TWSE Stock code: 6469

Great Tree Pharmacy Co., Ltd.

Parent Company Only 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

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

Parent Company Only Financial Statements

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Independent Auditors' Report

To Great Tree Pharmacy Co., Ltd.,

Audit Opinion

We have audited the accompanying Parent Company Only Balance Sheets of Great Tree Pharmacy Co., Ltd. (the “Company”) as of December 31, 2025 and December 31, 2024, and the related Parent Company Only 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 Parent Company Only Financial Statements, including the Summary of Significant Accounting Policies (together “the Parent Company Only Financial Statements”).

Based on the opinion of our CPA, the Parent Company Only Financial Statements in the preceding paragraph have been prepared according to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” and may fairly present, in all material aspects, the individual financial status of Great Tree Pharmacy Co., Ltd. as of December 31, 2025 and December 31, 2024, as well as its individual financial performance and individual cash flow from January 1, 2025 to December 31, 2025 and from January 1, 2024 to December 31, 2024.

Basis of Audit Opinion

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

Key Audit Matters

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

Revenue Recognition

Great Tree Pharmacy Co., Ltd. recognized operating revenue of NT$18,636,835 thousand in 2025. Since the Company's sources of revenue include different selling models such as retail transactions at pharmacies and revenue from management services and more, the judgment over performance obligation and the timing of its fulfillment over customer orders or contracts was needed, therefore leading to significant risk of revenue recognition. Hence, we have decided to include this as a key audit matter. Our audit procedures include (but are not limited to): understanding each selling model, evaluating the appropriateness of revenue recognition policy related to obligation fulfillment under each model, evaluating and testing the effectiveness of the relevant internal control to the timing of revenue recognition in the sales cycle, conducting detailed testing by sampling the sales receipts, and conducting analytical review procedure and carrying out cut-off tests and more. We have also considered the appropriateness of revenue disclosure identified in Note 6 of the Parent Company Only Financial Statements.

Inventory Valuation

As of December 31, 2025, the net inventory of Great Tree Pharmacy Co., Ltd. was NT$3,055,051 thousand, accounting for 23% of the individual total asset. Great Tree Pharmacy Co., Ltd.'s main business involves trading of maternity and infant products as well as various drugs. Most of their products have shelf lives, leading evaluations of allowance for inventory valuation and obsolescence loss to require material judgment of the Company's management. Therefore, this was included as a key audit matter. Our audit procedures include (but are not limited to): evaluating the appropriateness of the policy of allowance for inventory valuation and obsolescence loss, evaluating the management method for near expiring goods and identification of expired inventory and testing the effectiveness of the relevant internal control, sampling the inventory aging report to test its accuracy and selecting significant inventory location for physical inventory observation and count, and inspecting current inventory and utilization status and more. We have also taken the appropriateness of inventory disclosure in Note 5 and Note 6 in the Notes to Parent Company Only Financial Statements into consideration.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Great Tree Pharmacy Co., Ltd.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including the accompanying Notes, and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the individual entities in the Group to express an opinion on the Parent Company Only Financial Statements. We are responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

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

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

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

Ernst & Young

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

Auditing and Attestation No. (2014) FSC No. 1030025503

No. (2002)TCZ(VI)144183

Cheng Ching-Piao

Certified Public Accountant (CPA)

Chang Chih-Ming

February 26, 2026

Great Tree Pharmacy Co., Ltd.

Parent Company Only 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	$1,518,691	11	$1,660,310	14
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	494,573	4	519,824	4
1180	Net accounts receivable - related parties	4, 6.6 and 7	796,110	6	714,071	6
1200	Other receivables		404,138	3	280,743	2
1210	Other receivables - related parties	7	41,150	-	42,399	1
1300	Inventory	4 and 6.7	3,055,051	23	2,618,184	22
1410	Prepayments		65,587	-	55,326	-
1470	Other current assets		52,262	-	40,896	-
	Total current assets		7,204,137	53	6,267,912	52
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	262,424	2	134,624	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	500,165	4	447,530	4
1600	Property, plant, and equipment	4 and 6.9	881,646	6	834,249	7
1755	Right-of-use assets	4 and 6.21	4,194,171	31	3,857,042	32
1780	Intangible assets	4 and 6.10	84,152	1	56,330	-
1840	Deferred tax assets	4 and 6.25	15,492	-	11,051	-
1900	Other non-current assets	4 and 6.11	419,497	3	420,252	4
	Total non-current assets		6,362,347	47	5,764,078	48
1xxx	Total assets		$13,566,484	100	$12,031,990	100

(Please refer to the notes to the Parent Company Only Financial Statements)

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

Great Tree Pharmacy Co., Ltd.
Parent Company Only 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	14,942	-	11,229	-
2150	Notes payable		659,724	5	533,465	5
2160	Notes payable - related parties	7	226,639	2	155,086	1
2170	Accounts payable		1,893,521	14	1,785,285	14
2180	Accounts payable - related parties	7	65,742	-	106,785	1
2200	Other payables	6.13 and 6.16	414,093	3	355,700	3
2220	Other payables - related parties	7	8,218	-	242	-
2230	Tax liabilities for this period	4 and 6.25	72,370	1	72,534	1
2280	Lease liabilities	4 and 6.21	511,023	4	506,305	4
2321	Corporate bonds maturing within one year or one operating cycle, or subject to put options	4 and 6.14	-	-	802,392	7
2300	Other current liabilities	7	35,654	-	28,181	-
	Total current liabilities		4,696,926	35	4,812,204	40
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	2,772	-	2,728	-
2580	Lease liabilities	4 and 6.21	3,873,302	28	3,516,989	29
2640	Net defined benefit liabilities	4 and 6.16	2,269	-	2,720	-
2645	Guarantee deposits	7	124,666	1	100,727	1
	Total non-current liabilities		4,951,377	36	3,623,164	30
2xxx	Total liabilities		9,648,303	71	8,435,368	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	3	270,196	2
3320	Special capital reserve		-	-	2,356	-
3350	Unappropriated earnings		637,310	5	684,390	6
36xx	Other equity		39,389	-	5,227	-
	Prepaid share capital		3,918,181	29	3,596,622	30
	Total liabilities and equity		$13,566,484	100	$12,031,990	100

(Please refer to the notes to the Parent Company Only Financial Statements)

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

Great Tree Pharmacy Co., Ltd.

Parent Company Only 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, 6.19 and 7	$18,636,835	100	$17,051,942	100
5000	Operating costs	7	(13,486,755)	(72)	(12,466,221)	(73)
5900	Gross profit		5,150,080	28	4,585,721	27
6000	Operating expenses	7				
6100	Selling and marketing expenses		(3,891,985)	(21)	(3,381,504)	(20)
6200	General and administrative expenses		(635,821)	(4)	(496,617)	(3)
	Total operating expenses		(4,527,806)	(25)	(3,878,121)	(23)
6900	Operating profit		622,274	3	707,600	4
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	37,396	-	12,584	-
7010	Other income	6.23 and 7	119,662	1	91,035	1
7020	Other gains and losses	6.23	(5,552)	-	8,599	-
7050	Financing costs	6.23	(82,371)	-	(57,098)	-
7070	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method		51,317	-	69,201	-
	Total non-operating income and expenses		120,452	1	124,321	1
7900	Net profit before tax		742,726	4	831,921	5
7950	Income tax expenses	4 and 6.25	(142,305)	(1)	(151,154)	(1)
8200	Net income		600,421	3	680,767	4
8300	Other comprehensive income (loss), net	6.24				
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans		274	-	1,262	-
8316	Equity instruments measured at fair value through other comprehensive income Unrealized valuation gains (losses) on investments		66,198	-	2,528	-
8360	Items that may subsequently be reclassified to profit or loss					
8380	Other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method		(5,206)	-	5,055	-
	Comprehensive income (loss) (net value after tax) for this period		61,266	-	8,845	-
8500	Total comprehensive income (loss)		$661,687	3	$689,612	4
	Earnings per share (EPS) (NT$)					
9750	Basic EPS	26.	$4.01		$4.57	
9850	Diluted EPS	26.	$3.89		$4.51	

(Please refer to the notes to the Parent Company Only Financial Statements)

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

Great Tree Pharmacy Co., Ltd.

