12.31	$28,429	$14,286	$42,715

Amortization for recognition of intangible assets is as follows:

	2024	2023
Operating expenses	$18,275	$10,896

k. Other non-current assets

	2024.12.31	2023.12.31
Prepaid equipment	$30,578	$17,595
Refundable deposits	389,674	246,125
Total	$420,252	$263,720

l. Short-term loans

1) Details on short-term loans are as follows:

	Range of interest rates (%)	2024.12.31	2023.12.31
Unsecured bank loan	1.85%	$200,000	$-
Secured bank loan	2.07%	255,000	-
Total		$455,000	$-

2) As of December 31, 2024 and December 31, 2023 respectively, the Company's unused short-term loan credits are NT$1,000,000 thousand and NT$491,698 thousand respectively.

m. Other payables

	2024.12.31	2023.12.31
Expenses payable	$319,032	$330,394
Equipment payable	36,631	29,926
Net defined benefit liabilities - current	37	37
Total	$355,700	$360,357

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

n. Bonds payable

1) Details of bonds payable are as follows:

	2024.12.31	2023.12.31
Elements of liability:		
Par value of domestic convertible corporate bonds payable	$811,500	$822,500
Less: discount on domestic convertible corporate bonds payable	(9,108)	(22,059)
Subtotal	802,392	800,441
Less: portion due within one year	802,392	-
Net balance	$-	$800,441
Embedded derivative financial instruments - Redemption rights	$-	$905
Equity Element - Conversion Right	$61,895	$62,850

Please refer to Note 6.22 (4) for valuation of profit or loss for embedded derivative financial instruments - redemption rights and the recognition of interest expense from corporate bonds.

2) On September 12, 2022, the Company issued the second domestic unsecured convertible corporate bonds with the major terms as follows:

(A) Total issuance: NT$1,000,000 thousand

(B) Date of issuance: 2022.09.12

(C) Issuance price: Issued at 104.21% of par value

(D) Coupon rate: 0%

(E) Issuance period: 2022.09.12～2025.09.12

(F) Repayment at maturity: The Company shall repay the convertible corporate bonds held by the holders of the convertible corporate bonds (hereinafter referred to as the "Bondholders") at par value in one lump sum in cash within 10 business days from the day after the maturity of the convertible corporate bonds, except for the conversion of the convertible corporate bonds by the Bondholders into common shares of the Company in accordance with Article 10 of this regulation, and the early redemption by the Company, or cancellation by purchase from the Taipei Exchange in accordance with Article 18 of this regulation.

(G) Conversion period: Starting from the day after the 3-month period of issuance of this convertible bond to the date due (December 13, 2022), except for (I) stock transfer is halted pursuant to applicable laws; (II) 15 business days before the Company's ex-dividend date for share or cash dividend distribution or ex-stock transfer date for a capital increase, until the base date for right distribution, (III) capital reduction base-date to one day before the capital reduction in issuance of shares, (iv) from the day of the cessation of the conversion of the change of the face value of the shares to the day before the start of trading of the new shares for shares, conversion may not be requested, and may be transmitted to Taiwan Depository & Clearing Corporation at any time through the brokerage (hereinafter referred to as the "TDCC") to the Company's stock agency to request in accordance with the provisions of these measures to convert the bonds held in the conversion of common shares of the Company, and in accordance with the provisions of the present Procedure.

(H) Conversion price and adjustments: The conversion price is set at NT$304.98 per share at the time of issuance. In the event that the conversion price of the Company's common stock or stock options is adjusted in accordance with the terms of the issuance, the conversion price will be adjusted in accordance with the formula set forth in the terms of the issuance.

Due to the cash dividends to ordinary shares issued in 2023, the Company's conversion price adjustment was carried out in accordance with the provisions of the second batch of domestic unsecured convertible corporate bonds issuance and conversion procedures. Therefore, from July 11, 2023, the conversion price was adjusted from NT$304.98 to NT$300.92.

Due to capital increase and surplus transfer in 2023, the Company's conversion price adjustment was carried out in accordance with the provisions of the second batch of domestic unsecured convertible corporate bonds issuance and conversion procedures. Therefore, from August 19, 2023, the conversion price was adjusted from NT$300.92 to NT$245.03.

Due to the cash dividends to ordinary shares issued in 2024, the Company's conversion price adjustment was carried out in accordance with the provisions of the second batch of domestic unsecured convertible corporate bonds issuance and conversion procedures. Therefore, from July 15, 2024, the conversion price was adjusted from NT$245.03 to NT$241.67.

Due to capital increase and surplus transfer in 2024, the Company's conversion price adjustment was carried out in accordance with the provisions of the second batch of domestic unsecured convertible corporate bonds issuance and conversion procedures. Therefore, from August 18, 2024, the conversion price was adjusted from NT$241.67 to NT$206.58.

(I) The Company’s redemption rights:

(1) The conversion of corporate bonds shall be from the day after the expiration of three months from the date of issue (December 13, 2022) to forty days before the expiration of the issuance period (August 3, 2025). When the closing price of the ordinary shares of the Company exceeds 30% (inclusive) of the conversion price for the 30 consecutive business day, the Company may send a one-month "bond recovery notice" to the bondholder by registered mail within the next 30 business days. (The aforementioned foregoing period starts from the date of the Company’s letter of notice, and the expiration date of the period is the base date for the bond recovery, and the aforementioned period cannot be the conversion termination period as stated in Article 9.) (The bondholder will be based on the bondholder’s register on the fifth business day prior to the date of the "bond recovery notice," and for investors who subsequently obtain the conversion of corporate bonds due to trading or other reasons, they shall be notified by way of announcement.) Taipei Exchange will also be notified in writing, and the convertible bonds of the bondholders shall be recovered in cash. The Company shall execute the call request and redeem the convertible corporate bonds in cash at the par value of the bonds within five business days after the base date of bond redemption.

(2) The conversion of corporate bonds shall be from the day after the expiration of three months from the date of issue (December 13, 2022) to forty days before the expiration of the issuance period (August 3, 2025). If the outstanding balance of the convertible bond is less than 10% of the initial total denomination at issuance, the Company may send a one-month "bond recovery notice" to the bondholder by registered mail at any time. (The aforementioned foregoing period starts from the date of the Company’s letter of notice, and the expiration date of the period is the base date for the bond recovery, and the aforementioned period cannot be the conversion termination period as started in Article 9.) The

bondholder will be based on the bondholder's register on the fifth business day prior to the date of the "bond recovery notice," and investors who subsequently obtain the conversion of corporate bonds due to trading or other reasons shall be notified by way of announcement.) Taipei Exchange will also be notified in writing, and the convertible bonds of the bondholders shall be recovered in cash. The Company shall execute the call request and redeem the outstanding convertible corporate bonds in cash at the par value of the bonds within five business days after the base date of bond redemption.

(3) If the creditor does not reply to the Company's share transfer agency before the bond recovery base date denoted on the "bond recovery notice" by writing (the notice is effective at the time of delivery, and takes postmark as its basis), the Company shall redeem the bonds in cash within five business day after maturity date at nominal value.

(4) If the Company executes the call request, the deadline for the Bondholders to request the conversion is the second business day after the date of termination of trading of the convertible corporate bonds on the Taipei Exchange.

3) On September 29, 2022, the Company issued the first domestic private placement of convertible corporate bonds with the major terms as follows:

(A)	Total issuance:	NT$220,000 thousand
(B)	Date of issuance:	2022.09.29
(C)	Issuance price:	Issued at 100% of par value
(D)	Coupon rate:	0%
(E)	Issuance period:	2022.09.29～2025.09.29
(F)	Repayment at maturity:	The Company shall repay the bonds at par value in one lump sum in cash upon the maturity of the private placement of convertible corporate bonds, except for the conversion of the private placement of convertible corporate bonds by the holders of the private placement of convertible corporate bonds (hereinafter referred to as the "Bondholders") into common shares of the

Company in accordance with Article 10 of this regulation, or the early redemption by the Company in accordance with Article 17 of this regulation, or the exercising of the put rights by the Bondholders in accordance with Article 18 of this regulation.

(G) Conversion period: Starting from the day after the 3-month period of issuance of this convertible bond (December 30, 2022) to the date due (September 29, 2025), except for (I) stock transfer is halted pursuant to applicable laws; (II) 15 business days before the Company's ex-dividend date for share or cash dividend distribution or ex-stock transfer date for a capital increase, until the base date for right distribution, (III) capital reduction base-date to one day before the capital reduction in issuance of shares, (iv) from the day of the cessation of the conversion of the change of the face value of the shares to the day before the start of trading of the new shares for shares, conversion may not be requested, at any time through the brokerage to the Company's stock agency to request in accordance with the provisions of these measures to convert the bonds held in the conversion of common shares of the Company, and in accordance with the provisions of the present Procedure.

(H) Conversion price and adjustments: The conversion price is set at NT$270.5 per share at the time of issuance. In the event that the conversion price of the Company's common stock or stock options is adjusted in accordance with the terms of the issuance, the conversion price will be adjusted in accordance with the formula set forth in the terms of the issuance.

Due to the cash dividends to ordinary shares issued in 2023, the Company's conversion price adjustment was carried out in accordance with the provisions of the first batch of domestic private convertible corporate bonds issuance and conversion procedures. Therefore, from July 11, 2023, the conversion price was adjusted from NT$270.5 to NT$266.9.

Due to capital increase and surplus transfer in 2023, the Company's conversion price adjustment was carried out in accordance with the provisions of the first batch of domestic private convertible corporate bonds issuance and conversion procedures. Therefore, from August 19, 2023, the conversion price was adjusted from NT$266.9 to NT$217.3.

Due to the cash dividends to ordinary shares issued in 2024, the Company's conversion price adjustment was carried out in accordance with the provisions of the first batch of domestic private convertible corporate bonds issuance and conversion procedures. Therefore, from July 15, 2024, the conversion price was adjusted from NT$217.3 to NT$214.30.

Due to capital increase and surplus transfer in 2024, the Company's conversion price adjustment was carried out in accordance with the provisions of the first batch of domestic private convertible corporate bonds issuance and conversion procedures. Therefore, from August 18, 2024, the conversion price was adjusted from NT$214.30 to NT$183.20.

(I) The Company’s redemption rights:

(1) The conversion of corporate bonds shall be from the day after the expiration of three months from the date of issue (December 30, 2022) to forty days before the expiration of the issuance period (August 21, 2025). When the closing market price of the ordinary shares of the Company exceeds 30% (inclusive) of the conversion price for the 30th consecutive business day, the Company may send a one-month "bond recovery notice" to the bondholder by registered mail within the next 30 business days. (The aforementioned foregoing period starts from the date of the Company’s letter of notice, and the expiration date of the period is the base date for the bond recovery, and the aforementioned period cannot be the conversion termination period as stated in Article 9.) The bondholder will redeem the bonds in cash within the fifth business day after maturity date at nominal value.

(2) The conversion of corporate bonds shall be from the day after the expiration of three months from the date of issue (December 30, 2022) to forty days before the expiration of the issuance period (August 21, 2025). If the outstanding balance of the convertible bond is less than 10% of the initial total denomination at issuance, the Company may send a one-month "bond recovery notice" to the bondholder by registered mail at any time. (The aforementioned foregoing period starts from the date of the Company’s letter of notice, and the expiration date of the period is the base date for the bond recovery, and the aforementioned period cannot be the conversion termination period as started in Article 9.) The bondholder will redeem the bonds in cash within the fifth business day after maturity date at nominal value.

(3) If the Bondholders does not reply to the Company’s share transfer agency before the bond recovery base date denoted on the "bond recovery notice" by writing (the notice is effective at the time of delivery, and takes postmark as its basis), the Company shall redeem the bonds in cash within five business day after maturity date at nominal value.

