

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent
Auditors' Report
For the years ended December 31, 2025 and 2024

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

Notice to Reader:

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

Consolidated Financial Statements

Table of Contents

Item	Page Number
I. Cover	1
II. Table of Contents	2
III. Company Statement	3
IV. Independent Auditors' Report	4-8
V. Consolidated Balance Sheets	9-10
VI. Consolidated Statements of Comprehensive Income	11
VII. Consolidated Statements of Changes in Equity	12
VIII. Consolidated Statements of Cash Flows	13
IX. Notes to Consolidated Financial Statements	
1. Company Overview	14
2. Dates and Procedures of Approving Financial Statements	14
3. Applicability of New and Amended Accounting Principles and Explanations	14-20
4. Explanations of Major Accounting Policies	20-48
5. Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions	48-50
6. Explanations of Significant Accounting Items	50-98
7. Related Party Transactions	98-100
8. Assets Pledged	100
9. Significant Contingent Liabilities and Unrecognized Contracts	100
10. Contingent Disaster Loss	100
11. Significant Post-reporting Period Matters	101
12. Others	101-112
13. Notes on Disclosures	
a. Information on Significant Transactions	113
b. Information on Reinvestments	113
c. Information on Investments in Mainland China	114-115
14. Departmental Information	116

Company Statement

The entities that are required to be included in the Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the Combined Financial Statements is included in the Consolidated Financial Statements. Consequently, Great Tree Pharmacy Co., Ltd. and Subsidiaries do not prepare a separate set of Consolidated Financial Statements.

We hereby declare and affirm to the statement above

Company Name: Great Tree Pharmacy Co., Ltd

Person in charge: Cheng Ming Lung

February 26, 2026

Independent Auditors' Report

To Great Tree Pharmacy Co., Ltd.,

Audit Opinion

We have audited the accompanying Consolidated Balance Sheets of Great Tree Pharmacy Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2025 and December 31, 2024, and the related Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2025 and December 31, 2024, as well as Notes to the Consolidated Financial Statements, including the Summary of Significant Accounting Policies (together “the Consolidated Financial Statements”).

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2025 and December 31, 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2025 and December 31, 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee, or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis of Audit Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2025 Consolidated Financial Statements. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Great Tree Pharmacy Co., Ltd. and its subsidiaries recognized operating revenue of NT\$18,895,916 thousand in 2025. Since the Group's sources of revenue include different selling models such as retail transactions at pharmacies and revenue from management services and more, the judgment over performance obligation and the timing of its fulfillment over customer orders or contracts was needed, therefore leading to significant risk of revenue recognition. Hence, we have decided to include this as a key audit matter. Our audit procedures include (but are not limited to): understanding each selling model, evaluating the appropriateness of revenue recognition policy related to obligation fulfillment under each model, evaluating and testing the effectiveness of the relevant internal control to the timing of revenue recognition in the sales cycle, conducting detailed testing by sampling the sales receipts, and conducting analytical review procedure and carrying out cut-off tests and more. Our accountants have also considered the appropriateness of operating revenue disclosure identified in Note 6 of the Consolidated Financial Statements.

Inventory Valuation

As of December 31, 2025, the net inventory of Great Tree Pharmacy Co., Ltd. and its subsidiaries was NT\$3,689,048 thousand, accounting for 27% of the consolidated total asset. Main businesses of Great Tree Pharmacy Co., Ltd. and its subsidiaries include trading of maternity and infant products as well as various drugs. Most of their products have shelf lives, leading evaluations of allowance for inventory valuation and obsolescence loss to require material judgement from the Group's management. Therefore, this was included as a key audit matter. Our audit procedures include (but are not limited to): evaluating the appropriateness of the policy of allowance for inventory valuation and obsolescence loss, evaluating the management method for near expiring goods and identification of expired inventory and testing the effectiveness of the relevant internal control, sampling the inventory aging report to test its accuracy and selecting significant inventory location for physical inventory observation and count, and inspecting current inventory and utilization status and more. We have also taken the appropriateness of inventory disclosure in Note 5 and Note 6 in the Notes to Consolidated Financial Statements into consideration.

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

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

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

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

Responsibilities of the CPA in Auditing the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2025 Consolidated Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have also audited and expressed unqualified opinions on the Parent Company Only Financial Statements of the Company as of and for the years ended December 31, 2025 and December 31, 2024.

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

February 26, 2026

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2025 and 2024
(Amounts expressed in thousands of New Taiwan Dollars)

Asset			December 31, 2025		December 31, 2024	
Code	Accounting item	Note	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$1,771,761	13	\$1,902,002	16
1136	Financial assets measured at amortized cost	4, 6.4 and 8	772,610	6	328,500	3
1150	Notes receivable, net	4 and 6.5	3,965	-	7,659	-
1170	Net accounts receivable	4 and 6.6	659,263	5	668,189	6
1200	Other receivables		410,904	3	280,924	2
1300	Inventory	4 and 6.7	3,689,048	27	3,164,557	26
1410	Prepayments		116,984	-	95,053	1
1470	Other current assets		65,668	-	42,931	-
	Total current assets		7,490,203	54	6,489,815	54
15xx	Non-current assets					
1510	Financial assets measured at fair value through profit or loss	4 and 6.2	1,800	-	-	-
1517	Financial assets at fair value through other comprehensive income (loss)	4 and 6.3	265,424	2	137,624	1
1535	Financial assets measured at amortized cost	4, 6.4 and 8	3,000	-	3,000	-
1550	Investments accounted for using the equity method	4 and 6.8	4,424	-	5,584	-
1600	Property, plant, and equipment	4 and 6.9	1,002,760	8	961,305	8
1755	Right-of-use assets	4 and 6.21	4,419,564	32	4,005,891	33
1780	Intangible assets	4 and 6.10	85,727	1	57,726	-
1840	Deferred tax assets	4 and 6.25	52,032	-	39,672	-
1900	Other non-current assets	6.11	434,531	3	426,633	4
	Total non-current assets		6,269,262	46	5,637,435	46
1xxx	Total assets		\$13,759,465	100	\$12,127,250	100

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

Chairman: Cheng Ming Lung

Manager: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Balance Sheets (continued)
As of December 31, 2025 and 2024
(Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
Code	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	4 and 6.12	\$795,000	6	\$455,000	4
2130	Contract liabilities	4 and 6.19	17,078	-	11,363	-
2150	Notes payable		711,990	5	566,737	5
2170	Accounts payable		1,969,302	14	1,865,590	15
2181	Accounts payable - related parties	7	2,452	-	-	-
2200	Other payables	4, 6.13 and 6.16	437,062	3	372,606	3
2230	Tax liabilities for this period	4 and 6.25	87,431	1	85,434	1
2280	Lease liabilities	4 and 6.21	535,084	4	520,694	4
2321	Corporate bonds maturing within one year or one operating cycle, or subject to put options	4 and 6.14	-	-	802,392	7
2399	Other current liabilities		40,652	-	31,099	-
	Total current liabilities		4,596,051	33	4,710,915	39
25xx	Non-current liabilities					
2530	Bonds payable	4 and 6.15	946,928	7	-	-
2540	Long-term loans	4 and 6.14	1,440	-	-	-
2572	Deferred income tax liabilities	4 and 6.25	2,802	-	2,751	-
2580	Lease liabilities	4 and 6.21	4,080,534	30	3,658,884	30
2640	Net defined benefit liabilities	4 and 6.16	2,269	-	2,720	-
2645	Guarantee deposits		129,021	1	103,726	1
	Total non-current liabilities		5,162,994	38	3,768,081	31
2xxx	Total liabilities		9,759,045	71	8,478,996	70
31xx	Equity attributable to owners of the parent company					
3100	Share capital	6. 17				
3110	Ordinary share capital		1,496,992	11	1,318,889	11
3140	Capital collected in advance		2,660	-	3,678	-
3200	Capital surplus	6. 17	1,403,431	10	1,311,886	11
3300	Retained earnings	6. 17				
3310	Legal capital reserve		338,399	2	270,196	2
3320	Special capital reserve		-	-	2,356	-
3350	Unappropriated earnings		637,310	5	684,390	6
3400	Other equity		39,389	-	5,227	-
36xx	Non-controlling interests		82,239	1	51,632	-
3xxx	Prepaid share capital		4,000,420	29	3,648,254	30
	Total liabilities and equity		\$13,759,465	100	\$12,127,250	100

(Please see the accompanying Notes to the Consolidated Financial Statements)
Manager: Cheng Ming Lung

Chairman: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the year ended December 31, 2025 and 2024
(Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.19	\$18,895,916	100	\$17,274,254	100
5000	Operating costs		(13,479,153)	(71)	(12,431,678)	(72)
5900	Gross profit		5,416,763	29	4,842,576	28
6000	Operating expenses					
6100	Selling and marketing expenses		(4,066,356)	(22)	(3,511,109)	(20)
6200	General and administrative expenses		(661,076)	(3)	(530,033)	(3)
6450	Expected credit (loss) gain	4 and 6.20	-	-	(248)	-
	Total operating expenses		(4,727,432)	(25)	(4,041,390)	(23)
6900	Operating profit		689,331	4	801,186	5
7000	The actual distribution of employee compensation and remunerations of the Directors for the year ended December 31, 2021 had no material difference from the expenses recognized in financial statements.					
7100	Non-operating income and expenses	6.23	38,562	-	13,265	-
7010	Other income	6.23	109,035	-	83,578	-
7020	Other gains and losses	6.23	(5,955)	-	8,425	-
7050	Financing costs	6.23	(85,825)	-	(58,900)	-
7060	Share of loss (profit) of joint ventures accounted for using equity method		(1,160)	-	(789)	-
	Total non-operating income and expenses		54,657	-	45,579	-
7900	Net profit before tax		743,988	4	846,765	5
7950	Income tax expenses	4 and 6.25	(162,485)	(1)	(166,801)	(1)
8200	Net income		581,503	3	679,964	4
8300	Other comprehensive income (loss)	4 and 6.24				
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans		274	-	1,262	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income (loss)		66,198	-	2,528	-
8360	Items that may subsequently be reclassified to profit or loss					
8361	Exchange differences translated from the financial statements of foreign operations		(5,954)	-	9,065	-
	Comprehensive income (loss) (net value after tax) for this period		60,518	-	12,855	-
8500	Total comprehensive income (loss)		\$642,021	3	\$692,819	4
8600	Net income (loss) attributable to:					
8610	Owners of the parent company		\$600,421	3	\$680,767	4
8620	Non-controlling interests		(18,918)	-	(803)	-
			\$581,503	3	\$679,964	4
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$661,687	3	\$689,612	4
8720	Non-controlling interests		(19,666)	-	3,207	-
			\$642,021	3	\$692,819	4
	Earnings per share (EPS) (NT\$)					
9750	Basic EPS	4 and 6.26	\$4.01		\$4.57	
9850	Diluted EPS	4 and 6.26	\$3.89		\$4.51	

(Please see the accompanying Notes to the Consolidated Financial Statements)
Manager: Cheng Ming Lung

Chairman: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the year ended December 31, 2025 and 2024
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	Equity attributable to owners of the parent company										Non-controlling interests	Prepaid share capital
		Share capital	Bond conversion entitlement certificates	Capital collected in advance	Capital surplus	Retained earnings			Other equity interest		Total		
						Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences translated from the financial statements of foreign operations	Unrealized (loss) gain on financial assets measured at fair value through other comprehensive profit or loss			
		3100	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 capital reserve						984	(984)			-		-
B5	Cash dividends							(405,514)			(405,514)		(405,514)
B9	Share dividends	191,493						(191,493)			-		-
D1	2024 net income							680,767			680,767	(803)	679,964
D3	Other comprehensive income (loss) in 2024							1,262	5,055	2,528	8,845	4,010	12,855
D5	Total comprehensive income (loss)	-	-	-	-	-	-	682,029	5,055	2,528	689,612	3,207	692,819
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 transaction	5,690		(838)	11,929						16,781		16,781
O1	Increase or decrease in non-controlling interest											(21,311)	(21,311)
T1	Others - issuance of employee stock options				3,546						3,546		3,546
Z1	Balance as of December 31, 2024	1,318,889	-	3,678	1,311,886	270,196	2,356	684,390	3,343	1,884	3,596,622	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	Recognized equity components arising from the issuance of convertible bonds - stock options				79,771						79,771		79,771
D1	2025 net income							600,421			600,421	(18,918)	581,503
D3	Other comprehensive income (loss) in 2025							274	(5,206)	66,198	61,266	(748)	60,518
D5	Total comprehensive income (loss)	-	-	-	-	-	-	600,695	(5,206)	66,198	661,687	(19,666)	642,021
N1	Share-based payment transaction	6,063		(1,018)	10,829						15,874		15,874
Q1	Disposal of equity instruments measured at fair value through other comprehensive income							26,830		(26,830)	-		-
O1	Increase or decrease in non-controlling interest											50,273	50,273
T1	Others - issuance of employee stock options				945						945		945
Z1	Balance as of December 31, 2025	\$1,496,992	\$-	\$2,660	\$1,403,431	\$338,399	\$-	\$637,310	\$(1,863)	\$41,252	\$3,918,181	\$82,239	\$4,000,420

(Please see the accompanying Notes to the Consolidated Financial Statements)
Manager: Cheng Ming Lung