Parent Company Only Statements of Changes in Equity

For the year ended December 31, 2025 and 2024

(Amounts expressed in thousands of New Taiwan Dollars)

						Retained earnings			Other equity interest		
Code	Item	Share capital	Bond conversion entitlement certificates	Capital collected in advance	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences translated from the financial statements of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive profit or loss	Total equity
		3100	3130	3140	3200	3310	3320	3350	3410	3420	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
	Appropriation and distribution of earnings in 2023										
B1	Legal capital reserve					66,605		(66,605)			-
B3	Provision of special capital reserve						984	(984)			-
B5	Cash dividends							(405,514)			(405,514)
B9	Share dividends	191,493						(191,493)			-
D1	2024 net income							680,767			680,767
D3	Other comprehensive income (loss) in 2024							1,262	5,055	2,528	8,845
D5	Total comprehensive income (loss)	-	-	-	-	-	-	682,029	5,055	2,528	689,612
I1	Convertible corporate bond conversion	4,669	(4,220)	-	10,181						10,630
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed				2						2
N1	Share-based payment transaction	5,690		(838)	11,929						16,781
T1	Others - issuance of employee stock options				3,546						3,546
Z1	Balance as of December 31, 2024	1,318,889	-	3,678	1,311,886	270,196	2,356	684,390	3,343	1,884	3,596,622
	Appropriation and distribution of earnings in 2024										
B1	Legal capital reserve					68,203		(68,203)			-
B5	Cash dividends							(436,718)			(436,718)
B9	Share dividends	172,040						(172,040)			-
B17	Reversal of special capital reserve						(2,356)	2,356			-
C5	Recognized equity components arising from the issuance of convertible bonds - stock options				79,771						79,771
D1	2025 net income							600,421			600,421
D3	Other comprehensive income (loss) in 2025							274	(5,206)	66,198	61,266
D5	Total comprehensive income (loss)	-	-	-	-	-	-	600,695	(5,206)	66,198	661,687
N1	Share-based payment transaction	6,063		(1,018)	10,829						15,874
Q1	Disposal of equity instruments measured at fair value through other comprehensive income							26,830		(26,830)	-
T1	Others - issuance of employee stock options				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

(Please refer to the notes to the Parent Company Only Financial Statements)

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

Great Tree Pharmacy Co., Ltd.

Parent Company Only Statements of Cash Flows

For the year ended December 31, 2025 and 2024

(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2025	2024
AAAA	Cash flow from operating activities:		
A10000	Net profit before tax for the period	$742,726	$831,921
A20000	Adjustment items:		
A20010	Gain or loss items that do not affect cash flows:		
A20100	Depreciation expense(including right-of-use assets)	806,262	740,306
A20200	Amortization expenses	22,276	18,275
A20400	Valuation loss (gain) on financial liabilities measured at fair value through profit or loss	(700)	905
A20900	Interest expenses	82,371	57,098
A21200	Non-operating income and expenses	(37,396)	(12,584)
A21900	Cost of share-based payments	945	3,546
A22300	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method	(51,317)	(69,201)
A22500	Loss (Gain) on disposal of property, plant and equipment	(5,561)	(422)
A22800	Gain on disposal of intangible assets	-	(2)
A23100	Gain on disposal of investments	-	(5,298)
A29900	Other item - gain on lease modification	(1,239)	-
A30000	Changes in assets/liabilities related to operating activities:		
A31130	(Increase) decrease in notes receivable	3,694	5,120
A31150	(Increase) decrease in accounts receivable	25,251	17,202
A31160	(Increase) decrease in accounts receivable - related parties	(82,039)	(119,931)
A31180	(Increase) decrease in other receivables	(111,089)	(33,019)
A31190	(Increase) decrease in other receivables - related parties	1,249	(23,954)
A31200	(Increase) decrease in inventories	(436,867)	(283,267)
A31230	(Increase) decrease in prepayments	(10,261)	(6,532)
A31240	(Increase) decrease in other current assets	(16,366)	(31,761)
A32125	Increase (decrease) in contract liabilities	3,713	(7,494)
A32130	Increase (decrease) in notes payables	126,259	(146,366)
A32140	Increase (decrease) in notes payable - related parties	71,553	22,569
A32150	Increase (decrease) in accounts payables	108,236	191,248
A32160	Increase (decrease) in accounts payable - related parties	(41,043)	57,297
A32180	Increase (decrease) in other payables	69,110	(11,362)
A32190	Increase (decrease) in other payables - related parties	7,976	-
A32230	Increase (decrease) in other current liabilities	7,473	(155)
A32240	Increase (decrease) in net defined benefit liabilities	(177)	(168)
A33000	Cash inflow (outflow) from operating activities	1,285,039	1,193,971
A33100	Interest received	25,090	12,584
A33200	Dividends received	91,179	95,115
A33300	Interest paid	(10,207)	(1,926)
A33500	Income tax paid	(146,627)	(148,937)
AAAA	Net cash inflow (inflow) from operating activities	1,244,474	1,150,807

Code	Item	2025	2024
BBBB	Cash flow from investing activities:		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(118,911)	(47,425)
B00020	Disposal of financial assets at fair value through other comprehensive income (loss)	57,309	-
B00040	Increase (decrease) in financial assets measured at amortized cost	(444,110)	(304,500)
B01800	Acquisition of investments accounted for using equity method	(97,703)	(71,724)
B01900	Disposal of investments accounted for using equity method	-	12,000
B02700	Acquisition of property, plant and equipment	(303,101)	(323,029)
B02800	Disposal of property, plant and equipment	13,276	4,882
B03700	(Increase) decrease in refundable deposits	(9,289)	(143,549)
B04500	Acquisition of intangible assets	(51,145)	(31,913)
B04600	Disposal of intangible assets	1,047	25
BBBB	Net cash inflow(outflow) from investing activities	(952,627)	(905,233)
CCCC	Cash flow from financing activities:		
C00100	Proceeds from short-term borrowings	340,000	455,000
C01200	Issuance of corporate bonds	1,021,971	-
C01300	Repayments of bonds	(811,500)	-
C01600	Proceeds from long-term borrowings	1,440	-
C03000	Increase (decrease) in guarantee deposits received	23,939	(12,339)
C04020	Repayment of principal on loan	(588,472)	(516,245)
C04500	Payment of cash dividends	(436,718)	(405,514)
C04800	Employees exercising share option	15,874	16,781
CCCC	Net cash inflow (outflow) from financing activities	(433,466)	(462,317)
EEEE	Amount of Increase(decrease)in cash and cash equivalents for the period	(141,619)	(216,743)
E00100	Beginning balance of cash and cash equivalents	1,660,310	1,877,053
E00200	Ending balance of cash and cash equivalents	$1,518,691	$1,660,310

(Please refer to the notes to the Parent Company Only Financial Statements)

Chairman: Cheng Ming Lung | Manager: Cheng Ming Lung | Accounting Manager: Wu Shu Yi

1. Company Overview

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

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

2. Dates and Procedures of Approving Financial Statements

The Company’s individual financial reports for the years 2025 and 2024 were approved 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 Company has adopted the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations or Notices that have been approved by the Financial Supervisory Commission (hereinafter referred to as the "FSC") for application since January 1, 2025. The first-time application has had no significant impact on the Company.

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

(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. IFRS 17 replaces an interim standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

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.

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

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 Company has assessed that there are no significant impacts.

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

Item	Newly announced/amended/revised standard and interpretation	Effective date from IASB
1	Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28- Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Pending resolution from the IASB
2	IFRS 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 above-mentioned standards or interpretations issued by the International Accounting Standards Board, but not yet approved by the Financial Supervisory Commission, will be applied in accordance with the regulations set by the Financial Supervisory Commission. Apart from the ongoing assessment of the potential impact of the newly published or amended standards or interpretations (2), for which the actual impact on the Company cannot be reasonably estimated at this time, the remaining newly published or amended standards or interpretations will not have a significant impact on the Company.

4. Explanations of Major Accounting Policies

a. Declaration of compliance

The Company’s 2025 and 2024 Parent Company Only Financial Statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparations

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

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

c. Foreign currency transaction

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

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

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

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

2) Foreign currency items within the scope of IFRS 9 Financial Instruments:

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.

d. Translation of foreign currency financial statement

Each foreign operating entity of the Company determines its functional currency independently and measures its financial statements in that functional currency. When preparing the Parent Company Only Financial Statement, 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 when there is a loss of control, significant influence or joint control over foreign operating entities, but a portion of the equity is retained.