4) As of December 31, 2024, the declared conversion amount of the Company's second batch of unsecured convertible bonds has reached NT$408,500 thousand, and 1,508 thousand shares of ordinary shares have been converted. The net amount due to the conversion (including par value of the convertible bonds and discount) higher than the nominal value of the shares has been NT$415,800 thousand, which has been recognized as an addition item to the capital surplus; Additionally, due to the exercise of convertible bond conversion rights, the originally recognized capital surplus-convertible corporate bond stock options decreased by NT$35,452 thousand.

o. Retirement pension plan

Defined allocation plan

The Company’s employee retirement method adopts the defined allocation plan pursuant to the Labor Pension Act. Pursuant to the Act, the Company is obligated to allocate no less than 6% of its employee’s monthly salary as employee pension. The Company has established employee retirement method in accordance with the Act, and allocates 6% based on each employee’s salary to his/her respective individual retirement account (IRA) at the Bureau of Labor Insurance.

The Company recognized defined allocation expense of NT$61,505 thousand and NT$55,535 thousand in 2024 and 2023 respectively.

Defined benefit plan

The Company’s employee retirement method adopts the defined benefit plan pursuant to the Labor Standards Act. Payment of employee pension is calculated on the base points of an employee’s years of service and average monthly wages when the person is permitted to retire. Two base points will be assigned for 15 years (inclusive) of service or less, and for those exceeding 15 years of service, every year will be assigned an additional base point. The maximum base points allowed is 45. The Company provides a pension fund of 2% of the total salary on a monthly basis in accordance with the Labor Standards Act, and deposits it in a designated account at the Bank of Taiwan in the name of the Labor Retirement Reserve Supervisory Committee.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

The Bureau of Labor Funds, Ministry of Labor, Executive Yuan, undertakes asset allocations based on the income and expenditure of the employee retirement fund. Investment of the fund is invested in self-operated and entrusted management methods, and adopts active and passive management medium- to long-term investment strategies. The Bureau of Labor Funds takes risks including market, credit, and liquidity into consideration in setting limits and control plan for the fund so that adequate flexibility can be used toward the compensation objective without excessive risk. As of December 31, 2024, the Company's defined benefit plan is expected to allocate NT$47 thousand within the following year.

As of December 31, 2024 and December 31, 2023, the Company’s defined benefit plans are expected to expire in 2040.

The following table summarizes the costs of defined benefit plan recognized to profit or loss:

	2024	2023
Current service cost	$-	$-
Net interest from net defined benefit assets (liabilities)	55	63
Total	$55	$63

The reconciliation of the present value and the fair value of plan assets is as follows:

	2024.12.31	2023.12.31	2023.01.01
Present value of the defined benefit obligations	$8,777	$9,465	$9,316
Fair value of plan assets	(6,020)	(5,278)	(4,972)
Other non-current liabilities - net defined benefit liabilities recorded	$2,757	$4,187	$4,344

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Adjustments to the net defined benefit liabilities (assets):

	Present value of the defined benefit obligations	Fair value of plan assets	Net defined plan liabilities (assets)
2023.01.01	$9,316	$(4,972)	$4,344
Current service cost	-	-	-
Interest expense (income)	136	(73)	63
Past service cost and settlement gain or loss	-	-	-
Subtotal	9,452	(5,045)	4,407
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from demographic assumptions	-	-	-
Actuarial gains or losses from financial assumptions	216	-	216
Experience-based adjustments	(203)	-	(203)
Remeasurement of defined benefit assets	-	(10)	(10)
Subtotal	13	(10)	3
Benefits paid	-	-	-
Employer allocations	-	(223)	(223)
Effects of changes in foreign exchange rates	-	-	-
2023.12.31	9,465	(5,278)	4,187
Current service cost	-	-	-
Interest expense (income)	124	(69)	55
Past service cost and settlement gain or loss	-	-	-
Subtotal	9,589	(5,347)	4,242
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from demographic assumptions	-	-	-
Actuarial gains or losses from financial assumptions	(502)	-	(502)
Experience-based adjustments	(310)	-	(310)
Remeasurement of defined benefit assets	-	(450)	(450)
Subtotal	(812)	(450)	(1,262)
Benefits paid	-	-	-
Employer allocations	-	(223)	(223)
Effects of changes in foreign exchange rates	-	-	-
2024.12.31	$8,777	$(6,020)	$2,757

The following key assumptions are used to determine the Company’s defined benefit plan:

	2024.12.31	2023.12.31
Discount rate	1.70%	1.31%
Expected rate of salary increase	2.60%	2.60%

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Sensitivity analysis of every material actuarial assumption:

	2024		2023	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
0.5% increase in discount rate	$-	$598	$-	$698
0.5% decrease in discount rate	649	-	762	-
0.5% increase in expected salary	640	-	749	-
0.5% decrease in expected salary	-	596	-	692

The purpose of conducting the aforementioned sensitivity analysis is to analyze the possible impact of determining a defined benefit obligation when a single actuarial assumption (e.g. discount rate or expected salary) undergoes a reasonably likely change, assuming all other assumptions remain unchanged. Since some of the actuarial assumptions are related to each other, there are few separate actuarial assumptions that undergo singular changes in reality, so the analysis has its limitations.

The methods and assumptions used in the current period of sensitivity analysis are no different from the previous periods.

p. Equity

1) Ordinary Shares

As of December 31, 2024 and December 31, 2023, the Company’s authorized share capital is NT$2,000,000 thousand, respectively, and has issued NT$1,318,889 thousand and NT$1,117,037 thousand in shares, respectively. Each share has a par value of NT$10, and 131,889 thousand shares and 111,704 thousand shares were issued, respectively. Each share has one voting right and right to receive dividend.

The Company's employee stock options exercised during 2023 amounted to NT$23,705 thousand, resulting in the issuance of 578 thousand shares of ordinary shares. Among these, 412 thousand shares of ordinary shares were resolved by the board of directors as the basis for capital increase on February 27, 2024. An additional 40 thousand shares of ordinary shares are pending resolution by the board of directors as the basis for capital increase on the same date. Therefore, as of December 31, 2023, a total of 452 thousand common shares were recorded under the item of subscription receivable for capital increase. The aforementioned 40 thousand common shares were approved by the Board of Directors on May 10, 2024, with the capital increase base date set as the same day.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

The Company issued its domestic second unsecured convertible corporate bonds in 2023. The conversion amount applied for during this period amounted to NT$397,500 thousand, resulting in the issuance of 1,464 thousand shares of ordinary shares. Among these, 422 thousand shares of ordinary shares were resolved by the board of directors as the basis for capital increase on February 27, 2024. Therefore, as of December 31, 2023, they are recorded under the item of convertible bond warrants.

On May 31, 2023, the Company approved a surplus capital increase of NT$ 206,766 thousand by resolution of the shareholders' meeting. On July 7, 2023, the capital increase plan was decided by the Board of Directors to use August 19 of the same year as the base date for the capital increase.

The Company's employee stock options exercised during 2024 amounted to NT$16,781 thousand, resulting in the issuance of 531 thousand shares of ordinary shares. Among these, 350 thousand shares of ordinary shares were resolved by the board of directors as the basis for capital increase on February 27, 2025. An additional 18 thousand shares of ordinary shares are pending resolution by the board of directors as the basis for capital increase on the same date. Therefore, as of December 31, 2024, a total of 368 thousand common shares were recorded under the item of subscription receivable for capital increase.

For the year ended December 31, 2024, the declared conversion amount of the Company's second batch of unsecured convertible bonds has reached NT$11,000 thousand, and 45 thousand shares of ordinary shares have been converted.

On May 31, 2024, the Company approved a surplus capital increase of NT$ 191,493 thousand by resolution of the shareholders' meeting. On May 31, 2024, the capital increase plan was decided by the Board of Directors to use August 18 of the same year as the base date for the capital increase.

2) Capital surplus

	2024.12.31	2023.12.31
Share premium of ordinary shares	$1,197,402	$1,174,337
Changes in ownership interest in subsidiaries	2	-
Employee stock options	49,224	45,766
Stock options	61,895	62,850
Expired stock options	3,363	3,275
Total	$1,311,886	$1,286,228

According to the law, the capital reserve shall not be used except to make up for the Company deficit. When the Company has no deficit, the overage of the shares issued by the par value and the capital reserve generated by the proceeds of the donation can be used to charge up the capital up to a certain percentage of the paid-up capital each year. The aforesaid capital surplus may also be distributed in cash in proportion to the original share of the shareholders. In addition, capital surplus arising from any long-term equity investment shall not be used for any purpose.

3) Appropriation of net income and dividend policy

a) Appropriation of net income

Pursuant to the Company's Articles of Incorporation, if a surplus is available after closing the accounts, it shall be first used to pay taxes, make up past deficits, then 10% of which shall be appropriated as legal capital reserve. However, the Company is exempted from such appropriation in case the legal capital reserve has reached the Company's total capital, and the Company shall appropriate special capital reserve according to applicable laws or regulations from the competent authority. The remainder of which and any accumulated and unappropriated net income from previous years shall be appropriated as net income available for appropriation. The Board of Directors shall propose the appropriation of net income and submit for a resolution at the Shareholders' Meeting, then distribute bonus to shareholders accordingly.

Where the aforementioned dividends and bonuses are distributed entirely or partially in cash, the Board of Directors shall be authorized to determine such distribution by a resolution adopted by a majority vote at a meeting attended by over two-thirds of the Directors and report to the Shareholders' Meeting, and the submission for a resolution at the Shareholders' Meeting in Paragraph 1 is not applicable.

b) Dividend policy

To respond to economic changes and to strengthen the Company's financial structure, the Company has adopted a balanced dividend policy. The policy for future dividend distribution is as follows:

i. The Company will appropriate no less than 10% of the aforementioned distributable net income as shareholders' dividends. Nevertheless, when distributable net income is less than 10% of the paid-in capital, the Company may propose not to appropriate any bonus.

ii. In consideration of a balanced and stable dividend policy, the Company will appropriate either share or cash dividends according to the needs of funds and the degree of dilution to earnings per share. Appropriations of cash dividend shall be no less than 10% of the annual total dividends.

c) Legal capital reserve

Pursuant to the Company Act, legal capital reserve shall be appropriated until the total sum of which has reached the paid-in capital. Legal capital reserve shall be used toward making up for the deficit. When the Company does not have past deficits, the Company may issue new shares or distribute cash with the portion of legal capital reserve that exceeds 25% of the paid-in capital.

d) Special capital reserve

During appropriation of distributable net income, the Company appropriated the difference between the balance allocated to special capital reserve during first-time adoption of IFRS and net deductions in other equity items to the special capital reserve in compliance with regulations. Subsequently, if the net balance of other equity deduction has reversed, the reversal shall be applicable to special capital reserve to distribute earnings for the reversed part of other equity net deductions.

Pursuant to the FSC Explanation Order No. 1090150022 issued on March 31, 2021, upon the first-time adoption of IFRS, on the transition date, the Company's partial retained earnings transferred due to the exemption of IFRS 1 "First-time Adoption of IFRS" from those accounted under unrealized revaluation increment and cumulative adjustment gains shall be recognized as a special reserve for the same amount. Where the Company’s relevant assets are subsequently used, disposed of or reclassified, the original proportion of special reserve may be reversed for the distribution of earnings.

