

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors'
Review Report

For the Nine Months Ended September 30, 2025 and 2024

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

Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

Consolidated Financial Statements

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Independent Auditors' Review Report

To Great Tree Pharmacy Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Great Tree Pharmacy Co., Ltd. (the “Company”) and its subsidiaries as of September 30, 2025 and 2024, and the related Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the three months and nine months ended September 30, 2025 and 2024, Changes in Equity and Cash Flows for the nine-month periods then ended, as well as Notes to the Consolidated Financial Statements, including the Summary of Significant Accounting Policies (together “the Consolidated Financial Statements”). The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of September 30, 2025 and 2024, and its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024 and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Cheng Ching-Piao

Certified Public Accountant (CPA)

Chang Chih-Ming

November 10, 2025

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of September 30, 2025, December 31, 2024, and September 30, 2024
(September 30, 2025 and 2024 were reviewed only, not audited in accordance with the Generally Accepted Auditing Standards)
(Amounts expressed in thousands of New Taiwan Dollars)

Asset			September 30, 2025		December 31, 2024		September 30, 2024	
Code	Accounting item	Note	Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	6.1	\$1,782,965	13	\$1,902,002	16	\$1,728,094	15
1136	Financial assets measured at amortized cost	6.4 and 8	772,610	6	328,500	3	24,000	-
1150	Notes receivable, net	6.5	6,397	-	7,659	-	7,055	-
1170	Accounts receivable, net	6.6	923,346	7	668,189	6	734,640	7
1200	Other receivables		250,423	2	280,924	2	162,991	2
1300	Inventory	6.7	3,491,669	26	3,164,557	26	3,071,891	27
1410	Prepayments		109,609	1	95,053	1	116,793	1
1470	Other current assets		29,894	-	42,931	-	17,265	-
	Total current assets		7,366,913	55	6,489,815	54	5,862,729	52
15xx	Non-current assets							
1510	Financial assets measured at fair value through profit and loss	6.2 and 6.14	1,500	-	-	-	-	-
1517	Financial assets measured at fair value through other comprehensive income	6.3	149,013	1	137,624	1	110,703	1
1535	Financial assets measured at amortized cost	6.4 and 8	3,000	-	3,000	-	3,000	-
1550	Investments accounted for using the equity method	6.8	4,801	-	5,584	-	5,891	-
1600	Property, plant and equipment	6.9	999,126	7	961,305	8	951,028	8
1755	Right-of-use assets	6.20	4,398,011	33	4,005,891	33	3,842,626	34
1780	Intangible assets	6.10	87,259	1	57,726	-	57,005	1
1840	Deferred tax assets	4 and 6.24	49,340	-	39,672	-	38,014	-
1900	Other non-current assets	6.11	439,717	3	426,633	4	425,816	4
	Total non-current assets		6,131,767	45	5,637,435	46	5,434,083	48
1xxx	Total assets		\$13,498,680	100	\$12,127,250	100	\$11,296,812	100

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

Chairman: CHENG MING LUNG

General Manager: CHENG MING LUNG

Accounting Manager: WU SHU YI

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of September 30, 2025, December 31, 2024, and September 30, 2024
(September 30, 2025 and 2024 were reviewed only, not audited in accordance with the Generally Accepted Auditing Standards)
(Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			September 30, 2025		December 31, 2024		September 30, 2024	
Code	Accounting item	Note	Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term loans	6.12	\$795,000	6	\$455,000	4	\$200,000	2
2130	Contract liabilities	6.18	14,628	-	11,363	-	20,230	-
2150	Notes payable		708,226	5	566,737	5	583,837	5
2170	Accounts payable	7	1,825,334	14	1,865,590	15	1,714,896	15
2200	Other payables	6.13	629,569	5	372,606	3	371,617	3
2230	Tax liabilities for the period	4 and 6.24	40,212	-	85,434	1	38,488	1
2280	Lease liabilities	6.20	586,996	4	520,694	4	500,469	5
2321	Bonds payable, current portion	6.14	-	-	802,392	7	799,085	7
2399	Other current liabilities		47,768	-	31,099	-	43,782	-
	Total current liabilities		4,647,733	34	4,710,915	39	4,272,404	38
25xx	Non-current liabilities							
2530	Bonds payable	6.14	941,830	7	-	-	-	-
2572	Deferred tax liabilities	6.24	2,666	-	2,751	-	2,742	-
2580	Lease liabilities	6.20	4,001,304	30	3,658,884	30	3,509,463	31
2640	Net defined benefit liabilities	6.5	2,720	-	2,720	-	4,150	-
2645	Guarantee deposits		107,764	1	103,726	1	105,442	1
	Total non-current liabilities		5,056,284	38	3,768,081	31	3,621,797	32
2xxx	Total liabilities		9,704,017	72	8,478,996	70	7,894,201	70
31xx	Equity attributable to shareholders of parent company							
3100	Share capital	6.16						
3110	Ordinary share capital		1,496,466	11	1,318,889	11	1,318,701	12
3140	Share capital collected in advance		526	-	3,678	-	188	-
3200	Capital surplus	6.16	1,397,699	10	1,311,886	11	1,270,349	11
3300	Retained earnings	6.16						
3310	Legal capital reserve		338,399	2	270,196	2	270,196	2
3320	Special reserve		-	-	2,356	-	2,356	-
3350	Unappropriated earnings		481,264	4	684,390	6	508,637	5
3400	Other equity		(3,395)	-	5,227	-	3,149	-
36xx	Non-controlling interests	6.16	83,704	1	51,632	-	29,035	-
3xxx	Total equity		3,794,663	28	3,648,254	30	3,402,611	30
	Total liabilities and equity		\$13,498,680	100	\$12,127,250	100	\$11,296,812	100

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

Chairman: CHENG MING LUNG

General Manager: CHENG MING LUNG

Accounting Manager: WU SHU YI

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2025 and 2024
(Only reviewed and not audited in accordance with the Generally Accepted Auditing Standards)
(Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2025.07.01~2025.09.30		2024.07.01~2024.09.30		2025.01.01~2025.09.30		2024.01.01~2024.09.30	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6. 18	\$4,606,108	100	\$4,337,641	100	\$14,057,708	100	\$12,772,543	100
5000	Operating costs		(3,289,689)	(71)	(3,128,763)	(72)	(10,057,666)	(72)	(9,228,472)	(72)
5900	Operating gross profit		1,316,419	29	1,208,878	28	4,000,042	28	3,544,071	28
6000	Operating expenses									
6100	Selling and marketing expenses		(1,020,142)	(22)	(888,308)	(20)	(2,996,513)	(21)	(2,566,574)	(20)
6200	General and administrative expenses		(172,897)	(4)	(132,009)	(3)	(489,645)	(3)	(389,572)	(3)
	Total operating expenses		(1,193,039)	(26)	(1,020,317)	(23)	(3,486,158)	(24)	(2,956,146)	(23)
6900	Operating profit		123,380	3	188,561	5	513,884	4	587,925	5
7000	Non-operating income and expenses	6. 22								
7100	Interest income		9,569	-	2,293	-	27,265	-	8,464	-
7010	Other income		43,559	1	18,806	-	74,612	-	65,934	-
7020	Other gains and losses		5,058	-	6,275	-	3,707	-	8,557	-
7050	Financing costs		(24,540)	-	(14,873)	-	(63,151)	-	(42,618)	-
7060	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method		(483)	-	(142)	-	(783)	-	(482)	-
	Total non-operating income and expenses		33,163	1	12,359	-	41,650	-	39,855	-
7900	Net profit before tax		156,543	4	200,920	5	555,534	4	627,780	5
7950	Income tax expenses	4 and 6. 24	(29,939)	(1)	(33,740)	(1)	(116,064)	(1)	(121,445)	(1)
8200	Net income		126,604	3	167,180	4	439,470	3	506,335	4
8300	Other comprehensive income (loss)	4 and 6.23								
8310	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		24,253	1	(4,380)	-	19,245	-	3,447	-
8360	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation		5,612	-	(1,534)	-	(8,735)	-	6,097	-
	Comprehensive income (loss) (net value after tax) for this period		29,865	1	(5,914)	-	10,510	-	9,544	-
8500	Total comprehensive income (loss)		\$156,469	3	\$161,266	4	\$449,980	3	\$515,879	4
8600	Net income (loss) attributable to:									
8610	Owners of the parent company		\$131,068	3	\$167,148	4	\$451,287	3	\$506,276	4
8620	Non-controlling interests		(4,464)	-	32	-	(11,817)	-	59	-
			\$126,604	3	\$167,180	4	\$439,470	3	\$506,335	4
8700	Total comprehensive income attributable to:									
8710	Owners of the parent company		\$160,132	3	\$160,203	4	\$462,857	3	\$511,781	4
8720	Non-controlling interests		(3,663)	-	1,063	-	(12,877)	-	4,098	-
			\$156,469	3	\$161,266	4	\$449,980	3	\$515,879	4
9750	Basic ESP (NT\$)	6. 25	\$0.88		\$1.12		\$3.02		\$3.40	
9850	Diluted EPS (NT\$)	6. 25	\$0.86		\$1.11		\$2.95		\$3.36	

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

Chairman: CHENG MING LUNG

General Manager: CHENG MING LUNG

Accounting Manager: WU SHU YI

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2025 and 2024
(Only reviewed and not audited in accordance with the Generally Accepted Auditing Standards)
(Amounts expressed in thousands of New Taiwan Dollars)

	Item	Equity attributable to shareholders of parent company									Non-contr olling interests	Total equity	
		Share capital	Bond conversion entitlemen t certificates	Share capital collected in advance	Capital surplus	Retained earnings			Other equity items				Total
						Legal capital reserve	Special reserve	Unappropriate d earnings	Exchange differences translated from the financial statements of foreign operations	Unrealized (loss), gain on financial assets measured at fair value through other comprehensive profit or loss			
Code		3100	3130	3140	3200	3310	3320	3350	3410	3420	31XX	36XX	3XXX
A1	Balance as of January 1, 2024	\$1,117,037	\$4,220	\$4,516	\$1,286,228	\$203,591	\$1,372	\$666,957	\$(1,712)	\$(644)	\$3,281,565	\$69,738	\$3,351,303
	Appropriation and distribution of earnings in 2023												
B1	Provision of legal capital reserve					66,605		(66,605)			-		-
B3	Provision of Special reserve						984	(984)			-		-
B5	Cash dividends							(405,514)			(405,514)		(405,514)
B9	Share dividends	191,493						(191,493)			-		-
D1	Net income for the nine months ended September 30, 2024							506,276			506,276	59	506,335
D3	Other comprehensive income (loss) for the nine months ended September 30, 2024							-	2,058	3,447	5,505	4,039	9,544
D5	Total comprehensive income (loss)	-	-	-	-	-	-	506,276	2,058	3,447	511,781	4,098	515,879
I1	Convertible corporate bond conversion	4,669	(4,220)	-	10,181						10,630		10,630
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed				2						2	(2)	-
N1	Share-based payment transactions	5,502		(4,328)	3,540						4,714		4,714
O1	Changes in non-controlling interests											(44,799)	(44,799)
T1	Others - issuance of employee stock options				(29,602)						(29,602)		(29,602)
Z1	Balance as of September 30, 2024	\$1,318,701	\$-	\$188	\$1,270,349	\$270,196	\$2,356	508,637	\$346	\$2,803	\$3,373,576	\$29,035	\$3,402,611
A1	Balance as of January 1, 2025	\$1,318,889	\$-	\$3,678	\$1,311,886	\$270,196	\$2,356	\$684,390	\$3,343	\$1,884	\$3,596,622	\$51,632	\$3,648,254
	Appropriation and distribution of earnings in 2024												
B1	Provision of legal capital reserve					68,203		(68,203)			-		-
B5	Cash dividends							(436,718)			(436,718)		(436,718)
B9	Share dividends	172,040						(172,040)			-		-
B17	Reversal of special reserve						(2,356)	2,356					
C5	Due to recognition of equity component of convertible bonds (preference share) issued				79,771						79,771		79,771
D1	Net income for the nine months ended September 30, 2025							451,287			451,287	(11,817)	439,470
D3	Other comprehensive income (loss) for the nine months ended September 30, 2025								(7,675)	19,245	11,570	(1,060)	10,510
D5	Total comprehensive income (loss)	-	-	-	-	-	-	451,287	(7,675)	19,245	462,857	(12,877)	449,980
N1	Share-based payment transactions	5,537		(3,152)	5,586						7,971		7,971
O1	Changes in non-controlling interests											44,949	44,949
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income							20,192		(20,192)	-		-
T1	Others - issuance of employee stock options				456						456		456
Z1	Balance as of September 30, 2025	\$1,496,466	\$-	\$526	\$1,397,699	\$338,399	\$-	\$481,264	\$(4,332)	\$937	\$3,710,959	\$83,704	\$3,794,663