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 adjusted as 'investments accounted for using the equity method' and are not recognized in profit or loss. When a partial disposal of associates or jointly controlled entities, including foreign operating entities, occurs without loss of material influence or joint control, the cumulative exchange differences are proportionately reclassified to profit or loss.

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

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

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

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

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

f. Cash and cash equivalents

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

g. Financial instruments

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

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

1) Recognition and valuation of financial assets

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

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

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

<u>Financial assets measured at amortized cost</u>

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

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

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

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

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

<u>Financial assets at fair value through other comprehensive income (loss)</u>

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

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

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

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

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

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

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

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

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

Financial assets measured at fair value through profit or loss

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

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

2) Impairments of Financial Assets

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

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

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

Method for valuating allowance for loss is as follows:

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

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

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

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

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

3) Derecognition of financial asset

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

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

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

4) Financial liabilities and equity instruments

Classification of liability or equity

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

Equity instruments

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

Hybrid instruments

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

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

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

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

5) Offsetting of financial assets and financial liabilities

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

h. Fair value measurement

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

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

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

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

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

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

i. Inventory

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

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

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

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

j. Investments accounted for using the equity method

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

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

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

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

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

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

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

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

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

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

k. Property, plant, and equipment

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

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

Transportation vehicle: 5 years
Office equipment: 3-15 years
Leasehold improvements: 3-10 years
Other equipment: 3-10 years

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

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

l. Lease

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

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

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

The Company is the lessee

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

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

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

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

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

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

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

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

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

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

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

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

m. Intangible assets

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

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

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

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

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

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

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

n. Non-monetary impairment

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

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

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

o. Revenue Recognition

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

Sales of goods

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

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

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

Provision of service

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

p. 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.

q. Retirement pension plan

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

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

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

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

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

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

r. Share-based payment transaction

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

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

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

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

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

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

s. 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.

<u>Income tax in the current period</u>

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.

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

Estimates and assumptions

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

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

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

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

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 Company operates. Amounts recognized are based on different elements, for instance, the past experience of tax review and the taxation subject may have different interpretations of the tax law from the taxation authority. Differences in these interpretations could lead to various issues due to the conditions of the countries of the Company’s operations.

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

6. <u>Explanations of Significant Accounting Items</u>

a. Cash and cash equivalents

	2025.12.31	2024.12.31
Cash on hand and petty cash	$15,364	$13,057
Checks and demand deposit	1,287,777	1,231,703
Fixed deposit (Note)	215,550	415,550
Total	$1,518,691	$1,660,310

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.

(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	$-

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

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	196,312	112,740
Subtotal	221,172	132,740
Valuation adjustment	41,252	1,884
Total	$262,424	$134,624
Current	$-	$-
Non-current	262,424	134,624
Total	$262,424	$134,624

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

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

3) The Company 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	$775,610	$331,500
Current	$772,610	$328,500
Non-current	$3,000	$3,000

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

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

e. Notes receivable

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

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

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

The Company assesses information related to impairment and allowance for impairment using regulations from IFRS 9. Please refer to Note 6(20) for details. Please refer to Note 12 for information on credit risk.

f. Net accounts receivable and accounts receivable - related parties

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

	2025.12.31	2024.12.31
Total accounts receivable	$494,991	$520,242
Less: allowance for loss	(418)	(418)
Subtotal	494,573	519,824
Total accounts receivable - related parties	796,110	714,071
Less: allowance for loss	-	-
Subtotal	796,110	714,071
Total	$1,290,683	$1,233,895

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

3) The Company’s credit line to customers is usually 60-120 days. The total carrying amounts were NT$1,291,101 thousand and NT$1,234,313 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
Goods on hand	$3,055,051	$2,618,184

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

2) The Company recognized cost of inventories of NT$13,486,755 thousand and NT$12,466,221 thousand on December 31, 2025 and December 31, 2024 as expenses respectively. These expenses included the following:

Item	2025	2024
Allowance for inventory valuation and obsolescence loss(gains on recovery)	$-	$-
Inventory scrap loss	51,237	48,220
Inventory loss	4,392	9,120
Total	$55,629	$57,340

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

h. Investments accounted for using the equity method

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

	2025.12.31		2024.12.31	
Investee	Amount	Shareholding ratio	Amount	Shareholding ratio
Investment in subsidiary:				
Ivy Biotechnology Co., Ltd.	$173,220	100%	$168,175	100%
Bai-Lin Logistics Co., Ltd.	12,605	100%	11,745	100%
Great Tree Pets Co., Ltd.	111,869	100%	104,354	100%
Great tree Pharmacy Hong Kong Limited	127,130	100%	124,025	100%
Enki Biomedical Co., Ltd.	7,069	100%	5,717	100%
GREAT TREE INTERNATIONAL SDN.BHD.	12,488	74.26%	9,514	74.26%
SUNYAO Healthcare Co., Ltd.	18,516	80%	24,000	80%
DA FENG Logistics Co., Ltd.	37,268	85.71%	-	-%
Subtotal	500,165		447,530	
Investment in associates:				
Keychain Community Technology Co., Ltd.	-	-%	-	-%
Total	$500,165		$447,530	

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

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

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

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

4) 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.

5) The Company has resolved through the Board of Directors to increase the capital of the subsidiary, Great Tree Pets Co., Ltd., by NT$40,000 thousand, and the funds were remitted in March 2025.

6) The Company has resolved through the Board of Directors to increase the capital of the subsidiary, Great Tree Pharmacy Hong Kong Limited, by US$900 thousand, and the funds were remitted in October 2025.

7) The aforementioned investments accounted for under the equity method have not been provided with collateral.

i. Property, plant, and equipment

	Transportation vehicle	Office equipment	Leasehold improvements	Other equipment	Unfinished constructions and equipment pending inspection	Total
Cost:						
2025.01.01	$13,516	$847,399	$813,941	$382,822	$-	$2,057,678
Acquisition	4,841	161,824	113,613	13,059	1,800	295,137
Disposal	(551)	(9,337)	(5,724)	(4,439)	-	(20,051)
Transfer	-	-	-	-	-	-
2025.12.31	$17,806	$999,886	$921,830	$391,442	$1,800	$2,332,764

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

	Transportation vehicle	Office equipment	Leasehold improvements	Other equipment	Unfinished constructions and equipment pending inspection	Total
2024.01.01	$13,516	$672,656	$702,621	$357,357	$-	$1,746,150
Acquisition	-	176,958	114,328	25,465	-	316,751
Disposal	-	(2,215)	(3,008)	-	-	(5,223)
Transfer	-	-	-	-	-	-
2024.12.31	$13,516	$847,399	$813,941	$382,822	$-	$2,057,678
Depreciation and impairment:						
2025.01.01	$13,516	$456,118	$473,550	$280,245	$-	$1,223,429
Depreciation	807	100,375	98,135	40,708	-	240,025
Disposal	(551)	(5,002)	(2,543)	(4,240)	-	(12,336)
Transfer	-	-	-	-	-	-
2025.12.31	$13,772	$551,491	$569,142	$316,713	$-	$1,451,118
2024.01.01	$13,516	$365,171	$381,405	$221,797	$-	$981,889
Depreciation	-	91,305	92,550	58,448	-	242,303
Disposal	-	(358)	(405)	-	-	(763)
Transfer	-	-	-	-	-	-
2024.12.31	$13,516	$456,118	$473,550	$280,245	$-	$1,223,429
Net carrying amount:						
2025.12.31	$4,034	$448,395	$352,688	$74,729	$1,800	$881,646
2024.12.31	$-	$391,281	$340,391	$102,577	$-	$834,249

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

j. Intangible assets

	Computer software	Trademarks	Total
Cost:			
2025.01.01	$82,785	$14,286	$97,071
Acquisition - separately acquired	51,145	-	51,145
Derecognition upon maturity and disposal	(1,165)	-	(1,165)
2025.12.31	$132,765	$14,286	$147,051