The Company has no conditions where special capital reserve appropriation amount has occurred due to first-time adoption of IFRS.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

e) The Board of Directors of the Company as of February 27, 2025 and the Regular Meeting of Shareholders as of May 31, 2024, respectively, proposed and resolved the appropriation of earnings for the years 2024 and 2023, as follows:

	Appropriation of earnings		Dividends per share (NT$)	
	2024	2023	2024	2023
Legal capital reserve	$68,203	$66,605		
Special capital reserve	(2,356)	984		
Cash dividends for ordinary shares	436,718	405,514	$3.30	$3.60
Stock dividends for ordinary shares	172,040	191,493	1.30	1.70

Please see Note 6 (21) for information on the standards of estimate and recognition of amounts of employee compensation and remunerations of the Directors. Share-based payment plan

q. Share-based payment plan

Company employees can receive share-based payment as a part of the employee benefits plan. Employees provide service as the consideration for receiving equity instruments, and such transactions will be treated as equity-settled share-based payment transactions.

Employee share-based payment plan

Upon approval from the FSC's Securities and Futures Bureau, the Company has issued 4,000 units of employee stock options on October 29, 2019. Each unit of equity security can be used to subscribe for 1,000 shares of the Company's ordinary shares. The Company will issue new shares when employees exercise such option. The Company will issue new shares when employees exercise such an option. Equity security subscriber may exercise the stock options for a certain period of time and proportion two years after the employee stock option certificate has been granted. The duration of this stock option certificate is six years.

Upon approval from the FSC’s Securities and Futures Bureau, the Company has issued 4,500 units of employee stock options on November 29, 2022. Each unit of equity security can be used to subscribe for 1,000 shares of the Company’s ordinary shares. The Company will issue new shares when employees exercise such an option. Equity security subscriber may exercise the stock options for a certain period of time and proportion two years after the employee stock options certificate has been granted. The duration of this stock options certificate is five years.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Information on the aforementioned share-based payment is as follows:

Grant date of the stock options certificate	Total units issued	Execution price per unit (NT$)
108.12.01	1,879	$29.90
109.10.27	2,017	$36.80
111.12.15	4,500	$194.40

1) The following pricing model and assumptions are used toward the share-based payment plan granted:

	2019	2020	2022
Expected fluctuation rate (%)	16.56%-24.87%	13.86%-45.03%	19.31%
Risk-free interest rate (RFR) (%)	0.552%-0.580%	0.158%-0.203%	1.0935%-1.1094%
Expected year of 100% stock subscription (year)	6	6	5
Weighted-average stock price (NT$)	82.60	86.20	287
Pricing model used	Black-Scholes	Black-Scholes	Black-Scholes

The expected duration of the option is based on historical data and current expectations and therefore may not necessarily be consistent with actual implementation. The expected volatility is the historical volatility of the period in which the hypothesis is similar to the duration of the stock options, which represents the future trend, but may not necessarily be consistent with future actual results.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

2) Information on the employee stock option plan issued for the years ended December 31, 2024 and 2023:

	2024		2023	
	Number of outstanding stock options (unit)	Weighted-average execution price (NT$)	Number of outstanding stock options (unit)	Weighted-average execution price (NT$)
Outstanding stock options on January 1	6,023	$182.55	6,593	$211.61
Stock subscriptions in the current period	(507)	34.96	(549)	41.29
Stock options expired for the period	(795)	-	(21)	-
Outstanding stock options on December 31	4,721	$165.48	6,023	$182.55
Executable stock options on December 31	3,841		1,523	
Weighted-average fair value of the stock options granted in the current period		$-		$-

3) Below is the aforementioned share-based payment plan outstanding as of December 31, 2024 and December 31, 2023:

2024.12.31	Execution price	Weighted-average remaining duration (year)
Granted on December 1, 2019	$29.90	0.92 years
Granted on October 27, 2020	$36.80	1.82 years
Granted on December 15, 2022	$194.40	2.96 years
2023.12.31		
Granted on December 1, 2019	$35.00	1.92 years
Granted on October 27, 2020	$43.10	2.82 years
Granted on December 15, 2022	$230.60	3.96 years

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

4) The expense recognized by the Company for employee share-based payment plans is shown as the following:

	2024	2023
Recognized expenses due to share-based payment transactions	$3,546	$30,192
(All are equity delivery share-based payment)		

r. Operating revenue

	2024	2023
Revenue from customer contracts		
Revenue from sale of goods	$17,002,787	$15,929,235
Revenue from provision of service	49,155	50,094
Total	$17,051,942	$15,979,329

Information regarding the Company’s revenue from customer contracts is as follows:

1) Breakdown of revenue

	2024	2023
	Single department	Single department
Sales revenue	$17,002,787	$15,929,235
Service revenue	49,155	50,094
Total	$17,051,942	$15,979,329
Timing of revenue recognition:		
At a fixed point in time	$17,051,942	$15,979,329

2) Contract balance

a) Contract liability – current

	2024.12.31	2023.12.31	2023.01.01
Sales of goods	$1,132	$598	$626
Customer loyalty program	10,097	18,125	15,735
Total	$11,229	$18,723	$16,361

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Explanations of the changes in the balance of contract liabilities in 2024 are as follows:

	Sales of goods	Customer loyalty program
Beginning balance is recognized as revenue in the current period	$(17)	$(30,114)
Increase in advance payment for the period	551	22,086

Explanations of the changes in the balance of contract liabilities in 2023 are as follows:

	Sales of goods	Customer loyalty program
Beginning balance is recognized as revenue in the current period	$(50)	$(7,532)
Increase in advance payment for the period	22	9,922

s. Expected credit loss (gain)

	2024	2023
Operating expenses - estimated credit impairment loss		
Accounts receivable	$-	$-

Please refer to Note 12 for information on credit risk.

1) Historical records of credit impairment on the Company's receivables (including notes receivable and accounts receivable) indicate that diverse types of impairment loss is not found between different groups of customers. Therefore, allowance for loss is assessed using the same group and relevant information can be found in the following:

As of December 31, 2024

	Not overdue (Note)	Days overdue		Total
		31-180 days	More than 181 days	
Total carrying amount	$1,241,943	$-	$29	$1,241,972
Rate of loss	0%	100%	100%	
Expected lifetime credit loss	(389)	-	(29)	(418)
Carrying amount	$1,241,554	$-	$-	$1,241,554

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

As of December 31, 2023

	Not overdue (Note)	Days overdue: 31-180 days	Days overdue: More than 181 days	Total
Total carrying amount	$1,144,334	$-	$29	$1,144,363
Rate of loss	0%	100%	100%	
Expected lifetime credit loss	(389)	-	(29)	(418)
Carrying amount	$1,143,945	$-	$-	$1,143,945

Note: None of the Company's notes receivable have become overdue.

2) Information on the changes in the allowances for notes receivable and accounts receivable of the Group for 2024 and 2023 is as:

	Notes receivable	Accounts receivable
2024.01.01	$-	$418
Recognized in the period	-	-
2024.12.31	$-	$418
2023.01.01	$-	$418
Recognized in the period	-	-
2023.12.31	$-	$418

t. Lease

1) The Company is the lessee

The Company leases real property (building and construction), and the term of lease for each contract is between 3 years to 20 years. Some of the contracts have stipulated that without the lessor's consent, a lessee may not lease out, sublease, dispose of right, or grant all or part of the leased object's use to others using other methods, or to give the right of lease to others.

The following is a description of the leases' impacts on the Company's financial position, financial performance, and cash flow:

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

a) Amount recognized in the balance sheet

i. Right-of-use assets

	Building and construction
Cost:	
2024.01.01	$5,459,795
Acquisition	1,043,585
Disposal	-
2024.12.31	$6,503,380
2023.01.01	$4,766,111
Acquisition	743,400
Disposal	(49,716)
2023.12.31	$5,459,795
Depreciation and impairment:	
2024.01.01	$2,148,335
Depreciation	498,003
Disposal	-
2024.12.31	$2,646,338
2023.01.01	$1,724,477
Depreciation	431,562
Disposal	(7,704)
2023.12.31	$2,148,335
Carrying amount:	
2024.12.31	$3,857,042
2023.12.31	$3,311,460

ii. Lease liabilities

	2024.12.31	2023.12.31
Lease liabilities	$4,023,294	$3,453,363
Current	$506,305	$436,075
Non-current	$3,516,989	$3,017,288

Please refer to Note 6.22 (3) Financing Costs for the Company's interest expense for lease liabilities in 2024 and 2023; and refer to Note 12.5 Liquidity Risk Management for the analysis on the expiration of lease liabilities as of December 31, 2024 and December 31, 2023.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

b) Revenues and expenses related to the lessee and lease activities

	2024	2023
Short-term lease expense	$(48,876)	$(45,126)
Revenue from sublease of right-of-use assets	42,053	36,677

As of December 31, 2024 and December 31, 2023, the Company's committed short-term lease composition is not similar to the category of the aforementioned lease target related to short-term lease expense, and related lease commitment has amounted to NT$0.

c) Cash outflow related to the lessee and lease activities

The total cash outflow related to lease of the Company in 2024 and 2023 was NT$565,121 thousand and NT$495,475 thousand respectively.

2) The Company is the lessor

The Company classifies leases in which nearly all risks and rewards associated with the ownership of the target asset will not be transferred during the lease as operating leases.

	2024	2023
Lease revenue recognized from operating lease		
Fixed lease payment	$42,053	$36,677

In signing operating lease contracts, the Company has the following total amount of undiscounted lease payment as of December 31, 2024 and December 31, 2023 and for the remaining:

	2024	2023
Less than one year	$39,150	$25,393
More than 1 but no more than 2 years	36,515	25,075
More than 2 but no more than 3 years	28,468	19,925
More than 3 but no more than 4 years	25,116	12,495
More than 4 but no more than 5 years	23,053	10,158
More than 5 years	96,365	28,933
Total	$248,667	$121,979

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

u. The following is a compilation of employee benefits, depreciation and amortization expense by function:

Function / Characteristic	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	$-	$1,093,929	$1,093,929	$-	$1,061,300	$1,061,300
Labor and health insurance expenses	-	136,993	136,993	-	120,866	120,866
Pension expenses	-	61,560	61,560	-	55,598	55,598
Remuneration of Directors		18,747	18,747		18,455	18,455
Other employee benefit expenses	-	102,540	102,540	-	85,884	85,884
Depreciation expenses	-	740,306	740,306	-	651,554	651,554
Amortization expenses	-	18,275	18,275	-	10,896	10,896

Note:

1) As of December 31, 2024 and December 31, 2023, the Company had 2,291 and 2,129 employees in average in which six and six of whom were Directors who do not concurrently hold positions as employees of the Company, respectively.

2) For companies whose shares are listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx), the following information should also be disclosed:

a) Average employee benefit expenses for 2024 and 2023 were NT$611 thousand and NT$623 thousand respectively.

b) Average employee salary expenses for 2024 and 2023 were NT$479 thousand and NT$500 thousand respectively.

c) Average employee salary adjustment has been(4)%。

d) The Company has set up an audit committee to replace the supervisor in accordance with the regulations.

e) The Company’s remuneration policy: on top of basic salaries, as part of the employees’ compensations, the Company may distribute bonuses based on operating conditions to inspire and to retain high-performing employees. In terms of annual salary adjustments, salary adjustment items and amounts are proposed based on employees’ positions and performance separately, while the Board of Directors is authorized to discuss and approve remunerations for Directors in line with the Director's level of participation in the Company's operations and value of contribution and in reference in industry practices. The Company's compensations for managers are handled in accordance with Article 29 of the Company Act.

The Company's Articles of Incorporation provide that if there is profit in the year, 3-10% of profit shall be allocated for employee compensation, and no more than 3% shall be allocated for remunerations of the Directors and Supervisors. But when accumulated loss is present, the Company shall first retain the profit to make up for deficits. The aforementioned employee compensation appropriated in shares or dividends shall be approved by a Board of Directors meeting attended by two-thirds or more of all Directors, and by a majority vote of all attending Directors, and reported to the Shareholders' Meeting. Please see the Market Observation Post System (MOPS) from the Taiwan Stock Exchange (TWSE) for information on employee compensation and remunerations of the Directors and Supervisors, as approved by the Board of Directors.