Chairman: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the year ended December 31, 2025 and 2024
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2025 Amount	2024 Amount	Code	Item	2025 Amount	2024 Amount
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for the period	\$743,988	\$846,765	B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(118,911)	(50,425)
A20000	Adjustment items:			B00020	Disposal of financial assets at fair value through other comprehensive income (loss)	57,309	-
A20010	Adjustments:			B00040	Increase (decrease) in financial assets measured at amortized cost	(444,110)	(304,500)
A20100	Depreciation expense(including right-of-use assets)	858,870	781,733	B01800	Acquisition of investments accounted for using equity method	-	(6,000)
A20200	Amortization expenses	23,059	19,131	B01900	Disposal of investments accounted for using equity method	-	12,000
A20300	Expected credit impairment loss	-	248	B02700	Acquisition of property, plant and equipment	(326,675)	(359,029)
A20400	Net loss(gain) on financial assets measured at fair value through profit or loss	(700)	905	B02800	Disposal of property, plant and equipment	13,276	4,882
A20900	Interest expenses	85,825	58,900	B03700	(Increase) decrease in refundable deposits	(10,541)	(145,571)
A21200	Non-operating income and expenses	(38,562)	(13,265)	B04500	Acquisition of intangible assets	(52,107)	(33,055)
A21900	Cost of share-based payments	945	3,546	B04600	Disposal of intangible assets	1,047	25
A22300	Share of loss (profit) of joint ventures accounted for using equity method	1,160	789	BBBB	Net cash inflow(outflow) from investing activities	(880,712)	(881,373)
A22500	Gain on disposal of property, plant and equipment	(5,562)	(422)				
A23700	Allowance for inventory valuation and obsolescence loss(gains on recovery)	(307)	(315)	CCCC	Cash flow from financing activities:		
A22800	Loss (Gain) on disposal of intangible assets	-	(2)	C00100	Proceeds from short-term borrowings	340,000	455,000
A23100	Gain on disposal of investments	-	(5,298)	C01200	Issuance of corporate bonds	1,021,971	-
A29900	Other item - gain on lease modification	(1,239)	-	C01300	Repayments of bonds	(811,500)	-
A30000	Changes in assets/liabilities related to operating activities:			C01600	Proceeds from long-term borrowings	1,440	-
A31130	(Increase) decrease in notes receivable	3,694	5,120	C03000	Increase (decrease) in guarantee deposits received	25,295	(11,938)
A31150	(Increase) decrease in accounts receivable	8,912	(3,515)	C04020	Repayment of principal on loan	(616,266)	(532,097)
A31180	(Increase) decrease in other receivables	(117,674)	(32,489)	C04500	Payment of cash dividends	(436,718)	(405,514)
A31200	(Increase) decrease in inventories	(524,184)	(370,662)	C04800	Employees exercising share option	15,874	16,781
A31230	(Increase) decrease in prepayments	(21,931)	(8,291)	C05800	Changes in non-controlling interests	50,273	(21,311)
A31240	(Increase) decrease in other current assets	(27,737)	(32,523)	CCCC	Net cash inflow (outflow) from financing activities	(409,631)	(499,079)
A31990	(Increase) decrease in other non-current assets	(7,923)	-				
A32125	Increase (decrease) in contract liabilities	5,715	(7,450)	DDDD	Effect of changes in exchange rate on cash and cash equivalents	(5,691)	9,047
A32130	Increase (decrease) in notes payables	145,253	(145,431)	EEEE	Amount of Increase(decrease)in cash and cash equivalents for the period	(130,241)	(232,732)
A32150	Increase (decrease) in accounts payables	103,712	210,305	E00100	Beginning balance of cash and cash equivalents	1,902,002	2,134,734
A32160	Increase (decrease) in accounts payable - related parties	2,452	-	E00200	Ending balance of cash and cash equivalents	\$1,771,761	\$1,902,002
A32180	Increase (decrease) in other payables	74,723	(9,738)				
A32230	Increase (decrease) in other current liabilities	9,553	305				
A32240	Increase (decrease) in net defined benefit liabilities	(177)	(168)				
A33000	Cash inflow (outflow) from operating activities	1,321,865	1,298,178				
A33100	Interest received	26,256	13,265				
A33300	Interest paid	(9,757)	(1,926)				
A33500	Income tax paid	(172,571)	(170,844)				
AAAA	Net cash inflow (inflow) from operating activities	1,165,793	1,138,673				

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

Chairman: Cheng Ming Lung

Manager: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

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

1. Company Overview

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

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

2. Dates and Procedures of Approving Financial Statements

The 2025 and 2024 Consolidated Financial Statements of the Company and its subsidiaries (hereinafter referred to as “the Group”) have been approved and announced by the Board of Directors on February 26, 2026.

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. As of the approval and announcement date of the financial statements, the Group has not yet to adopt the following standards that have been announced by the International Accounting Standards Board (IASB) and have been approved by the FSC as either newly announced, revised, and amended standards or interpretations:

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

Item	Newly announced/amended/revised standard and interpretation	Effective date from IASB
1	IFRS 17 - Insurance Contracts	January 1, 2023
2	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
3	IFRS Accounting Standard “Annual Improvements—Volume 11”	January 1, 2026
4	Nature-dependent electricity contracts (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

1) IFRS 17 - Insurance Contracts

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

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

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

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

These amendments include:

- a) Clarifying that financial liabilities are derecognized on the settlement date and specifying the accounting treatment for financial liabilities settled using electronic payments prior to the settlement date.
 - b) Providing guidance on assessing the cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent characteristics.
 - c) Clarifying the treatment of non-recourse assets and contractually linked instruments.
 - d) Requiring additional disclosures under IFRS 7 for financial assets or liabilities with terms and contingent features (including ESG-linked features), as well as for equity instruments classified as measured at fair value through other comprehensive income (FVOCI).
- 3) IFRS Accounting Standard “Annual Improvements—Volume 11”
- a) Amendments to IFRS 1
 - b) Amendments to IFRS 7
 - c) Amendments to the Implementation Guidance of IFRS 7
 - d) Amendments to IFRS 9
 - e) Amendments to IFRS 10
 - f) Amendments to IAS 7
- 4) Nature-dependent electricity contracts (Amendments to IFRS 9 and IFRS 7)

These amendments include:

- a) Clarification of the provisions applicable to “own use” contracts.

- b) Allowing the application of hedge accounting when a contract is used as a hedging instrument.
- c) Introducing additional disclosure requirements to help investors understand the impact of such contracts on the company's financial performance and cash flows.

The newly issued and amended guidelines shall be applicable to the accounting year commencing on January 1, 2026. The Group has assessed that there are no significant impacts.

- 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: Disclosure (IFRS 19)	January 1, 2027
4	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

(Note) The Financial Supervisory Commission issued a press release on September 25, 2025, regarding Taiwan's alignment with IFRS 18 in 2028.

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

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

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

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

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

a) Enhancing the comparability of the income statement

In the income statement, revenue and expenses are classified into five categories: operating, investing, financing, income tax, and discontinued operations. The first three categories are new classifications aimed at improving the structure of the income statement. Additionally, all entities are required to provide new subtotal definitions, including operating profit or loss. By enhancing the structure of the income statement and introducing new subtotal definitions, investors will have a consistent starting point when analyzing the financial performance of companies, making it easier to compare them.

b) Enhancing the transparency of management performance measurement

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

c) Summarizing useful financial statement information

Guidance should be established on whether the financial information is included in the primary financial statements or the notes. This change is expected to provide more detailed and useful information. Requiring companies to provide more transparent operating expense information to assist investors in finding and understanding the information they use.

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

This new standard and its amendments simplify the disclosure requirements for subsidiaries that are not subject to public accountability and allowing subsidiaries that meet the definition to choose whether to apply this standard.

4) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

These amendments include:

- a) Clarifying that when reporting the functional currency of an entity, it is not converted into the presentation currency under a highly inflationary economy. The operating results and financial position should be translated using the closing exchange rate as of the most recent balance sheet date.
- b) In the aforementioned situation, when the subsequent presentation currency is no longer under a highly inflationary economy, reporting entities should not retranslate the amounts in prior financial statements.
- c) When both the functional currency and the presentation currency are in a highly inflationary economy, the reporting entity should carry out the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The standards or interpretations issued by the International Accounting Standards Board (IASB) but not yet approved by the Financial Supervisory Commission (FSC) will have their actual application dates determined by FSC regulations. Except for the potential impact of the newly published or amended standards or interpretations currently under evaluation (2), which cannot be reasonably estimated at this time, the remaining newly published or amended standards or interpretations have no significant impact on the Group.

4. **Explanations of Major Accounting Policies**

a. Declaration of compliance

The Group's 2025 and 2024 Consolidated Financial Statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) as approved and announced by the Financial Securities Committee (FSC).

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

Principles of preparing the Consolidated Financial Statements

When the Company is exposed to the varied remunerations participated by the investees or is entitled to the varied remunerations and is capable of affecting the remunerations through the authority over the investees, the controlling is achieved. The Company will only have control over the investee when the following three criteria of control have been met:

- 1) Right over the investee (i.e. existing right granted to the investor to lead relevant activities)
- 2) Risk exposure or right to variable compensations from participation in investees, and

- 3) Capability to effect monetary compensations for investors by using its influence and right over the investee.

When the Company directly or indirectly holds minority voting rights or other similar rights in an investee, the Company will consider all relevant facts and conditions to evaluate whether it has rights over the investee, including:

- 1) Contractual agreements with other holders of voting rights over the investee
- 2) Rights arising from other contractual agreements
- 3) Voting rights and potential voting rights

When facts and conditions indicate that changes to one or more of the following criteria for control have occurred, the Company will immediately re-evaluate whether it still has control over the investee.

Starting from the acquisition date (when the Company obtains control), the subsidiary will be completely included in the Consolidated Financial Statements until the control over the subsidiary is lost. The accounting cycle and accounting policy of the subsidiary's financial statements will follow those of the parent company. All balances and transactions in the Group and unrealized internal gains and losses arising from internal transactions within the Group and dividends will be completely written off.

If control over the subsidiary is not lost, changes in shares held in the subsidiary will be treated as equity transactions.

A subsidiary's total comprehensive income is attributed to the shareholders of the Company and non-controlling interests, even if non-controlling interests become deficit balance in the process.

If the Company's control over the subsidiary is lost, then

- 1) Subsidiary's assets (including goodwill) and liabilities will be derecognized;
- 2) Carrying amount of any non-controlling interests will be derecognized;
- 3) Fair value of the considerations acquired will be recognized;
- 4) Fair value of any retained investments will be recognized;
- 5) Amounts recognized in other comprehensive income by the parent company will be reclassified as gains or losses in the period, or transferred directly to retained earnings in accordance with other International Financial Reporting Standards.
- 6) Difference in profit or loss for the period will be recognized.

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

The consolidated entities are listed as follows:

Name of investing company	Name of subsidiary	Nature of business	Shareholding ratio (%)		Explanation
			2025.12.31	2024.12.31	
The Company	Ivy Biotechnology Co., Ltd.	Wholesale and retail business	100%	100%	None
The Company	Bai-Lin Logistics Co., Ltd.	Wholesale and retail business	100%	100%	None
The Company	Great Tree Pets Co., Ltd.	Wholesale and retail business	100%	100%	None
The Company	Greattree Pharmacy Hong Kong Limited	Investment business	100%	100%	None
The Company	GREAT TREE INTERNATIONAL SDN. BHD.	Wholesale and retail business	74.26%	74.26%	None
The Company	Enki Biomedical Co., Ltd.	Biotechnology research and development business	100%	100%	None
The Company	SUNYAO Healthcare Co., Ltd.	Wholesale and retail business	80%	80%	Note 3
The Company	DA FENG Logistics Co., Ltd.	Warehousing and packaging business	85.71%	-	Note 7
Ivy Biotechnology Co., Ltd.	Da Yu Property Management Co., Ltd.	Real estate sales and lease	60%	60%	None
Ivy Biotechnology Co., Ltd.	GREAT TREE INTERNATIONAL SDN. BHD.	Wholesale and retail business	0.99%	0.99%	None

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
			2025.12.31	2024.12.31	
Greattree Pharmacy Hong Kong Limited	Greattree Sugi Pharmacy Hong Kong Limited	Investment business	95%	95%	Note 2
Greattree Pharmacy Hong Kong Limited	Greattree Changhe (Shanghai) Pharmacy Co., Ltd.	Wholesale and retail business	100%	100%	None
Greattree Pharmacy Hong Kong Limited	Da Sen Trading Hong Kong Limited	Wholesale and retail business	90%	-	Note 8
Greattree Sugi Pharmacy Hong Kong Limited	Greattree Sugi (Shangtong) Pharmacy Co., Ltd.	Wholesale and retail business	100%	100%	Note 4
Greattree Sugi (Shangtong) Pharmacy Co., Ltd.	Shangtong Greattree Shuyu Pharmacy Limited	Wholesale and retail business	51%	51%	Note 5
Da Sen Trading Hong Kong Limited	Hangzhou Dasen Health Technology Co., Ltd.	Wholesale and retail business	100%	-	Note 9
GREAT TREE INTERNATIONAL SDN. BHD.	GTSW BIOTECH SDN.BHD.	Wholesale and retail business	60%	60%	None
GREAT TREE INTERNATIONAL SDN. BHD.	GTM HEALTHCARE SDN. BHD.	Wholesale and retail business	-	51%	Note 1
SUNYAO Healthcare Co., Ltd.	Senyu Biomedical Co., Ltd.	Wholesale and retail business	90%	-	Note 6

- Note 1: The Company established a subsidiary, GTM HEALTHCARE SDN. BHD., through its investment in GREAT TREE INTERNATIONAL SDN.BHD., acquiring a 51% equity interest. The registration was completed on January 2, 2024, and the liquidation process was finalized 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 Enki Biomedical 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 funds were remitted during the year 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% stake. The registration was completed on October 16, 2024, and funds were remitted during the year 2024.
- Note 6: The Company, through SUNYAO Healthcare Co., Ltd., invested in the establishment of its subsidiary Senyu Biomedical Co., Ltd., acquiring a 90% stake, and completed its registration on January 24, 2025.
- Note 7: The Company invested in the establishment of DA FENG Logistics Co., Ltd. and acquired an 85.71% stake, completing the registration on March 4, 2025.
- Note 8: The Company established a subsidiary, Da Sen Trading Hong Kong Limited, through an investment in Greattree Pharmacy Hong Kong Limited, completing the registration on February 24, 2025, and funds were remitted during the year 2025.
- Note 9: The Company established a subsidiary, Hangzhou Dasen Health Technology Co., Ltd., through an investment in Da Sen Trading Hong Kong Limited, completing the registration on August 8, 2025, and as of December 31, 2025, the investment amount had not yet been remitted.

d. Foreign currency transaction

The functional currency of the Group's Consolidated Financial Statements is New Taiwan Dollar (NT\$). Every entity within the Group will decide its own functional currency, and to measure its financial statements using said functional currency.