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

	Computer software	Trademarks	Total
2024.01.01	$50,928	$14,286	$65,214
Acquisition - separately acquired	31,913	-	31,913
Derecognition upon maturity and disposal	(56)	-	(56)
2024.12.31	$82,785	$14,286	$97,071
Amortization and impairment:			
2025.01.01	$40,741	$-	$40,741
Amortization	22,276	-	22,276
Derecognition upon maturity and disposal	(118)	-	(118)
2025.12.31	$62,899	$-	$62,899
2024.01.01	$22,499	$-	$22,499
Amortization	18,275	-	18,275
Derecognition upon maturity and disposal	(33)	-	(33)
2024.12.31	$40,741	$-	$40,741
Net carrying amount:			
2025.12.31	$69,866	$14,286	$84,152
2024.12.31	$42,044	$14,286	$56,330

Amortization for recognition of intangible assets is as follows:

	2025	2024
Operating expenses	$22,276	$18,275

(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	$30,578
Refundable deposits	398,963	389,674
Total	$419,497	$420,252

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	2.08%~2.13%	595,000	255,000
Total		$795,000	$455,000

2) As of December 31, 2025 and December 31, 2024 respectively, the Company'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	$395,433	$319,032
Equipment payable	18,623	36,631
Net defined benefit liabilities - current	37	37
Total	$414,093	$355,700

(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 Company's long-term loan agreement stipulates that the anticipated real estate to be acquired must be provided as collateral. On September 19, 2022, the Company 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 Company.

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

(H) Conversion price and adjustments:

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

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 declared conversion amount of the Company's second batch of unsecured convertible bonds has reached NT$408,500 thousand, and 1,508 thousand shares of ordinary shares have been converted. The net amount 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’s employee retirement method adopts the defined allocation plan pursuant to the Labor Pension Act. Pursuant to the Act, the Company is obligated to allocate no less than 6% of its employee's monthly salary as employee pension. The Company has established employee retirement method in accordance with the Act, and allocates 6% based on each employee's salary to his/her respective individual retirement account (IRA) at the Bureau of Labor Insurance.

The Company recognized defined allocation expense of NT$72,128 thousand and NT$61,505 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 the compensation objective without excessive risk. As of December 31, 2025, the

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

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	$47	$55

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

	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	(6,746)	(6,020)	(5,278)
Other non-current liabilities - net defined benefit liabilities recorded	$2,306	$2,757	$4,187

(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	295	-	295

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

	Present value of the defined benefit obligations	Fair value of plan assets	Net defined plan liabilities (assets)
financial assumptions			
Experience-based adjustments	(169)	-	(169)
Remeasurement of defined benefit assets	-	(400)	(400)
Subtotal	126	(400)	(274)
Benefits paid	-	-	-
Employer allocations	-	(224)	(224)
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$11,000,000 was applied, resulting in the issuance of 45,000 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

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

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 1, 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	$1,403,431	$1,311,886

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

3) Appropriation of net income and dividend policy

a) Appropriation of net income

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

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

b) Dividend policy

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

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

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

c) Legal capital reserve

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

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

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	0.06	1.30

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

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

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

(2) 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	$31.90
2022.12.15	4,500	$168.30

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

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

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

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

2) Information on the employee stock option plan issued for the years ended December 31, 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)	34.96
Stock options expired for the period	(361)	-	(795)	-
Outstanding stock options on December 31	3,852	$151.24	4,721	$165.48

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

	2025		2024	
	Number of outstanding stock options (unit)	Weighted-average Execution price (NT$)	Number of outstanding stock options (unit)	Weighted-average Execution price (NT$)
Executable stock options on December 31	3,340		3,841	
Weighted-average fair value of the stock options granted in the current period		$-		$-

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

	Execution price	Weighted-average remaining duration (year)
2025.12.31		
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
2024.12.31		
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:

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

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

s. Operating revenue

	2025	2024
Revenue from customer contracts		
Revenue from sale of goods	$18,582,073	$17,002,787
Revenue from provision of service	54,762	49,155
Total	$18,636,835	$17,051,942

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

1) Breakdown of revenue

	2025	2024
	Single department	Single department
Sales revenue	$18,582,073	$17,002,787
Service revenue	54,762	49,155
Total	$18,636,835	$17,051,942
Timing of revenue recognition:		
At a fixed point in time	$18,636,835	$17,051,942

2) Contract balance

a) Contract liability - current

	2025.12.31	2024.12.31	2024.01.01
Sales of goods	$1,035	$1,132	$598
Customer loyalty program	13,907	10,097	18,125
Total	$14,942	$11,229	$18,723

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

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	$(484)	$(9,710)
Increase in advance payment for the period	387	13,520

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

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

t. Expected credit loss (gain)

	2025	2024
Operating expenses - expected credit loss Accounts receivable	$-	$-

Please refer to Note 12 for information on credit risk.

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

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

As of December 31, 2025

	Not overdue (Note)	Days overdue: 31-180 days	Days overdue: More than 181 days	Total
Total carrying amount	$1,295,037	$-	$29	$1,295,066
Rate of loss	0%	100%	100%	
Expected lifetime credit loss	(389)	-	(29)	(418)
Carrying amount	$1,294,648	$-	$-	$1,294,648

December 31, 2024

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

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

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

	Notes receivable	Accounts receivable
2025.01.01	$-	$418
Recognized in the period	-	-
2025.12.31	$-	$418
2024.01.01	$-	$418
Recognized in the period	-	-
2024.12.31	$-	$418

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

u. Lease

1) The Company is the lessee

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

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

a) Amount recognized in the balance sheet

i. Right-of-use assets

	Building and construction
Cost:	
2025.01.01	$6,503,380
Acquisition	921,873
Disposal	(45,262)
2025.12.31	$7,379,991
2024.01.01	$5,459,795
Acquisition	1,043,585
Disposal	-
2024.12.31	$6,503,380
Depreciation and impairment:	
2025.01.01	$2,646,338
Depreciation	566,237
Disposal	(26,755)
2025.12.31	$3,185,820
2024.01.01	$2,148,335
Depreciation	498,003
Disposal	-
2024.12.31	$2,646,338
Carrying amount:	
2025.12.31	$4,194,171
2024.12.31	$3,857,042

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

ii. Lease liabilities

	2025.12.31	2024.12.31
Lease liabilities	$4,384,325	$4,023,294
Current	$511,023	$506,305
Non-current	$3,873,302	$3,516,989

Please refer to Note 6.23 (4) Financing Costs for the Company'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	$(52,402)	$(48,876)
Revenue from sublease of right-of-use assets	50,970	42,053

As of December 31, 2025 and December 31, 2024, the Company's committed short-term lease composition is not similar to the category of the aforementioned lease target related to short-term lease expense, and related lease commitment has amounted to NT$0.

c) Cash outflow related to the lessee and lease activities

The total cash outflow related to lease of the Company in 2025 and 2024 was NT$640,874 thousand and NT$565,121 thousand respectively.

2) The Company is the lessor

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

	2025	2024
Lease revenue recognized from operating lease		
Fixed lease payment	$50,970	$42,053

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

In signing operating lease contracts, the Company 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	$41,704	$39,150
More than 1 but no more than 2 years	34,094	36,515
More than 2 but no more than 3 years	30,829	28,468
More than 3 but no more than 4 years	28,781	25,116
More than 4 but no more than 5 years	26,625	23,053
More than 5 years	100,969	96,365
Total	$263,002	$248,667

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	$-	$1,262,786	$1,262,786	$-	$1,093,929	$1,093,929
Labor and health insurance expenses	-	155,010	155,010	-	136,993	136,993
Pension expenses	-	72,175	72,175	-	61,560	61,560
Remuneration of Directors	-	19,132	19,132	-	18,747	18,747
Other employee benefit expenses	-	123,973	123,973	-	102,540	102,540
Depreciation expenses	-	806,262	806,262	-	740,306	740,306
Amortization expenses	-	22,276	22,276	-	18,275	18,275

Note:

1) As of December 31, 2025 and December 31, 2024, the Company had 2,508 and 2,291 employees in average in which six and six of whom were Directors who do not concurrently hold positions as employees of the Company, respectively.