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

Chairman: CHENG MING LUNG

General Manager: CHENG MING LUNG

Accounting Manager: WU SHU YI

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2025 and 2024
(Only reviewed and not audited in accordance with the Generally Accepted Auditing Standards)
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	Q3 2025	Q3 2024	Code	Item	Q3 2025	Q2 2024
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for the period	\$555,534	\$627,780	B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(39,840)	(22,585)
A20000	Adjustment items:			B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	47,696	-
A20010	Adjustments:			B00040	Acquisition of financial assets at amortized cost	(444,110)	-
A20100	Depreciation expense (including right-of-use assets)	636,714	580,597	B01800	Acquisition of investments accounted for using the equity method	-	(6,000)
A20200	Amortization expenses	16,001	14,907	B01900	Proceeds from disposal of investments accounted for using equity method	-	12,000
A20400	Net loss on financial assets measured at fair value through profit and loss	(400)	905	B02700	Acquisition of property, plant and equipment	(251,977)	(273,991)
A20900	Interest expenses	63,151	42,618	B02800	Proceeds from disposal of property, plant and equipment	10,142	4,882
A21200	Interest income	(27,265)	(8,464)	B03700	Increase in refundable deposits	(9,549)	(141,389)
A21900	Cost of share-based payments	456	(29,602)	B04500	Acquisition of intangible assets	(46,581)	(28,110)
A22300	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method	783	482	B04600	Proceeds from disposal of intangible assets	1,047	25
A22500	Loss on disposal of property, plant, and equipment	(2,982)	(422)	BBBB	Net cash flows from (used in) investing activities	(733,172)	(455,168)
A22800	Loss (gain) on disposal of intangible assets	-	(2)				
A23100	Loss (gain) on disposal of investments	-	(5,298)	CCCC	Cash flows from (used in) financing activities:		
A29900	Other item - gain on lease modification	(1,240)	-	C00100	Increase in short-term loans	340,000	200,000
A30000	Changes in assets/liabilities related to operating activities:			C01200	Proceeds from issuing bonds	1,021,971	-
A31130	(Increase) decrease in notes receivable	1,262	5,724	C01300	Repayments of bonds	(591,500)	-
A31150	(Increase) decrease in accounts receivable	(255,153)	(69,716)	C03000	Increase in guarantee deposits received	4,038	(10,222)
A31180	(Increase) decrease in other receivables	40,847	85,444	C04020	Payments of lease liabilities	(453,998)	(392,199)
A31200	(Increase) decrease in inventory, net	(327,112)	(278,311)	C04500	Cash dividends paid	(436,718)	(405,514)
A31230	(Increase) decrease in prepayments	(14,556)	(30,031)	C04800	Exercise of employee share options	7,971	4,714
A31240	(Increase) decrease in other current assets	8,037	(6,857)	C05800	Change in non-controlling interests	44,949	(44,799)
A31990	(Increase) decrease in other operating assets	(6,056)	-	CCCC	Net cash inflow (outflow) from financing activities	(63,287)	(648,020)
A32125	Increase (decrease) in contract liabilities	3,265	1,417				
A32130	Increase (decrease) in notes payables	141,489	(128,331)	DDDD	Effect of exchange rate changes on cash and cash equivalents	(8,793)	6,069
A32150	Increase (decrease) in accounts payables	(40,256)	59,611				
A32180	Increase (decrease) in other payables	34,740	(22,122)	EEEE	Increase (decrease) in cash and cash equivalents for the period	(119,037)	(406,640)
A32230	Increase (decrease) in other current liabilities	16,669	12,988	E00100	Beginning balance of cash and cash equivalents	1,902,002	2,134,734
A33000	Cash inflow (outflow) from operating activities	843,928	853,317	E00200	Ending balance of cash and cash equivalents	1,782,965	1,728,094
A33100	Interest received	16,915	8,464				
A33300	Interest paid	(3,593)	(517)				
A33500	Income tax paid	(171,035)	(170,785)				
AAAA	Net cash inflow (outflow) from operating activities	686,215	690,479				

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

Chairman: CHENG MING LUNG

General Manager: CHENG MING LUNG

Accounting Manager: WU SHU YI

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 Road, Taoyuan District, Taoyuan City.

2. **Dates and Procedures of Approving Financial Statements**

The consolidated financial statements for the nine months ended September 30, 2025 and 2024 of the Company and its subsidiaries (hereinafter referred to as "the Group") have been approved and announced by the Board of Directors on November 10, 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 Group 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, 2025. The first-time application has had no significant impact on the Group.

- b. Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 17 "Insurance Contracts"	1 January 2023
2	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026

3	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
4	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

1) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it 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 1 January 2023 (from the original effective date of 1 January 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 1 January 2023.

2) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

►The amendments include:

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with

contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

3) Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1

- ▶ The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

- ▶ The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7

- ▶ The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

- ▶ The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

- ▶ The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

- ▶ The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

4) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

▶

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after 1 January 2026 and have no material impact on the Group.

- c. As of the approval and announcement date of the financial statements, the Group has yet to adopt the following standards that have been announced by the International Accounting Standards Board (IASB) but have not 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 18 - Presentation and Disclosure in Financial Statements	January 1, 2027(Note)
3	Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

- 1) 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 Ventures

The amendments address the 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 a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- 2) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

- (a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement

of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

3) Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (2), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Explanations of Major Accounting Policies

a. Declaration of compliance

The Group's consolidated financial reports for the nine months ended September 30, 2025

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

and 2024 are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and "IAS 34 - Interim Financial Reporting" approved and issued by the FSC.

This consolidated financial statements adopted the same accounting policies, except for the following descriptions in 4.4 ~ 4.5., as the ones used in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024 for details.

b. Basis of preparations

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

c. Overview of consolidation

The consolidated financial statements adopt the same accounting policies as the ones used in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 4.3 of the consolidated financial statements for the year ended December 31, 2024 for details.

The consolidated entities are listed as follows:

Name of investing company	Name of subsidiary	Nature of business	Shareholding ratio (%)			Explanation
			2025.09.30	2024.12.31	2024.09.30	
The Company	Ivy Biotechnology Co., Ltd.	Wholesale and retail business	100%	100%	100%	None
The Company	Bai-Lin Logistics Co., Ltd.	Wholesale and retail business	100%	100%	100%	None
The Company	Great Tree Pets Co., Ltd.	Wholesale and retail business	100%	100%	100%	None
The Company	Greentree Pharmacy Hong Kong Limited	Investment business	100%	100%	100%	None
The Company	GREAT TREE INTERNATIONAL SDN. BHD.	Wholesale and retail business	74.26%	74.26%	74.26%	None
The Company	Enki Biomedical Co., Ltd.	Biotechnology research and development business	100%	100%	100%	None
The Company	SUNYAO Healthcare Co., Ltd.	Wholesale and retail business	80%	80%	-	Note 3
The Company	DA FEMG Logistics Co., Ltd.	Warehousing and cargo packaging	85.71%	-	-	Note7

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Name of investing company	Name of subsidiary	Nature of business	Shareholding ratio (%)			Explanation
			2025.09.30	2024.12.31	2024.09.30	
Ivy Biotechnology Co., Ltd.	Da Yu Property Management Co., Ltd.	Real estate sales and lease	60%	60%	60%	None
Ivy Biotechnology Co., Ltd.	GREAT TREE INTERNATIONAL SDN. BHD.	Wholesale and retail business	0.99%	0.99%	0.99%	None
Greattree Pharmacy Hong Kong Limited	Greattree Sugi Pharmacy Hong Kong Limited	Investment business	95%	95%	60%	Note2
Greattree Pharmacy Hong Kong Limited	Greattree Changhe(Shanghai) Pharmacy Co., Ltd	Wholesale and retail business	100%	100%	100%	None
Greattree Pharmacy Hong Kong Limited	Da Sen Trading Hong Kong Limited	Wholesale and retail business	90%	-	-	Note8
Greattree Sugi Pharmacy Hong Kong Limited	Greattree Sugi (Shangtong) Pharmacy Co., Ltd.	Wholesale and retail business	100%	100%	-	Note4
Greattree Sugi (Shangtong) Pharmacy Co., Ltd.	Shangtong Greattree Shuyu Pharmacy Limited	Wholesale and retail business	51%	51%	-	Note5
Da Sen Trading Hong Kong Limited	Hangzhou Dasen Health Technology Co., LTD	Wholesale and retail business	100%	-	-	Note9
GREAT TREE INTERNATIONAL SDN. BHD.	GTSW BIOTECH SDN.BHD.	Wholesale and retail business	60%	60%	60%	None
GREAT TREE INTERNATIONAL SDN. BHD.	GTM HEALTHCARE SDN.BHD.	Wholesale and retail business	-	51%	51%	Note 1
SUNYAO Healthcare Co., Ltd.	Senyu Biomedical Co., Ltd.	Wholesale and retail business	90%	-	-	Note6

Note 1: The Company invested through GREAT TREE INTERNATIONAL SDN.BHD. to establish the subsidiary GTM HEALTHCARE SDN.BHD., acquiring a 51% equity stake. The registration was completed on January 2, 2024, and liquidated on June 6,2025.

Note 2: On August 1, 2024, Greattree Pharmacy Hong Kong Limited acquired a 35% equity interest in Greattree Sugi Pharmacy Hong Kong Limited for US\$ 1,400,000, increasing its ownership stake from the original 60% to 95%.

Note 3: On May 10, 2024, the Board of Directors resolved to establish SUNYAO Healthcare Co., Ltd. and acquire an 80% equity interest through the Company's

investment. The registration was completed on October 18, 2024.