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

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

- 1) For foreign currency loans that arise from acquisition of assets that meet the requirements, if the resulting exchange differences are treated as adjustments of the interest capital, which is a component of the cost of loans, they will be capitalized as the cost of the asset.
- 2) Foreign currency items within the scope of IFRS 9 Financial Instruments:
- 3) Recognition and Measurement are accounted for based on the accounting policy for financial instruments. Monetary items that construe part of the net investments for overseas operations in the Parent Company Only Financial Statements.

When translation differences that arise are recognized as other comprehensive income (loss), it will be reclassified to gain or loss from equity when the net asset is disposed. When gains or losses from non-monetary items are recognized as other comprehensive income (loss), any translation component from such gain or profit will be recognized as other comprehensive income.

e. Translation of foreign currency financial statement

When preparing the Consolidated Financial Statements, the assets and liabilities of foreign operating entities are converted into New Taiwan Dollars at the closing exchange rate on the balance sheet date, while revenue and expense items are converted at the average exchange rate for the period. Exchange differences arising from conversion are recognized as other comprehensive income. When the foreign operating entity is disposed of, any cumulative exchange differences previously recognized as other comprehensive income and accumulated under equity as a separate component will be reclassified from equity to profit or loss when the gain or loss on disposal is recognized. A disposal shall also be treated as such where it involves the loss of control over a subsidiary that includes a foreign operational entity, and where, following a partial disposal of interests in an associate or joint arrangement that includes a foreign operational entity, the retained interest constitutes a financial asset that includes a foreign operational entity.

When a partial disposal of subsidiaries, including foreign operating entities, occurs without loss of control, the cumulative exchange differences recognized in other comprehensive income are reattributed to the non-controlling interests of that foreign operation on a pro rata basis, and are not recognized in profit or loss. When a partial disposal of an overseas operating entity involves an associate or a joint arrangement, without loss of material influence or joint control, the cumulative exchange differences are reclassified to profit or loss on a pro rata basis.

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

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

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

- 1) The liability is expected to be settled during normal business cycle.
- 2) Liability is held for trading purposes.
- 3) The liability is due to be settled within 12 months after the reporting period.
- 4) At the end of the reporting period, there is no right to defer the settlement of the liability for at least twelve months beyond the reporting period.

g. Cash and cash equivalents

Cash and cash equivalents are cash on hand, demand deposits, short-term and highly liquid fixed deposits and investments that can be immediately converted to a fixed amount of cash with very small risks of valuation changes.

h. Financial instruments

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

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

1) Recognition and valuation of financial assets

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

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

- a) Business model used in managing the financial assets
- b) Characteristics of the contractual cash flows from the financial asset

Financial assets measured at amortized cost

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

- a) Business model used in managing the financial assets: financial asset is held to receive contractual cash flows
- b) Characteristics of the contractual cash flows from the financial asset: cash flow is the interest paid solely on the principal and the outstanding principal

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

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

- a) If it is a purchased or originated credit-impaired financial asset, the credit-adjusted effective interest rate is multiplied by the cost of amortized financial assets
- b) If it is not, in case of subsequent credit impairment, the effective interest rate will be multiplied by the cost of the financial instrument after amortization

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

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

- a) Business model used in managing the financial assets: financial asset is held to receive contractual cash flows and for sale of financial asset
- b) Characteristics of the contractual cash flows from the financial asset: cash flow is the interest paid solely on the principal and the outstanding principal

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

- a) Prior to derecognition or reclassification, except for impairment interest or loss, exchange gain or loss will be recognized in the profit or loss, and its gain or loss will be recognized in other comprehensive income (loss)
- b) During derecognition, accumulated gain or loss recognized in other comprehensive income (loss) will be reclassified from equity to profit or loss as adjustments for reclassification
- c) Interest calculated through effective interest method (multiplying effective interest with the total book value of the financial asset) or the following conditions will be recognized in profit or loss:
 - i. If it is a purchased or originated credit-impaired financial asset, the credit-adjusted effective interest rate is multiplied by the cost of amortized financial assets
 - ii. If it is not, in case of subsequent credit impairment, the effective interest rate will be multiplied by the cost of the financial instrument after amortization

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

Financial assets measured at fair value through profit or loss

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

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

2) Impairments of Financial Assets

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

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

- a) Unbiased and probability-weighted amount determined by evaluating each possible outcome
- b) The time value of money
- c) Reasonable and corroborative information related to past events, current conditions, and future economic forecasts (can be obtained at no excessive cost or input on the Balance Sheet date)

Method for valuating allowance for loss is as follows:

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

- b) Measurement of the amount of lifetime expected credit losses: including financial asset with significant increase in credit risk after initial recognition or purchased or originated credit-impaired financial asset with credit impairment.
- c) For accounts receivable or contractual asset arising from transactions within the scope of IFRS 15, the Group adopts lifetime expected credit loss to measure allowance for loss.

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

3) Derecognition of financial asset

The Group's financial assets will be derecognized when one of the following conditions occurs:

- a) The contractual right from the cash flow of the financial asset is terminated.
- b) When nearly all risk and compensations associated with ownership of a financial asset has been transferred.
- c) Nearly all risk and compensations associated with ownership of an asset has neither been transferred nor retained, but the control of the asset has been transferred.

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

4) Financial liabilities and equity instruments

Classification of liability or equity

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

Equity instruments

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

Hybrid instruments

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

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

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

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

Financial liabilities

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

Financial liabilities at fair value through profit and loss

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

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

- a) The primary purpose for acquisition of the asset is short-term sales;
- b) It is part of an identifiable financial instrument combination of the consolidated management at the time of initial recognition, and there is evidence that the combination is a short-term profit operating model in the near future; or
- c) It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and financial liabilities

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

i. Fair value measurement

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

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

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

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

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

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

j. Inventory

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

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

Raw materials and commodities - The weighted average method is used for the actual purchase cost.

Goods in progress and finished goods - including direct raw materials and manufacturing costs; weighted average is adopted.

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

k. Investments accounted for using the equity method

The Group classifies its investments in associates as held for sale assets, and otherwise applies the equity method. An associate is an entity over which the Group has significant influence. A joint venture is an entity in which the Group holds a right to the net assets under a joint agreement (with joint control).

Under the equity method, investments in associates or joint ventures are recorded on the balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the associate or joint venture, adjusted for any changes in the Group's ownership interest. When the carrying amount of investments in associates or joint ventures, including other related long-term equity interests, is reduced to zero under the equity method, additional losses and liabilities are recognized within the scope of statutory obligations, deemed obligations, or payments made on behalf of the associated entity. Unrealized gains and losses arising from transactions between the Group and associates or joint ventures are eliminated in proportion to the Group's equity interest in the associated entity or joint venture.

When changes occur in the equity of associates or joint ventures that are not attributable to items of profit or loss and other comprehensive income and do not affect the Group's ownership percentage, the Group recognizes all related ownership equity changes according to its ownership percentage. As a result, the capital surplus recognized is transferred to profit or loss upon subsequent disposal of associates or joint ventures in proportion to the disposal ratio.

When associates or joint ventures issue new shares, resulting in a change in the Group's ownership percentage because the Group did not subscribe in proportion to its existing ownership, causing fluctuations in the Group's share of the net assets of the associate or joint venture, the Group adjusts such fluctuations under "Capital Surplus" and "Investments Accounted for using Equity Method". In the event of a decrease in the investment percentage, any relevant items previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate accounts in proportion to the decrease. The aforementioned capital surplus recognized is transferred to profit or loss upon subsequent disposal of associates or joint ventures in proportion to the disposal ratio.

The financial statements of associates or joint ventures are prepared for the same reporting period as the Group's, and adjustments are made to align their accounting policies with those of the Group.

At the end of each reporting period, the Group assesses whether there is any objective evidence indicating impairment of investments in associates or joint ventures in accordance with IFRS 28 "Investments in Associates and Joint Ventures". If there is objective evidence of impairment, the Group calculates the impairment amount in accordance with IFRS 36 "Impairment of Assets" by determining the difference between the recoverable amount and the carrying amount of the investment in the associate or joint venture, and recognizes this amount in the profit or loss related to the associate or joint venture. The recoverable amount mentioned above, if determined based on the fair value less costs of disposal of the investment, is estimated by the Group according to the following:

- 1) The Group's proportionate share of the estimated present value of future cash flows from associates or joint ventures includes the cash flows generated from the operations of associates or joint ventures and the proceeds from the ultimate disposal of the investment; or
- 2) The Group's expected present value of future cash flows from the investment includes dividends received and the proceeds from the ultimate disposal of the investment.

As the components comprising the goodwill of investments in associates or joint ventures are not separately recognized, the provisions of IFRS 36 "Impairment of Assets" relating to goodwill impairment testing do not apply to them.

When significant influence over an associate or joint control over a joint venture is lost, the Group measures and recognizes the retained portion of the investment at fair value. Upon loss of significant influence or joint control, any difference between the carrying amount of the investment in the associate or joint venture and the fair value of the retained investment plus any proceeds from disposal is recognized in profit or loss. Moreover, when an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method without remeasuring the retained interest.

1. Property, plant, and equipment

Property, plant and equipment is recognized at the acquisition cost less accumulated depreciation and accumulated impairment. The aforementioned cost includes the dismantling of property, plant, and equipment, removing, and restoring the site on which it

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

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

Housing and constructions: 10 years

Transportation vehicle: 5 years

Office equipment: 3-15 years

Leasehold improvements: 3-10 years

Other equipment: 3-10 years

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

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

m. Lease

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

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

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

The Group is the lessee

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

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

- 1) Fixed payments (including substantial fixed payments), minus any lease incentives that can be obtained;
- 2) Variable lease payments dependent upon certain indicators or rates (measured by the indicators or rates used on the start date);
- 3) Expected residual value guarantee from the lessee;
- 4) Exercise price for purchase of options, if the Group can be reasonably assured that the right will be exercised; and
- 5) Penalties for termination of the lease, in case the lease period reflects that the lessee will exercise the option to terminate the lease.

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

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

- 1) The original valuation of the lease liability;
- 2) Any lease payment paid on the start date or before, minus any lease incentives taken;
- 3) Any original direct cost that the lessee incurs; and
- 4) Estimated cost of the lessee's dismantling, removing the target asset and restoration at the asset's location, or the cost to restore the target asset to the state required in the terms and conditions of the lease.

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

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

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

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

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

The Group is the lessor

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

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

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

n. Intangible assets

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

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

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

Intangible assets with indefinite useful life will not be amortized; however, impairment test shall be conducted based on individual asset or cash-generating unit level in each year. Intangible asset with indefinite useful life will be expected in each term for whether matters

and conditions continue to support its indefinite useful life. If the useful life is changed from indefinite to finite, applicability will be deferred.

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

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

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

o. Non-monetary impairment

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

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

Cash-generating units or groups to which goodwill belongs undergo an annual impairment test, regardless of whether there are any indications of impairment. If the results of the impairment test indicate that an impairment loss must be recognized, the goodwill will be reduced first. Any remaining shortfall will then be allocated proportionately to other assets,

based on their carrying amounts. Once goodwill impairment has been recognized, it may not be reversed for any reason thereafter.

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

p. Revenue Recognition

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

Sales of goods

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

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

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

Provision of service

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

q. Borrowing costs

Borrowing costs that can be directly attributed to the acquisition, construction or production of qualifying assets must be capitalized as part of the cost of those assets. All other borrowing costs are recognized as expenses incurred during the relevant period. The cost of borrowing includes interest and any other expenses incurred when raising funds.

r. Retirement pension plan

The Company and its domestic subsidiaries' employee retirement method is applicable for all formal employees. The full amount of employee pension fund is managed by the Labor Retirement Reserve Supervisory Committee, and deposited in designated pension fund. Since the aforementioned pension is deposited under the name of the Labor Retirement Reserve Supervisory Committee, and completely separate from the Company and its subsidiaries, it is not included in the above Consolidated Financial Statements. The employee retirement plans for foreign subsidiaries and branches are administered in accordance with local regulations.

For defined contribution post-employment benefit plans, the Company and its domestic subsidiaries are required to contribute a minimum of 6% of each employee's monthly salary to the employee retirement fund. The amount contributed is recognized as an expense for the current period. Foreign subsidiaries and branches contribute according to local statutory rates and recognize the contribution as an expense for the current period.

For retirement pension plans with defined benefit plan, the Company will include the amounts after the reporting period on actuarial report through projected unit credit method. Revaluation of net defined benefit liabilities (asset) includes any changes in return on plan assets and asset ceiling and will be reduced by amount of net interest included in the net defined benefit liability (asset) and actuarial profit or loss. When revaluation of net defined benefit liability (asset) occurs, it will be recognized under other comprehensive income (loss) and immediately recognized in retained earnings. Past service cost is the change from the present value of the defined benefit plan due to plan revision or reduction, and will be recognized as expense on the earlier of the two dates:

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

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

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.

s. Share-based payment transaction

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

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

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

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

beneficial to the employees, the additional equity delivery transaction cost will be recognized.

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

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

When restricted stock units are issued to employees, the fair value of the equity instruments granted on the grant date is used to recognize salary expenses and the corresponding increase in equity over the vesting period. On the grant date, the Group recognizes unearned compensation for employees, which is classified as a transitional account and presented as a reduction in equity on the consolidated balance sheets. Over time, this amount is reclassified as salary expenses.

t. Income tax

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

Income tax in the current period

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

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

Deferred income tax

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

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

- 1) Goodwill arising from initial recognition, or assets or liabilities recognized initially that do not arise from business combination transactions, are not recognized at the time of the transaction if they neither affect accounting profit nor taxable profit (loss) and if they do not result in deferred tax liabilities equal to the temporary differences at the time of the transaction.
- 2) Arising from investment in subsidiaries, affiliates or joint ventures, whose point of reversal can be controlled and there may not be any taxable temporary difference that shall be reversed in the foreseeable future.