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

   a) Average employee benefit expenses for 2025 and 2024 were NT$645 thousand and NT$611 thousand respectively.
   b) Average employee salary expenses for 2025 and 2024 were NT$505 thousand and NT$479 thousand respectively.
   c) Average employee salary adjustment has been 5.4%.
   d) The Company has set up an audit committee to replace the supervisor in accordance with the regulations.
   e) The Company’s remuneration policy: on top of basic salaries, as part of the employees’ compensations, the Company may distribute bonuses based on operating conditions to inspire and to retain high-performing employees. In terms of annual salary adjustments, salary adjustment items and amounts are proposed based on employees’ positions and performance separately, while the Board of Directors is authorized to discuss and approve remunerations for Directors in line with the Director’s level of participation in the Company’s operations and value of contribution and in reference in industry practices. The Company’s compensations for managers are handled in accordance with Article 29 of the Company Act.

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.

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

Based on the Company’s profitability conditions, employee compensation and remunerations of the Directors and Supervisors recognized in 2025 were NT$23,114 thousand and NT$4,623 thousand respectively. Employee compensation and remunerations 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	$37,396	$12,584

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

2) Other income

	2025	2024
Rental revenue	$50,970	$42,053
Other income - others	68,692	48,982
Total	$119,662	$91,035

3) Other gains and losses

	2025	2024
Net gain from foreign exchange (loss)	$(367)	$3,782
Net loss from foreign exchange	1,239	-
Gain on disposal of investments	-	5,298
Gain (loss) on disposal of property, plant and equipment	5,561	422
Gain on disposal of intangible assets	-	2
Gain(loss) on financial assets measured at fair value through profit or loss	700	(905)
Gain (loss) on financial assets measured at fair value through profit or loss	(12,685)	-
Total	$(5,552)	$8,599

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	47,376	42,591
Total	$82,371	$57,098

(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:					
Other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method	(5,206)	-	(5,206)	-	(5,206)
Total	$61,266	$-	$61,266	$-	$61,266

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	2,528	-	2,528	$-	2,528

(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
instruments measured at fair value through other comprehensive income					
Items that may subsequently be reclassified to profit or loss:					
Other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method	5,055	-	5,055	-	5,055
Total	$8,845	$-	$8,845	$-	$8,845

y. Income tax

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

<u>Income tax recognized in profit or loss</u>

	2025	2024
Current tax expenses (gains):		
Current tax payable	$151,062	$151,872
Adjustments in respect of current income tax of prior periods	(4,360)	(4,035)
Deferred tax expenses (gains):		
Deferred tax expenses (gains) related to initial recognition of temporary difference and its reversal	(4,397)	3,317
Income tax expense (profit)	$142,305	$151,154

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

Income tax recognized in other comprehensive income

	2025	2024
Deferred tax expenses (gains):		
Remeasurement of defined benefit plans	$-	$-

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

	2025	2024
Profit before tax for continuing operations	$742,726	$831,921
Tax calculated at the domestic tax rate applicable to the income in relevant country	$148,545	$166,384
Tax effects of tax-exempt income	(14,082)	(13,764)
Tax effects of non-deductible expenses	11,831	2,497
Additional profit-seeking enterprise income tax on undistributed earnings	371	72
Adjustments in respect of current income tax of prior periods	(4,360)	(4,035)
Tax expense (benefits) recognized in profit or loss	$142,305	$151,154

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)	Directly recognized in equity	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	762	-	-	2,781
Unrealized profit on sales	6,936	397	-	-	7,333

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

	Beginning balance	Recognized in Profit or loss	Recognized in Other comprehensive income (loss)	Directly recognized in equity	Ending balance
Sales return	464	-	-	-	464
Investments accounted for using the equity method	482	3,282	-	-	3,764
Deferred tax (expense) /gain		$4,397	$-	$-	
Amount of Deferred net tax asset/(liabilities)	$8,323				$12,720
Information stated on balance sheet is as follows:					
Deferred tax assets	$11,051				$15,492
Deferred income tax liabilities	$(2,728)				$(2,772)

2024

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

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

4) 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.

z. Earnings per share (EPS)

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

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

1) Basic EPS

	2025	2024
Net income (in NT$1,000)	$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

2) Diluted EPS

Net profit attributable to holders of ordinary shares of the parent company	$600,421	$680,767
Redemption (put option) gain or loss from the 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

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

	2025	2024
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

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.

7. Related Party Transactions

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

Name and relationship of the related parties

Name of related party	Relations with the Company
Ivy Biotechnology Co., Ltd.	Subsidiary
Bai-Lin Logistics Co., Ltd.	Subsidiary
Da Yu Property Management Co., Ltd.	Subsidiary
Great Tree Pets Co., Ltd.	Subsidiary
GREAT TREE INTERNATIONAL SDN. BHD.	Subsidiary
Enki Biomedical Co., Ltd.	Subsidiary
SUNYAO Healthcare Co., Ltd.	Subsidiary
Great tree Pharmacy Hong Kong Limited	Subsidiary
DA FENG Logistics Co., Ltd.	Subsidiary
Shangtong Greattree Shuyu Pharmacy Limited	Second-tier subsidiary

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

b. Material transaction matters with related parties

1) Sales

	2025	2024
Bai-Lin Logistics Co., Ltd.	$4,702,197	$4,632,282
Great Tree Pets Co., Ltd.	10,376	6,933
Ivy Biotechnology Co., Ltd.	931	2,142
Enki Biomedical Co., Ltd.	5	-
GREAT TREE INTERNATI- ONAL SDN. BHD.	1,876	3,209
Total	$4,715,385	$4,644,566

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

2) Purchases

	2025	2024
Ivy Biotechnology Co., Ltd.	$552,836	$543,950
Enki Biomedical Co., Ltd.	16,656	-
Total	$569,492	$543,950

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

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

3) Lease

Rental revenue

Name of related party	Nature	2025	2024
Ivy Biotechnology Co., Ltd.	Building and construction	$5,283	$5,237
Great Tree Pets Co., Ltd.	Building and construction	9,334	7,980
Total		$14,617	$13,217

4) Operating expenses

Name of related party	Nature	2025	2024
Bai-Lin Logistics Co., Ltd.	Shipping fee	$23,114	$22,704
Da Yu Property Management Co., Ltd.	Rent	2,001	2,001
Da Yu Property Management Co., Ltd.	Others	103	-
DA FENG Logistics Co., Ltd.	Shipping fee	30,795	-
Total		$56,013	$24,705

5) Accounts receivable - related parties

	2025.12.31	2024.12.31
Ivy Biotechnology Co., Ltd.	$465	$13
Bai-Lin Logistics Co., Ltd.	789,556	708,478
Great Tree Pets Co., Ltd.	5,749	5,190
Da Yu Property Management Co., Ltd.	340	340
Great tree Pharmacy Hong Kong Limited	-	50
Less: allowance for loss	-	-
Net balance	$796,110	$714,071

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

6) Other receivables - related parties

	2025.12.31	2024.12.31
Ivy Biotechnology Co., Ltd.	$25,720	$19,112
Da Yu Property Management Co., Ltd.	1	-
Great Tree Pets Co., Ltd.	5,625	20,299
GREAT TREE INTERNATIONAL SDN. BHD.	1,876	2,929
Enki Biomedical Co., Ltd.	2,276	-
SUNYAO Healthcare Co., Ltd.	326	59
Senyu Biomedical Co., Ltd.	5,134	-
Great tree Pharmacy Hong Kong Limited	50	-
Shangtong Greattree Shuyu Pharmacy Limited	142	-
Total	$41,150	$42,399

7) Notes payable - related parties

	2025.12.31	2024.12.31
Ivy Biotechnology Co., Ltd.	$226,639	$155,086

8) Accounts payable - related parties

	2025.12.31	2024.12.31
Ivy Biotechnology Co., Ltd.	$49,332	$90,528
Great Tree Pets Co., Ltd.	9	21
Bai-Lin Logistics Co., Ltd.	15,837	16,236
Enki Biomedical Co., Ltd.	564	-
Total	$65,742	$106,785

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

9) Other payables - related parties

	2025.12.31	2024.12.31
Ivy Biotechnology Co., Ltd.	$118	$118
Bai-Lin Logistics Co., Ltd.	124	124
DA FENG Logistics Co., Ltd.	7,976	-
Total	$8,218	$242

10) Receivables - Related party (listed under other current liabilities)

	2025.12.31	2024.12.31
DA FENG Logistics Co., Ltd.	$153	$-

11) Guarantee deposits

	2025.12.31	2024.12.31
Ivy Biotechnology Co., Ltd.	$20	$240

12) Bonuses for the Company’s key managerial officers

	2025	2024
Short-term employee benefits	$20,992	$21,216
Retirement benefits	490	595
Share-based payment	5	16
Total	$21,487	$21,827

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

8. Assets Pledged

The Company has pledged the following assets as collateral:

Item	Carrying amount 2025.12.31	Carrying amount 2024.12.31	Content of the secured liabilities
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

On September 19, 2022, the Company 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 Company 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 ordi nary shares or domestic unsecured convertible corporate bonds within a quota not exceeding 30 million ordinary shares.