- Note 4: The Company established a subsidiary, Greattree Sugi (Shangtong) Pharmacy Co., Ltd., through its investment in Greattree Sugi Pharmacy Hong Kong Limited. The registration was completed on April 8, 2024, and the funds were transferred in during 2024.
- Note 5: The Company established a subsidiary, Shangtong Greattree Shuyu Pharmacy Limited, through its investment in Greattree Sugi (Shangtong) Pharmacy Co., Ltd., acquiring a 51% equity interest. The registration was completed on October 16, 2024, and the funds were transferred in during 2024.
- Note 6: The Company invested through SUNYAO Healthcare Co., Ltd. to establish the subsidiary Senyu Biomedical Co., Ltd. acquiring a 90% equity stake. The registration was completed on January 24, 2025.
- Note 7: The Company established a subsidiary DA FEMG Logistics Co., Ltd. acquiring a 85.71% equity stake. The registration was completed on March 4, 2025.
- Note 8: The Company established a subsidiary, Da Sen Trading Hong Kong Limited, through its investment in Greattree Pharmacy Hong Kong Limited. The registration was completed on February 24, 2025, and the investment funds has not yet been remitted on September 30, 2025.
- Note 9: The Company established a subsidiary, Hangzhou Dasen Health Technology Co., Ltd, through its investment in Da Sen Trading Hong Kong Limited. The registration was completed on August 8, 2025, and the investment funds has not yet been remitted on September 30, 2025.

d. Retirement pension plan

The pension cost for the interim period is calculated based on the pension cost ratio determined by the actuarial calculation at the end of the previous year. The calculation term is from the beginning to the end of the period, and adjustments and disclosure will be made for post-period major market fluctuations, curtailment, settlement, or other significant one-time matters.

e. Income tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimate of the annual average effective tax rate only includes current income tax expense. Deferred income tax is consistent with the annual financial report and is recognized and measured in accordance with the requirements of IAS 12 "Income Tax". When a change in tax rate occurs during the period, the effects of the change in tax rate on deferred income tax will be recognized in profit and loss, other comprehensive profit and loss or directly in equity.

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

When preparing the Consolidated Financial Statements, the Group'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.

This consolidated financial statements adopted the same primary sources of uncertainties in major accounting judgments, estimates, and assumptions as the ones used in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024 for details.

6. Explanations of Significant Accounting Items

a. Cash and cash equivalents

	2025.09.30	2024.12.31	2024.09.30
Cash on hand and petty cash	\$15,804	\$13,640	\$13,145
Checks and demand deposit	1,551,611	1,472,812	1,199,399
Fixed deposit	215,550	415,550	515,550
Total	<u>\$1,782,965</u>	<u>\$1,902,002</u>	<u>\$1,728,094</u>

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

	2025.09.30	2024.12.31	2024.09.30
Embedded Derivative Financial Instruments:			
Redemption Rights for Convertible corporate bonds	<u>\$1,500</u>	<u>\$-</u>	<u>\$-</u>
Current	\$-	\$-	\$-
Non-current	<u>1,500</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,500</u>	<u>\$-</u>	<u>\$-</u>

There was no Group's endorsement/guarantee provided for financial assets measured at fair value through profit and loss.

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

c. Financial assets at fair value through other comprehensive income (loss)

1)	2025.09.30	2024.12.31	2024.09.30
Investments in equity instruments measured at fair value through other comprehensive income:			
Emerging stock	\$3,470	\$20,000	\$20,000
Unlisted and non-OTC company stock	144,606	115,740	87,900
Subtotal	148,076	135,740	107,900
Valuation adjustment	937	1,884	2,803
Total	\$149,013	\$137,624	\$110,703
Current	\$-	\$-	\$-
Non-current	149,013	137,624	110,703
Total	\$149,013	\$137,624	\$110,703

2) There was no Group's endorsement/guarantee provided for financial assets measured at fair value through other comprehensive income.

3) The Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments are as follow:

Item	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
The fair value of the investments at the date of derecognition	\$43,067	\$-	\$47,696	\$-
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	\$17,346	\$-	\$20,192	\$-

d. Financial assets measured at amortized cost

	2025.09.30	2024.12.31	2024.09.30
Restrictive fixed deposit	\$60,000	\$24,000	\$27,000
Fixed deposit	3,000	3,000	-
Ordinary corporate bonds	712,610	304,500	-
Less: allowance for loss	-	-	-
Total	\$775,610	\$331,500	\$27,000
Current	\$772,610	\$328,500	\$24,000
Non-current	\$3,000	\$3,000	\$3,000

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

Please refer to Note 8 for the Group's endorsement/guarantee provided for financial assets measured at amortized cost.

e. Notes receivable, net

	2025.09.30	2024.12.31	2024.09.30
Notes receivable - from operating activities	\$6,397	\$7,659	\$7,055
Less: allowance for loss	-	-	-
Total	<u>\$6,397</u>	<u>\$7,659</u>	<u>\$7,055</u>

The Group's notes receivable has not had conditions of endorsement/guarantee.

The Group assesses information related to impairment and allowance for loss using regulations from IFRS 9. Please refer to Note 6.19, and please refer to Note 12 for information on credit risk.

f. Net accounts receivable

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

	2025.09.30	2024.12.31	2024.09.30
Total accounts receivable	\$924,020	\$668,867	\$735,068
Less: allowance for loss	(674)	(678)	(428)
Net balance	<u>\$923,346</u>	<u>\$668,189</u>	<u>\$734,640</u>

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

3) The Group's credit period to customers is 60-120 days. The total carrying amounts were NT\$924,020 thousand, NT\$668,867 thousand and NT\$735,068 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Please refer to Note 6.19 for information related to allowance for impairment loss for the nine months ended September 30, 2025 and 2024. Please refer to Note 12 for information on credit risk.

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

g. Inventory

1) Net inventory is as follows:

	2025.09.30	2024.12.31	2024.09.30
Raw materials	\$26	\$30	\$193
Work-in-progress	3,939	143	141
Commodity	3,487,704	3,164,384	3,071,557
Total	<u>\$3,491,669</u>	<u>\$3,164,557</u>	<u>\$3,071,891</u>

- 2) The Group recognized the cost of inventories NT\$3,289,689 thousand and NT\$3,128,763 thousand as expenses for the three months ended September 30, 2025 and 2024, respectively. The cost of inventories recognized as expenses for the nine months ended September 30, 2025 and 2024 were NT\$10,057,666 thousand and NT\$9,228,472 thousand, respectively. These expenses include the following:

Item	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Loss (profit) on physical inventory	\$1,619	\$2,804	\$14,261	\$955
Inventory scrap loss	11,340	14,880	37,826	35,481
Total	<u>\$12,959</u>	<u>\$17,684</u>	<u>\$52,087</u>	<u>\$36,436</u>

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

h. Investments accounted for using the equity method

	2025.09.30		2024.12.31		2024.09.30	
Investee name	Amount	Shareholding ratio	Amount	Shareholding ratio	Amount	Shareholding ratio
Investment in affiliates :						
SK Biomedical INC.	<u>\$4,801</u>	20%	<u>\$5,584</u>	20%	<u>\$5,891</u>	20%

- 1) In August 2024, the Group disposed of its investment in Keychain Community Technology Co., Ltd. for an amount of NT\$12,000 thousand and recognized a gain on the disposal of NT\$5,298 thousand.

The Group invested in SK Biomedical INC. in March 2024, with an investment amount of NT 6,000 thousand and a shareholding ratio of 20%. SK Biomedical INC. has completed its establishment registration on April 9, 2024.

2) Investment in associates

Information on non-significant associates of the Group is as follows:

The total book value were NT\$4,801 thousand, NT\$5,584 thousand and NT\$5,891 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. The summarized financial information, based on the respective ownership interests, is as follows:

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Net profit (loss) of the continuing operations for the period	\$(483)	\$(142)	\$(783)	\$(482)
Comprehensive income (loss) (net value after tax) for this period	-	-	-	-
Total comprehensive income (loss)	\$(483)	\$(142)	\$(783)	\$(482)

The aforementioned investments accounted for under the equity method have not been provided as collateral.

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

i. Property, plant, and equipment

	Buildings and construction	Transportation vehicle	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
Cost:							
2025.01.01	\$48,583	\$14,338	\$901,759	\$899,100	\$405,595	\$-	\$2,269,375
Acquisition	-	4,858	129,986	97,606	12,900	1,800	247,150
Disposal	-	(1,373)	(8,182)	(3,248)	(1,827)	-	(14,630)
Transfer	-	-	-	-	-	-	-
Effect of changes in exchange rate	-	-	(16)	-	-	-	(16)
2025.09.30	<u>\$48,583</u>	<u>\$17,823</u>	<u>\$1,023,547</u>	<u>\$993,458</u>	<u>\$416,668</u>	<u>\$1,800</u>	<u>\$2,501,879</u>
2024.01.01	\$48,583	\$14,338	\$716,643	\$764,730	\$378,053	\$-	\$1,922,347
Acquisition	-	-	143,062	108,348	24,111	-	275,521
Disposal	-	-	(2,215)	(3,008)	-	-	(5,223)
Transfer	-	-	-	-	-	-	-
Effect of changes in exchange rate	-	-	28	5	-	-	33
2024.09.30	<u>\$48,583</u>	<u>\$14,338</u>	<u>\$857,518</u>	<u>\$870,075</u>	<u>\$402,164</u>	<u>\$-</u>	<u>\$2,192,678</u>
Depreciation and impairment:							
2025.01.01	\$13,591	\$14,338	\$478,329	\$512,348	\$289,464	\$-	\$1,308,070
Depreciation	2,441	566	81,592	82,148	35,416	-	202,163
Disposal	-	(1,373)	(4,121)	(244)	(1,732)	-	(7,470)
Transfer	-	-	-	-	-	-	-
Effect of changes in exchange rate	-	-	(5)	-	(5)	-	(10)
2025.09.30	<u>\$16,032</u>	<u>\$13,531</u>	<u>\$555,795</u>	<u>\$594,252</u>	<u>\$323,143</u>	<u>\$-</u>	<u>\$1,502,753</u>
2024.01.01	\$10,336	\$14,338	\$379,601	\$409,684	\$226,771	\$-	\$1,040,730
Depreciation	2,441	-	73,633	76,836	48,768	-	201,678
Disposal	-	-	(358)	(405)	-	-	(763)
Transfer	-	-	-	-	-	-	-
Effect of changes in exchange rate	-	-	4	1	-	-	5
2024.09.30	<u>\$12,777</u>	<u>\$14,338</u>	<u>\$452,880</u>	<u>\$486,116</u>	<u>\$275,539</u>	<u>\$-</u>	<u>\$1,241,650</u>
Net carrying amount:							
2025.09.30	<u>\$32,551</u>	<u>\$4,292</u>	<u>\$467,752</u>	<u>\$399,206</u>	<u>\$93,525</u>	<u>\$1,800</u>	<u>\$999,126</u>
2024.12.31	<u>\$34,992</u>	<u>\$-</u>	<u>\$423,430</u>	<u>\$386,752</u>	<u>\$116,131</u>	<u>\$-</u>	<u>\$961,305</u>
2024.09.30	<u>\$35,806</u>	<u>\$-</u>	<u>\$404,638</u>	<u>\$383,959</u>	<u>\$126,625</u>	<u>\$-</u>	<u>\$951,028</u>

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

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

j. Intangible assets

	Computer software	Trademarks	Total
Cost:			
2025.01.01	\$90,278	\$14,286	\$104,564
Acquisition - separately acquired	46,581	-	46,581
Derecognized at the end of useful life	(1,164)	-	(1,164)
2025.09.30	<u>\$135,695</u>	<u>\$14,286</u>	<u>\$149,981</u>
2024.01.01	\$57,279	\$14,286	\$71,565
Acquisition - separately acquired	28,110	-	28,110
Derecognized at the end of useful life	(56)	-	(56)
2024.09.30	<u>\$85,333</u>	<u>\$14,286</u>	<u>\$99,619</u>
Amortization and impairment:			
2025.01.01	\$46,838	\$-	\$46,838
Amortization	16,001	-	16,001
Derecognized at the end of useful life	(117)	-	(117)
2025.09.30	<u>\$62,722</u>	<u>\$-</u>	<u>\$62,722</u>
2024.01.01	\$27,740	\$-	\$27,740
Amortization	14,907	-	14,907
Derecognized at the end of useful life	(33)	-	(33)
2024.09.30	<u>\$42,614</u>	<u>\$-</u>	<u>\$42,614</u>
Net carrying amount:			
2025.09.30	<u>\$72,973</u>	<u>\$14,286</u>	<u>\$87,259</u>
2024.12.31	<u>\$43,440</u>	<u>\$14,286</u>	<u>\$57,726</u>
2024.09.30	<u>\$42,719</u>	<u>\$14,286</u>	<u>\$57,005</u>