Based on the Company's profitability conditions, employee compensation and remunerations of the Directors and Supervisors recognized in 2024 were NT$25,860 thousand and NT$4,216 thousand respectively. Employee compensation and remunerations of the Directors and Supervisors recognized in 2023 were NT$25,781 thousand and NT$5,156 thousand respectively. The aforementioned amounts were recorded under compensation expenses. If the Board of Directors approves of appropriation of share-based employee bonus, the closing price on the date before the Board's resolution will be used as the basis of the share distribution. If difference is found between the estimate and the actual distributions after the Board's approval, the difference will be recorded as profit or loss in the subsequent year.

On February 27, 2025, the Company's Board approved of distribution of cash-based employee compensation and remunerations of the Directors and Supervisors for 2024 of NT$25,860 thousand and NT$4,216 thousand respectively. No material difference is found between the actual distributions and the expenses recognized on the 2024 financial statements.

The actual distribution of employee compensation and remunerations of the Directors for the year ended December 31, 2023 had no material difference from the expenses recognized in financial statements.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

v. Non-operating income and expenses

1) Interest income

	2024	2023
Financial assets measured at amortized cost	$12,584	$15,311

2) Other income

	2024	2023
Rental revenue	$42,053	$36,676
Other income - others	48,982	40,570
Total	$91,035	$77,246

3) Other gains and losses

	2024	2023
Net foreign exchange gain (loss)	$3,782	$1,725
Gains on lease modifications	-	1,110
Gain on disposal of investments	5,298	-
Gain (Loss) on disposal of property, plant and equipment	422	499
Gain on disposal of intangible assets	2	-
Gain (loss) on financial assets measured at fair value through profit or loss	(905)	(715)
Other expenditures - other	-	(1)
Total	$8,599	$2,618

4) Financing costs

	2024	2023
Interest from bank loans	$1,926	$315
Interest expense from corporate bonds	12,581	17,851
Interest from lease liabilities	42,591	37,378
Total	$57,098	$55,544

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

w. Components of the other comprehensive income (loss)

Other comprehensive income for the year ended December 31, 2024 is as follows:

	Arising in the current period	Reclassification and adjustment in the current period	Other comprehensive income (loss)	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	$1,262	$-	$1,262	$-	$1,262
Unrealized gain or loss on investment in equity instruments measured at fair value through other comprehensive income	2,528	-	2,528	$-	2,528
Items that may subsequently be reclassified to profit or loss:					
Other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method	5,055	-	5,055	-	5,055
Total	$8,845	$-	$8,845	$-	$8,845

Other comprehensive income for the year ended December 31, 2023 is as follows:

	Arising in the current period	Reclassification and adjustment in the current period	Other comprehensive income (loss)	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	$(3)	$-	$(3)	$-	$(3)
Unrealized gain or loss on investment in equity instruments measured at fair value through other comprehensive income	523	-	523	$-	523
Items that may subsequently be reclassified to profit or loss:					
Other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method	(1,507)	-	(1,507)	-	(1,507)
Total	$(987)	$-	$(987)	$-	$(987)

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

x. Income tax

1) Major components of income tax expenses (gains) are as follows:

Income tax recognized in profit or loss

	2024	2023
Current tax expenses (gains):		
Current tax payable	$151,872	$156,703
Adjustments in respect of current income tax of prior periods	(4,035)	-
Deferred tax expenses (gains):		
Deferred tax expenses (gains) related to initial recognition of temporary difference and its reversal	3,317	5,673
Income tax expense (profit)	$151,154	$162,376

Income tax recognized in other comprehensive income

	2024	2023
Deferred tax expenses (gains):		
Remeasurement of defined benefit plans	$-	$-

2) Adjustments of amount of income tax expense and accounting profit multiplied by applicable tax rate as follows:

	2024	2023
Profit before tax for continuing operations	$831,921	$828,425
Tax calculated at the domestic tax rate applicable to the income in relevant country	$166,384	$165,686
Tax effects of tax-exempt income	(13,764)	(9,350)
Tax effects of non-deductible expenses	2,497	6,040
Additional profit-seeking enterprise income tax on undistributed earnings	72	-
Adjustments in respect of current income tax of prior periods	(4,035)	-
Tax expense (benefits) recognized in profit or loss	$151,154	$162,376

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

3) Deferred income tax asset (liabilities) balances related to the following items:

2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Directly recognized in equity	Ending balance
Temporary differences					
Allowance for inventory valuation and obsolescence loss	$1,150	$-	$-	$-	$1,150
Exchange loss (gain)	(1,972)	(756)	-	-	(2,728)
Deferred revenue	3,625	(1,606)	-	-	2,019
Unrealized profit on sales	8,293	(1,357)	-	-	6,936
Sales return	464	-	-	-	464
Investments accounted for using the equity method	80	402	-	-	482
Deferred tax (expense) /gain		$(3,317)	$-	$-	
Amount of Deferred net tax asset/ (liabilities)	$11,640				$8,323
Information stated on balance sheet is as follows:					
Deferred tax assets	$13,612				$11,051
Deferred income tax liabilities	$(1,972)				$(2,728)

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Directly recognized in equity	Ending balance
Temporary differences					
Allowance for inventory valuation and obsolescence loss	$3,150	$(2,000)	$-	$-	$1,150
Exchange loss (gain)	(1,628)	(344)	-	-	(1,972)
Deferred revenue	3,147	478	-	-	3,625
Unrealized profit on sales	12,132	(3,839)	-	-	8,293
Sales return	464	-	-	-	464
Investments accounted for using the equity method	48	32	-	-	80
Deferred tax (expense) /gain		$(5,673)	$-	$-	
Amount of Deferred net tax asset/ (liabilities)	$17,313				$11,640
Information stated on balance sheet is as follows:					
Deferred tax assets	$18,941				$13,612
Deferred income tax liabilities	$(1,628)				$(1,972)

4) Filing and review of income tax

As of December 31, 2024, the Company's income tax filing and review conditions are as follows:

	Filing and review of income tax
The Company	Reviewed to 2022

y. Earnings per share (EPS)

The calculation of the basic earnings per share (EPS) is calculated by dividing the net profit attributable to holders of ordinary shares of the Company for the current year by the weighted-average number of ordinary shares outstanding in the current year.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Diluted earnings per share (Diluted EPS) is calculated by dividing the net profit attributable to holders of ordinary shares of the Company (after adjusting for the dilution effect) by the weighted-average number of ordinary shares outstanding in the current year plus all weighted-average number of ordinary shares to be issued when the potential ordinary shares with dilutive effect are converted into ordinary shares.

1) Basic EPS

	2024	2023
Net income (in NT$1,000)	$680,767	$666,049
Weighted-average number of ordinary shares of basic earnings per share (in 1,000 shares)	131,863	129,926
Basic EPS (NT$)	$5.16	$5.13

2) Diluted EPS

	2024	2023
Net profit attributable to holders of ordinary shares of the parent company	$680,767	$666,049
Redemption gain or loss from issuance of domestic convertible bonds	905	715
Interest from convertible bonds	10,814	14,614
Net profit attributable to holders of the parent company's ordinary shares after dilutive effect	$692,486	$681,378
Weighted-average number of ordinary shares of basic earnings per share (in 1,000 shares)	131,863	129,926
Dilutive effect:		
Employee bonus - shares (in 1,000 shares)	183	85
Employee stock options (in 1,000 shares)	1,025	3,289
Convertible bonds (in 1,000 shares)	3,432	3,649
Weighted-average number of ordinary shares after adjustments for dilutive effects (in 1,000 shares)	136,503	136,949
Diluted EPS (NT$)	$5.07	$4.98

There were no significant changes to other transactions in the circulation of outstanding ordinary shares or potential issuance of ordinary shares after the reporting period until the financial statements have been approved and announced.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

7. Related Party Transactions

a. Related parties who have had transactions with the Company during the reporting period include the following:

Name and relationship of the related parties

Name of related party	Relations with the Company
Ivy Biotechnology Co., Ltd.	Subsidiary
Bai-Lin Logistics Co., Ltd.	Subsidiary
Da Yu Property Management Co., Ltd.	Subsidiary
Great Tree Pets Co., Ltd.	Subsidiary
GREAT TREE INTERNATIONAL SDN. BHD.	Subsidiary
Enki Biomedical Co., Ltd.	Subsidiary
SUNYAO Healthcare Co., Ltd.	Subsidiary
Great Tree Pharmacy Hong Kong	Subsidiary

b. Material transaction matters with related parties

1) Sales

	2024	2023
Bai-Lin Logistics Co., Ltd.	$4,632,282	$4,238,243
Great Tree Pets Co., Ltd.	6,933	2,130
Ivy Biotechnology Co., Ltd.	2,142	549
GREAT TREE INTERNATIONAL SDN. BHD.	3,209	1,598
Total	$4,644,566	$4,242,520

The transaction price of products sold to related party shall be negotiated by both parties with reference to market conditions, which is comparable to regular customers. Additionally, the payment term for Bai-Lin Logistics Co., Ltd. and Great Tree Pets Co., Ltd. is to offset debts and liabilities and credit 30 days, respectively, while payment term for regular customers ranged from credit 60-120 days.

2) Purchases

	2024	2023
Ivy Biotechnology Co., Ltd.	$543,950	$499,976

Purchases from related parties were different from transactions with other suppliers and transaction prices could not be compared. Additionally, terms of sale were credit for 30 days while the terms of sale for the average customer ranged from credit for 60-90 days.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

3) Lease

Rental revenue

Name of related party	Nature	2024	2023
Ivy Biotechnology Co., Ltd.	Building and construction	$5,237	$5,275
Great Tree Pets Co., Ltd.	Building and construction	7,980	4,857
Total		$13,217	$10,132

4) Operating expenses

Name of related party	Nature	2024	2023
Bai-Lin Logistics Co., Ltd.	Shipping fee	$22,704	$18,998
Da Yu Property Management Co., Ltd.	Rent	2,001	1,957
Total		$24,705	$20,955

5) Accounts receivable - related parties

	2024.12.31	2023.12.31
Ivy Biotechnology Co., Ltd.	$13	$50
Bai-Lin Logistics Co., Ltd.	708,478	592,815
Great Tree Pets Co., Ltd.	5,190	1,275
Da Yu Property Management Co., Ltd.	340	-
Great Tree Pharmacy Hong Kong	50	-
Less: allowance for loss	-	-
Net balance	$714,071	$594,140

6) Other receivables - related parties

	2024.12.31	2023.12.31
Ivy Biotechnology Co., Ltd.	$19,112	$13,973
Da Yu Property Management Co., Ltd.	-	316
Great Tree Pets Co., Ltd.	20,299	4,112
Bai-Lin Logistics Co., Ltd.	-	4,900
GREAT TREE INTERNATIONAL SDN. BHD.	2,929	40
Enki Biomedical Co., Ltd.	-	4
SUNYAO Healthcare Co., Ltd.	59	-
Total	$42,399	$23,345

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

7) Notes payable - related parties

	2024.12.31	2023.12.31
Ivy Biotechnology Co., Ltd.	$155,086	$132,517

8) Accounts payable - related parties

	2024.12.31	2023.12.31
Ivy Biotechnology Co., Ltd.	$90,528	$49,483
Great Tree Pets Co., Ltd.	21	5
Bai-Lin Logistics Co., Ltd.	16,236	-
Total	$106,785	$49,488

9) Other payables - related parties

	2024.12.31	2023.12.31
Ivy Biotechnology Co., Ltd.	$118	$118
Bai-Lin Logistics Co., Ltd.	124	124
Total	$242	$242

10) Guarantee deposits

	2024.12.31	2023.12.31
Ivy Biotechnology Co., Ltd.	$240	$240

11) Bonuses for the Company’s key managerial officers

	2024	2023
Short-term employee benefits	$21,216	$23,232
Retirement benefits	595	844
Share-based payment	16	192
Total	$21,827	$24,268

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

8. Assets Pledged

The Company has pledged the following assets as collateral:

	Carrying amount		
Item	2024.12.31	2023.12.31	Content of the secured liabilities
Financial assets measured at amortized cost – current	$24,000	$24,000	Credit card guarantee
Financial assets measured at amortized cost – current	304,500	-	Short-term loan collateral
Financial assets measured at amortized cost - non-current	3,000	3,000	Purchase contract guarantee
Total	$331,500	$27,000	

9. Significant Contingent Liabilities and Unrecognized Contracts

N/A.