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

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

Deferred income tax assets and liabilities are measured at the tax rate of the expected asset realization or in the period in which the liability is settled. The tax rate is based on the tax rates and tax laws that have been enacted in the legislative or substantive legislation at the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences arising from the manner in which the asset is expected to be

recovered or the carrying amount of the liability is settled at the end of the reporting period. The deferred income tax that is related to items not recognized in profit or loss will also not be recognized in profit or loss. It will be recognized in other comprehensive income (loss) or directly recognized in equity based on its related transaction. Deferred tax assets shall be reviewed and recognized at the end of each reporting period.

For deferred tax assets and liabilities, only the offset between the current tax assets and current tax liabilities carries legally enforceable rights. Moreover, deferred income tax may be offset when it is subject to the same taxpayer and is related to the income tax levied by the same tax authority.

In accordance with the provisions of the “International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12),” the temporary exception rule applies. As such, no deferred tax assets or liabilities related to Pillar Two income taxes should be recognized, nor should any related information be disclosed.

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.

Estimates and assumptions

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

a. Fair value of financial instruments

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

will influence the fair value of the reported financial instruments. Please refer to Note 12 for details.

b. Accounts receivable - estimates on impairment loss

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

c. Inventory

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

d. Retirement pension plan

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

e. Share-based payment transaction

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

f. Income tax

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

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

6. Explanations of Significant Accounting Items

a. Cash and cash equivalents

	2025.12.31	2024.12.31
Cash on hand and petty cash	\$16,352	\$13,640
Checks and demand deposit	1,539,859	1,472,812
Fixed deposit (Note)	215,550	415,550
Total	<u>\$1,771,761</u>	<u>\$1,902,002</u>

Note: This refers to contracts that expire within a period of three months and can be converted into a fixed cash amount at any time, with minimal risk of value fluctuation.

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

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

	2025.12.31	2024.12.31
Embedded derivative financial instruments:		
Redemption and put option in relation to the issuance of domestic convertible corporate bonds	\$1,800	\$-
Current	\$-	\$-
Non-current	1,800	-
Total	\$1,800	\$-

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

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

	2025.12.31	2024.12.31
1) Investments in equity instruments measured at fair value through other comprehensive income:		
OTC (Over-the-Counter) company stocks	\$24,860	\$20,000
Unlisted and non-OTC company stock	199,313	115,740
Subtotal	224,173	135,740
Valuation adjustment	41,251	1,884
Total	\$265,424	\$137,624
Current	\$-	\$-
Non-current	265,424	137,624
Total	\$265,424	\$137,624

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

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

- 3) The Group sold a portion of its investments in equity instruments measured at fair value through other comprehensive income. The relevant information is listed as follows:

Item	2025	2024
The fair value on the date of derecognition	\$57,309	\$-
Accumulated profits (losses) from the transfer of other equity interest to retained earnings	\$26,830	\$-

- d. Financial assets measured at amortized cost

	2025.12.31	2024.12.31
Restrictive fixed deposit	\$60,000	\$24,000
Fixed deposit	3,000	3,000
Ordinary corporate bonds	712,610	304,500
Less: allowance for loss	-	-
Total	<u>\$775,610</u>	<u>\$331,500</u>
Current	<u>\$772,610</u>	<u>\$328,500</u>
Non-current	<u>\$3,000</u>	<u>\$3,000</u>

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

	2025.12.31	2024.12.31
Notes receivable - from operating activities	\$3,965	\$7,659
Less: allowance for loss	-	-
Total	<u>\$3,965</u>	<u>\$7,659</u>

The Group's notes receivable has not had 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)

The Group assesses information related to impairment and allowance for loss using regulations from IFRS 9. Please refer to Note 6.20, 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:

	2025.12.31	2024.12.31
Total accounts receivable	\$659,955	\$668,867
Less: allowance for loss	(692)	(678)
Net balance	\$659,263	\$668,189

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\$659,955 thousand and NT\$668,867 thousand on December 31, 2025 and December 31, 2024 respectively. Please refer to Note 6 (20) for information related to allowance for impairment loss in 2025 and 2024. Please refer to Note 12 for information on credit risk.

g. Inventory

1) Net inventory is as follows:

	2025.12.31	2024.12.31
Raw materials	\$237	\$30
Work-in-progress	8,008	143
Commodity	3,680,803	3,164,384
Total	\$3,689,048	\$3,164,557

- 2) The Group recognized cost of inventories NT\$13,479,153 thousand and NT\$12,431,678 thousand on December 31, 2025 and December 31, 2024 as expenses respectively. These expenses included the:

	2025	2024
Allowance for inventory valuation and obsolescence loss (gains on recovery)	\$(307)	\$(315)
Inventory scrap loss	52,015	48,363
Inventory loss	4,666	9,582
Total	\$56,374	\$57,630

In 2025 and 2024, the Group recognized inventory write-up gains as certain inventory previously provided for impairment and obsolescence losses was disposed of following an evaluation.

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

h. Investments accounted for using the equity method

Investee	2025.12.31		2024.12.31	
	Amount	Shareholding ratio	Amount	Shareholding ratio
Investment in associates:				
SK Biomedical INC.	\$4,424	20%	\$5,584	20%

- 1) The Group invested in Keychain Community Technology Co., Ltd. in June 2023, with an investment amount of NT\$8,000 thousand, holding a 40% stake. 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.

In March 2024, the Group invested in SK Biomedical INC. with an investment amount of NT\$6,000 thousand, acquiring a 20% equity interest. SK Biomedical INC. completed its registration on April 9, 2024.

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

2) Investment in associates

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

The aggregate carrying amounts of the Group's investments in Keychain Community Technology Co., Ltd. and SK Biomedical INC. as of December 31, 2025 and 2024 were NT\$4,424 thousand and NT\$5,584 thousand, respectively. The summarized financial information based on the Group's share of ownership is as follows:

	2025	2024
Net profit (loss) of the continuing operations for the period	\$(1,160)	\$(789)
Comprehensive income (loss) (net value after tax) for this period	-	-
Total comprehensive income (loss)	\$(1,160)	\$(789)

The aforementioned investment in the associated company does not entail any contingent liabilities or capital commitments, nor does it involve any provided guarantees.

i. Property, plant, and equipment

	Building and construction	Transportation vehicle	Office equipment	Leasehold improvements	Other equipment	Unfinished constructions and equipment pending inspection	Total
Cost:							
2025.01.01	\$48,583	\$14,338	\$901,759	\$899,100	\$405,595	\$-	\$2,269,375
Acquisition	-	4,859	178,250	115,702	18,622	1,800	319,233
Disposal	-	(1,373)	(9,337)	(5,724)	(4,439)	-	(20,873)
Transfer	-	-	-	-	-	-	-
Effects of changes in foreign exchange rates	-	-	18	2	-	-	20
2025.12.31	\$48,583	\$17,824	\$1,070,690	\$1,009,080	\$419,778	\$1,800	\$2,567,755
2024.01.01	\$48,583	\$14,338	\$716,643	\$764,730	\$378,053	\$-	\$1,922,347
Acquisition	-	-	187,312	137,375	27,542	-	352,229

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

	Building and construction	Transportation vehicle	Office equipment	Leasehold improvements	Other equipment	Unfinished constructions and equipment pending inspection	Total
Disposal	-	-	(2,215)	(3,008)	-	-	(5,223)
Transfer	-	-	-	-	-	-	-
Effects of changes in foreign exchange rates	-	-	19	3	-	-	22
2024.12.31	<u>\$48,583</u>	<u>\$14,338</u>	<u>\$901,759</u>	<u>\$899,100</u>	<u>\$405,595</u>	<u>\$-</u>	<u>\$2,269,375</u>
Depreciation and impairment:							
2025.01.01	\$13,591	\$14,338	\$478,329	\$512,348	\$289,464	\$-	\$1,308,070
Depreciation	3,255	809	110,779	109,612	45,600	-	270,055
Disposal	-	(1,373)	(5,002)	(2,543)	(4,241)	-	(13,159)
Transfer	-	-	-	-	-	-	-
Effects of changes in foreign exchange rates	-	-	12	1	16	-	29
2025.12.31	<u>\$16,846</u>	<u>\$13,774</u>	<u>\$584,118</u>	<u>\$619,418</u>	<u>\$330,839</u>	<u>\$-</u>	<u>\$1,564,995</u>
2024.01.01	\$10,336	\$14,338	\$379,601	\$409,684	\$226,771	\$-	\$1,040,730
Depreciation	3,255	-	99,084	103,069	62,693	-	268,101
Disposal	-	-	(358)	(405)	-	-	(763)
Transfer	-	-	-	-	-	-	-
Effects of changes in foreign exchange rates	-	-	2	-	-	-	2
2024.12.31	<u>\$13,591</u>	<u>\$14,338</u>	<u>\$478,329</u>	<u>\$512,348</u>	<u>\$289,464</u>	<u>\$-</u>	<u>\$1,308,070</u>
Net carrying amount:							
2025.12.31	<u>\$31,737</u>	<u>\$4,050</u>	<u>\$486,572</u>	<u>\$389,662</u>	<u>\$88,939</u>	<u>\$1,800</u>	<u>\$1,002,760</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>

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	52,107	-	52,107
Derecognition upon maturity and disposal	(1,165)	-	(1,165)
2025.12.31	<u>\$141,220</u>	<u>\$14,286</u>	<u>\$155,506</u>
2024.01.01	\$57,279	\$14,286	\$71,565
Acquisition - separately acquired	33,055	-	33,055
Derecognition upon maturity and disposal	(56)	-	(56)
2024.12.31	<u>\$90,278</u>	<u>\$14,286</u>	<u>\$104,564</u>
Amortization and impairment:			
2025.01.01	\$46,838	\$-	\$46,838
Amortization	23,059	-	23,059
Derecognition upon maturity and disposal	(118)	-	(118)
2025.12.31	<u>\$69,779</u>	<u>\$-</u>	<u>\$69,779</u>
2024.01.01	\$27,740	\$-	\$27,740
Amortization	19,131	-	19,131
Derecognition upon maturity and disposal	(33)	-	(33)
2024.12.31	<u>\$46,838</u>	<u>\$-</u>	<u>\$46,838</u>
Net carrying amount:			
2025.12.31	<u>\$71,441</u>	<u>\$14,286</u>	<u>\$85,727</u>
2024.12.31	<u>\$43,440</u>	<u>\$14,286</u>	<u>\$57,726</u>

Amortization for recognition of intangible assets is as follows:

	2025	2024
Operating expenses	<u>\$23,059</u>	<u>\$19,131</u>

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

k. Other non-current assets

	2025.12.31	2024.12.31
Prepaid equipment	\$20,534	\$31,100
Refundable deposits	406,074	395,533
Long-term prepaid expenses	7,923	-
Total	<u>\$434,531</u>	<u>\$426,633</u>

l. Short-term loans

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

	Range of interest rates (%)	2025.12.31	2024.12.31
Unsecured bank loan	1.82%	\$200,000	\$200,000
Secured bank loan	2.07%~2.13%	595,000	255,000
Total		<u>\$795,000</u>	<u>\$455,000</u>

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

3) Regarding the provision of assets as collateral, please refer to Note 8.

m. Other payables

	2025.12.31	2024.12.31
Expenses payable	\$411,350	\$335,938
Equipment payable	18,623	36,631
Interest payable	7,052	-
Net defined benefit liabilities - current	37	37
Total	<u>\$437,062</u>	<u>\$372,606</u>

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

n. Long-term loans

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

Creditor	2025.12.31	2024.12.31	Period	Remark
Bank of Taiwan	\$1,440	\$-	2025.11.20~2030.12.15	Floating interest rate. From the date the grace period of three years commences, the principal shall be repaid in 48 equal instalments, with each instalment covering one month following the expiry of the grace period. Interest shall be calculated on a monthly basis, with the 15th of each month being the date on which the principal instalment is due. The interest rate shall be calculated on a floating basis, set at the variable rate applicable to two-year fixed-term deposits with Chunghwa Post for amounts under NT\$5 million, minus 0.28%.
Less: Long-term loans due within one year	-	-		
Long-term loans maturing in more than one year	\$1,440	\$-		

The Group's long-term loan agreement stipulates that the anticipated real estate to be acquired must be provided as collateral. On September 19, 2022, the Group signed a land auction agreement for the Taoyuan Aerotropolis Project's initial industrial professional zone with the Taoyuan City Government. As of December 31, 2025, the land has not yet been transferred to the Group.

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

o. Bonds payable

1) Details of bonds payable are as follows:

	2025.12.31	2024.12.31
Elements of liability:		
Par value of domestic convertible corporate bonds payable	\$1,000,000	\$811,500
Less: discount on domestic convertible corporate bonds payable	(53,072)	(9,108)
Subtotal	946,928	802,392
Less: portion due within one year	-	(802,392)
Net balance	\$946,928	\$-
Embedded Derivative Financial Instruments- Redemption Rights	\$1,800	\$-
Equity Element- Conversion Right	\$79,771	\$61,895

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 6.23 (4).

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

- (A) Total amount issued: NT\$1,000,000 thousand
- (B) Date of issuance: 2022.09.12
- (C) Issued price: Issued at 104.21% of par value
- (D) Coupon rate: 0%
- (E) Duration: 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: The Bondholders may request the conversion of the convertible corporate bonds from the day after three months following the issuance of the convertible corporate bonds (December 13, 2022) until the maturity date, except for (I) the period during which the transfer of common shares is suspended in accordance with the law; (II) the period from fifteen business days prior to the date of cessation of transfer of the Company’s bonus shares, the date of cessation of transfer of the cash dividends or the date of cessation of transfer of the cash capital increase to the base date of distribution of rights; (III) the period from the base date of the capital reduction to the day before the commencement of trading of the new shares; (IV) the period from the beginning of the cessation of conversion for the change of the par value of shares to the day before the commencement of trading of the new shares, and may at any time request the Company’s stock agent to convert the convertible corporate bonds into the Company’s common shares in accordance with the requirements of the regulations by notifying Taiwan Depository & Clearing Corporation (the “TDCC”) through securities firms.
- (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.