Amortization for recognition of intangible assets is as follows:

Item	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Operating expenses	<u>\$6,542</u>	<u>\$4,449</u>	<u>\$16,001</u>	<u>\$14,907</u>

k. Other non-current assets

	2025.09.30	2024.12.31	2024.09.30
Prepaid equipment	\$28,579	\$31,100	\$34,165
Refundable deposits	405,082	395,533	391,651
Other	6,056	-	-
Total	<u>\$439,717</u>	<u>\$426,633</u>	<u>\$425,816</u>

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
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l. Short-term loans

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

	Range of interest rates (%)	2025.09.30	2024.12.31	2024.09.30
Unsecured bank loan	1.85%~1.90%	\$200,000	\$200,000	\$200,000
Secured bank loan	2.08%~2.13%	595,000	255,000	-
Total		<u>\$795,000</u>	<u>\$455,000</u>	<u>\$200,000</u>

- 2) As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group's unused short-term loan credits are NT\$1,200,000 thousand, NT\$1,000,000 thousand and NT\$600,675 thousand, respectively.

m. Other payables

	2025.09.30	2024.12.31	2024.09.30
Expenses payable	\$370,678	\$335,938	\$323,554
Equipment payable	29,283	36,631	48,026
Interest payable	9,571	-	-
Other - repayment of the bonds at maturity	220,000	-	-
Net defined benefit liability - current	37	37	37
Total	<u>\$629,569</u>	<u>\$372,606</u>	<u>\$371,617</u>

n. Bonds payable

1) Details of bonds payable are as follows:

	2025.09.30	2024.12.31	2024.09.30
Elements of liability:			
Nominal amount of domestic convertible bond payable	\$1,000,000	\$811,500	\$811,500
Less: discount on domestic convertible bond payable	(58,170)	(9,108)	(12,415)
Sum	<u>941,830</u>	<u>802,392</u>	<u>799,085</u>
Less: portion maturing within 12 months	-	(802,392)	(799,085)
Net balance	<u>\$941,830</u>	<u>\$-</u>	<u>\$-</u>
Embedded derivative financial instruments - redemption rights	<u>\$1,500</u>	<u>\$-</u>	<u>\$-</u>
Equity element - conversion rights	<u>\$79,771</u>	<u>\$61,895</u>	<u>\$61,895</u>

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

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 cash dividends in 2023, the Company's conversion price adjustment was carried out in accordance with the provisions of the second 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 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 cash dividends in 2024, the Company's conversion price adjustment was carried out in accordance with the provisions of the second 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 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.

Due to cash dividends in 2025, the Company's conversion price adjustment was carried out in accordance with the provisions of the second domestic unsecured convertible corporate bonds issuance and conversion procedures. Therefore, from July 7, 2025, the conversion

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
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price was adjusted from NT\$206.58 to NT\$202.16.

Due to capital increase and surplus transfer in 2025, the Company's conversion price adjustment was carried out in accordance with the provisions of the second domestic unsecured convertible corporate bonds issuance and conversion procedures. Therefore, from August 30, 2025, the conversion price was adjusted from NT\$202.16 to NT\$178.92.

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| (I) The Company's redemption rights: | <p>(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 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 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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> |
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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 cash dividends in 2023, the Company's conversion price adjustment was carried out in accordance with the provisions of the first domestic private placement of 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 domestic private placement of 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 cash dividends in 2024, the Company's conversion price adjustment was carried out in accordance with the provisions of the first domestic private placement of convertible corporate bonds issuance and conversion procedures. Therefore, from July 15, 2024, the conversion price was adjusted from NT\$217.3 to NT\$214.3.

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 domestic private placement of convertible corporate bonds issuance and conversion procedures. Therefore, from August 18, 2024, the conversion price was adjusted from NT\$214.3 to NT\$183.2.

Due to cash dividends in 2025, the Company's conversion price adjustment was carried out in accordance with the provisions of the first domestic private placement of convertible corporate bonds issuance and conversion procedures. Therefore, from July 7, 2025, the conversion price was adjusted from NT\$183.2 to NT\$179.3.

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Due to capital increase and surplus transfer in 2025, the Company's conversion price adjustment was carried out in accordance with the provisions of the first domestic private placement of convertible corporate bonds issuance and conversion procedures. Therefore, from August 30, 2025, the conversion price was adjusted from NT\$179.3 to NT\$158.7.

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| (I) The Company's redemption rights: | <p>(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.</p> <p>(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.</p> <p>(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.</p> |
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4) On July 28, 2025, the Company issued the third domestic unsecured convertible corporate bonds with the major terms as follows:

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| (A) Total issuance: | NT\$1,000,000 thousand |
| (B) Date of issuance: | 2025.07.28 |
| (C) Issuance price: | Issued at 102.20% of par value |
| (D) Coupon rate: | 0% |
| (E) Issuance period: | 2025.07.28~2028.07.28 |
| (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 (October 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, 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. |

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- (H) Conversion price and adjustments: The conversion price is set at NT\$149.74 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 capital increase and surplus transfer in 2025, the Company's conversion price adjustment was carried out in accordance with the provisions of the third domestic unsecured convertible corporate bonds issuance and conversion procedures. Therefore, from August 30, 2025, the conversion price was adjusted from NT\$149.74 to NT\$132.53.
- (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 (October 29, 2025) to forty days before the expiration of the issuance period (June 19, 2028). When the closing 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 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 (October 29, 2025) to forty days before the expiration of the issuance period (June 19, 2028). 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 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 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 days 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.
- 5) As of September 30, 2025, the Group has applied for conversion of unsecured convertible bonds for the second time domestically, totaling NT\$408,500 thousand, resulting in the issuance of 1,508,000 ordinary shares. The net amount to be deducted upon conversion (including the face value of the convertible bonds and any discount) exceeding the par value of the shares amounts to NT\$415,800 thousand, which is recorded as an addition to capital surplus. Furthermore, due to the exercise of the conversion rights of the convertible bonds, the original issuance recorded in the capital surplus - convertible bond subscription rights decreased by NT\$35,453 thousand.
- 6) The second domestic unsecured convertible corporate bond and the first domestic private placement convertible corporate bond matured on September 12, 2025 and September 29, 2025, respectively, repaying NT\$591,500 thousand and NT\$220,000

thousand, respectively. Of these, NT\$220,000 thousand was not yet repaid and was recorded as other payables. In accordance with the conversion method, it will not be issued again, and NT\$51,335 thousand and NT\$10,560 thousand of capital reserves – warrants will be transferred to capital reserves – expired warrants.

o. Retirement pension plan

Defined allocation plan

The Group recognized defined allocation expense of NT\$19,202 thousand and NT\$15,939 thousand for the three months ended September 30, 2025 and 2024, respectively. The Group recognized defined allocation expense of NT\$55,611 thousand and NT\$47,281 thousand for the nine months ended September 30, 2025 and 2024, respectively.

Defined benefit plan

The expense of the defined benefit plan of the Group for the three months ended September 30, 2025 and 2024 were NT\$93 thousand and NT\$55 thousand, respectively. The expense of the defined benefit plan of the Group for the nine months ended September 30, 2025 and 2024 were both NT\$167 thousand.

p. Equity

1) Ordinary Shares

As of September 30, 2025, December 31, 2024 and September 30, 2024, the authorized share capital of the Company were NT\$2,000,000 thousand; in addition, the issued share capital was NT\$1,496,466 thousand, NT\$1,318,889 thousand, and NT\$1,318,701 thousand, respectively, with 149,647 thousand shares, 131,889 thousand shares, and 131,870 thousand shares, respectively, issued at par value of NT\$10. Each share has one voting right and the right to receive dividends.

For the nine months ended September 30, 2024, the employee stock options issued by the Company exercised conversion rights of NT\$4,714 thousand, for which 117 thousand ordinary shares were converted, in which 19 thousand shares are ordinary shares were resolved by the Board of Directors on November 8, 2024, as the capital increase base date for the same day. Therefore, as of September 30, 2024, the capital is recognized as a prepaid capital.

For the nine months ended September 30, 2024, the second batch of unsecured convertible bonds issued by the Company exercised conversion rights of NT\$11,000 thousand, for which 45 thousand common shares were converted.

On May 31, 2024, the Company's Annual Shareholders' Meeting has approved the

capital increase by reinvestment of a surplus of NT\$191,493 thousand. Upon approval of the Board of Directors on May 31, 2024, August 18 of the same year was set to be the base date of the capital increase.

In 2024, the total exercise amount of employee stock warrants issued by the Company amounted to NT\$16,781 thousand, resulting in the issuance of 531 thousand ordinary shares. Among these, 350 thousand ordinary shares were resolved by the Board of Directors on February 27, 2025, as the capital increase base date for the same day. Additionally, 18 thousand ordinary shares are pending approval by the Board of Directors as of the capital increase base date. Therefore, as of December 31, 2024, a total of 368 thousand shares were recognized as a prepaid capital.

For the nine months ended September 30, 2025, the employee stock options issued by the Company exercised conversion rights of NT\$7,971 thousand, for which 239 thousand ordinary shares were converted, in which 53 thousand shares are ordinary shares were resolved by the Board of Directors on November 10, 2025, as the capital increase base date for the same day. Therefore, as of September 30, 2025, the capital is recognized as a prepaid capital.

On May 29, 2025, the Company's Annual Shareholders' Meeting has approved the capital increase by reinvestment of a surplus of NT\$172,040 thousand. On July 25, 2025, the Chairman of the Board set August 30 of the same year as the base date for the capital increase.

2) Capital surplus

	2025.09.30	2024.12.31	2024.09.30
Share premium of ordinary shares	\$1,202,988	\$1,197,402	\$1,189,013
Changes in ownership interests in subsidiaries	2	2	2
Employee stock options	42,717	49,224	16,082
Stock options	79,771	61,895	61,895
Expired stock options	72,221	3,363	3,357
Total	<u>\$1,397,699</u>	<u>\$1,311,886</u>	<u>\$1,270,349</u>

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 capital 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.

- e) The Company's Regular Meeting of Shareholders on May 29, 2025 and May 31, 2024, respectively, proposed and resolved the appropriation of earnings for the years 2024 and 2023, as follows:

	<u>Appropriation of earnings</u>		<u>Dividends per share (NT\$)</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
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.

f) Non-controlling interests

	<u>2025.01.01~2025.09.30</u>	<u>2024.01.01~2024.09.30</u>
Beginning balance	\$51,632	\$69,738
Net profit attributable to non-controlling interests in the current period	(11,817)	59
Other comprehensive income (loss) attributable to non-controlling interests	(1,060)	4,039

Exchange differences translated from the financial statements of foreign operation		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(2)
Acquisition of issued shares of subsidiaries	-	(46,098)
Changes in the current period- Newly established subsidiary	48,949	1,299
Changes in the current period -Capital reduction of subsidiary	(4,000)	-
Ending balance	<u>\$83,704</u>	<u>\$29,035</u>

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 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.