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

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 at fair value through other comprehensive income (loss)	262,424	134,624
Financial assets measured at amortized cost:		
Cash and cash equivalents	1,503,327	1,647,253
Financial assets measured at amortized cost	775,610	331,500
Notes receivable	3,965	7,659
Accounts receivable	494,573	519,824
Accounts receivable - related parties	796,110	714,071
Other receivables	404,138	280,743
Other receivables - related parties	41,150	42,399
Subtotal	4,018,873	3,543,449
Total	$4,283,097	$3,678,073

Financial liabilities

	2025.12.31	2024.12.31
Financial liabilities at amortized cost:		
Short-term loans	$795,000	$455,000
Accounts payable	3,267,937	2,936,563
Long-term loans	1,440	-
Bonds payable (including those maturing within 12 months)	946,928	802,392
Lease liabilities	4,384,325	4,023,294
Total	$9,395,630	$8,217,249

b. Objective and policy of financial risk management

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

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

c. Market risk

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

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

Exchange rate risk

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

Interest rate risk

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

Sensitivity analysis for interest rate risk mostly targets interest rate exposure items after the reporting period and includes variable rate investments. It adopts the assumption that in a given accounting period, when the interest increases or decreases by 0.1%, the Group's 2025 and 2024 income will increase by NT$1,291 thousand and decrease by NT$1,105 thousand respectively.

Equity price risk

The Company 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 Company includes the category of that measured at fair value through other comprehensive income. The Company 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 Company, 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 Company's equity as at 31 December 2025 and 2024 amounts to NT$263 thousand and NT$135 thousand, respectively.

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

d. Credit risk management

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

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

As of December 31, 2025 and December 31, 2024, with the exception of accounts receivable from subsidiary, Bai-Lin Logistics Co., Ltd., which accounts 60.97% and

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

57.04% of the Company's accounts receivable respectively, the Company has not had concentration of credit risk on individual customers, hence credit risk should be moderate.

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

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

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

e. Liquidity risk management

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

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years or above	Total
2025.12.31							
Short-term loans	$803,492	$-	$-	$-	$-	$-	$803,492
Accounts payable	3,267,937	-	-	-	-	-	3,267,937
Long-term loans	28	28	85	375	375	686	1,577
Bonds payable	-	-	1,000,000	-	-	-	1,000,000
Lease liabilities	606,661	578,923	559,482	540,280	497,808	1,770,158	4,553,312

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

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years or above	Total
2024.12.31							
Accounts payable	$2,936,563	$-	$-	$-	$-	$-	$2,936,563
Bonds payable	811,500	-	-	-	-	-	811,500
Lease liabilities	539,101	521,794	493,894	475,282	454,375	1,666,992	4,151,438

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	$-	$100,727	$4,023,294	$802,392	$5,381,413
Cash flow	340,000	1,440	23,939	(588,472)	210,471	(12,622)
Non-cash changes						
Changes in scope of lease for the period	-	-	-	902,127	-	902,127
Interest expenses	-	-	-	47,376	17,736	65,112
Others	- -	- -	-	-	(83,671)	(83,671)
2025.12.31	$795,000	$1,440	$124,666	$4,384,325	$946,928	$6,252,359

Information on adjustments of liabilities in 2024:

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

g. Fair value of financial instruments

1) Valuation technique and assumptions used in measuring fair value

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

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

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

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

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

2) Fair value of financial instruments measured at amortized cost

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

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

Embedded derivative financial instruments

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

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

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:

Fair value ranked information of financial instruments:

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	-	-	195,092	195,092
Subtotal	$67,332	$-	$196,892	$264,224

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

December 31, 2024:

	Rank 1	Rank 2	Rank 3	Total
Financial assets measured at fair value through profit or loss				
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	-	-	111,704	111,704
Subtotal	$22,920	$-	$111,704	$134,624

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.

Details on changes in repetitive fair value rank 3

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

	Asset	
	Measured at fair value through profit and loss	Measured at fair value through other comprehensive income
	Derivative instruments	Stock
2025.01.01	$-	$111,704
Acquisition/Issuance	1,100	118,911
Disposal/Settlement for the period	-	(39,729)
Recognized in profit or loss (stated in "Other gains and losses")	700	-
Recognized in other comprehensive income		

	Asset	
	Measured at fair value through profit and loss	Measured at fair value through other comprehensive income
	Derivative instruments	Stock
(presented in "Unrealized gains or losses on equity investments measured at fair value through other comprehensive income")	-	67,426
Transfers to and from rank 3		(63,220)
2025.12.31	$1,800	$195,092

	Asset	
	Measured at fair value through profit and loss	Measured at fair value through other comprehensive income
	Derivative instruments	Stock
2024.01.01	$905	$84,671
Acquisition/Issuance	-	47,425
Recognized in profit or loss (stated in "Other gains and losses")	(905)	-
Recognized in other comprehensive income (presented in "Unrealized gains or losses on equity investments measured at fair value through other comprehensive income")	-	(392)
Transfers to and from rank 3	-	(20,000)
2024.12.31	$-	$111,704

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.

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

Information on material unobservable input in fair value rank 3

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

As of 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:					
Measured at fair value through profit and loss					
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 Company will increase/decrease by NT$0 thousand
Financial assets at fair value through other comprehensive income (loss)					
Stock	Market Law	Lack of liquidity discount	30%	The higher the degree of lack of liquidity, the lower the fair value estimation	When the percentage of lack of liquidity increases (decreases) by 1%, the equity in the Company will decrease/increase by NT$1,963 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:					
Measured at fair value through profit and loss					
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 Company will increase/decrease by NT$0 thousand
Financial assets at fair value through other comprehensive income (loss)					
Stock	Market Law	Lack of liquidity discount	30%	The higher the degree of lack of liquidity, the lower the fair value estimation	When the percentage of lack of liquidity increases (decreases) by 1%, the equity in the Company will decrease/increase by NT$874 thousand

(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 the currency with material effect: Not applicable.

k. Capital management

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

13. 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.

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.

(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)	$1,463	$-	$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)	$46,414	$-	$68,006	$68,006	

(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)	$42,367	$-	$63,901	$- (Note 4)	$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.

14. Departmental Information

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

Table 1.

Great Tree Pharmacy Co., Ltd.

The material negotiable securities held at the end of the period (excluding investment subsidiaries, affiliates enterprises and joint venture interests)

As of 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.	Stock							
	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		$262,424		$262,424	

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.

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%	
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%	
									Accounts payable $49,332	2.52%	

Table 3.

Great Tree Pharmacy Co., Ltd.

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

As of December 31, 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	6.28	$-	-	$112,727	$-

Table 4.

Great Tree Pharmacy Co., Ltd.