The Company adjusted the conversion prices in accordance with the provisions of the domestic regulations on the issuance and conversion of unsecured convertible bonds for the second time in 2023, due to the distribution of cash dividends on common shares. Consequently, the conversion price was adjusted from NT\$304.98 to NT\$300.92 effective from July 11, 2023.

Additionally, the Company adjusted the conversion price from NT\$300.92 to NT\$245.03 effective from August 19, 2023, due to the implementation of surplus capitalization, following the provisions outlined in the domestic regulations on the issuance and conversion of unsecured convertible bonds for the second time in 2023.

The Company adjusted the conversion prices in accordance with the provisions of the domestic regulations on the issuance and conversion of unsecured convertible bonds for the second time in 2024, due to the distribution of cash dividends on common shares. Consequently, the conversion price was adjusted from NT\$245.03 to NT\$241.67 effective from July 15, 2024.

Additionally, the Company adjusted the conversion price from NT\$241.67 to NT\$206.58 effective from August 18, 2024, due to the implementation of surplus capitalization, following the provisions outlined in the domestic regulations on the issuance and conversion of unsecured convertible bonds for the second time in 2024.

The Company adjusted the conversion prices in accordance with the provisions of the domestic regulations on the issuance and conversion of unsecured convertible bonds for the second time in 2024, due to the distribution of cash dividends on common shares. Consequently, the conversion

price was adjusted from NT\$206.58 to NT\$202.16 effective from July 7, 2025.

Additionally, the Company adjusted the conversion price from NT\$202.16 to NT\$178.92 effective from August 30, 2025, due to the implementation of surplus capitalization, following the provisions outlined in the domestic regulations on the issuance and conversion of unsecured convertible bonds for the second time in 2025.

(I) The Company's redemption rights:

- (1) The conversion of corporate bonds shall be from the day after the expiration of three months from the date of issue (December 13, 2022) to forty days before the expiration of the issuance period (August 3, 2025). When the closing price of the ordinary shares of the Company exceeds 30% (inclusive) of the conversion price for the 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

(December 13, 2022) to forty days before the expiration of the issuance period (August 3, 2025). If the outstanding balance of the convertible bond is less than 10% of the initial total denomination at issuance, the Company may send a one-month “bond recovery notice” to the bondholder by registered mail at any time. (The aforementioned foregoing period starts from the date of the Company’s letter of notice, and the expiration date of the period is the base date for the bond recovery, and the aforementioned period cannot be the conversion termination period as started in Article 9.) The bondholder will be based on the bondholder’s register on the fifth business day prior to the date of the “bond recovery notice,” and investors who subsequently obtain the conversion of corporate bonds due to trading or other reasons shall be notified by way of announcement. Taipei Exchange will also be notified in writing, and the convertible bonds of the bondholders shall be recovered in cash. The Company shall execute the call request and redeem the outstanding convertible corporate bonds in cash at the par value of the bonds within five business days after the base date of bond redemption.

- (3) If the creditor does not reply to the Company’s share transfer agency before the bond recovery base date denoted on the “bond recovery notice” by writing (the notice is effective at the time of delivery, and takes postmark as its basis), the Company shall redeem the bonds in cash within five business day after maturity date at nominal value.
 - (4) If the Company executes the call request, the deadline for the Bondholders to request the conversion is the second business day after the date of termination of trading of the convertible corporate bonds on the Taipei Exchange.
- 3) On September 29, 2022, the Company issued the first domestic private placement of convertible corporate bonds with the major terms as follows:

- (A) Total amount issued: NT\$220,000 thousand
- (B) Date of issuance: 2022.09.29
- (C) Issued price: Issued at 100% of par value
- (D) Coupon rate: 0%
- (E) Duration: 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: The Bondholders may request the conversion of the private placement of convertible corporate bonds from the day after three months following the issuance of the private placement of convertible corporate bonds (December 30, 2022) until the maturity date (September 29, 2025), except for (I) the period during which the transfer of common shares is suspended in accordance with the law; (II) the period from fifteen business days prior to the date of cessation of transfer of the Company’s bonus shares, the date of cessation of transfer of the cash dividends or the date of cessation of transfer of the cash capital increase to the base date of distribution of rights; (III) the period from the base date of the capital reduction to the day before the commencement of trading of the new shares; (IV) the period

from the beginning of the cessation of conversion for the change of the par value of shares to the day before the commencement of trading of the new shares, and may at any time request the Company's stock agent to convert the private placement of convertible corporate bonds held into the Company's common shares in accordance with the requirements of the regulations.

(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.

The Company adjusted the conversion prices pursuant to the regulations outlined in the domestic guidelines on the issuance and conversion of privately placed convertible bonds for the first time in 2023, due to the distribution of cash dividends on ordinary shares. Consequently, effective from July 11, 2023, the conversion price was adjusted from NT\$270.5 to NT\$266.9.

Additionally, the Company adjusted the conversion price from NT\$266.9 to NT\$217.3 effective from August 19, 2023, due to the implementation of surplus capitalization, following the provisions outlined in the domestic guidelines on the issuance and conversion of privately placed convertible bonds for the first time in 2023.

The Company adjusted the conversion prices pursuant to the regulations outlined in the domestic guidelines on the issuance and conversion of privately placed convertible bonds for the first time in 2024, due to the distribution of cash dividends on ordinary shares. Consequently, effective from July 15, 2024, the conversion price was adjusted from NT\$217.3 to NT\$214.3.

Additionally, the Company adjusted the conversion price from NT\$214.3 to NT\$183.2 effective from August 18, 2024, due to the implementation of surplus capitalization, following the provisions outlined in the domestic guidelines on the issuance and conversion of privately placed convertible bonds for the first time in 2024.

The Company adjusted the conversion prices pursuant to the regulations outlined in the domestic guidelines on the issuance and conversion of privately placed convertible bonds for the first time in 2025, due to the distribution of cash dividends on ordinary shares. Consequently, effective from July 17, 2025, the conversion price was adjusted from NT\$183.2 to NT\$179.3.

Additionally, the Company adjusted the conversion price from NT\$179.3 to NT\$158.7 effective from August 30, 2025, due to the implementation of surplus capitalization, following the provisions outlined in the domestic guidelines on the issuance and conversion of privately placed convertible bonds for the first time in 2025.

(I) The Company's redemption rights:

(1) The conversion of corporate bonds shall be from the day after the expiration of three months from the date of issue (December 13, 2022) to forty days before the expiration of the issuance period (August 21, 2025). When the closing market price of the ordinary shares of the Company exceeds 30% (inclusive) of the conversion price for the 30 consecutive business day, the Company may send a one-month "bond recovery notice" to the bondholder by registered mail within the next 30 business days. (The aforementioned foregoing period starts from the date of the Company's letter of notice, and the expiration date of the period is the base date for the bond recovery, and the aforementioned period cannot be the conversion termination period as stated in Article 9.) The bondholder will redeem the bonds in cash within the fifth business day after maturity date at nominal value.

- (2) The conversion of corporate bonds shall be from the day after the expiration of three months from the date of issue (December 30, 2022) to forty days before the expiration of the issuance period (August 21, 2025). If the outstanding balance of the convertible bond is less than 10% of the initial total denomination at issuance, the Company may send a one-month “bond recovery notice” to the bondholder by registered mail at any time. (The aforementioned foregoing period starts from the date of the Company’s letter of notice, and the expiration date of the period is the base date for the bond recovery, and the aforementioned period cannot be the conversion termination period as started in Article 9.) The bondholder will redeem the bonds in cash within the fifth business day after maturity date at nominal value.
- 4) The Company has issued the third batch of unsecured convertible bonds on July 28, 2025 with the following issuance terms:
- | | |
|----------------------------|--|
| (A) Total amount issued: | NT\$1,000,000 thousand |
| (B) Date of issuance: | 2025.07.28 |
| (C) Issued price: | Issued at 102.20% of par value |
| (D) Coupon rate: | 0% |
| (E) Duration: | 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:

Bondholders may, from the day after the three-month period following the issuance of the convertible bonds (starting from October 29, 2025), up until the maturity date, request the conversion of the bonds into common shares of the company, except during the following periods: (1) when the transfer of common shares is suspended by law; (2) within fifteen business days prior to the suspension of the transfer of shares for free distribution, cash dividend allocation, or rights offering for capital increase; (3) from the effective date of the capital reduction to the day before the start of trading of the new shares issued as part of the capital reduction; (4) from the start of the suspension of conversion during the stock face value change process to the day before the start of trading of the new shares issued. Outside these periods, bondholders may, at any time, request the conversion of their convertible bonds into common shares of the Company by notifying the Taiwan Depository & Clearing Corporation (TDCC) through a broker and instructing the Company's stock transfer agency to process the conversion in accordance with the relevant regulations.

(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.

Additionally, the Company adjusted the conversion price from NT\$149.74 to NT\$132.53 effective from August 18, 2025, due to the implementation of surplus capitalization, following the provisions outlined in the domestic regulations on the issuance and conversion of unsecured convertible bonds for the third time in 2025.

(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 started in Article 9.) The bondholder will be based on the bondholder's register on the fifth business day prior to the date of the "bond recovery notice," and investors who subsequently obtain the conversion of corporate bonds due to trading or other reasons shall be notified by way of announcement. Taipei Exchange will also be notified in writing, and the convertible bonds of the bondholders shall be recovered in cash. The Company shall execute the call request and redeem the outstanding convertible corporate bonds in cash at the par value of the bonds within five business days after the base date of bond redemption.

- (3) If the creditor does not reply to the Company's share transfer agency before the bond recovery base date denoted on the "bond recovery notice" by writing (the notice is effective at the time of delivery, and takes postmark as its basis), the Company shall redeem the bonds in cash within five business day after maturity date at nominal value.
 - (4) If the Company executes the call request, the deadline for the Bondholders to request the conversion is the second business day after the date of termination of trading of the convertible corporate bonds on the Taipei Exchange.
- 5) As of December 31, 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 thousand 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 and first domestic private placement convertible corporate bonds matured on September 12 and 29, 2025, respectively. Upon maturity, the bonds were repaid in

amounts of NT\$591,500 thousand and NT\$220,000 thousand, respectively. In accordance with the conversion method, no further issuance will take place and the subscription rights of NT\$51,335 thousand and NT\$10,560 thousand will be reclassified as capital surplus — expired subscription rights.

p. Retirement pension plan

Defined allocation plan

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

The Group recognized defined allocation expense of NT\$76,217 thousand and NT\$64,820 thousand in 2025 and 2024 respectively.

Defined benefit plan

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

The Bureau of Labor Funds, Ministry of Labor, Executive Yuan, undertakes asset allocations based on the income and expenditure of the employee retirement fund. Investment of the fund is invested in self-operated and entrusted management methods, and adopts active and passive management medium- to long-term investment strategies. The Bureau of Labor Funds takes risks including market, credit, and liquidity into consideration in setting limits and control plan for the fund so that adequate flexibility can be used toward

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

the compensation objective without excessive risk. As of December 31, 2025, the Company's defined benefit plan is expected to allocate NT\$33 thousand within the following year.

As of December 31, 2025 and December 31, 2024, the Company's defined benefit plans are expected to expire in 2040.

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

	2025	2024
Current service cost	\$-	\$-
Net interest from net defined benefit assets (liabilities)	47	55
Total	<u>\$47</u>	<u>\$55</u>

Adjustments of the present value of the defined benefit obligations and fair value of the plan assets:

	2025.12.31	2024.12.31	2024.01.01
Present value of the defined benefit obligations	\$9,052	\$8,777	\$9,465
Fair value of plan assets	<u>(6,746)</u>	<u>(6,020)</u>	<u>(5,278)</u>
Other non-current liabilities - net defined benefit liabilities recorded	<u>\$2,306</u>	<u>\$2,757</u>	<u>\$4,187</u>

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

Adjustments to the net defined benefit liabilities (assets):

	Present value of the defined benefit obligations	Fair value of plan assets	Net defined plan liabilities (assets)
2024.01.01	\$9,465	\$(5,278)	\$4,187
Current service cost	-	-	-
Interest expense (income)	124	(69)	55
Past service cost and settlement gain or loss	-	-	-
Subtotal	9,589	(5,347)	4,242
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from demographic assumptions	-	-	-
Actuarial gains or losses from financial assumptions	(502)	-	(502)
Experience-based adjustments	(310)	-	(310)
Remeasurement of defined benefit assets	-	(450)	(450)
Subtotal	(812)	(450)	(1,262)
Benefits paid	-	-	-
Employer allocations	-	(223)	(223)
Effects of changes in foreign exchange rates	-	-	-
2024.12.31	8,777	(6,020)	2,757
Current service cost	-	-	-
Interest expense (income)	149	(102)	47
Past service cost and settlement gain or loss	-	-	-
Subtotal	8,926	(6,122)	2,804
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from demographic assumptions	-	-	-
Actuarial gains or losses from financial assumptions	295	-	295
Experience-based adjustments	(169)	-	(169)
Remeasurement of defined benefit assets	-	(401)	(401)
Subtotal	126	(401)	(275)
Benefits paid	-	-	-
Employer allocations	-	(223)	(223)
Effects of changes in foreign exchange rates	-	-	-
2025.12.31	\$9,052	\$(6,746)	\$2,306

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

	2025.12.31	2024.12.31
Discount rate	1.45%	1.70%
Expected rate of salary increase	2.60%	2.60%

Sensitivity analysis of every material actuarial assumption:

	2025		2024	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
0.5% increase in discount rate	\$-	\$580	\$-	\$598
0.5% decrease in discount rate	627	-	649	-
0.5% increase in expected salary	617	-	640	-
0.5% decrease in expected salary	-	576	-	596

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

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

q. Equity

1) Ordinary Shares

As of December 31, 2025 and December 31, 2024, the Company's authorized share capital is NT\$2,000,000 thousand respectively, and has issued NT\$1,496,992 thousand and NT\$1,318,889 thousand in shares, respectively. Each share has a par value of NT\$10, and 149,699 thousand shares and 131,889 thousand shares were issued, respectively. Each share has one voting right and right to receive dividend.