10. Contingent Disaster Loss

N/A.

11. XI. Significant Post-reporting Period Matters

a. The Company issued its employee stock options as of October 1, 2024 to December 31, 2024, which were exercised for a total amount of NT$11,431 thousand, resulting in the issuance of 350 thousand shares of ordinary shares and were resolved by the board of directors as the basis for capital increase on February 27, 2025.

b. To bolster operational capital and achieve benefits in expanding channels, increasing market share, and reinforcing financial structure, the Company resolved by the board of directors on February 27, 2025 to conduct private placements of ordinary shares or domestic unsecured convertible corporate bonds within a limit not exceeding 25 million shares.

c. The Company, through its subsidiary SUNYAO Healthcare Co., Ltd., invested in the establishment of a subsidiary, Senyu Biomedical Co., Ltd. The registration was completed on January 24, 2025, with an investment amount of NT$22,500 thousand.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

12. Others

a. Categories of financial instruments

Financial assets

	2024.12.31	2023.12.31
Financial assets measured at fair value through profit or loss Mandatorily measured at fair value through profit and loss	$-	$905
Financial assets measured at fair value through other comprehensive income	134,624	84,671
Financial assets measured at amortized cost:		
Cash and cash equivalents	1,647,253	1,865,785
Financial assets measured at amortized cost	331,500	27,000
Notes receivable	7,659	12,779
Accounts receivable	519,824	537,026
Accounts receivable - related parties	714,071	594,140
Other receivables	280,743	247,724
Other receivables - related parties	42,399	23,345
Subtotal	3,543,449	3,307,799
Total	$3,678,073	$3,393,375

Financial liabilities

	2024.12.31	2023.12.31
Financial liabilities at amortized cost:		
Accounts payable	$2,936,563	$2,816,472
Bonds payable (including those maturing within 12 months)	802,392	800,441
Lease liabilities	4,023,294	3,453,363
Total	$7,762,249	$7,070,276

b. Objective and policy of financial risk management

The objective of the Company’s financial risk management is to manage the market risk, credit risk, and liquidity risk related to operating activities. The Company conducts the identification, valuation, and management of the aforementioned risks based on the Company’s policy and risk appetite.

The Company has set up appropriate policy, procedures, and internal control in regards to the aforementioned financial risk management based on relevant standards. Material financing activities need to be reviewed by the Board of Directors in regards to relevant standards and internal control system. During implementations of financial management activities, the Company shall strictly abide by the regulations for financial risk management that have been set up.

c. Market risk

The Company's market risk is the risk of changes in fair value or cash flow from financial instruments due to market price changes. Market risk mostly includes exchange rate risk, interest rate risk, and other pricing risks (e.g. equity instruments).

In practice, very few risk variables are single-occurring, and the change in each risk variable is usually correlated. Nevertheless, the sensitivity analysis on the following risks does not take the interactions between various risk variables into consideration.

Exchange rate risk

The Company's operating activities are mostly transactions using the functional currency; therefore, exchange rate risk should not arise.

Interest rate risk

Interest rate risk is the risk of changes in fair value or future cash flow from financial instruments due to changes in market interest rate. The Company's interest rate risk mostly includes variable rate investments classified as variable rate debt instrument investments.

Sensitivity analysis for interest rate risk mostly targets interest rate exposure items after the reporting period and includes variable rate investments. It adopts the assumption that in a given accounting period, when the interest increases or decreases by 0.1%, the Group's 2024 and 2023 income will increase by NT$1,105 thousand and decrease by NT$1,894 thousand respectively.

Equity price risk

The Group holds unlisted and non-OTC equity securities, and the fair values are susceptible due to the uncertainties of the future values of such investment targets. The unlisted and non-OTC equity securities held by the Group includes the category of that measured at fair value through other comprehensive income. The Group manages the price risk of equity securities by diversified investments and setting limits for individual and collective equity securities investments. The investment portfolio information of equity securities shall be regularly provided to the senior management of the Group, and the Board of Directors shall review and approve all investment decisions in equity securities.

Please refer to Note 12.8 for sensitivity analysis information of other equity instruments belonging to Rank 3 of the fair value rank.

d. Credit risk management

Credit risk refers to the risk that the counterparty is unable to fulfill contractual obligations and leads to financial loss. The Company's credit risk mostly comes from operating activities (mostly from accounts receivable and notes) and financing activities (mostly bank deposits and various financial instruments).

Each business unit of the Company follows credit risk policy, procedure, and controls in managing credit risks. The credit risk valuation of all trading counterparties comprehensively measures factors including the counterparties' financial status, credit rating, past transaction experiences, current economic environment, and the Company's internal valuations. The Company also adopts certain credit enhancement tools (e.g. prepaid sales and insurance) on a timely basis to reduce the credit risk from certain customers.

As of December 31, 2024 and December 31, 2023, with the exception of accounts receivable from subsidiary, Bai-Lin Logistics Co., Ltd., which accounts 57.04% and 51.80% of the Company's accounts receivable respectively, the Company has not had concentration of credit risk on individual customers, hence credit risk should be moderate.

The Company's financing department manages credit risk by managing bank deposits and other financial instruments in accordance with Company policy. As the Company's transaction counterparties are determined by internal control procedures and are banks with good credit and investment-grade financial institutions, the Company is not subjected to material credit risk.

The Company has adopted IFRS 9 in the valuation of expected credit loss. Receivables are measured as allowances for lifetime expected credit losses. As for the rest of the debt instrument investments that are not measured at fair value through profit and loss, the initial acquisition price is based on those with low credit risk and valuated on each balance sheet date to determine whether there has been significant increase in credit risk since initial recognition to determine the method of allowance for loss and its rate of loss.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Additionally, when evaluating financial assets that cannot be reasonably recovered, the Company will write-off the assets (for instance, if the issuer or the debtor experiences material financial difficulty or has become bankrupt).

e. Liquidity risk management

The Company maintains financial flexibility through contracts including cash and cash equivalents, convertible bonds, and leases. The following table summarizes the maturity of the payments contained in the contracts of the Company's financial liabilities. It is compiled based on the date on which the earliest possible repayment is required using its undiscounted cash flow. The amounts listed also include contracted interest. For interest cash flow paid using variable rate, its undiscounted interest is obtained through the yield curve at the end of the reporting period.

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years or above	Total
2024.12.31							
Accounts payable	$2,936,563	$-	$-	$-	$-	$-	$2,936,563
Bonds payable	811,500	-	-	-	-	-	811,500
Lease liabilities	539,101	521,794	493,894	475,282	454,375	1,666,992	4,151,438
2023.12.31							
Accounts payable	$2,816,472	$-	$-	$-	$-	$-	$2,816,472
Bonds payable	-	822,500	-	-	-	-	822,500
Lease liabilities	466,471	453,236	437,044	410,204	390,533	1,408,878	3,566,366

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

f. Adjustments of liabilities from financing activities

Information on adjustments of liabilities in 2024:

	Short-term loans	Guarantee deposits	Lease liabilities	Bonds payable	Total liabilities from financing activities
2024.01.01	$-	$113,066	$3,453,363	$800,441	$4,366,870
Cash flow	455,000	(12,339)	(516,245)	-	(73,584)
Non-cash changes					
Changes in scope of lease for the period	-	-	1,043,585	-	1,043,585
Interest expenses	-	-	42,591	12,581	55,172
Corporate bonds conversion	-	-	-	(10,630)	(10,630)
2024.12.31	$455,000	$100,727	$4,023,294	$802,392	$5,381,413

Information on adjustments of liabilities in 2023:

	Guarantee deposits	Lease liabilities	Bonds payable	Total liabilities from financing activities
2023.01.01	$89,157	$3,166,056	$1,167,392	$4,422,605
Cash flow	23,909	(450,349)	-	(426,440)
Non-cash changes				
Changes in scope of lease for the period	-	700,278	-	700,278
Interest expenses	-	37,378	17,851	55,229
Corporate bonds conversion	-	-	(384,802)	(384,802)
2023.12.31	$113,066	$3,453,363	$800,441	$4,366,870

g. Fair value of financial instruments

1) Valuation technique and assumptions used in measuring fair value

Fair value refers to the price required or transferred to an asset in an orderly transaction between market participants on a measurement date. The Company's method and assumptions in valuating or disclosing the fair value of financial assets and financial liabilities are as follows:

a) The carrying amount of the cash and cash equivalents, account receivables, account payables and other current liabilities is a reasonable approximation of the fair value, mainly because the period of maturity of such instruments is short.

b) The fair value of financial assets and financial liabilities that are traded in active market and have standard terms and conditions are determined by reference to market quotations (e.g., listed and traded stocks and bonds).

c) For equity instruments without active market (e.g. private placement of shares in listed cabinets, shares of publicly issued companies without active markets, and shares of undisclosed companies), fair value is estimated at market value, which is the price generated by market transactions of the same or comparable equity instruments and other relevant information (e.g. lack of liquidity discount factor, similar price-to-earnings (P/E) ratio, similar price per book value or more).

d) For debt instrument investments without active market, bank loans, bonds payable and other non-current liabilities without quotation from active market, the fair value is determined by the counterparty quotation or valuation technique, and the valuation technique is determined based on the cash flow discount analysis. Assumptions such as interest rate and discount rate are mainly based on information related to similar instruments (e.g. information such as yield curve at the Taipei Exchange, average quotation of Reuters commercial paper rate, and credit risk and more).

2) Fair value of financial instruments measured at amortized cost

Except for the following, the carrying amount of financial assets and financial liabilities measured by the Company's amortized cost is a close approximation of their fair value.

	Carrying value	
	2024.12.31	2023.12.31
Financial liabilities:		
Bonds payable	$802,392	$800,441

	Fair value	
	2024.12.31	2023.12.31
Financial liabilities:		
Bonds payable	$806,742	$803,056

3) Fair value ranked information of financial instruments

Please refer to Note 12-9 for fair value ranked information of financial instruments.

h. Derivatives

Information on the Company's holding of derivative financial instruments that do not meet the hedge accounting and have not yet expired is as follows:

Embedded derivatives

The embedded derivatives identified by the Company due to the issuance of convertible bonds have been separated from the host contract and are accounted for at fair value through profit or loss. For further details regarding the contract information for this transaction, please refer to Note 6.

i. Ranking of fair value

1) Definition of fair value ranking

All assets and liabilities measured or disclosed at fair value are classified at their fair value rank based on the lowest rank of input that is material to the overall fair value. Input value of each rank is as follows:

Rank 1: quotation (unadjusted) of the same asset or liability from an active market can be obtained on the measurement date.