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\$)
2019.12.01	1,879	\$25.90
2020.10.27	2,017	\$31.90
2022.12.15	4,500	\$168.30

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

- 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.

- 2) Information on the employee stock option plan issued for the nine months ended September 30, 2025 and 2024:

	2025.01.01~2025.09.30		2024.01.01~2024.09.30	
	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	4,721	\$165.48	6,023	\$182.55
Stock subscriptions in the current period	(256)	33.60	(157)	40.12
Stock options expired for the period	(287)	-	(15)	-
Outstanding stock options on September 30	<u>4,178</u>	<u>\$143.96</u>	<u>5,851</u>	<u>\$157.51</u>
Executable stock options on September 30	3,399		1,351	
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 September 30, 2025, December 31, 2024 and September 30, 2024:

2025.09.30	Execution price	Weighted-average remaining duration (year)
Granted on December 1, 2019	\$25.90	0.17 years
Granted on October 27, 2020	\$31.90	1.07 years
Granted on December 15, 2022	\$168.30	2.21 years

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

<u>2024.12.31</u>	<u>Execution price</u>	<u>Weighted-average remaining duration (year)</u>
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	2.96years

<u>2024.09.30</u>	<u>Execution price</u>	<u>Weighted-average remaining duration (year)</u>
Granted on December 1, 2019	\$29.90	1.17 years
Granted on October 27, 2020	\$36.80	2.07 years
Granted on December 15, 2022	\$194.40	3.21years

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

Recognized expenses due to share-based payment transactions (All are equity delivery share-based payment)	<u>2025.07.01~ 2025.09.30</u>	<u>2024.07.01~ 2024.09.30</u>	<u>2025.01.01~ 2025.09.30</u>	<u>2024.01.01~ 2024.09.30</u>
	<u>\$(342)</u>	<u>\$(14,549)</u>	<u>\$456</u>	<u>\$(29,602)</u>

r. Operating revenue

	<u>2025.07.01~ 2025.09.30</u>	<u>2024.07.01~ 2024.09.30</u>	<u>2025.01.01~ 2025.09.30</u>	<u>2024.01.01~ 2024.09.30</u>
Revenue from customer contracts				
Revenue from sale of goods	\$4,589,500	\$4,323,294	\$14,008,961	\$12,730,962
Revenue from provision of service	13,123	12,457	41,423	35,914
Others	3,485	1,890	7,324	5,667
Total	<u>\$4,606,108</u>	<u>\$4,337,641</u>	<u>\$14,057,708</u>	<u>\$12,772,543</u>

Information regarding the Group's revenue from customer contracts is as follows:

1) Breakdown of revenue

	<u>Single department</u>			
	<u>2025.07.01~ 2025.09.30</u>	<u>2024.07.01~ 2024.09.30</u>	<u>2025.01.01~ 2025.09.30</u>	<u>2024.01.01~ 2024.09.30</u>
Revenue from sale of goods	\$4,589,500	\$4,323,294	\$14,008,961	\$12,730,962
Revenue from provision of service	13,123	12,457	41,423	35,914
Others	3,485	1,890	7,324	5,667
Total	<u>\$4,606,108</u>	<u>\$4,337,641</u>	<u>\$14,057,708</u>	<u>\$12,772,543</u>

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
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Timing of revenue recognition:

At a fixed point in time	\$4,602,623	\$4,335,751	\$14,050,384	\$12,766,876
Over a period of time	3,485	1,890	7,324	5,667
Total	<u>\$4,606,108</u>	<u>\$4,337,641</u>	<u>\$14,057,708</u>	<u>\$12,772,543</u>

2) Contract balance

a) Contract liability - current

	2025.09.30	2024.12.31	2024.09.30	2024.01.01
Sales of goods	\$807	\$1,266	\$776	\$688
Customer loyalty program	13,821	10,097	19,454	18,125
Total	<u>\$14,628</u>	<u>\$11,363</u>	<u>\$20,230</u>	<u>\$18,813</u>

Explanations of the changes in the balance of contract liabilities for the nine month ended September 30, 2025 are as follows:

	Sales of goods	Customer loyalty program
Beginning balance is recognized as revenue in the current period	\$(1,190)	\$(6,250)
Increase in advance payment for the period	731	9,974

Explanations of the changes in the balance of contract liabilities for the nine month ended September 30, 2024 are as follows:

	Sales of goods	Customer loyalty program
Beginning balance is recognized as revenue in the current period	\$(17)	\$(14,436)
Increase in advance payment for the period	105	15,765

s. Expected credit loss (gain)

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Operating expenses - expected credit loss (gain on reversal)				
Accounts receivable	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

Please refer to Note 12 for information on credit risk.

- 1) Historical records of credit impairment on the Group'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 as of September 30, 2025, December 31, 2024 and September 30, 2024 can be found in the following:

As of September 30, 2025

	Not overdue (Note)	Days overdue		Total
		31-180 days	More than 181 days	
Total carrying amount	\$930,142	\$-	\$275	\$930,417
Rate of loss	0.04%	-%	100%	
Expected lifetime credit loss	(399)	-	(275)	(674)
Carrying Amount	\$929,743	\$-	\$-	\$929,743

As of December 31, 2024

	Not overdue (Note)	Days overdue		Total
		31-180 days	More than 181 days	
Total carrying amount	\$676,248	\$-	\$278	\$676,526
Rate of loss	(0.06)%	100%	100%	
Expected lifetime credit loss	(400)	-	(278)	(678)
Carrying Amount	\$675,848	\$-	\$-	\$675,848

As of September 30, 2024

	Not overdue (Note)	Days overdue		Total
		31-180 days	More than 181 days	
Total carrying amount	\$742,094	\$-	\$29	\$742,123
Rate of loss	0.05%	-%	100%	
Expected lifetime credit loss	(399)	-	(29)	(428)
Carrying Amount	\$741,695	\$-	\$-	\$741,695

Note : All of the Group's notes receivable is not overdue.

- 2) Information on the changes in the allowances for notes receivable and accounts receivable of the Group for the nine months ended September 30, 2025 and 2024 is as:

	Notes receivable	Accounts receivable
2025.01.01	\$-	\$678
Increase (reversal) in the period	-	-
Foreign exchange impact amount	-	(4)
2025.09.30	<u>\$-</u>	<u>\$674</u>
2024.01.01	\$-	\$428
Increase (reversal) in the period	-	-
2024.09.30	<u>\$-</u>	<u>\$428</u>

t. Lease

- 1) The Group is the lessee

The Group leases real property (building and construction), and the term of the 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 the lease to others.

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

- a) Amount recognized in the balance sheet

- i. Right-of-use assets

	<u>Building and construction</u>
Cost:	
2025.01.01	\$6,700,846
Acquisition	845,118
Disposal	(45,262)
Reclassification	-
2025.09.30	<u>\$7,500,702</u>
2024.01.01	\$5,657,261
Acquisition	745,607
Disposal	-
Reclassification	-
2024.09.30	<u>\$6,402,868</u>

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Depreciation and impairment:	
2025.01.01	\$2,694,955
Depreciation	434,551
Disposal	(26,755)
Reclassification	-
Foreign exchange impact amount	(60)
2025.09.30	<u>\$3,102,691</u>
2024.01.01	\$2,181,323
Depreciation	378,919
Disposal	-
Reclassification	-
2024.09.30	<u>\$2,560,242</u>
Carrying amount:	
2025.09.30	<u>\$4,398,011</u>
2024.12.31	<u>\$4,005,891</u>
2024.09.30	<u>\$3,842,626</u>

ii. Lease liabilities

	2025.09.30	2024.12.31	2024.09.30
Lease liabilities	<u>\$4,588,300</u>	<u>\$4,179,578</u>	<u>\$4,009,932</u>
Current	<u>\$586,996</u>	<u>\$520,694</u>	<u>\$500,469</u>
Non-current	<u>\$4,001,304</u>	<u>\$3,658,884</u>	<u>\$3,509,463</u>

Please refer to Note 6.22(4) Financing Costs for the Group's interest expense for lease liabilities for the three months and nine months ended September 30, 2025 and 2024; and refer to Note 12.5 Liquidity Risk Management for the analysis on the expiration of lease liabilities as of September 30, 2025, December 31, 2024 and September 30, 2024.

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

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Short-term lease expense	\$(13,639)	\$(14,333)	\$(42,899)	\$(37,571)
Revenue from sublease of right-of-use assets	10,518	8,462	27,694	25,071

As of September 30, 2025 and 2024, the Group'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

	2025.01.01~2025.09.30	2024.01.01~2024.09.30
Total cash flows on lease	\$496,897	\$429,770

2) The Group is the lessor

The Group 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.

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Lease revenue recognized from operating lease				
Fixed lease payment	\$10,518	\$8,462	\$27,694	\$25,071

In signing operating lease contracts, the Group has the following total amount of undiscounted lease payment as of September 30, 2025, December 31, 2024 and September 30, 2024 and for the remaining years:

	2025.09.30	2024.12.31	2024.09.30
Less than one year	\$48,916	\$44,404	\$44,960
More than 1 but no more than 2 years	38,199	41,406	43,800
More than 2 but no more than 3 years	34,026	31,285	29,246
More than 3 but no more than 4 years	31,046	27,230	25,452
More than 4 but no more than 5 years	29,473	25,167	22,460
More than 5 years	111,773	102,337	90,946
Total	\$293,433	\$271,829	\$256,864

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

Function Characteristic	2025.07.01~2025.09.30			2024.07.01~2024.09.30		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	\$-	\$361,885	\$361,885	\$-	286,037	\$286,037

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Labor and health insurance expenses	-	42,706	42,706	-	34,974	34,974
Pension expenses	-	19,295	19,295	-	15,994	15,994
Other employee benefit expenses	-	35,147	35,147	-	30,128	30,128
Depreciation expenses	1,663	216,081	217,744	1,657	195,350	197,007
Amortization expenses	-	6,542	6,542	-	4,449	4,449

Function Characteristic	2025.01.01~2025.09.30			2024.01.01~2024.09.30		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	\$-	\$1,033,711	\$1,033,711	\$-	842,523	\$842,523
Labor and health insurance expenses	-	121,015	121,015	-	103,954	103,954
Pension expenses	-	55,778	55,778	-	47,448	47,448
Other employee benefit expenses	-	93,624	93,624	-	84,603	84,603
Depreciation expenses	4,978	631,736	636,714	4,971	575,626	580,597
Amortization expenses	-	16,001	16,001	-	14,907	14,907

Pursuant to the Company's Articles of Incorporation, as amended by resolution of the Shareholders' Meeting on May 29, 2025, 3% to 10% of any annual profit shall be allocated as employee compensation, and no more than 3% as director compensation. However, in the event of any accumulated losses, a provision shall be made to offset these losses. Of the total employee compensation allotment, no less than 50% shall be allocated as compensation for frontline employees. 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, as approved by the Board of Directors.

The Company estimated the pay to employees and Directors based on profitability conditions. Employee compensation and remunerations of the Directors recognized for the three months ended September 30, 2025 were NT\$4,855 thousand and NT\$971 thousand, respectively. For the nine months period ended September 30, 2025, employee compensation and remunerations of the Directors of NT\$17,277 thousand and NT\$3,455 thousand, respectively. Employee compensation and remunerations of the Directors recognized for the three months ended September 30, 2024 were NT\$6,104 thousand and NT\$1,221 thousand, respectively, and for the nine months period ended September 30, 2024, employee compensation and remunerations of the Directors of NT\$19,160 thousand and NT\$3,832 thousand, respectively. The aforementioned amounts were recorded under compensation expenses.