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.

The Company issued its second domestic unsecured convertible bonds, and in 2024, a conversion amount of NT\$11,000 thousand was applied, resulting in the issuance of 45 thousand common shares.

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

In 2025, the total exercise amount of employee stock warrants issued by the Company amounted to NT\$15,874 thousand, resulting in the issuance of 490 thousand ordinary shares. Among these, 251 thousand ordinary shares were resolved by the Board of Directors on February 26, 2026, as the capital increase base date for the same day. Additionally, 15 thousand ordinary shares are pending approval by the Board of Directors as of the capital increase base date. Therefore, as of December 31, 2025, the capital is recognized as prepaid capital.

On May 29, 2025, the Company approved a surplus capital increase of NT\$172,040 thousand by resolution of the shareholders' meeting. On July 25, 2025, the capital increase plan was decided by the Board of Directors to use August 30 of the same year as the base date for the capital increase.

2) Capital surplus

	2025.12.31	2024.12.31
Share premium of ordinary shares	\$1,208,231	\$1,197,402
Changes in equity ownership interests in subsidiaries	2	2
Employee stock options	42,739	49,224
Stock options	79,771	61,895
Expired stock options	72,688	3,363
Total	<u>\$1,403,431</u>	<u>\$1,311,886</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 dividends shall be no less than 10% of the annual total dividends.
- c) Legal capital reserve

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

- d) Special capital reserve

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

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

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

- e) The Board of Directors of the Company as of February 26, 2026 and the Regular Meeting of Shareholders as of May 29, 2025, respectively, proposed and resolved the appropriation of earnings for the years 2025 and 2024, as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2025	2024	2025	2024
Legal capital reserve	\$62,752	\$68,203		
Special capital reserve	-	(2,356)		
Cash dividends for				
ordinary shares	473,976	436,718	\$3.16	\$3.30
Stock dividends for				
ordinary shares	89,996	172,040	0.60	1.30

Please see Note 22 for information on the standards of estimate and recognition of amounts of employee compensation and remunerations of the Directors.

- f) Non-controlling interests

	2025	2024
Beginning balance	\$51,632	\$69,738
Net income (loss) attributable to non-controlling interests for the period	(18,918)	(803)
Other comprehensive income (loss) attributable to non-controlling interests		
Exchange differences translated from the financial statements of foreign operations	(748)	4,010
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(2)
Acquisition of issued shares of a subsidiary	-	(46,098)
Increases during the period – Newly established subsidiaries	54,273	24,787
Decreases during the period – Capital reduction by subsidiaries	(4,000)	-
Ending balance	\$82,239	\$51,632

r. Share-based payment plan

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

Employee share-based payment plan

Upon approval from the FSC's Securities and Futures Bureau, the Company has issued 4,000 units of employee stock options on October 29, 2019. Each unit of equity security can be used to subscribe for 1,000 shares of the Company's ordinary shares. The Company will issue new shares when employees exercise such option. 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	\$31.80
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 in 2025 and 2024:

	2025		2024	
	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	(508)	31.61	(507)	34.86
Stock options expired for the period	(361)	-	(795)	-
Outstanding stock options on December 31	<u>3,852</u>	<u>\$151.24</u>	<u>4,721</u>	<u>\$165.48</u>
Executable stock options on December 31	3,340		3,841	
Weighted-average fair value of the stock options granted in the current period		\$-		\$-

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

- 3) Below is the aforementioned share-based payment plan outstanding as of December 31, 2025 and December 31, 2024:

		Weighted-average remaining
<u>2025.12.31</u>	<u>Execution price</u>	<u>Duration (year)</u>
Granted on December 1, 2019	\$25.90	-
Granted on November 27, 2020	\$31.90	0.82 years
Granted on December 15, 2022	\$168.30	1.96 years
 <u>2024.12.31</u>		
Granted on December 1, 2019	\$29.90	0.92 years
Granted on November 27, 2020	\$36.80	1.82 years
Granted on December 15, 2022	\$194.40	2.96 years

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

	<u>2025</u>	<u>2024</u>
Recognized expenses due to share-based payment transactions	<u>\$945</u>	<u>\$3,546</u>
(All are equity delivery share-based payment)		

s. Operating revenue

	<u>2025</u>	<u>2024</u>
Revenue from customer contracts		
Revenue from sale of goods	\$18,830,431	\$17,217,510
Revenue from provision of service	54,659	49,155
Others	10,826	7,589
Total	<u>\$18,895,916</u>	<u>\$17,274,254</u>

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

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

1) Breakdown of revenue

	2025	2024
	Single department	Single department
Sales revenue	\$18,830,431	\$17,217,510
Service revenue	54,659	49,155
Others	10,826	7,589
Total	<u>\$18,895,916</u>	<u>\$17,274,254</u>

Timing of revenue recognition:

At a fixed point in time	\$18,885,090	\$17,266,665
Over a period of time	10,826	7,589
Total	<u>\$18,895,916</u>	<u>\$17,274,254</u>

2) Contract balance

a) Contract liability - current

	2025.12.31	2024.12.31	2024.01.01
Sales of goods	\$3,170	\$1,266	\$688
Customer loyalty program	13,908	10,097	18,125
Total	<u>\$17,078</u>	<u>\$11,363</u>	<u>\$18,813</u>

Explanations of the changes in the balance of contract liabilities in 2025 are as follows:

	Sales of goods	Customer loyalty program
Beginning balance is recognized as revenue in the current period	\$(573)	\$(9,710)
Increase in advance payment for the period	2,477	13,521

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

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

	Sales of goods	Customer loyalty program
Beginning balance is recognized as revenue in the current period	\$(10)	\$(30,114)
Increase in advance payment for the period	588	22,086

t. Expected credit loss (gain)

	2025	2024
Operating expenses - expected credit loss (gain on reversal)		
Accounts receivable	\$-	\$248

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 can be found in the following:

December 31, 2025

	Not overdue	Days overdue		
	(Note)	31-180 days	More than 181 days	Total
Total carrying amount	\$663,891	\$-	\$29	\$663,920
Rate of loss	(0.10)%	100%	100%	
Expected lifetime credit loss	(663)	-	(29)	(692)
Carrying amount	\$663,228	\$-	\$-	\$663,228

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

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

- 2) Information on the changes in the allowances for notes receivable and accounts receivable of the Group for 2025 and 2024 is as:

	Notes receivable	Accounts receivable
2025.01.01	\$-	\$678
Increase (reversal) in the period	-	-
Foreign exchange impact amount	-	14
2025.12.31	\$-	\$692
2024.01.01	\$-	\$428
Increase in the period	-	248
Foreign exchange impact amount	-	2
2024.12.31	\$-	\$678

u. 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.

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

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	1,021,222
Disposal	(45,262)
Reclassification	-
Foreign exchange impact amount	-
2025.12.31	<u>\$7,676,806</u>
2024.01.01	\$5,657,261
Acquisition	1,043,585
Disposal	-
Reclassification	-
2024.12.31	<u>\$6,700,846</u>
Depreciation and impairment:	
2025.01.01	\$2,694,955
Depreciation	588,815
Disposal	(26,755)
Reclassification	-
Foreign exchange impact amount	227
2025.12.31	<u>\$3,257,242</u>
2024.01.01	\$2,181,323
Depreciation	513,632
Disposal	-
Reclassification	-
2024.12.31	<u>\$2,694,955</u>
Carrying amount:	
2025.12.31	<u>\$4,419,564</u>
2024.12.31	<u>\$4,005,891</u>

ii. Lease liabilities

	2025.12.31	2024.12.31
Lease liabilities	\$4,615,618	\$4,179,578
Current	\$535,084	\$520,694
Non-current	\$4,080,534	\$3,658,884

Please refer to Note 6.23 (4) Financing Costs for the Group's interest expense for lease liabilities in 2025 and 2024; and refer to Note 12.5 Liquidity Risk Management for the analysis on the expiration of lease liabilities as of December 31, 2025 and December 31, 2024.

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

	2025	2024
Short-term lease expense	\$(55,249)	\$(51,487)
Revenue from sublease of right-of-use assets	37,171	34,240

As of December 31, 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

The total cash outflow related to lease of the Group in 2025 and 2024 are NT\$671,515 thousand and NT\$583,584 thousand, respectively.

2) The Group is the lessor

The Group classifies leases for which nearly all risks and rewards associated with the right-of-use assets for self-use will not be transferred during the lease as operating leases.

	2025	2024
Lease revenue recognized from operating lease		
Fixed lease payment	\$37,171	\$34,239

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

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

	2025	2024
Less than one year	\$46,646	\$44,404
More than 1 but no more than 2 years	36,237	41,406
More than 2 but no more than 3 years	32,944	31,285
More than 3 but no more than 4 years	30,895	27,230
More than 4 but no more than 5 years	28,739	25,167
More than 5 years	104,826	102,337
Total	\$280,287	\$271,829

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

Function Characteristic	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	\$-	\$1,376,507	\$1,376,507	\$-	\$1,170,868	\$1,170,868
Labor and health insurance expenses	-	121,655	121,655	-	144,760	144,760
Pension expenses	-	76,264	76,264	-	64,875	64,875
Other employee benefit expenses	-	130,246	130,246	-	106,982	106,982
Depreciation expenses	6,644	852,226	858,870	6,628	775,105	781,733
Amortization expenses	-	23,059	23,059	-	19,131	19,131

According to the provisions of the Articles of Incorporation amended by the Company's shareholders' meeting on May 29, 2025, if there is profit in the year, 3% to 10% of profit shall be allocated for employee compensation, and no more than 3 percent shall be allocated for remunerations of the Directors. But when accumulated loss is present, the Company shall first retain the profit to make up for deficits. Of the total amount allocated for employee remuneration mentioned above, no less than fifty percent should be designated for the distribution of remuneration to entry-level 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.

Based on the Company's profitability conditions, employee compensation and remunerations of the Directors recognized in 2025 were NT\$23,114 thousand and NT\$4,623 thousand, respectively. Employee compensation and remuneration of the Directors and Supervisors recognized in 2024 were NT\$25,860 thousand and NT\$4,216 thousand, respectively. The aforementioned amounts were recorded under compensation expenses. If the Board of Directors approves of appropriation of share-based employee bonus, the closing price on the date before the Board's resolution will be used as the basis of the share distribution. If difference is found between the estimate and the actual distributions after the Board's approval, the difference will be recorded as profit or loss in the subsequent year.

On February 26, 2026, the Company's Board approved of distribution of cash-based employee compensation and remunerations of the Directors and Supervisors for 2025 of NT\$23,114 thousand and NT\$4,623 thousand respectively. No material difference is found between the actual distributions and the expenses recognized on the 2025 financial statements.

The actual distribution of employee compensation and remunerations of the Directors for the year ended December 31, 2024 had no material difference from the expenses recognized in financial statements.

w. Non-operating income and expenses

1) Interest income

	2025	2024
Financial assets measured at amortized cost	\$38,562	\$13,265

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

2) Other income

	2025	2024
Rental revenue	\$37,171	\$34,240
Other income - others	71,864	49,338
Total	<u>\$109,035</u>	<u>\$83,578</u>

3) Other gains and losses

	2025	2024
Net gain from foreign exchange (loss)	\$(511)	\$3,731
Net loss from foreign exchange	1,239	-
Gain (loss) on disposal of investments	-	5,298
Gain on disposal of property, plant and equipment	5,562	422
Gain on disposal of intangible assets	-	2
Gain(loss) on financial assets measured at fair value through profit or loss	700	(905)
Miscellaneous expense	(12,945)	(123)
Total	<u>\$(5,955)</u>	<u>\$8,425</u>

4) Financing costs

	2025	2024
Interest from bank loans	\$17,259	\$1,926
Interest expense from corporate bonds	17,736	12,581
Interest from lease liabilities	50,830	44,393
Total	<u>\$85,825</u>	<u>\$58,900</u>

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

x. Components of the other comprehensive income (loss)

Other comprehensive income for the year ended December 31, 2025 is as follows:

	Arising in the current period	Reclassification and adjustment in the current period	Other comprehensive income (loss)	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	\$274	\$-	\$274	\$-	\$274
Unrealized gain or loss on investment in equity instruments measured at fair value through other comprehensive income	66,198	-	66,198	-	66,198
Items that may subsequently be reclassified to profit or loss:					
Exchange differences translated from the financial statements of foreign operations	(5,954)	-	(5,954)	-	(5,954)
Total	\$60,518	\$-	\$60,518	\$-	\$60,518

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

	Arising in the current period	Reclassification and adjustment in the current period	Other comprehensive income (loss)	Tax benefits	After-tax amount
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	\$1,262	\$-	\$1,262	\$-	\$1,262
Unrealized gain or loss on investment in equity instruments measured at fair value through other comprehensive income	2,528	-	2,528	-	2,528

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

	Arising in the current period	Reclassification and adjustment in the current period	Other comprehensive income (loss)	Tax benefits	After-tax amount
Items that may subsequently be reclassified to profit or loss:					
Exchange differences translated from the financial statements of foreign operations	9,065	-	9,065	-	9,065
Total	<u>\$12,855</u>	<u>\$-</u>	<u>\$12,855</u>	<u>\$-</u>	<u>\$12,855</u>

y. Income tax

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

Income tax recognized in profit or loss

	2025	2024
Current tax expenses:		
Current tax payable	\$179,152	\$177,276
Adjustments in respect of current income tax of prior periods	(4,357)	(4,030)
Deferred tax expenses (gains):		
Deferred tax expenses (gains) related to initial recognition of temporary difference and its reversal	(12,310)	(6,445)
Income tax expenses	<u>\$162,485</u>	<u>\$166,801</u>