Rank 2: Input value can be directly or indirectly observed for an asset or liability, except for the quotations at rank 1.

Rank 3: Unobservable input value for assets and liabilities.

For assets and liabilities that are recognized in the financial statements on a repetitive basis, revaluation of their respective classification shall be required at the end of each reporting period to determine whether there has been a transfer between ranks of fair value.

2) For assets and liabilities that are recognized in the financial statements on a repetitive basis, revaluation of their respective classification shall be required at the end of each reporting period to determine whether there has been a transfer between ranks of fair value.

The Company does not have assets measured by non-repetitive fair value. The assets and liabilities measured at repetitive fair value ranked information is as below:

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

December 31, 2024:

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit or loss				
Convertible corporate bond	$-	$-	$-	$-
Financial assets measured at fair value through other comprehensive income				
Domestic over-the-counter (OTC) company stocks	22,920	-	-	22,920
Domestic unlisted (OTC) stocks	-	-	111,704	111,704
Subtotal	$22,920	$-	$111,704	$134,624

December 31, 2023

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit or loss				
Convertible corporate bond	$-	$-	$905	$905
Financial assets measured at fair value through other comprehensive income				
Investments in equity instruments measured at fair value through other comprehensive income	-	-	84,671	84,671

Transfer between rank 1 and rank 2 of fair value ranks

There were no transfers between rank 1 and rank 2 of fair value ranks from January 1 to December 31 of 2024 and 2023.

Details on changes in repetitive fair value rank 3

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

For the Company's assets and liabilities measured at repetitive fair value that are categorized as Rank 3, adjustments from beginning to ending balance is as follows:

	Asset	
	Measured at fair value through profit and loss	Measured at fair value through other comprehensive income
	Derivative instruments	Stock and preferred stock
2024.01.01	$905	$84,671
Acquisition/Issuance	-	47,425
Recognized in profit or loss (stated in "Other gains and losses")	(905)	-
Recognized in other comprehensive income (presented in "unrealized fair value changes of equity instruments measured at fair value through other comprehensive income")	-	2,528
2024.12.31	$-	$134,624

	Asset	
	Measured at fair value through profit and loss	Measured at fair value through other comprehensive income
	Derivative instruments	Stock and preferred stock
2023.01.01	$1,620	$48,833
Acquisition/Issuance	-	35,315
Recognized in profit or loss (stated in "Other gains and losses")	(715)	-
Recognized in other comprehensive income (presented in "unrealized fair value changes of equity instruments measured at fair value through other comprehensive income")	-	523
2023.12.31	$905	$84,671

In the total profit recognized profit or loss above, the amount of profit or loss related to assets held in December 31, 2024 and December 31, 2023 is NT$ (905) thousand and NT$ (715) thousand respectively.

Information on material unobservable input in fair value rank 3

The following table presents the significant unobservable input value for fair value measurement for the Company's assets measured at repetitive fair value in the fair value rank 3:

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

As of December 31, 2024

	Valuation techniques	Material unobservable input value	Quantitative information	Relations between input value and fair value	Sensitivity analysis value relationship between input value and fair value
Financial assets:					
Measured at fair value through profit and loss					
Embedded derivatives	Binary tree convertible bond valuation model	Volatility	28.32%	The higher the volatility, the higher the fair value estimates	When the volatility increases (decreases) by 1%, the profit or loss on the Company will increase/decrease by NT$0 thousand
Financial assets measured at fair value through other comprehensive income					
Stock	Market Law	Lack of liquidity discount	30%	The higher the degree of lack of liquidity, the lower the fair value estimation	When the percentage of lack of liquidity increases (decreases) by 1%, the equity in the Company will decrease/increase by NT$874 thousand

As of December 31, 2023

	Valuation techniques	Material unobservable input value	Quantitative information	Relations between input value and fair value	Sensitivity analysis value relationship between input value and fair value
Financial assets:					
Measured at fair value through profit and loss					
Embedded derivatives	Binary tree convertible bond valuation model	Volatility	26.26%~26.80%	The higher the volatility, the higher the fair value estimates	When the volatility increases (decreases) by 1%, the profit or loss on the Company will increase by NT$121 thousand/decrease by NT$82 thousand
Financial assets measured at fair value through other comprehensive income					
Stock	Market Law	Lack of liquidity discount	30%	The higher the degree of lack of liquidity, the lower the fair value estimation	When the percentage of lack of liquidity increases (decreases) by 1%, the equity in the Company will decrease/increase by NT$367 thousand

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

3) Ranked information not measured at fair value but fair value disclosure is required

December 31, 2024:

	Rank 1	Rank 2	Rank 3	Total
Disclosures of fair value liabilities only:				
Corporate bonds payable (detailed note 6.14)	$-	$-	$806,742	$806,742

December 31, 2023

	Rank 1	Rank 2	Rank 3	Total
Disclosures of fair value liabilities only:				
Corporate bonds payable (detailed note 6.14)	$-	$-	$803,056	$803,056

j. Information on financial assets and financial liabilities in foreign the currency with material effect: Not applicable.

k. Capital management

The most important objective of the Company's capital management is to ensure that a healthy credit rating and positive capital ratio can be preserved to support the maximization of business management and shareholders' rights. The Company manages and adjusts capital structure based on economic conditions. We may achieve the objective of preserving and adjusting capital structure through adjusting dividend payment or issuance of new shares.

13. <u>Notes on Disclosures</u>

a. Information on significant transactions :

1) The Company's capital financing for others: None.

2) The Company's endorsement/guarantee for others: None.

3) Securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture interests): please refer to Table 1.

4) The Company's cumulative buy or sell of an individual marketable security of at least NT$300 million or 20% of the paid-in capital in this period: None.

5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Purchases from and sales to related parties amounting to at least NT$100 million or exceeding 20% of paid-in capital: Please see Table 2.

8) Receivables from related parties amounting to at least NT$100 million or exceeding 20% of paid-in capital: Please see Table 3.

9) Derivatives transactions of the Company: None.

b. Information on reinvestments:

1) When it has a significant influence or control over the investee company, the relevant information of the investee company (excluding the mainland China investee company) should be disclosed: please refer to Table 4.

2) Disclosure of Investee Information in Note 13.1 When the Company Has Control over the Investee Company:

a) Capital financing for others: None.

b) Endorsement/guarantee for others: None.

c) Securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture interests): please refer to Table 5.

d) Cumulative buy or sell of an individual marketable security of at least NT$300 million or 20% of the paid-in capital in this period: None.

e) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

f) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

g) Purchases from and sales to related parties amounting to at least NT$100 million or exceeding 20% of paid-in capital: Please see Table 6.

h) Receivables from related parties amounting to NT$100 million or 20% more than the paid-in capital: please refer to Table 7.

i) Derivatives transactions: None.

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

c. Disclosure of information regarding investments in Mainland China:

1) Name of the invested company in Mainland China, main business activities, paid-in capital, investment method, fund remittance and repatriation details, shareholding percentage, investment profit or loss, investment carrying amount at the end of the period, repatriated investment profit or loss and investment limit for investments in Mainland China:

Unit: in NT$1,000

Investee	Major operations	Paid-in capital	Investment method	Cumulative investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or repatriated during the period		Cumulative investment amount remitted from Taiwan at the end of the period	Profit (Loss) of Investee for the Period	Direct or indirect shareholding percentage of the Company	Investment income (loss) recognized by the Company for the period	Investment carrying amount at the end of the period	Investment income repatriated up to the current period	Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Department of Investment Review, MOEA	Investment limit for investments in Mainland China as per the regulations of the Department of Investment Review, MOEA
					Remittance	Repatriation									
Greattree Changhe (Shanghai) Pharmacy Co., Ltd.	Medical device operation and sales	$1,636 (Note 1 and 2)	(Note 3)	$-	$1,626	$-	$1,626	$(53)	100%	$(53) (Note 4 and 7)	$1,485	$-	$1,626	$1,626	$2,157,973
Greattree Sugi (Shangtong) Pharmacy Co., Ltd.	Pharmaceutical retail	$22,310 (Note 1 and 5)	(Note 3)	$-	$22,310	$-	$22,310	$(1,305)	95%	$(1,240) (Note 4 and 7)	$21,005	$-	$22,310	$- (Note 8)	

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Investee	Major operations	Paid-in capital	Investment method	Cumulative investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or repatriated during the period		Cumulative investment amount remitted from Taiwan at the end of the period	Profit (Loss) of Investee for the Period	Direct or indirect shareholding percentage of the Company	Investment income (loss) recognized by the Company for the period	Investment carrying amount at the end of the period	Investment income repatriated up to the current period	Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Department of Investment Review, MOEA	Investment limit for investments in Mainland China as per the regulations of the Department of Investment Review, MOEA
					Remittance	Repatriation									
Shangtong Greattree Shuyu Pharmacy Limited	Pharmaceutical retail Wholesale	$35,696 (Note 1 and 6)	(Note 3)	$-	$18,205	$-	$18,205	$(2,163)	48.45%	$(1,048) (Note 4 and 7)	$17,102	$-	$18,205	$- (Note 8)	$2,157,973

Note:1 Amounts in foreign currency will be converted to NTD by the exchange rate as of the balance sheet date.
Note:2 The paid-in capital is US$50 thousand.
Note:3 Investment in the Mainland China company is made through the establishment of Greattree Pharmacy Hong Kong Limited.
Note:4 The basis for recognizing investment gains and losses is the financial statements audited by a certified public accountant from the Taiwan parent company.
Note:5 The paid-in capital is RMB 5,000 thousand.
Note:6 The paid-in capital is RMB 8,000 thousand.
Note:7 It has already been charged-off during writing of the Consolidated Financial Statements.
Note:8 As of December 31, 2024, the application is still under review by the Department of Investment Review, MOEA.

d. Information on Substantial Shareholders

Shares / Name of substantial shareholder	Number of shares held	Shareholding ratio
Jun Wei Investment Co., Ltd.	17,035,542	12.88 %
Zhen Han Investment Co., Ltd.	14,202,124	10.73 %
Hao Cheng Investments Co., Ltd.	9,909,922	7.49 %
Eatogether Hospitality Co., Ltd.	8,150,745	6.16 %

14. Departmental Information

The Company has already disclosed information on departments on the Consolidated Financial Statements.

Table1.

Great Tree Pharmacy Co., Ltd.
Securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture interests)
As of December 31, 2024
Unit: in NT$1,000

Name of Held Company	Types and names of securities (Note 1)	Relationship with securities issuer (Note 2)	Financial statement account	End of the Period				Notes (Note 3)
				Number of shares/units	Carrying amount	Shareholding ratio	Fair value	
Great Tree Pharmacy Co., Ltd.	Stock							
	Top Taiwan XIV Venture Capital Co.,Ltd.	-	Financial assets measured at fair value through other comprehensive income	5,000,000	$50,000	2.29%	$48,964	None
			Less: Valuation adjustment of equity instruments measured at fair value through other comprehensive income		(1,036)			
	Yoda Pharmaceuticals Inc.	-	Financial assets measured at fair value through other comprehensive income	1,763,000	25,900	2.30%	25,900	None
			Less: Valuation adjustment of equity instruments measured at fair value through other comprehensive income		-			
	AnnJi Pharmaceutical Co. Ltd	-	Financial assets measured at fair value through other comprehensive income	666,666	20,000	0.71%	22,920	None
			Add: Valuation adjustment of equity instruments measured at fair value through other comprehensive income		2,920			
	Penpeer co., ltd.	-	Financial assets measured at fair value through other comprehensive income	266,667	12,000	4.87%	12,000	None
			Less: Valuation adjustment of equity instruments measured at fair value through other comprehensive income		-			
	ExoOne Biotech Inc.	-	Financial assets measured at fair value through other comprehensive income	1,080,000	24,840	4.35%	24,840	None
			Less: Valuation adjustment of equity instruments measured at fair value through other comprehensive income					
			Total		$134,624			

Note:1 The term “marketable securities” as used in this table refers to stocks, bonds, beneficiary certificates and securities derived from the above-mentioned items within the scope of IAS 9 “Financial Instruments”.
Note:2 Issuers of marketable securities that are not related persons are exempt from this column.
Note:3 For those listed marketable securities are subject to restricted use due to provision of collateral, pledged loans or other agreements, they shall be indicated in the remarks column for the number of guaranteed or pledged shares, the amount of guarantee or pledged and the restricted usage.