On February 27, 2025, the Company's Board approved of distribution of cash-based employee compensation and remunerations of the Directors for 2024 of NT\$25,860

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
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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.

v. Non-operating income and expenses

1) Interest income

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Financial assets measured at amortized cost	\$9,569	\$2,293	\$27,265	\$8,464

2) Other income

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Rental revenue	\$10,518	\$8,462	\$27,694	\$25,071
Other income - others	33,041	10,344	46,918	40,863
Total	\$43,559	\$18,806	\$74,612	\$65,934

3) Other gains and losses

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Gain (Loss) from foreign exchange, net	\$668	\$977	\$(659)	\$3,755
Gains on lease modifications	1,240	-	1,240	-
Gains on disposals of investments	-	5,298	-	5,298
Gain (Loss) on disposal of property, plant and equipment	2,982	-	2,982	422
Gains on disposals of intangible assets	-	-	-	2
Gain (loss) on financial assets measured at fair	400	-	400	(905)

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value through profit or loss				
Other expenditures-other	(232)	-	(256)	(15)
Total	<u>\$5,058</u>	<u>\$6,275</u>	<u>\$3,707</u>	<u>\$8,557</u>

4) Financing costs

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Interest from bank loans	\$5,426	\$517	\$13,164	\$517
Interest expense from corporate bonds	6,091	3,294	12,638	9,274
Interest from lease liabilities	13,023	11,062	37,349	32,827
Total	<u>\$24,540</u>	<u>\$14,873</u>	<u>\$63,151</u>	<u>\$42,618</u>

w. Components of the other comprehensive income (loss)

Other comprehensive income for the three months ended September 30, 2025 is as follows:

	Arising in the current period	Reclassification and adjustment in the current period	Subtotal	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Unrealized gain or loss on investment inequity instruments measured at fair value through other comprehensive income	\$24,253	\$-	\$24,253	\$-	\$24,253
Items that may subsequently be reclassified to profit or loss:					
Exchange differences translated from the financial statements of foreign operations	5,612	-	5,612	\$-	5,612
Total	<u>\$29,865</u>	<u>\$-</u>	<u>\$29,865</u>	<u>\$-</u>	<u>\$29,865</u>

Other comprehensive income for the three months ended September 30, 2024 is as follows:

	Arising in the current period	Reclassification and adjustment in the current period	Subtotal	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Unrealized gain or loss on investment inequity instruments measured at fair value through other comprehensive	\$(4,380)	\$-	\$(4,380)	\$-	\$(4,380)

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income					
Items that may subsequently be reclassified to profit or loss:					
Exchange differences translated from the financial statements of foreign operations	(1,534)	-	(1,534)	\$-	(1,534)
Total	<u>\$(5,914)</u>	<u>\$-</u>	<u>\$(5,914)</u>	<u>\$-</u>	<u>\$(5,914)</u>

Other comprehensive income for the nine months ended September 30, 2025 is as follows:

	Arising in the current period	Reclassification and adjustment in the current period	Subtotal	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Unrealized gain or loss on investment inequity instruments measured at fair value through other comprehensive income	\$19,245	\$-	\$19,245	\$-	\$19,245
Items that may subsequently be reclassified to profit or loss:					
Exchange differences translated from the financial statements of foreign operations	(8,735)	-	(8,735)	-	(8,735)
Total	<u>\$10,510</u>	<u>\$-</u>	<u>\$10,510</u>	<u>\$-</u>	<u>\$10,510</u>

Other comprehensive income for the nine months ended September 30, 2024 is as follows:

	Arising in the current period	Reclassification and adjustment in the current period	Subtotal	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Unrealized gain or loss on investment inequity instruments measured at fair value through other comprehensive income	\$3,447	\$-	\$3,447	\$-	\$3,447
Items that may subsequently be reclassified to profit or loss:					
Exchange differences translated from the financial statements of foreign operations	6,097	-	6,097	\$-	6,097
Total	<u>\$9,544</u>	<u>\$-</u>	<u>\$9,544</u>	<u>\$-</u>	<u>\$9,544</u>

x. Income tax

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

<u>Income tax recognized in profit or loss</u>				
	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Current tax expenses (gains):				
Current tax payable	\$35,772	\$34,954	\$130,173	\$131,537
Adjustments in respect of current income tax of prior periods	-	-	(4,356)	(4,004)
Deferred tax expenses (gains):				
Deferred tax expenses related to initial recognition of temporary difference and its reversal	(5,833)	(1,214)	(9,753)	(6,088)
Income tax expenses	<u>\$29,939</u>	<u>\$33,740</u>	<u>\$116,064</u>	<u>\$121,445</u>

2) Filing and review of income tax

As of September 30, 2025, the Company's income tax filing and review conditions are as follows:

	<u>Filing and review of income tax</u>
The Company	Reviewed to 2022
Subsidiary - Ivy Biotechnology Co., Ltd.	Reviewed to 2023
Subsidiary - Bai-Lin Logistics Co., Ltd.	Reviewed to 2022
Subsidiary - Da Yu Property Management Co., Ltd.	Reviewed to 2023
Subsidiary – Great Tree Pets Co., Ltd.	Reviewed to 2022
Subsidiary – Enki Biomedical Co., Ltd	Reviewed to 2023

y. Earnings per share (EPS)

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

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.

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1) Basic EPS

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Net profit attributable to holders of the parent company's ordinary shares	<u>\$131,068</u>	<u>\$167,148</u>	<u>\$451,287</u>	<u>\$506,276</u>
Weighted-average number of ordinary shares of basic earnings per share (in 1,000 shares)	<u>149,653</u>	<u>148,952</u>	<u>149,599</u>	<u>148,962</u>
Basic ESP (NT\$)	<u>\$0.88</u>	<u>\$1.12</u>	<u>\$3.02</u>	<u>\$3.40</u>

2) Diluted EPS

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Net profit attributable to holders of the parent company's ordinary shares	\$131,068	\$167,148	\$451,287	\$506,276
Redemption gain or loss from issuance of domestic convertible bonds	(400)	-	(400)	905
Interest from convertible bonds	<u>4,531</u>	<u>3,134</u>	<u>10,169</u>	<u>8,084</u>
Net profit attributable to holders of the parent company's ordinary shares after dilutive effect	<u>\$135,199</u>	<u>\$170,282</u>	<u>\$461,056</u>	<u>\$515,265</u>
Weighted-average number of ordinary shares of basic earnings per share (in 1,000 shares)	149,653	148,952	149,599	148,962
Dilutive effect:				
Employee stock options (in 1,000 shares)	552	943	606	970
Employee bonus - shares (in 1,000 shares)	160	102	191	120
Convertible bonds (in 1,000 shares)	<u>6,744</u>	<u>3,426</u>	<u>5,861</u>	<u>3,389</u>
Weighted-average number of ordinary shares after adjustments for dilutive effects (in 1,000 shares)	<u>157,109</u>	<u>153,423</u>	<u>156,257</u>	<u>153,441</u>
Diluted EPS (NT\$)	<u>\$0.86</u>	<u>\$1.11</u>	<u>\$2.95</u>	<u>\$3.36</u>

- 3) 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.

z. Changes in parent's interest in subsidiaries

Acquisition of additional interest in a subsidiary

On August 1, 2024, the Group acquired an additional 35% of the voting shares of Greattree Sugi Pharmacy Hong Kong Limited, increasing its ownership to 95%. A cash consideration of NT\$46,098 thousand was paid to the non-controlling interest shareholders. The carrying amount of Greattree Sugi Pharmacy Hong Kong Limited's net assets (excluding goodwill on the original acquisition) was NT\$46,100 thousand. Following is a schedule of additional interest acquired in Greattree Sugi Pharmacy Hong Kong Limited including changes in non-controlling interests and adjustments to accumulated other comprehensive income:

Cash consideration paid to non-controlling shareholders	\$46,098
Increase (decrease) to non-controlling interests	(46,100)
Difference recognized in capital surplus or retained earning within equity	<u>\$2</u>

7. Related Party Transactions

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
ShuYu Civilian Pharmacy Corp., Ltd.	The company is a 49% shareholder of the subsidiary ShangTong Greattree Shuyu Pharmacy Limited.
Shuyu Pharmaceutical Logistics (Shandong) Co., Ltd	The company is a subsidiary of ShuYu Civilian Pharmacy Corp., Ltd.

Material transaction matters with related parties

1. Purchases

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Shuyu Pharmaceutical Logistics (Shandong) Co., Ltd	<u>\$3,888</u>	<u>\$-</u>	<u>\$7,097</u>	<u>\$-</u>

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2. Accounts payable-related parties

	2025.09.30	2024.12.31	2024.09.30
Shuyu Pharmaceutical Logistics (Shandong) Co., Ltd	\$1,092	\$-	\$-

3. Lease—Related Party

A. Carrying amount of Right-of-use assets

Name of related party	Characteristic	2025.09.30	2024.12.31	2024.09.30
ShuYu Civilian Pharmacy Corp., Ltd.	Buildings and construction	\$66,588	\$-	\$-

B. Lease liabilities

	2025.09.30	2024.12.31	2024.09.30
ShuYu Civilian Pharmacy Corp., Ltd.	\$63,819	\$-	\$-

C. Interest from lease liabilities

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Name of related party				
ShuYu Civilian Pharmacy Corp., Ltd.	\$590	\$-	\$849	\$-

4. Bonuses for the Group's key managerial officers

	2025.07.01~ 2025.09.30	2024.07.01~ 2024.09.30	2025.01.01~ 2025.09.30	2024.01.01~ 2024.09.30
Short-term employee benefits	\$4,734	\$4,026	\$14,248	\$13,790
Retirement benefits	146	173	436	520
Share-based payment	(3)	5	-	16
Total	\$4,877	\$4,204	\$14,684	\$14,326

8. Assets Pledged

The Company has pledged the following assets as collateral:

Item	Carrying Amount			Content of the secured liabilities
	2025.09.30	2024.12.31	2024.09.30	
Financial assets measured at amortized cost - current	\$60,000	\$24,000	\$24,000	Credit card guarantee
Financial assets measured at amortized cost - current	712,610	304,500	-	Short-term loan collateral
Financial assets measured at amortized cost - non-current	3,000	3,000	3,000	Purchase contract guarantee
Total	<u>\$775,610</u>	<u>\$331,500</u>	<u>\$27,000</u>	

9. Significant Contingent Liabilities and Unrecognized Contracts

N/A.

10. Contingent Disaster Loss

N/A.

11. Significant Post-reporting Period Matters

- a. For the three months ended September 30, 2025, the employee stock options issued by the Company exercised subscription rights of NT\$1,676 thousand, for which 53 thousand ordinary shares were converted. Subsequently, on November 10, 2025, the capital increase plan was decided by the Board of Directors to use November 10 of the same year as the base date for the capital increase.