Income tax recognized in other comprehensive income

	2025	2024
Deferred tax expenses (gains):		
Remeasurement of defined benefit plans	<u>\$-</u>	<u>\$-</u>

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

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

Profit before tax for continuing operations	\$743,988	\$846,765
Tax calculated at the domestic tax rate		
applicable to the income in relevant country	\$167,574	\$170,195
Tax effects of tax-exempt income	(10,340)	(1,208)
Tax effects of non-deductible expenses	9,294	2,526
Unappropriated retained earnings subject to income tax	372	73
Effects on income tax from deferred tax assets/liabilities	(58)	(755)
Adjustments in respect of current income tax of prior periods	(4,357)	(4,030)
Tax expense (benefits) recognized in profit or loss	\$162,485	\$166,801

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

2025

	Beginning balance	Recognized in Profit or loss	Recognized in Other comprehensive income (loss)	Exchange differences	Ending balance
Temporary differences					
Allowance for inventory valuation and obsolescence loss	\$1,150	\$-	\$-	\$-	\$1,150
Exchange loss (gain)	(2,728)	(44)	-	-	(2,772)
Deferred revenue	2,019	763	-	-	2,782
Unrealized profit on sales	6,936	397	-	-	7,333
Sales return	464	-	-	-	464
Unrealized loss on tax	28,621	7,918	-	-	36,539
Others	459	3,276	-	(1)	3,734
Deferred tax (expense) /gain		\$12,310	\$-	\$(1)	
Amount of Deferred net tax asset/(liabilities)	\$36,921				\$49,230

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

	Beginning balance	Recognized in Profit or loss	Recognized in Other comprehensive income (loss)	Exchange differences	Ending balance
Information stated on balance sheet is as follows:					
Deferred tax assets	\$39,672				\$52,032
Deferred income tax liabilities	\$(2,751)				\$(2,802)

2024

	Beginning balance	Recognized in Profit or loss	Recognized in Other comprehensive income (loss)	Directly recognized in equity	Ending balance
Temporary differences					
Allowance for inventory valuation and obsolescence loss	\$1,150	\$-	\$-	\$-	\$1,150
Exchange loss (gain)	(1,972)	(756)	-	-	(2,728)
Deferred revenue	3,625	(1,606)	-	-	2,019
Unrealized profit on sales	8,293	(1,357)	-	-	6,936
Sales return	464	-	-	-	464
Unrealized loss on tax	18,836	9,785	-	-	28,621
Others	80	379	-	-	459
Deferred tax (expense) /gain		\$6,445	\$-	\$-	
Amount of Deferred net tax asset/(liabilities)	\$30,476				\$36,921

Information stated on balance sheet is as follows:

Deferred tax assets	\$32,448	\$39,672
Deferred income tax liabilities	\$(1,972)	\$(2,751)

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

- 4) As of December 31, 2025, the information regarding the Group's unrealized tax losses is as follows:

a) Great Tree Pets Co., Ltd.:

Year of loss	Amount of losses not yet offset	Final year for which the deduction is available
2021	\$5,796	2031
2022	28,649	2032
2023	59,663	2033
2024	37,369	2034
2025 (Estimated)	39,629	2035
Total	<u>\$171,106</u>	

b) Enki Biomedical Co., Ltd.:

Year of loss	Amount of losses not yet offset	Final year for which the deduction is available
2023	\$1,303	2033
2024	8,611	2034
Total	<u>\$9,914</u>	

c) SUNYAO Healthcare Co., Ltd.:

Year of loss	Amount of losses not yet offset	Final year for which the deduction is available
2025 (Estimated)	\$1,676	2035

- 5) Unrecognized deferred tax assets

As of December 31, 2025 and December 31, 2024, the Group's unrecognized deferred tax assets were NT\$332 thousand and NT\$400 thousand respectively.

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

6) Filing and review of income tax

As of December 31, 2025, the Company's income tax filing and review conditions are as follows:

	Filing and review of income tax
The Company	Approved until the fiscal year 2022.
Subsidiary - Ivy Biotechnology Co., Ltd.	Approved until the fiscal year 2023.
Subsidiary - Bai-Lin Logistics Co., Ltd.	Approved until the fiscal year 2022.
Subsidiary - Da Yu Property Management Co., Ltd.	Approved until the fiscal year 2023.
Subsidiary - Great Tree Pets Co., Ltd.	Approved until the fiscal year 2023.
Subsidiary - Enki Biomedical Co., Ltd.	Approved until the fiscal year 2023.

z. 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 (adjusted for the effects of dilution) by the weighted-average number of ordinary shares outstanding in the current year plus all weighted-average number of ordinary shares to be issued when the potential ordinary shares with dilutive effect are converted into ordinary shares.

1) Basic EPS

	2025	2024
Net profit attributable to holders of ordinary shares of the parent company	\$600,421	\$680,767
Weighted-average number of ordinary shares of basic earnings per share (in 1,000 shares)	149,651	148,981
Basic EPS (NT\$)	\$4.01	\$4.57

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

2) Diluted EPS

	2025	2024
Net profit attributable to holders of ordinary shares of the parent company	\$600,421	\$680,767
Redemption gain or loss from issuance of domestic convertible bonds	(700)	905
Interest from convertible bonds	14,332	10,814
Net profit attributable to holders of the parent company's ordinary shares after dilutive effect	\$614,053	\$692,486
Weighted-average number of ordinary shares of basic earnings per share (in 1,000 shares)	149,651	148,981
Dilutive effect:		
Employee bonus - shares (in 1,000 shares)	243	183
Employee stock options (in 1,000 shares)	466	1,025
Convertible bonds (in 1,000 shares)	7,310	3,387
Weighted-average number of ordinary shares after adjustments for dilutive effects (in 1,000 shares)	157,670	153,576
Diluted EPS (NT\$)	\$3.89	\$4.51

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.

aa. Changes in equity ownership interests in subsidiaries

Acquisition of issued shares of a subsidiary

The Group acquired an additional 35% of the voting rights shares in Greattree Sugi Pharmacy Hong Kong Limited on August 1, 2024, increasing its ownership to 95%. The cash consideration paid to non-controlling interest shareholders amounts to NT\$46,098 thousand. The book value of net assets of Greattree Sugi Pharmacy Hong Kong Limited

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

(originally acquired and excluding goodwill) is NT\$46,100 thousand. The additional interests acquired in Greattree Sugi Pharmacy Hong Kong Limited include the reduction of non-controlling interests and the adjustments for accumulated other comprehensive income as follows:

Cash consideration paid by the Group to non-controlling shareholders	\$46,098
Increase (decrease) in non-controlling interest	(46,100)
Differences recognized in equity under capital surplus (or retained earnings)	\$2

7. **Related Party Transactions**

Related parties who have had transactions with the Group during the reporting period include the following:

Name and relationship of the related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
ShuYu Civilian Pharmacy Corp., Ltd.	The company is a 49% shareholder of the subsidiary Shangtong Greattree.
ShuYu Pharmaceutical Logistics (Shandong) Co., Ltd.	The company is a subsidiary of ShuYu Civilian Pharmacy Corp., Ltd.
Sunway Biotech Co., Ltd.	The company is a 40% shareholder of the subsidiary GTSW.

Material transaction matters with related parties

a. Purchases

	<u>2025</u>	<u>2024</u>
ShuYu Pharmaceutical Logistics (Shandong) Co., Ltd.	\$8,550	\$-
Sunway Biotech Co., Ltd.	1,631	-
Total	<u>\$10,181</u>	<u>\$-</u>

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

b. Accounts payable - related parties

	2025.12.31	2024.12.31
ShuYu Pharmaceutical Logistics (Shandong) Co., Ltd.	\$1,737	\$-
Sunway Biotech Co., Ltd.	715	-
Total	<u>\$2,452</u>	<u>\$-</u>

c. Lease

1) Carrying amount of right-of-use assets

Name of related party	Nature	2025.12.31	2024.12.31
ShuYu Civilian Pharmacy Corp., Ltd.	Building and construction	<u>\$92,173</u>	<u>\$-</u>

2) Lease liabilities

	2025.12.31	2024.12.31
ShuYu Civilian Pharmacy Corp., Ltd.	<u>\$89,398</u>	<u>\$-</u>

3) Interest expenses

	2025	2024
ShuYu Civilian Pharmacy Corp., Ltd.	<u>\$1,797</u>	<u>\$-</u>

d. Operating expenses

Name of related party	Nature	2025	2024
ShuYu Pharmaceutical Logistics (Shandong) Co., Ltd.	Other expenses	\$395	\$-
ShuYu Civilian Pharmacy Corp., Ltd.	Other expenses	149	-
ShuYu Civilian Pharmacy Corp., Ltd.	Labor expense	163	-
Total		<u>\$707</u>	<u>\$-</u>

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

e. Bonuses for the Group's key managerial officers

	2025	2024
Short-term employee benefits	\$22,745	\$23,106
Retirement benefits	581	694
Share-based payment	5	16
Total	\$23,331	\$23,816

8. **Assets Pledged**

The Company has pledged the following assets as collateral:

Item	Carrying amount		Content of the secured liabilities
	2025.12.31	2024.12.31	
Financial assets measured at amortized cost-current	\$60,000	\$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	Purchase contract guarantee
Total	\$775,610	\$331,500	

9. **Significant Contingent Liabilities and Unrecognized Contracts**

- a. On September 19, 2022, the Group signed a land auction agreement for the Taoyuan Aerotropolis Project's initial industrial professional zone with the Taoyuan City Government, with a total price of NT\$1,679,968 thousand. The Company and Company A jointly submitted a bid, with respective shares of 51% and 49%. As of December 31, 2025, the Group has paid NT\$251,995 thousand.

10. **Contingent Disaster Loss**

N/A.

11. Significant Post-reporting Period Matters

- a. The employee stock options warrants issued by the Company were exercised during the period from October 1 to December 31, 2025, totaling NT\$7,435 thousand in exercise amounts and resulting in the issuance of 251 thousand ordinary shares. Subsequently, on February 26, 2026, the Board of Directors resolved to set the record base date for the increase in capital as of the same day.
- b. In order to enhance operational funds with the aim of expanding channels, increasing market share, and strengthening financial structure, the Company, on February 26, 2026, proposed through the Board of Directors to conduct a private placement of ordinary shares or domestic unsecured convertible corporate bonds within a quota not exceeding 30 million ordinary shares.

12. Others

- a. Categories of financial instruments

Financial assets

	2025.12.31	2024.12.31
Financial assets measured at fair value through profit or loss compulsory	\$1,800	\$-
Financial assets measured at fair value through other comprehensive income (loss)	265,424	137,624
Financial assets measured at amortized cost:		
Cash and cash equivalents	1,755,409	1,888,362
Financial assets measured at amortized cost	775,610	331,500
Notes receivable, net	3,965	7,659
Net accounts receivable	659,263	668,189
Other receivables	410,904	280,924
Subtotal	3,605,151	3,176,634
Total	\$3,872,375	\$3,314,258

Financial liabilities

	2025.12.31	2024.12.31
Financial liabilities at amortized cost:		
Short-term loans	\$795,000	\$455,000
Accounts payable	3,120,806	2,804,933
Bonds payable (including those maturing within 12 months)	946,928	802,392
Long-term loans (including those maturing within 12 months)	1,440	-
Lease liabilities	4,615,618	4,179,578
Total	<u>\$9,479,792</u>	<u>\$8,241,903</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 or decreases by 0.1%, the Group's 2025 and 2024 income will increase by NT\$1,726 thousand and decrease by NT\$1,042 thousand respectively.

Equity price risk

The Group holds both listed and 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 listed and 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.

For equity investments classified as equity instruments measured at fair value through other comprehensive income, when the price of such equity securities increases/decreases by 1%, the resulting impact on the Group's equity as at 31 December 2025 and 2024 amounts to NT\$265 thousand and NT\$138 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 December 31, 2025 and December 31, 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).

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

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 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>2025.12.31</u>							
Short-term loans	\$802,502	\$-	\$-	\$-	\$-	\$-	\$802,502
Accounts payable	3,120,806	-	-	-	-	-	3,120,806
Long-term loans	28	28	85	375	375	686	1,577
Bonds payable	-	-	1,000,000	-	-	-	1,000,000
Lease liabilities	619,791	592,169	572,871	554,041	510,906	1,811,158	4,660,936
<u>2024.12.31</u>							
Short-term loans	\$455,000	\$-	\$-	\$-	\$-	\$-	\$455,000
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

f. Adjustments of liabilities from financing activities

Information on adjustments of liabilities in 2025:

	Short-term loans	Long-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	1,440	25,295	(616,266)	210,471	(39,060)
Non-cash changes						
Changes in scope of lease for the period	-	-	-	1,001,476	-	1,001,476
Interest expenses	-	-	-	50,830	17,736	68,566
Others	-	-	-	-	(83,671)	(83,671)
2025.12.31	\$795,000	\$1,440	\$129,021	\$4,615,618	\$946,928	\$6,488,007

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

Information on adjustments of liabilities in 2024:

		Guarantee			Total liabilities from financing
	Short-term loans	deposits	Lease liabilities	Bonds payable	activities
2024.01.01	\$-	\$115,664	\$3,623,697	\$800,441	\$4,539,802
Cash flow	455,000	(11,938)	(532,097)	-	(89,035)
Non-cash changes					
Changes in scope of lease for the period	-	-	1,043,586	-	1,043,586
Interest expenses	-	-	44,392	12,581	56,973
Corporate bonds conversion	-	-	-	(10,630)	(10,630)
2024.12.31	\$455,000	\$103,726	\$4,179,578	\$802,392	\$5,540,696

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 value	
	2025.12.31	2024.12.31
Financial liabilities:		
Bonds payable	\$946,928	\$802,392
	Fair value	
	2025.12.31	2024.12.31
Financial liabilities:		
Bonds payable	\$950,900	\$806,742

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:

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

December 31, 2025:

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit or loss				
Redemption (put) rights of convertible bonds	\$-	\$-	\$1,800	\$1,800
Financial assets at fair value through other comprehensive income (loss)				
Stocks of domestic emerging stock market companies	67,332	-	-	67,332
Domestic unlisted (over-the-counter) stocks	-	-	198,092	198,092
Subtotal	<u>\$67,332</u>	<u>\$-</u>	<u>\$199,892</u>	<u>\$267,224</u>

December 31, 2024:

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit or loss				
Redemption (put) rights of convertible bonds	\$-	\$-	\$-	\$-
Financial assets at fair value through other comprehensive income (loss)				
Stocks of domestic emerging stock market companies	22,920	-	-	22,920
Domestic unlisted (over-the-counter) stocks	-	-	114,704	114,704
Subtotal	<u>\$22,920</u>	<u>\$-</u>	<u>\$114,704</u>	<u>\$137,624</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 January 1 to December 31, 2025 and 2024.