Table2.

Great Tree Pharmacy Co., Ltd.
Purchases from and Sales to Related Parties Amounting to at least NT$100 Million or Exceeding 20% of Paid-in Capital
For Year Ended December 31, 2024
Unit: in NT$1,000

company that imports (sells) goods	Name of counterparty	Relations	Transaction conditions				Terms that are different from the average transactions		Notes and accounts receivable (payable)		Remark
			Imports (sale) goods	Amount	Ratio to total inputs (sales)	Credit period	Unit price	Credit period	Balance	Ratio of total notes receivable (paid) to accounts receivable	
Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	Subsidiary	Sales	$4,632,282	27.17%	Offset of debts and claims	No other customers for comparison	Non-related parties 60 - 120 days credit	Accounts receivable $708,478	57.40%	
Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	Subsidiary	Purchases	$543,950	4.27%	Credit 30 days	No other customers for comparison	Non-related parties 60 - 120 days credit	Notes payable $155,086	22.52%	
									Accounts payable $90,528	4.78%	

Table3.

Great Tree Pharmacy Co., Ltd.
Receivables from related parties amounting to at least NT$ 100 million or exceeding 20% of paid-in capital
As of December 31, 2024
Unit: in NT$1,000

Company name	Name of counterparty	Relations	Balance of accounts receivable from related party	Turnover rate	Overdue accounts receivable from related party		Amount Collected Subsequent to the Balance Sheet Date	Provision for allowance for doubtful accounts amount
					Amount	Treatment		
Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	Subsidiary	$708,478	7.12	$-	-	$549,646	$-

Table4.

Great Tree Pharmacy Co., Ltd.
When it has a significant influence or control over the investee company, it should disclose the relevant information of the investee company (excluding the mainland China investee company)
As of December 31, 2024
Unit: in NT$1,000

Name of investing company	Investee	Location	Major operations	Initial investment amount: Ending balance for the period	Initial investment amount: Year-end in previous year	Ending balance: Shareholding	Ending balance: Rate %	Ending balance: Carrying amount	Profit (Loss) of Investee for the Period	Investment income (loss) recognized by the Company for the period	Remark
Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	19F.,No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City	Wholesale and retail business of foods and assorted goods, daily supplies, cleaning products, assorted drugs, health supplements, maternity and infant products, and cosmetics	$40,612	$40,612	5,900,000shares	100.00%	$168,175	$93,557	$100,181 (Note 1)	
Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	19F.,No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City	Wholesale and retail business, and packaging and warehousing services of foods and assorted goods, beverages, daily supplies, cleaning products and cosmetics	$2,000	$2,000	200,000 shares	100.00%	$11,745	$7,764	$7,764	
Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	18F.,No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City	Retail business of animal medication, aquarium fish, and retail and wholesale business of pet food and supply	$210,000	$210,000	21,000,000 shares	100.00%	$104,354	$(30,070)	$(30,070)	
Great Tree Pharmacy Co., Ltd.	GREAT TREE INTERNATIONAL SDN. BHD.	No. 39-1, Jalan Anggerik Vanilla BF 31/BF, Kota Kemuning, Seksyen 31, 40460 Shan Alam, Selangor, Malaysia	We are involved in the wholesale and retail businesses of health food, cosmetics, medical equipment, and pet-related products.	$10,256	$10,256	1,500,000 shares	74.26%	$9,514	$(910)	$(676)	
Great Tree Pharmacy Co., Ltd.	Enki Biomedical Co., Ltd.	20F.,No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products cosmetics, precision instruments, and biotechnology services.	$15,000	$15,000	1,500,000 shares	100.00%	$5,717	$(6,291)	$(6,291)	
Great Tree Pharmacy Co., Ltd.	Keychain Community Technology Co., Ltd.	9F., No. 219, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City	Wholesale and retail business of information software, electronic materials, computers, and office machinery equipment, and service business of information software and data processing	$-	$8,000	-	-	$-	$(933)	$(373)	

Name of investing company	Investee	Location	Major operations	Initial investment amount		Ending balance			Profit (Loss) of Investee for the Period	Investment income (loss) recognized by the Company for the period	Remark
				Ending balance for the period	Year-end in previous year	Shareholding	Rate %	Carrying amount			
Great Tree Pharmacy Co., Ltd.	Great Tree Pharmacy Hong Kong	RMS 2006-8, 20/F Two Chinachem Exchange Square 338 King's RD North Point HK	Investment Business	$122,354	$74,630	3,850,000 shares	100.00%	$124,025	$(1,334)	$(1,334)	
Great Tree Pharmacy Co., Ltd.	SUNYAO Healthcare Co., Ltd.	20F.,No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products, and cosmetics.	$24,000	$-	2,400,000 shares	80.00%	$24,000	$-	$-	
Ivy Biotechnology Co., Ltd.	Da Yu Property Management Co., Ltd.	18F.,No.186, Fuxing Rd., Taoyuan Dist.,Taoyuan City	Management consultancy, housing and commercial building development, lease and sales, development of special zones, real estate sales and lease, and development, lease, and sales of factory buildings	$30,000	$30,000	3,000,000 shares	60.00%	$27,320	$1,283	$770	
Ivy Biotechnology Co., Ltd.	GREAT TREE INTERNATIONAL SDN. BHD.	No. 39-1, Jalan Anggerik Vanilla BF 31/BF, Kota Kemuning, Seksyen 31, 40460 Shan Alam, Selangor, Malaysia	We are involved in the wholesale and retail businesses of health food, cosmetics, medical equipment, and pet-related products.	$128	$128	20,000 shares	0.99%	$127	$(910)	$(9)	
Ivy Biotechnology Co., Ltd.	SK Biomedical INC.	4F., No. 70, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products, cosmetics, and pet-related products.	$6,000	$-	600,000 shares	20.00%	$5,584	$(2,213)	$(416)	
Great Tree Pharmacy Hong Kong Limited	Greattree Sugi Pharmacy Hong Kong Limited	RM 601 ALBION PLAZA 2-6 GRANVILLE RD TST KL	Investment Business	$122,898	$-	3,800,000 shares	95.00%	$124,033	$(1,293)	$(1,231)	
GREAT TREE INTERNATIONAL SDN. BHD.	GTSW BIOTECH SDN. BHD.	NO. 5-2, Jalan Puteri 2/6 Bandar 47100 Puchong Selangor Malaysia	We are involved in the wholesale and retail businesses of health food, cosmetics, medical equipment, and pet-related products.	$1,949	$1	300,000 shares	60.00%	$2,053	$80	$48	
GREAT TREE INTERNATIONAL SDN. BHD.	GTM HEALTHCARE SDN. BHD.	NO. 5-2, Jalan Puteri 2/6 Bandar 47100 Puchong Selangor Malaysia	Online wholesale and retail operations encompassing health supplements, cosmetics, and medical equipment.	$-	$-	51 Shares	51.00%	$-	$(1)	$-	

Note:1 Includes income from investment recognized using equity method for the period of NT$93,557 thousand, write-off for lease transaction with related party NT$(158) thousand, realized profit from upstream transactions in previous period of NT$41,463 thousand, and unrealized profit from upstream transactions for this period of NT$(34,681) thousand.

Table5.

Great Tree Pharmacy Co., Ltd.
Securities holders at the end of the period (excluding investment subsidiaries, affiliates enterprises and joint venture interests)
As of December 31, 2024
Unit: in NT$1,000

Name of Held Company	Types and names of securities (Note 1)	Relationship with securities issuer (Note 2)	Financial statement account	End of the Period				Notes (Note 3)
				Number of shares/units	Carrying amount	Shareholding ratio	Fair value	
Great Tree Pets Co., Ltd.	Stock							
	Hund Biotech Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income	300,000	$3,000	18.75%	$3,000	None
			Less: Valuation adjustment of equity instruments measured at fair value through other comprehensive income		-			
			Total		$3,000			

Note:1 The term “marketable securities” as used in this table refers to stocks, bonds, beneficiary certificates and securities derived from the above-mentioned items within the scope of IAS 9 “Financial Instruments”.
Note:2 Issuers of marketable securities that are not related persons are exempt from this column.
Note:3 For those listed marketable securities are subject to restricted use due to provision of collateral, pledged loans or other agreements, they shall be indicated in the remarks column for the number of guaranteed or pledged shares, the amount of guarantee or pledged and the restricted usage.

Table6.

Great Tree Pharmacy Co., Ltd.
Purchases from and Sales to Related Parties Amounting to at least NT$100 Million or Exceeding 20% of Paid-in Capital
For Year Ended December 31, 2024

Unit: in NT$1,000

Company that imports (sells) goods	Counterparty	Relations	Transaction conditions (Imports (sale) goods)	Amount	Ratio to total inputs (sales)	Credit period	Terms that are different from the average transactions		Notes and accounts receivable (payable)		Remark
							Unit price	Credit period	Balance	Ratio of total accounts receivable (payable) notes	
Ivy Biotechnology Co., Ltd.	Great Tree Pharmacy Co., Ltd.	Parent company	Sales	$543,950	99.96%	Credit 30 days	No other customers for comparison	Non-related parties 30-60 days credit	Notes receivable $155,086 Accounts receivable $90,528	100.00% 99.99%	
Bai-Lin Logistics Co., Ltd.	Great Tree Pharmacy Co., Ltd.	Parent company	Purchases	$4,632,282	100.00%	Offset of debts and claims	No other supplier available for comparison	No other supplier available for comparison	Accounts payable $708,478	100.00%	

Table7.