Detailed information regarding the names and locations of investee companies (excluding those in Mainland China)

As of 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)	
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	$7,846	$7,846	
Great Tree Pharmacy Co., Ltd.	Great Tree Pets Co., Ltd.	18F., No.186, Fuxing Road, Taoyuan District, Taoyuan City	Retail business of animal medication, aquarium fish, and retail and wholesale business of pet food and supply	$250,000	$210,000	25,000,000shares	100.00%	$111,869	$(32,485)	$(32,485)	
Great Tree Pharmacy Co., Ltd.	GREAT TREE INTERNATIONAL SDN. BHD.	No. 39-1, Jalan Anggerik Vanilla BF 31/BF, Kota Kemuning, Seksyen31, 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	
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	
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	
			Investment business	$150,057	$122,354	4,750,000shares	100.00%	$127,130	$(18,761)	$(18,761)	

Name of investing company	Investee	Location	Major operations	Initial investment amount		Ending balance			Profit(Loss)of Investee for the Period	Investment income (loss) recognized by the Company for the period	Remark
				Ending balance for the period	Year-end in previous year	Shareholding	Rate%	Carrying amount			
Great Tree Pharmacy Co., Ltd.	Great tree Pharmacy Hong Kong Limited	RM 2006-8, 20/F Two Chinachem Exchange Square 338 King's RD North Point HK									
Great Tree Pharmacy Co., Ltd.	SUNYAO Healthcare Co., Ltd.	20F., No.186, Fuxing Road, Taoyuan District, Taoyuan City	Wholesale and retail business of foods and assorted goods, beverages, daily supplies, cleaning products, and cosmetics.	$24,000	$24,000	2,400,000shares	80.00%	$18,516	$(6,855)	$(5,484)	
Ivy Biotechnology Co., Ltd.	Da Yu Property Management Co., Ltd.	18F., No.186, Fuxing Road, Taoyuan District, Taoyuan City	Management consultancy, housing and commercial building development, lease and sales, development of special zones, real estate sales and lease, and development, lease, and sales of factory buildings	$24,000	$30,000	2,400,000shares	60.00%	$21,973	$1,088	$653	
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	
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 PLAZA2-6 GRANVILLE RD TST KL	Investment business	$122,898	$122,898	3,800,000shares	95.00%	$100,526	$(19,721)	$(18,735)	
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 and trade business	$27,703	$-	900,000shares	90.00%	$25,139	$-	$-	(Note 2)
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)	
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	$1,736	$1,042	

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.

Table 5.

Great Tree Pharmacy Co., Ltd.

The material negotiable securities held at the end of the period (excluding investment subsidiaries, affiliates enterprises and joint venture interests)

As of 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.	Stock							
	Hund Biotech Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income	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		$3,000		$3,000	

Note 1: The term "marketable securities" as used in this table refers to stocks, bonds, beneficiary certificates and securities derived from the above-mentioned items within the scope of IAS 9 "Financial Instruments".

Note 2: Issuers of marketable securities that are not related persons are exempt from this column.

Note 3: For those listed marketable securities are subject to restricted use due to provision of collateral, pledged loans or other agreements, they shall be indicated in the remarks column for the number of guaranteed or pledged shares, the amount of guarantee or pledged and the restricted usage.

Table 6.

Great Tree Pharmacy Co., Ltd.

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

For 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 accounts receivable (payable) notes	
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%	
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%	

Table 7.

Great Tree Pharmacy Co., Ltd.

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

As of December 31, 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	2.12	$-	-	$218,066	$-

STATEMENT 1

Great Tree Pharmacy Co., Ltd.

1. Statement of Cash and Cash Equivalents

As of December 31, 2025

Unit: Thousands of New Taiwan Dollars (NT$1,000)/thousands of foreign currency

Item	Summary	Amount	Remark
Cash on hand and petty cash		$15,364	1. Exchange rate on December 31, 2025: USD1=NTD31.43 CNY1=NTD4.496 JPY1=NTD0.2008 HKD1=NTD4.038 2. The cash and bank deposits listed have not had conditions of endorsement/guarantee.
Demand and check deposit:			
Demand and check deposit - NT$		1,253,073	
Demand deposit - Foreign currency		34,704	JPY70,080, USD550, CNY782, HKD4
Subtotal		1,287,777	
Fixed deposit:			
Fixed deposit - NT$	Interest rate: 1.26% to 1.68%; The expiration dates will begin on February 26, 2026 and gradually expire over time.	215,550	
Total		$1,518,691	

STATEMENT 2

Great Tree Pharmacy Co., Ltd.
2. Details on Net Accounts Receivable
As of December 31, 2025
Unit: in NT$1,000

Name of customer	Summary	Amount	Remark
Others	Balance from each customer does not exceed 5% of the balance of this account.	$494,991	Accounts receivable listed to the left arise from sale of goods from non-related party.
Less: allowance for loss		(418)	
Net balance		$494,573	

STATEMENT 3

Great Tree Pharmacy Co., Ltd.
3. Details on Other Receivables
As of December 31, 2025
Unit: in NT$1,000

Item	Amount	Remark
Discount on purchases receivable	$367,677	Note: The balance for all other customers did not exceed 5% of the balance of this account.
Others	36,461	
Total	$404,138	

STATEMENT 4

Great Tree Pharmacy Co., Ltd.
4. Details on Inventories, Net
As of December 31, 2025
Unit: in NT$1,000

Item	Amount		Remark
	Cost	Net Realizable Value	
Commodity	$3,060,802	$6,146,521	1. The inventory listed to the left have not had conditions of endorsement/guarantee. 2. Except for same-type inventories, the comparison of cost and net realizable value should be compared one-by-one.
Less: allowance for valuation and obsolescence loss	(5,751)		
Net balance	$3,055,051		

STATEMENT 5

Great Tree Pharmacy Co., Ltd.

5. Details on changes in financial assets measured at fair value through other comprehensive income

For the year ended December 31, 2025

Unit: in NT$1,000/thousands of shares

Name	Beginning balance		Increase in the period		Decrease in the period		Ending balance		Conditions of provision of guarantee or pledge	Remark
	Shareholding	Amount	Shareholding	Amount	Shareholding	Amount	Shareholding	Carrying value		
Stock										
Top Taiwan XIV Venture Capital Co., Ltd.	5,000	$50,000	-	$-	-	$-	5,000	$50,000	None	
Add: Valuation adjustment		(1,036)		-		184		(1,220)		
Yoda Pharmaceuticals Inc.	1,763	25,900	205	9,439	878	12,899	1,090	22,440	None	
Add: Valuation adjustment		-		40,780		-		40,780		
AnnJi Pharmaceutical Co., Ltd.	667	20,000	-	-	586	17,580	81	2,420	None	
Add: Valuation adjustment		2,920		-		1,228		1,692		
Penpeer Co., Ltd.	267	12,000	-	-	-	-	2,133	12,000	None	
Add: Valuation adjustment		-		-		-		-		
ExoOne Biotech Inc.	1,080	24,840	1,080	24,840	-	-	2,160	49,680	None	
Add: Valuation adjustment		-		-		-		-		
Leeuwenhoek Laboratories Co., Ltd.	-	-	1,000	15,000	-	-	1,000	15,000	None	
Add: Valuation adjustment		-		-		-		-		
APN LIFESCIENCES INC.	-	-	435	12,216	-	-	435	12,216	None	
Add: Valuation adjustment		-		-		-		-		
TSA INTERNATIONAL CO., LTD.	-	-	300	27,000	-	-	300	27,000	None	
Add: Valuation adjustment		-		-		-		-		
NORNS CO., LTD.	-	-	332	15,016	-	-	332	15,016	None	
Add: Valuation adjustment		-		-		-		-		
Pulxion Medical Technology CO., LTD.	-	-	2,350	15,400	-	-	2,350	15,400	None	
Add: Valuation adjustment		-		-		-		-		
Total		$134,624		$159,691		$31,891		$262,424		

STATEMENT 6

Great Tree Pharmacy Co., Ltd.

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

For the year ended December 31, 2025

Unit: in NT$1,000

Investee	Beginning balance		Increase in the period		Decrease in the period		Ending balance			Market value or net value		Collateral or pledge	Remark
	Shareholding	Amount	Shareholding	Amount	Shareholding	Amount	Shareholding	Shareholding ratio	Amount	Unit Price (NT$)	Total price		
Ivy Biotechnology Co., Ltd.	5,900,000	$168,175	-	$89,238 (Note 1)	-	$(84,193) (Note 2)	5,900,000	100.00%	$173,220	$35.77	$211,044	None	
Bai-Lin Logistics Co., Ltd.	200,000	11,745	-	7,846 (Note 3)	-	(6,986) (Note 2)	200,000	100.00%	12,605	63.03	12,605	None	
Great Tree Pets Co., Ltd.	21,000,000	104,354	4,000,000	40,000 (Note7)	-	(32,485) (Note 3)	25,000,000	100.00%	111,869	4.47	111,869	None	
GREAT TREE INTERNATIONAL SDN. BHD.	1,500,000	9,514	-	2,974 (Note 4)	-	-	1,500,000	74.26%	12,488	8.32	12,484	None	
Enki Biomedical Co., Ltd.	1,500,000	5,717	-	1,352 (Note 3)	-	-	1,500,000	100.00%	7,069	4.71	7,069	None	
Great tree Pharmacy Hong Kong Limited	3,850,000	124,025	900,000	27,703 (Note7)	-	(24,598) (Note 5)	4,750,000	100.00%	127,130	26.76	127,130	None	
DA FENG Logistics Co., Ltd.	-	-	3,000,000	37,268 (Note 6)	-	-	3,000,000	85.71%	37,268	12.42	37,268	None	
SUNYAO Healthcare Co., Ltd.	2,400,000	24,000	-	-	-	(5,484) (Note 3)	2,400,000	80.00%	18,516	7.72	18,516	None	
Total		$447,530		$206,381		$(153,746)			$500,165		$537,985		

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, and foreign currency translation adjustments of NT$8 thousand.