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

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
2025.01.01	\$-	\$114,704
Acquired/issued during the period	1,100	118,911
Disposal/Settlement for the period	-	(39,729)
Recognized in profit and loss during the period (recognized under "Other gains and losses")	700	-
Recognized in other comprehensive income (presented in "Unrealized gains or losses on equity investments measured at fair value through other comprehensive income")	-	67,426
Transfers to (from) rank 3	-	(63,220)
2025.12.31	\$1,800	\$198,092

	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	-	50,425
Recognized in profit and loss during the period (recognized under "Other gains and losses")	(905)	-
Recognized in other comprehensive income (presented in "Unrealized gains or losses on equity investments measured at fair value through other comprehensive income")	-	2,528
Transfers to (from) rank 3	-	(22,920)
2024.12.31	\$-	\$114,704

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

In the total profit or loss recognized above, the amount of profit or loss related to assets held as of December 31, 2025 and 2024 are NT\$700 thousand and NT\$(905) thousand, respectively.

Information on material unobservable input in fair value rank 3

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

December 31, 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 derivative financial instruments	Binary tree convertible bond valuation model	Volatility	32.35 %	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 Group will decrease/increase by NT\$1,993 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 derivative financial instruments	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 Group will decrease/increase by NT\$904 thousand

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

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

December 31, 2025:

	Rank 1	Rank 2	Rank 3	Total
Disclosures of fair value liabilities only:				
Bonds payable (see Note 15 for details)	\$-	\$-	\$950,900	\$950,900

December 31, 2024:

	Rank 1	Rank 2	Rank 3	Total
Disclosures of fair value liabilities only:				
Bonds payable (see Note 15 for details)	\$-	\$-	\$806,742	\$806,742

j. Information on financial assets and financial liabilities in foreign 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) The material negotiable securities held 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 refer to Table 2.
- 5) Receivables from related parties amounting to at least NT\$100 million or exceeding 20% of paid-in capital: Please refer to Table 3.
- 6) Information on business relations and material transactions between the parent company and subsidiaries and inter-subsidiaries: Please refer to Table 8.

b. Information on Reinvestments

- 1) For detailed information regarding the names and locations of investee companies (excluding those in Mainland China): 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) The material negotiable securities held at the end of the period (excluding investment subsidiaries, affiliates enterprises and joint venture interests): Please refer to Table 5.
 - d) Transactions with related parties amounting to NT\$100 million or 20% more than the paid-in capital: Please refer to Table 6.
 - e) Receivables from related parties amounting to NT\$100 million or 20% more than the paid-in capital: Please refer to Table 7.

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

c. Disclosure of investment information in Mainland China:

- 1) Name of the invested company in Mainland China, main business activities, paid-in capital, investment method, capital inflows and outflows, shareholding ratio, investment gains and losses, carrying value of investment at period-end, repatriated investment gains and losses, and investment limit for investments 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									
Greattree Changhe (Shanghai) Pharmacy Co., Ltd.	Medical device operations and sales	\$1,568 (Note 1)	(Note 2)	\$1,626	\$-	\$-	\$1,626	\$(27)	100%	\$(27) (Note 5 and 6)	\$1,463 (Note 6)	\$-	\$1,626	\$1,626	\$2,350,909
Greattree Sugi (Shangtong) Pharmacy Co., Ltd.	Pharmaceutical retail	\$68,096 (Note 1)	(Note 3)	\$22,310	\$45,696	\$-	\$68,006	\$(19,727)	95%	\$(18,740) (Note 5 and 6)	\$46,414 (Note 6)	\$-	\$68,006	\$68,006	

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	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									
Shangtong Greattree Shuyu Pharmacy Limited	Pharmaceutical retail and Wholesale	\$125,440 (Note 1)	(Note 4)	\$18,205	\$45,696	\$-	\$63,901	\$(38,924)	48.45%	\$(18,859) (Note 5 and 6)	\$42,367 (Note 6)	\$-	\$63,901	\$-	\$2,350,909

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 the establishment of Greattree Sugi Pharmacy Hong Kong Limited.

Note 4: Investment in the Mainland China company is made through the establishment of Greattree Sugi (Shangtong) Pharmacy Co., Ltd.

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.

14. Departmental Information

- a. 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.

- b. Region-specific information

- 1) Revenue from external customers (Note):

	2025	2024
Taiwan	\$18,849,599	\$17,240,420
Mainland China	16,057	11,679
Malaysia	30,260	22,155
Total	<u>\$18,895,916</u>	<u>\$17,274,254</u>

Note: revenue is classified based on the country of the customer.

- 2) Non-current assets:

	2025	2024
Taiwan	\$6,160,425	\$5,453,712
Others	108,837	2,843
Total	<u>\$6,269,262</u>	<u>\$5,456,555</u>

- c. Information on substantial customers

The Group does not have any single customer whose sales revenue accounts for 10% or more of the Group's consolidated operating net revenue.

Table 1**Great Tree Pharmacy Co., Ltd. and Subsidiaries****The material negotiable securities held at the end of the period (excluding investment subsidiaries, affiliates enterprises and joint venture interests)****December 31, 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 (Note3)
				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 at fair value through other comprehensive income (loss)	5,000,000	\$50,000	2.29%	\$48,780	None
	Yoda Pharmaceuticals Inc.	-	Financial assets at fair value through other comprehensive income (loss)	1,090,194	22,440	1.42%	63,220	None
	AnnJi Pharmaceutical Co., Ltd.	-	Financial assets at fair value through other comprehensive income (loss)	80,666	2,420	0.09%	4,112	None
	Penpeer Co., Ltd.	-	Financial assets at fair value through other comprehensive income (loss)	2,133,336	12,000	4.81%	12,000	None
	ExoOne Biotech Inc.	-	Financial assets at fair value through other comprehensive income (loss)	2,160,000	49,680	7.58%	49,680	None
	Leeuwenhoek Laboratories Co., Ltd.	-	Financial assets at fair value through other comprehensive income (loss)	1,000,000	15,000	2.62%	15,000	None
	APN LIFESCIENCES INC.	-	Financial assets at fair value through other comprehensive income (loss)	435,000	12,216	2.66%	12,216	None
	TSA INTERNATIONAL CO., LTD.	-	Financial assets at fair value through other comprehensive income (loss)	300,000	27,000	1.44%	27,000	None
	NORNS CO., LTD.	-	Financial assets at fair value through other comprehensive income (loss)	332,000	15,016	1.07%	15,016	None
	Pulxion Medical Technology CO., LTD.	-	Financial assets at fair value through other comprehensive income (loss)	2,350,000	15,400	4.59%	15,400	None
			Add: Valuation adjustment of equity instruments measured at fair value through other comprehensive income		41,252			
			Total		<u>\$262,424</u>		<u>\$262,424</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****For the year ended December 31, 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	\$4,702,197	25.23%	Offset of debts and claims	No other customers for comparison	Non-related parties 60-120 days credit	Accounts receivable \$789,556	61.15%	Note
Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	Subsidiary	Purchases	\$552,836	3.97%	Credit 30 days	No other vendor for comparison	Non-related parties 60-90 days credit	Notes payable \$226,639	25.57%	Note
									Accounts payable \$49,332	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****December 31, 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	Provision for allowance for losses
					Amount	Treatment		
Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	Subsidiary	\$789,556 (Note)	6.28	\$-	-	\$112,727	\$-

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)****December 31, 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%	\$173,220	\$91,509	\$89,230 (Note 1)	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	200,000 shares	100.00%	\$12,605	\$7,845	\$7,845	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	25,000,000 shares	100.00%	\$111,869	\$(32,485)	\$(32,485)	Note 3
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	1,500,000 shares	74.26%	\$12,488	\$3,167	\$2,351	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	1,500,000 shares	100.00%	\$7,069	\$1,352	\$1,352	Note 3
Great Tree Pharmacy Co., Ltd.	DA FENG Logistics Co., Ltd.	18F., No.186, Fuxing Road, Taoyuan District, Taoyuan City	Management of packaging and warehousing business	\$30,000	\$-	3,000,000 shares	85.71%	\$37,268	\$8,480	\$7,268	Note 3
Great Tree Pharmacy Co., Ltd.	Great tree Pharmacy Hong Kong Limited	RMS 2006-8, 20/F Two Chinachem Exchange Square 338 King's RD North Point HK	Investment business	\$150,057	\$122,354	4,750,000shares	100.00%	\$127,130	\$(18,761)	\$(18,761)	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	\$24,000	\$24,000	2,400,000shares	80.00%	\$18,516	\$(6,855)	\$(5,484)	Note 3

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			
Ivy Biotechnology Co., Ltd.	Da Yu Property Management Co., Ltd.	18F., No.186, Fuxing Road, Taoyuan District, Taoyuan City	products, and cosmetics. 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%	\$21,973	\$1,088	\$653	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%	\$166	\$3,167	\$31	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%	\$4,424	\$(5,800)	\$(1,160)	
Great tree Pharmacy Hong Kong Limited	Greattree Sugi Pharmacy Hong Kong Limited	RM 601 ALBION PLAZA 2-6 GRANVILLE RD TST KL	Investment business	\$122,898	\$122,898	3,800,000shares	95.00%	\$100,526	\$(19,721)	\$(18,735)	Note 3
Great tree Pharmacy Hong Kong Limited	Da Sen Trading Hong Kong Limited	RMS 2006-8, 20/F, TWO CHINACHEM EXCHANGE SQUARE, 338 KING'S RD, NORTH POINT, HK	Investment business	\$27,703	\$-	900,000shares	90.00%	\$25,139	\$-	\$-	Note 2 and 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%	\$14,735	\$(6,127)	\$(5,515)	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%	\$3,244	\$1,735	\$1,042	Note 3

Note 1: Includes income from investment recognized using equity method for the period of NT\$91,509 thousand, write-off for lease transaction with related party NT\$(297) 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\$(36,663) thousand.

Note 2: The Company established a subsidiary, Da Sen Trading Hong Kong Limited, through an investment in Great Tree Pharmacy Hong Kong Limited, completing the registration on February 24, 2025, and funds were remitted during the year 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****The material negotiable securities held at the end of the period (excluding investment subsidiaries, affiliates enterprises and joint venture interests)****December 31, 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(Note3)
				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****For the year ended December 31, 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	\$552,836	99.72%	Credit 30 days	No other customers for comparison	Non-related parties 30-60 days credit	Notes receivable \$226,639 Accounts receivable \$49,332	100.00% 99.99%	Note Note
Bai-Lin Logistics Co., Ltd.	Great Tree Pharmacy Co., Ltd.	Parent company	Purchases	\$4,702,197	100.00%	Offset of debts and claims	No other supplier available for comparison	No other supplier available for comparison	Accounts payable \$789,556	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****Receivables from Related Parties Amounting to at least NT\$100 Million or Exceeding 20% of Paid-in Capital****December 31, 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	Provision for allowance for losses
					Amount	Treatment		
Ivy Biotechnology Co., Ltd.	Great Tree Pharmacy Co., Ltd.	Parent company	\$275,971 (Note)	2.12	\$-	-	\$218,066	\$-

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

Table 8**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>2025.01.01~2025.12.31</u>						
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Purchases	\$552,836	Credit 30 days	2.93%
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Other receivables	25,720	-	0.19%
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Notes payable	226,639	-	1.65%
0	Great Tree Pharmacy Co., Ltd.	Ivy Biotechnology Co., Ltd.	1	Accounts payable	49,332	-	0.36%
0	Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	1	Sales	4,702,197	Offset of debts and claims	24.88%
0	Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	1	Shipping fee	23,114	Offset of debts and claims	0.12%
0	Great Tree Pharmacy Co., Ltd.	Bai-Lin Logistics Co., Ltd.	1	Accounts receivable	789,556	-	5.74%
0	Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	1	Sales	10,376	Credit 30 days	0.05%
0	Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	1	Rental revenue	9,334	Credit 30 days	0.05%
0	Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	1	Other receivables	5,624	-	0.04%
0	Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	1	Accounts receivable	5,749	-	0.04%
0	Great Tree Pharmacy Co., Ltd.	Enki Biomedical Co., Ltd.	1	Purchases	16,656	Credit 30 days	0.09%
0	Great Tree Pharmacy Co., Ltd.	DA FENG Logistics Co., Ltd.	1	Other payables	7,976	-	0.06%
0	Great Tree Pharmacy Co., Ltd.	DA FENG Logistics Co., Ltd.	1	Sales	30,795	Credit 30 days	0.16%
0	Great Tree Pharmacy Co., Ltd.	Senyu Biomedical Co., Ltd.	1	Other receivables	5,134	-	0.04%
1	SUNYAO Healthcare Co., Ltd.	Senyu Biomedical Co., Ltd.	3	Accounts receivable	9,302	-	0.07%
2	GREATTREEINTERNATIONALSDN.BHD.	GTSWBITECHSDN.BHD.	3	Purchases	5,163	Credit 30 days	0.03%

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 standard amount mentioned above applies to transactions of NT\$5,000 thousand or more. Related party transactions have been eliminated when preparing the consolidated financial statements.