12. Others

a. Categories of financial instruments

Financial assets

	2025.09.30	2024.12.31	2024.09.30
Financial assets measured at fair value through profit or loss compulsory	\$1,500	\$-	\$-
Financial assets at fair value through other comprehensive income (loss)	149,013	137,624	110,703
Financial assets measured at amortized cost:			
Cash and cash equivalents	1,767,161	1,888,362	1,714,949
Financial assets measured at amortized cost	775,610	331,500	27,000
Notes receivable, net	6,397	7,659	7,055
Net accounts receivable	923,346	668,189	734,640
Other receivables	250,423	280,924	162,991
Subtotal	3,722,937	3,176,634	2,646,635
Total	<u>\$3,873,450</u>	<u>\$3,314,258</u>	<u>\$2,757,338</u>

Financial liabilities

	2025.09.30	2024.12.31	2024.09.30
Financial liabilities at amortized cost:			
Short-term loans	\$795,000	\$455,000	\$200,000
Accounts payable	3,163,129	2,804,933	2,670,350
Bonds payable (including those maturing within 12 months)	941,830	802,392	799,085
Lease liabilities	4,588,300	4,179,578	4,009,932
Total	<u>\$9,488,259</u>	<u>\$8,241,903</u>	<u>\$7,679,367</u>

b. Objective and policy of financial risk management

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

The Group has set up appropriate policies, 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 Group shall strictly abide by the regulations for financial risk management that have been set up.

c. Market risk

The Group'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 Group'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 Group'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/decreases by 0.1%, the Group's income for the nine months ended September 30, 2025 and 2024 will increase/decrease by NT\$1,120 thousand and by NT\$767 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.

When the equity price increases or decreases by 1%, the Group's on September 30, 2025 and 2024 the impact on equity on the day was NT\$149 thousand and NT\$111 thousand, respectively.

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 Group'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 Group 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 Group's internal valuations. The Group 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 September 30, 2025, December 31, 2024 and September 30, 2024, the Group has not had concentration of credit risk on individual customers, so credit risk should be moderate.

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

The Group has adopted IFRS 9 in the valuation of expected credit loss. Receivables are measured as loss allowance 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 is evaluated 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.

Additionally, when evaluating financial assets that cannot be reasonably recovered, the Group 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 Group 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 Group'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

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
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curve at the end of the reporting period.

Non-derivative financial liabilities

	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
<u>2025.09.30</u>							
Short-term loans	\$804,571	\$-	\$-	\$-	\$-	\$-	\$804,571
Accounts payable	3,163,129	-	-	-	-	-	3,163,129
Bonds payable	-	-	1,000,000	-	-	-	1,000,000
Lease liabilities	610,893	582,286	562,900	544,020	509,112	1,851,939	4,661,150
<u>2024.12.31</u>							
Accounts payable	\$2,804,933	\$-	\$-	\$-	\$-	\$-	\$2,804,933
Bonds payable	811,500	-	-	-	-	-	811,500
Lease liabilities	551,910	534,924	507,140	488,672	468,137	1,721,089	4,271,872
<u>2024.09.30</u>							
Accounts payable	\$2,670,350	\$-	\$-	\$-	\$-	\$-	\$2,670,350
Bonds payable	811,500	-	-	-	-	-	811,500
Lease liabilities	530,040	517,329	487,814	468,781	448,867	1,635,409	4,088,240

f. Adjustments of liabilities from financing activities

Information on adjustments of liabilities for the nine month ended September 30, 2025:

	Short-term loans	Guarantee deposits	Lease liabilities	Bonds payable	Total liabilities from financing activities
2025.01.01	\$455,000	\$103,726	\$4,179,578	\$802,392	\$5,540,696
Cash flow	340,000	4,038	(453,998)	430,471	320,511
Non-cash changes					
Changes in scope of lease for the period	-	-	825,371	-	825,371
Interest expense	-	-	37,349	12,638	49,987
Others	-	-	-	(303,671)	(303,671)
2025.09.30	<u>\$795,000</u>	<u>\$107,764</u>	<u>\$4,588,300</u>	<u>\$941,830</u>	<u>\$6,432,894</u>

Information on adjustments of liabilities for the nine month ended September 30, 2024:

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	Short-term loans	Guarantee deposits	Lease liabilities	Bonds payable	Total liabilities from financing activities
2024.01.01	\$-	\$115,664	\$3,623,697	\$800,441	\$4,539,802
Cash flow	200,000	(10,222)	(392,199)	-	(202,421)
Non-cash changes					
Changes in scope of lease for the period	-	-	745,607	-	745,607
Interest expense	-	-	32,827	9,274	42,101
Others	-	-	-	(10,630)	(10,630)
2024.09.30	<u>\$200,000</u>	<u>\$105,442</u>	<u>\$4,009,932</u>	<u>\$799,085</u>	<u>\$5,114,459</u>

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 Group'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 the Group's financial assets and financial liabilities measured at amortized cost is a close approximation of their fair value.

	Carrying amount		
	2025.09.30	2024.12.31	2024.09.30
Financial liabilities:			
Bonds payable	\$941,830	\$802,392	\$799,085

	Fair value		
	2025.09.30	2024.12.31	2024..09.30
Financial liabilities:			
Bonds payable	\$947,400	\$806,742	\$801,114

3) Fair value ranked information of financial instruments

Please refer to Note 12.9 for fair value ranked information of financial instruments.

h. Derivative financial instruments

Information about derivative financial instruments held by the Group that do not qualify for hedge accounting and are not yet due is as follows:

Embedded derivative financial instruments

The embedded derivative financial instruments identified by the Group as a result of the issuance of convertible corporate bonds were separated from the host contract and treated as measured at fair value through profit and loss. Please refer to Note 6 for the contract information of the transaction.

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) Information on measurement of fair value ranks

The Group does not have non-repetitive assets measured at fair value. The information on the fair value level of repetitive assets and liabilities is shown below:

September 30, 2025:

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit and loss				
Convertible corporate bonds	\$-	\$-	\$1,500	\$1,500
Financial assets at fair value through other comprehensive income (loss)				
Emerging Stock	5,443	-	--	5,443
Unlisted and non-OTC company stock	-	-	143,570	143,570
Subtotal	<u>\$5,443</u>	<u>\$-</u>	<u>\$145,070</u>	<u>\$150,513</u>

December 31, 2024:

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit and loss				
Convertible corporate bonds	\$-	\$-	\$-	\$-
Financial assets at fair value through other comprehensive income (loss)				
Emerging Stock	22,920	-	-	22,920
Unlisted and non-OTC company stock	-	-	114,704	114,704
Subtotal	<u>\$22,920</u>	<u>\$-</u>	<u>\$114,704</u>	<u>\$137,624</u>

September 30, 2024:

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit and loss				
Convertible corporate bonds	\$-	\$-	\$-	\$-
Financial assets at fair value through other comprehensive income (loss)				
Emerging Stock	23,447	-	-	23,447
Unlisted and non-OTC company stock	-	-	87,256	87,256
Subtotal	<u>\$23,447</u>	<u>\$-</u>	<u>\$87,256</u>	<u>\$110,703</u>

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 September 30, 2024 to September 30, 2025.

Details on changes in repetitive fair value rank 3

For the Group'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
2025.01.01	\$-	\$114,704
Acquired/issued during the period	1,100	39,840
Disposal/repayment during the period		(10,974)
Recognized in profit and loss during the period (recognized under "Other gains and losses")	400	-
recognized in other comprehensive income (presented in "unrealized valuation gain or loss on equity instrument investment measured at fair value of other comprehensive income")	-	-
2025.09.30	<u>\$1,500</u>	<u>\$143,570</u>
	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
Acquired/issued during the period	-	22,585
Recognized in profit and loss during the period (recognized under "Other gains and losses")	(905)	-
recognized in other comprehensive income (presented in "unrealized valuation gain or loss on equity instrument investment measured at fair value of other comprehensive income")	-	-
Transfer in (transfer out) rank 3	-	(20,000)
2024.09.30	<u>\$-</u>	<u>\$87,256</u>

In the total profit or loss recognized above, the amount of profit or loss related to assets held as of NT\$400 thousand and NT\$(905) thousand for the nine months ended September 30, 2025 and 2024, respectively.

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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:

September 30, 2025

	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:					
<u>Measured at fair value through profit and loss</u>					
Embedded derivatives	Binary tree convertible bond valuation model	Volatility	33.56%	The higher the volatility, the higher the fair value estimates	When the volatility increases (decreases) by 1%, the profit or loss on the Group will increase/decrease by NT\$0 thousand
<u>Financial assets at fair value through other comprehensive income (loss)</u>					
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\$1,446 thousand

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:					
<u>Measured at fair value through profit and loss</u>					
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 Group will increase/decrease by NT\$0 thousand.
<u>Financial assets at fair value through other comprehensive income (loss)</u>					
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\$904 thousand

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September 30, 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:					
<u>Measured at fair value through profit and loss</u>					
Embedded derivatives	Binary tree convertible bond valuation model	Volatility	26.30%	The higher the volatility, the higher the fair value estimates	When the volatility increases (decreases) by 1%, the profit or loss on the Group will increase/decrease by NT\$0 thousand.
<u>Financial assets at fair value through other comprehensive income (loss)</u>					
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\$141 thousand

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

September 30, 2025:

	Rank 1	Rank 2	Rank 3	Total
Disclosures of fair value liabilities only:				
Bonds payable (see Note 6.14 for details)	\$-	\$-	\$947,400	\$947,400

December 31, 2024:

	Rank 1	Rank 2	Rank 3	Total
Disclosures of fair value liabilities only:				
Bonds payable (see Note 6.14 for details)	\$-	\$-	\$806,742	\$806,742

September 30, 2024:

	Rank 1	Rank 2	Rank 3	Total
Disclosures of fair value liabilities only:				
Bonds payable (see Note 6.14 for details)	\$-	\$-	\$801,114	\$801,114

- 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 Group'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 Group 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. Notes on Disclosures

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 holders at the end of the period (excluding investment subsidiaries, affiliates enterprises and joint venture interests): Please refer to Table 1.
- 4) 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.
- 5) Receivables from related parties amounting to at least NT\$100 million or exceeding 20% of paid-in capital: Please see Table 3.
- 6) Information on business relations and material transactions between the parent company and subsidiaries and inter-subsidiaries: Please see Table 7.

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 holders at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture interests): Please see Table 5.
 - d) Transactions with related parties amounting to NT\$100 million or 20% more than the paid-in capital: None.
 - e) Receivables from related parties amounting to NT\$100 million or 20% more than the paid-in capital: please refer to Table 6.

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c. Information on investments in Mainland China:

- 1) Investee company name, main business and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income(loss) of investee company, percentage of ownership, investment income(loss), carrying value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China :

Unit: in NT\$1,000

Name of the invested company in Mainland China	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	The shareholding ratio of the Company's direct or indirect investments	Investment income (loss) recognized by the Company for the period	Carrying value of investment at period-end	Cumulative investment returns repatriated as of the end of the 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 according to the regulations of the Department of Investment Review, MOEA
					Remittance	Repatriation									
Greentree Changhe (Shanghai) Pharmacy Co., Ltd.	Medical device operations and sales	\$1,519 (Note1)	(Note 2)	\$1,626	\$-	\$-	\$1,626	\$(14)	100%	\$(14) (Note 5 and 6)	\$1,395 (Note 6)	\$-	\$1,626	\$1,626	\$2,226,575
Greentree Sugi (Shangong) Pharmacy Co., Ltd.	Pharmaceutical retail	\$64,676 (Note 1)	(Note 3)	\$22,310	\$43,401	\$-	\$65,711	\$(6,631)	95%	\$(6,299) (Note 5 and 6)	\$56,605 (Note6)	\$-	\$65,711	\$65,711 (Note7)	

Notes to Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. (Continued)
(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

Name of the invested company in Mainland China	Main business activities Item	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	The shareholding ratio of the Company's direct or indirect investments	Investment income (loss) recognized by the Company for the period	Carrying value of investment at period-end	Cumulative investment returns repatriated as of the end of the 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 according to the regulations of the Department of Investment Review, MOEA
					Remittance	Repatriation									
Shangtong Greattree Shuyu Pharmacy Limited	Pharmaceutical retail Wholesale	\$119,140 (Note 1)	(Note 4)	\$18,205	\$43,401	\$-	\$61,606	\$(13,022)	48.45%	\$(6,309) (Note 5 and 6)	\$53,175 (Note 6)	\$-	\$61,606	\$-	\$2226,575

Note 1: Amounts in foreign currency will be converted to NTD by the exchange rate as of the balance sheet date.