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

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

Note 4: This includes investment income recognized using the equity method for the current period amounting to NT$2,351 thousand and foreign currency translation adjustments of NT$623 thousand.

Note 5: This includes investment losses recognized under the equity method for the current period amounting to NT$(18,761) thousand and foreign currency translation adjustments of NT$(5,837) thousand.

Note 6: This includes an increase in investment of NT$30,000 thousand and investment income recognized using the equity method for the current period amounting to NT$7,268 thousand.

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

STATEMENT 7

Great Tree Pharmacy Co., Ltd.

7. Details on Other Non-Current Assets

As of December 31, 2025

Unit: in NT$1,000

Item	Amount	Remark
Prepaid equipment	$20,534	
Refundable deposits		
Rental deposit	119,938	
Land Tender Fees	251,995	
Others	27,030	
Subtotal	398,963	
Total	$419,497	

STATEMENT 8

Great Tree Pharmacy Co., Ltd.
8. Details of Short-Term Borrowings
As of December 31, 2025
Unit: in NT$1,000

Creditor	Nature of Loan	Ending balance	Contract Term	Interest Rate	Collateral or Guarantee	Remark
Bank of Taiwan	Credit Loan	$200,000	2025.08.11-2026.08.11	1.82%	None	
O-Bank	Secured Loan	255,000	2025.10.25-2026.01.23	2.08%	Ordinary corporate bonds	Please refer to Note 8 of the Financial Statements
O-Bank	Secured Loan	170,000	2025.04.24-2026.01.23	2.13%	Ordinary corporate bonds	Please refer to Note 8 of the Financial Statements
O-Bank	Secured Loan	170,000	2025.04.30-2026.01.23	2.13%	Ordinary corporate bonds	Please refer to Note 8 of the Financial Statements
Total		$795,000				

STATEMENT 9

Great Tree Pharmacy Co., Ltd.
9. Details on Notes Payable
As of December 31, 2025
Unit: in NT$1,000

Name of supplier	Summary	Amount	Remark
A supplier		$48,584	The notes listed to the left arise from business operations and are all notes from non-related parties.
Others	The balance for all other customers did not exceed 5% of the balance of this account.	611,140	
Total		$659,724	

STATEMENT 10

Great Tree Pharmacy Co., Ltd.
10. Details on Accounts Payable
As of December 31, 2025
Unit: in NT$1,000

Name of supplier	Summary	Amount	Remark
B supplier		$123,135	Accounts payable listed to the left arise from business operations and are all accounts from non-related parties.
Others	The balance for all other customers did not exceed 5% of the balance of this account.	1,770,386	
Total		$1,893,521	

STATEMENT 11

Great Tree Pharmacy Co., Ltd.

11. Details on Other Payables

As of December 31, 2025

Unit: in NT$1,000

Item	Amount	Remark
Salary and bonus payable	$177,551	
Interest payable	7,052	
Employee compensation payable	48,974	
Accrued Directors' Remunerations	4,623	
Equipment payable	18,623	
Insurance expenses payable	26,734	
Service fees payable	1,797	
Pension payable	12,850	
Net defined benefit liabilities	37	
Others	115,852	
Total	$414,093	

STATEMENT 12

Great Tree Pharmacy Co., Ltd.

12. Details on Changes in Tax Liabilities in the Period

For the year ended December 31, 2025

Unit: in NT$1,000

Item	Amount	Remark
Beginning balance	$72,534	
Add: estimated income tax of profit-making business in the current period for 2025	151,062	
Less: 2024 business income tax paid in the period	(67,935)	
Temporary and interest withholding tax paid for this period	(78,692)	
Adjustments in respect of current income tax of prior periods	(4,360)	
Others	(239)	
Ending balance	$72,370	

STATEMENT 13

Great Tree Pharmacy Co., Ltd.
13. Details on Lease Liabilities
As of December 31, 2025
Unit: in NT$1,000

Item	Lease term	Discount rate	Ending balance	Remark
Building and construction	2006/2/1~2037/12/15	1.20%	$4,384,325	
less: lease liabilities due within 12 months			(511,023)	
Lease liabilities due after 1 year or more			$3,873,302	

Great Tree Pharmacy Co., Ltd.
14. Details of Long-Term Borrowings
As of December 31, 2025
Unit: in NT$1,000

Creditor	Summary	Loan amount	Contract Term	Interest Rate	Collateral or guarantor
Bank of Taiwan	Secured Loan	$1,440	2025.11.20-2032.12.15	1.94%	Land
Less: Long-term loans due within one year		-			
Long-term loans maturing in more than one year		$1,440			

STATEMENT 15

Great Tree Pharmacy Co., Ltd.

15. Details on Changes in Net Defined Benefit Liabilities

For the year ended December 31, 2025

Unit: in NT$1,000

Item	Amount	Remark
Beginning balance	$2,720	
Add: beginning recognition of expenses payable	37	
Recognized in the period	47	
Actuarial gain (loss)	(274)	
Less: appropriated to Department of Trust, Bank of Taiwan in the period	(224)	
Ending balance of expenses payable	(37)	
Ending balance	$2,269	

Great Tree Pharmacy Co., Ltd.
16. Details on Guarantee Deposit
As of December 31, 2025
Unit: in NT$1,000

Item	Amount	Remark
Purchase guarantee for suppliers	$102,834	
Rental deposit	21,832	
Total	$124,666	

STATEMENT 17

Great Tree Pharmacy Co., Ltd.

17. Details on Net Operating Revenue

For the year ended December 31, 2025

Unit: in NT$1,000

Item	Quantity (Note)	Amount	Remark
Sales revenue			Note:The Company is a chain pharmacy channel and sells many types of products with varying quantities. Therefore, a consistent count of quantities sold is not possible.
Maternity and infant products		$6,408,211	
National Health Insurance (NHI) prescription drugs		3,141,989	
Health care supplements		5,275,466	
Health care products		2,820,618	
Others		1,194,973	
Service revenue		54,659	
Total		$18,895,916	

STATEMENT 18

Great Tree Pharmacy Co., Ltd.
18. Details on Net Operating Costs
For the year ended December 31, 2025
Unit: in NT$1,000

Item	Amount	Remark
Acquired cost of sales		
Beginning inventory	$2,623,935	
Add: net purchases in the period	13,923,622	
Less: ending inventory	(3,060,802)	
Inventory scrapped	(51,237)	
Loss on physical inventory	(4,392)	
Cost of goods sold	13,431,126	
Add: scrapped inventory	51,237	
Loss on physical inventory	4,392	
Operating costs	$13,486,755	

STATEMENT 19

Great Tree Pharmacy Co., Ltd.

19. Details on Selling and Marketing Expenses

For the year ended December 31, 2025

Unit: in NT$1,000

Item	Amount	Remark
Salary expenses	$959,812	The balance for all other items did not exceed 5% of the balance of this account.
Depreciation	756,625	
Various amortization	4,332	
Pharmacy service fee	1,465,947	
Miscellaneous expenses	184,004	
Others	521,265	
Total	$3,891,985	

STATEMENT 20

Great Tree Pharmacy Co., Ltd.
20. Details on Administration Expenses
For the year ended December 31, 2025
Unit: in NT$1,000

Item	Amount	Remark
Salary expenses	$366,550	The balance for all other items did not exceed 5% of the balance of this account.
Insurance fee	46,321	
Depreciation	49,637	
Various amortization	17,944	
Food expenses	30,056	
Others	125,313	
Total	$635,821	