Great Tree Pharmacy Co., Ltd.
Receivables from related parties amounting to at least NT$ 100 million or exceeding 20% of paid-in capital
As of December 31, 2024
Unit: in NT$1,000

Company name	Name of counterparty	Relations	Balance of accounts receivable from related party	Turnover rate	Overdue accounts receivable from related party		Amount Collected Subsequent to the Balance Sheet Date	Provision for allowance for doubtful accounts amount
					Amount	Treatment		
Ivy Biotechnology Co., Ltd.	Great Tree Pharmacy Co., Ltd.	Parent company	$245,614	2.54	$-	-	$144,152	$-

STATEMENT 1

Great Tree Pharmacy Co., Ltd.
1. Statement of Cash and Cash Equivalents
As of December 31, 2024
Unit: Thousands of New Taiwan Dollars (NT$1,000) / thousands of foreign currency

Item	Summary	Amount	Remark
Cash on hand and petty cash		$13,057	1. Exchange rate on December 31, 2024: USD1=NTD32.785 CNY1=NTD4.478 JPY1=NTD0.2099 HKD1=NTD4.222 2. The cash and bank deposits listed have not had conditions of endorsement/guarantee.
Demand and check deposit:			
Demand and check deposit - NT$		1,223,283	
Demand deposit - Foreign currency		8,420	JPY17,416, USD135, CNY84, HKD2
Subtotal		1,231,703	
Fixed deposit:			
Fixed deposit - NT$	Interest rate: 0.98% to 1.65%; maturing gradually starting from February 6, 2025.	415,550	
Total		$1,660,310	

STATEMENT 2

Great Tree Pharmacy Co., Ltd.
2. Details on Net Accounts Receivable
As of December 31, 2024
Unit: in NT$1,000

Name of customer	Summary	Amount	Remark
Others	Balance from each customer does not exceed 5% of the balance of this account.	$520,242	Accounts receivable listed to the left arise from sale of goods from non-related party.
Less: allowance for loss		(418)	
Net balance		$519,824	

STATEMENT 3

Great Tree Pharmacy Co., Ltd.
3. Details on Other Receivables
As of December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Discount on purchases receivable	$261,521	
Others	19,222	The balance for all other customers did not exceed 5% of the balance of this account.
Total	$280,743	

STATEMENT 4

Great Tree Pharmacy Co., Ltd.
4. Details on Inventories, Net
As of December 31, 2024
Unit: in NT$1,000

Item	Amount		Remark
	Cost	Net Realizable Value	
Commodity	$2,623,935	$5,391,430	1. The inventory listed to the left have not had conditions of endorsement/guarantee. 2. Except for same-type inventories, the comparison of cost and net realizable value should be compared one-by-one.
Less: allowance for valuation and obsolescence loss	(5,751)		
Net balance	$2,618,184		

STATEMENT 5

Great Tree Pharmacy Co., Ltd.
5. Details on changes in financial assets measured at fair value through other comprehensive income
For Year Ended December 31, 2024
Unit: in NT$1,000 / thousands of shares

Name	Beginning balance		The increase in the number of shares for this period	Amount	Decrease in the period		Ending balance		Conditions of provision of guarantee or pledge	Remark
	Shareholding	Amount			Shareholding	Amount	Shareholding	Carrying value		
Stock										
Top Taiwan XIV Venture Capital Co.,Ltd.	5,000	$50,000	-	$-	-	$-	5,000	$50,000	None	
Add: Valuation adjustment		(644)		-		392		(1,036)		
Yoda Pharmaceuticals Inc.	1,250	15,315	513	10,585	-	-	1,763	25,900	None	
Add: Valuation adjustment		-		-		-		-		
AnnJi Pharmaceutical Co. Ltd	667	20,000	-	-	-	-	667	20,000	None	
Add: Valuation adjustment		-		2,920		-		2,920		
Penpeer co., ltd.	-	-	267	12,000	-	-	267	12,000	None	
Add: Valuation adjustment		-		-		-		-		
ExoOne Biotech Inc.	-	-	1,080	24,840	-	-	1,080	24,840	None	
Add: Valuation adjustment		-		-		-		-		
Total		$84,671		$50,345		$392		$134,624		

STATEMENT 6

Great Tree Pharmacy Co., Ltd.

6. Details on Changes in Investments Accounted for Using the Equity Method

For Year Ended December 31, 2024

Unit: in NT$1,000

Investee	Beginning balance		Increase in the period		Decrease in the period		Ending balance			Market value or net value	Total price	Collateral or pledge	Remark
	Shareholding	Amount	Shareholding	Amount	Shareholding	Amount	Shareholding	Shareholding ratio	Amount	Unit Price (NT$)			
Ivy Biotechnology Co., Ltd.	5,900,000	$153,643	-	$100,200 (Note 1)	-	$(85,668) (Note 2)	5,900,000	100.00%	$168,175	$34.53	$203,719	None	
Bai-Lin Logistics Co., Ltd.	200,000	8,529	-	7,764 (Note 3)	-	(4,548) (Note 2)	200,000	100.00%	11,745	58.73	11,745	None	
Great Tree Pets Co., Ltd.	21,000,000	134,424	-	-	-	(30,070) (Note 3)	21,000,000	100.00%	104,354	4.97	104,354	None	
GREAT TREE INTERNATIONAL SDN. BHD.	1,500,000	9,250	-	264 (Note 4)	-	-	1,500,000	74.26%	9,514	6.34	9,509	None	
Enki Biomedical Co., Ltd.	1,500,000	12,008	-	-	-	(6,291) (Note 3)	1,500,000	100.00%	5,717	3.81	5,717	None	
Great Tree Pharmacy Hong Kong Limited	2,400	73,536	1,450	50,489 (Note 5)	-	-	3,850	100.00%	124,025	-	124,025	None	
Keychain Community Technology Co., Ltd.	323,981	7,075	-	-	323,981	(7,075) (Note 6)	-	-	-	-	-	None	
SUNYAO Healthcare Co., Ltd.	-	-	2,400,000	24,000 (Note 7)	-	-	2,400,000	80.00%	24,000	10.00	24,000	None	
Total		$398,465		$182,717		$(133,652)			$447,530		$483,069		

Note:1 Includes income from investment recognized using equity method for the period of NT$93,557 thousand, write-off for lease transaction with related party NT$(158) thousand, realized profit from upstream transactions in previous period of NT$41,463 thousand, and unrealized profit from upstream transactions for this period of NT$(34,681) thousand, and foreign currency translation adjustments of NT$19 thousand.

Note:2 The cash dividend received from the investee company.

Note:3 This represents the investment income or loss recognized under the equity method for the current period.

Note:4 This includes investment losses recognized under the equity method for the current period amounting to NT$(676) thousand and foreign currency translation adjustments of NT$940 thousand.

Note:5 This includes investments increased by NT$47,724 thousand for the current period, investment losses recognized under the equity method for the current period amounting to NT$(1,334) thousand, foreign currency translation adjustments of NT$4,097 thousand, and the difference between the acquisition price and the book value of subsidiary shares amounting to NT$2 thousand.

Note:6 This includes investment losses recognized under the equity method for the current period amounting to NT$(373) thousand and disposals adjustment of NT$(6,702) thousand.

Note:7 This represents investments increased during the current period.

STATEMENT 7

Great Tree Pharmacy Co., Ltd.
7. Details on Other Non-Current Assets
As of December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Prepaid equipment	$30,578	
Refundable deposits		
Rental deposit	112,795	
Land Tender Fees	251,995	
Others	24,884	
Subtotal	389,674	
Total	$420,252	

STATEMENT 8

Great Tree Pharmacy Co., Ltd.

8. Details of Short-Term Borrowings

As of December 31, 2024

Unit: in NT$1,000

Creditor	Nature of Loan	Ending balance	Contract Term	Interest Rate	Collateral or Guarantee	Remark
Bank of Taiwan	Credit Loan	$200,000	113.04.15-114.04.15	1.85%	None	
O-Bank	Secured Loan	255,000	113.10.25-114.01.23	2.07%	Bonds	Please refer to Note 8 of the Financial Statements)
Total		$455,000				

STATEMENT 9

Great Tree Pharmacy Co., Ltd.
9. Details on Notes Payable
As of December 31, 2024
Unit: in NT$1,000

Name of supplier	Summary	Amount	Remark
A supplier		$52,216	The notes listed to the left arise from business operations and are all notes from non-related parties.
Others	Balance from each customer does not exceed 5% of the balance of this account.	481,249	
Total		$533,465	

STATEMENT 10

Great Tree Pharmacy Co., Ltd.
10. Details on Accounts Payable
As of December 31, 2024
Unit: in NT$1,000

Name of supplier	Summary	Amount	Remark
B supplier		$149,580	Accounts payable listed to the left arise from business operations and are all accounts from non-related parties.
Others	Balance from each customer does not exceed 5% of the balance of this account.	1,635,705	
Total		$1,785,285	

STATEMENT 11

Great Tree Pharmacy Co., Ltd.
11. Details on Other Payables
As of December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Salary and bonus payable	$141,959	
Accrued Employee Bonuses	51,641	
Accrued Directors' Remunerations	4,216	
Equipment payable	36,631	
Insurance expenses payable	23,021	
Service fees payable	1,797	
Pension payable	10,972	
Net defined benefit liabilities	37	
Others	85,426	
Total	$355,700	

STATEMENT 12

Great Tree Pharmacy Co., Ltd.
12. Details on Changes in Tax Liabilities in the Period
For Year Ended December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Beginning balance	$73,634	
Add: estimated income tax of profit-making business in the current period for 2024	147,837	
Less: 2023 business income tax paid in the period	(69,599)	
Temporary and interest withholding tax paid for this period	(79,338)	
Ending balance	$72,534	

STATEMENT 13

Great Tree Pharmacy Co., Ltd.
13. Details on Lease Liabilities
As of December 31, 2024
Unit: in NT$1,000

Item	Lease term	Discount rate	Ending balance	Remark
Building and construction	95/2/1~126/12/15	1.20%	$4,023,294	
less: lease liabilities due within 12 months			(506,305)	
Lease liabilities due after 1 year or more			$3,516,989	

STATEMENT 14

Great Tree Pharmacy Co., Ltd.
14. Details on Changes in Net Defined Benefit Liabilities
For Year Ended December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Beginning balance	$4,150	
Add: beginning recognition of expenses payable	37	
Recognized in the period	55	
Actuarial gain (loss)	(1,262)	
Less: appropriated to Department of Trust, Bank of Taiwan in the period	(223)	
Ending balance of expenses payable	(37)	
Ending balance	$2,720	

STATEMENT 15

Great Tree Pharmacy Co., Ltd.
15. Details on Guarantee Deposit
As of December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Purchase guarantee for suppliers	$80,293	
Rental deposit	20,434	
Total	$100,727	

STATEMENT 16

Great Tree Pharmacy Co., Ltd.
16. Details on Net Operating Revenue
For Year Ended December 31, 2024
Unit: in NT$1,000

Item	Quantity (Note)	Amount	Remark
Sales revenue			
Maternity and infant products		$6,078,252	Note: The Company is a chain pharmacy channel and sells many types of products with varying quantities. Therefore, a consistent count of quantities sold is not possible.
National Health Insurance (NHI) prescription drugs		2,719,525	
Health care supplements		4,717,346	
Health care products		2,756,751	
Others		730,913	
Service revenue		49,155	
Total		$17,051,942	

STATEMENT 17

Great Tree Pharmacy Co., Ltd.
17. Details on Net Operating Costs
For Year Ended December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Acquired cost of sales		
Beginning inventory	$2,340,668	
Add: net purchases in the period	12,749,488	
Less: ending inventory	(2,623,935)	
Inventory scrapped	(48,220)	
Loss on physical inventory	(9,120)	
Cost of goods sold	12,408,881	
Add: scrapped inventory	48,220	
Loss on physical inventory	9,120	
Allowance for inventory valuation and obsolescence (gain)	-	
Operating costs	$12,466,221	

STATEMENT 18

Great Tree Pharmacy Co., Ltd.
18. Details on Selling and Marketing Expenses
For Year Ended December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Salary expenses	$827,772	
Rental expenses	50,745	
Shipping fee	410	
Postage	2,343	
Repair costs	19,962	
Advertisement fee	38,488	
Water, electricity, and gas fee	82,147	
Insurance fee	93,211	
Depreciation	692,012	
Amortization	5,857	
Food expenses	55,062	
Employee benefits	13,447	
Employee Bonuses	25,860	
Directors' Remunerations	4,216	
Pharmacy service fee	1,151,757	
Training fee	1,027	
Others	317,188	
Total	$3,381,504	

STATEMENT 19

Great Tree Pharmacy Co., Ltd.
19. Details on Administration Expenses
For Year Ended December 31, 2024
Unit: in NT$1,000

Item	Amount	Remark
Salary expenses	$271,772	
Shipping fee	21,035	
Advertisement fee	6,761	
Insurance fee	43,781	
Depreciation	48,294	
Amortization	12,418	
Food expenses	26,682	
Employee benefits	4,535	
Training fee	1,286	
Labor expense	18,125	
Directors' Travel and Transportation Expenses	97	
Others	41,831	
Total	$496,617	