Note 2: Investment in the Mainland China company is made through the establishment of Greattree Pharmacy Hong Kong Limited.

Note 3: Investment in the Mainland China company is made through Greattree Sugi Pharmacy Hong Kong Limited.

Note 4: Investment in the Mainland China company is made through Shangtong Greattree Shuyu Pharmacy Limited.

Note 5: The basis for recognizing investment gains and losses is the financial statements audited by a certified public accountant from the Taiwan parent company.

Note 6: It has already been charged-off during writing of the Consolidated Financial Statements.

Note 7: The Company established a subsidiary, Hangzhou Dasen Health Technology Co., Ltd, through its investment in Da Sen Trading Hong Kong Limited. The registration was completed on August 8, 2025, and the investment funds has not yet been remitted on September 30, 2025.

14. Departmental Information

Revenues from the Group mostly come from sales of various medicine, health foods, maternity and infant products, and cosmetics. The Group's operational decision-makers will review the overall operating results to establish decisions regarding Company resources and to evaluate overall performance. Hence, it is a single business unit, and adopts the same fundamental compilations and preparations as the compilation and explanations of material accounting policies summarized in Note 4.

Table 1

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture interests)
As of September 30, 2025
Unit: in NT\$1,000

Name of Held Company	Type and name 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.	<u>Stock</u> Top Taiwan XIV Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income	5,000,000	\$50,000	2.29%	\$48,963	None
	Yoda Pharmaceuticals Inc.	-	Financial assets measured at fair value through other comprehensive income	1,016,000	14,926	1.33%	14,926	None
	AnnJi Pharmaceutical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income	115,666	3,470	0.12%	5,444	None
	Penpeer Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income	266,667	12,000	0.60%	12,000	None
	ExoOne Bio. Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income	2,160,000	49,680	7.58%	49,680	None
	Leeuwenhoek Laboratories Co. Ltd.	-	Financial assets measured at fair value through other comprehensive income	1,000,000	15,000	2.99%	15,000	None
			Less: Fair value through other comprehensive income Fair value adjustment of equity investments measured		937			
			Total		<u>\$146,013</u>			

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.

Table 2

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Purchases from and Sales to Related Parties Amounting to at least NT\$100 Million or Exceeding 20% of Paid-in Capital
January 1, 2025 to September 30, 2025
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	\$3,540,977	25.50%	Offset of debts and claims	No other customers for comparison	Non-related parties: 60-120 days credit	Accounts receivable \$802,936	51.62%	Note
Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	Subsidiary	Purchases	\$353,754	3.25%	Credit 30 days	No other vendor for comparison	Non-related parties: 60-90 days credit	Notes payable \$222,451	24.62%	Note
									Accounts payable \$46,344	2.52%	Note

Note: It has already been charged-off during writing of the Consolidated Financial Statements.

Table 3

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Receivables from Related Parties Amounting to at least NT\$100 Million or Exceeding 20% of Paid-in Capital
As of September 30, 2025
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	Allowance for doubtful accounts
					Amount	Treatment		
Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	Subsidiary	<u>\$802,936</u> (Note)	<u>6.25</u>	<u>\$-</u>	-	<u>\$99,585</u>	<u>\$-</u>

Note: It has already been charged-off during writing of the Consolidated Financial Statements.

Table 4

Great Tree Pharmacy Co., Ltd. and Subsidiaries
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 September 30, 2025
Unit: in NT\$1,000

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.	Ivy Biotechnology Co., Ltd.	19F., No. 186, Fuxing Road, Taoyuan District, 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%	\$143,787	\$62,335	\$59,807 (Note1)	Note 3
Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	19F., No. 186, Fuxing Road, Taoyuan District, 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	200,000shares	100.00%	\$10,921	\$6,161	\$6,161	Note 3
Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	18F., No. 186, Fuxing Road, Taoyuan District, Taoyuan City	Retail business of animal medication, aquarium fish, and retail and wholesale business of pet food and supply	\$250,000	\$210,000	25,000,000shares	100.00%	\$120,937	\$(23,416)	\$(23,416)	Note 3
Great Tree Pharmacy Co., Ltd.	Greattree Pharmacy Hong Kong Limited	RMS 2006-8, 20/F Two Chinachem Exchange Square 338 King’s RD North Point HK	Investment business	\$122,354	\$122,354	3,850,000shares	100.00%	\$105,569	\$(10,939)	\$(10,939)	Note 2
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	Wholesale and retail operations encompassing health foods, cosmetics, medical equipment, and pet-related products	\$10,256	\$10,256	1,500,000shares	74.26%	\$10,010	\$877	\$651	Note 3
Great Tree Pharmacy Co., Ltd.	Enki Biomedical Co., Ltd.	20F., No. 186, Fuxing Road, Taoyuan District, Taoyuan City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products and cosmetics, and precision instruments, etc, provides services in the field of biotechnology	\$15,000	\$15,000	1,500,000shares	100.00%	\$3,937	\$(1,780)	\$(1,780)	Note 3
Great Tree Pharmacy Co., Ltd.	SUNYAO Healthcare Co., Ltd.	20F., No. 186, Fuxing Road, Taoyuan District, Taoyuan City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products, and cosmetics.	\$24,000	\$24,000	2,400,000shares	80.00%	\$19,413	\$(5,733)	\$(4,587)	Note 3
Great Tree Pharmacy Co., Ltd.	DA FENG Logistics Co., Ltd.	18F., No. 186, Fuxing Road, Taoyuan District, Taoyuan City	Packaging and warehousing services	\$30,000	\$-	3,000,000shares	85.71%	\$33,944	\$4,601	\$3,944	Note 3
Ivy Biotechnology Co., Ltd.	Da Yu Property Management Co., Ltd.	18F., No. 186, Fuxing Road, Taoyuan District, 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	\$24,000	\$30,000	2,400,000shares	60.00%	\$21,775	\$757	\$454	Note 3
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	Wholesale and retail operations encompassing health foods, cosmetics, medical equipment, and pet-related products	\$128	\$128	20,000shares	0.99%	\$133	\$877	\$9	Note 3
Ivy Biotechnology Co., Ltd.	SK Biomedical INC.	4F., No. 70, Section 3, Nanjing East Road, Zhongshan District, Taipei City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products, cosmetics, and pet-related products.	\$6,000	\$6,000	600,000shares	20.00%	\$4,801	\$(3,976)	\$(783)	
Greattree Pharmacy Hong Kong Limited	Greattree Sugi Pharmacy Hong Kong Limited	RM 601 ALBION PLAZA 2-6 GRANVILLE RD TST KL	Investment business	\$122,898	\$122,898	3,800,000shares	95.00%	\$104,171	\$(11,493)	\$(10,918)	Note 3
GREAT TREE INTERNATIONAL SDN. BHD.	GTSW BIOTECH SDN. BHD.	NO. 5-2, Jalan Puteri 2/6 Bandar 47100 Puchong Selangor Malaysia	Wholesale and retail operations encompassing health foods, cosmetics, medical equipment, and pet-related products	\$1,949	\$1,949	300,000shares	60.00%	\$2,624	\$1,034	\$621	Note 3
SUNYAO Healthcare Co., Ltd.	Senyu Biomedical Co., Ltd.	20F., No. 186, Fuxing Road, Taoyuan District, Taoyuan City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products, and cosmetics.	\$20,250	\$-	2,025,000shares	90.00%	\$15,597	\$(5,170)	\$(4,653)	Note 3

Note 1: Includes income from investment recognized using equity method for the period of NT\$62,335 thousand, write-off for lease transaction with related party NT\$(214) thousand, realized profit from upstream transactions in previous period of NT\$34,681 thousand, and unrealized profit from upstream transactions for this period of NT\$(36,995) thousand.

Note 2: The Company established a subsidiary, Da Sen Trading Hong Kong Limited, through its investment in Greattree Pharmacy Hong Kong Limited. The registration was completed on February 24, 2025, and the investment funds has not yet been remitted on September 30, 2025.

Note 3: It has already been charged-off during writing of the Consolidated Financial Statements.

Table 5

Great Tree Pharmacy Co., Ltd. and Subsidiaries
 Securities holders at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture interests)
 As of September 30, 2025
 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.	<u>Stock</u> Hund Biotech Co., Ltd.	-	Financial assets at fair value through other comprehensive income (loss)	300,000	\$3,000	12.77%	\$3,000	None
			Less: Adjustment of Equity instrument investment measured at fair value measured through other comprehensive income		-			
			Total		<u>\$3,000</u>			

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.

Table 6

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Purchases from and Sales to Related Parties Amounting to at least NT\$100 Million or Exceeding 20% of Paid-in Capital

January 1, 2025 to June 30, 2025

Unit: in NT\$1,000

Company that imports (sells) goods	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	
Ivy Biotechnology Co., Ltd.	Great Tree Pharmacy Co., Ltd.	Parent company	Sales	\$353,754	99.96%	Credit 30 days	No other customers for comparison	Non-related parties 30-60 days credit	Notes receivable \$222,451	100.00%	Note
									Accounts receivable \$46,339	99.97%	Note
Bai-Lin Logistics Co., Ltd.	Great Tree Pharmacy Co., Ltd.	Parent company	Purchases	\$3,540,977	100.00%	Offset of debts and claims	No other supplier available for comparison	No other supplier available for comparison	Accounts payable \$802,936	100.00%	Note

Note: It has already been charged-off during writing of the Consolidated Financial Statements.

Table 7

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Business Relationships and Significant Intercompany Transactions

Unit: in NT\$1,000

Code (Note 1)	Name of counterparty	Transaction counterparty	Relationship with Traders (Note 2)	Transaction status			
				Item	Amount	Transaction conditions	Ratio to total consolidated revenue or assets (Note 3)
	<u>2025.01.01~2025.09.30</u>						
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Purchases	\$353,754	Credit 30 days	2.52%
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Other receivables	15,861	-	0.12%
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Notes payable	222,451	-	1.65%
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Accounts payable	46,344	-	0.34%
0	Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	1	Sales	3,540,977	Offset of debts and claims	25.19%
0	Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	1	Shipping fee	17,445	Offset of debts and claims	0.12%
0	Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	1	Accounts receivable	802,936	-	5.95%
0	Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	1	Sales	7,477	Credit 30 days	0.05%
0	Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	1	Rental revenue	7,001	Credit 30 days	0.05%
0	Great Tree Pharmacy Co., Ltd.	Enki Biomedical Co., Ltd.	1	Other receivables	7,671	-	0.06%

Note 1: The information on business dealings between the parent company and subsidiaries should be numbered in the "Code" column with the following coding method:

- 1. The parent company is 0.
- 2. Subsidiaries are numbered sequentially beginning with the Arabic numeral 1.

Note 2: Relations with counterparty can be any one of the following three types:

- 1. Parent company to subsidiary.
- 2. Subsidiary to parent company.
- 3. Between subsidiaries.

Note 3: Regarding the percentage of the transaction amount to consolidated net revenue or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on the interim accumulated amount to consolidated net revenue for profit or loss items.

Note 4: The disclosure threshold is set at NT\$5,000 thousand or more. It has already been charged-off during writing of the Consolidated Financial Statements.