

Great Tree Pharmacy Co., Ltd.

Meeting Agenda to the Annual Shareholders' Meeting 2021

(Summary Translation)

Time: 10 a.m., Thursday, June 24, 2021

Venue: No. 143, Chengzhang 4th Street, Zhongli District, Taoyuan City.

- I. Calling the Meeting to order (Announcing the total number of shares represented at the Meeting)
- II. The Chair's Remarks
- III. Report Items
 - (I) The Company's 2020 Business Report.
 - (II) Audit Committee's audit report for 2020.
 - (III) The Company's 2020 Distribution of Employee Compensation and Remunerations of the Directors and Supervisors.
 - (IV) Report on the Status of the Company's First Batch of Issuance of Domestic Unsecured Convertible Bonds.
- IV. Proposals
 - (I) The Company's 2020 Business Report and Financial Statements.
 - (II) The Company's 2020 Appropriation of Net Income.
- V. Discussions
 - (I) Proposal for a new share issue through capitalization of earnings.
 - (II) Proposal to amend certain articles of the Company's "Articles of Incorporation".
 - (III) Proposal to amend certain articles of the Company's "Procedures for Election of Directors".
 - (IV) Proposal to amend certain articles of the Company's "Rules of Procedure for Shareholders' Meeting".
 - (V) Proposal to amend certain articles of the Company's "Regulations Governing the Acquisition and Disposal of Assets".
- VI. Matters for Elections

By-election to fill one vacancy in the Board of Directors.
- VII. Other Matters

To release the newly elected Director and their representative(s) from non-competition restriction.
- VIII. Extempore Motions
- IX. Adjournment

Report Items

- I. Please examine the Company's 2020 Business Report.
Description: Please refer to the meeting agenda for the Company's 2020 Business Report.
- II. Please examine the Audit Committee's audit report for 2020.
Description: Please refer to the meeting agenda for the 2020 Audit Committee's Audit Report.
- III. Please examine the Company's 2020 Distribution of Employee Compensation and Remunerations of The Directors and Supervisors.
Description: The Company has had NT\$238,211,431 of profit in 2020 (all functional currency denoted in NTD in the following in this Handbook). Pursuant to the Company's Articles of Incorporation, 0.89% of which, or NT\$2,120,082, and 3% of which, or NT\$7,146,344, will be distributed in cash to Directors and Supervisors, and employees respectively.
- IV. Report on the Status of the Company's First Batch of Issuance of Domestic Unsecured Convertible Bonds.
Description:
1. The Company's Board of Directors' meeting on March 9, 2018 has approved of issuance of NT\$300 million of the first batch of domestic unsecured convertible bonds. The purpose of this financing activity is to repay bank borrowings and for replenishing its working capital.
 2. Please see the following table for the status of the Company's issuance of domestic unsecured convertible bonds:

Type of bond	First batch of domestic unsecured convertible bond
Nominal amount issued	NT\$100,000
Issued price	NT\$100
Total	NT\$300,000,000
Par interest rate	0%
Duration	From June 12, 2018 to June 12, 2021
Convertible premium rate	103.00%
Most recent conversion price	NT\$59.20
Principal outstanding	Cash NT\$2,000,000
Implementation status of corporate bonds as of the record date (April 26, 2021)	Number of ordinary shares converted: 4,515,207 shares

Proposals

Proposal 1. (proposed by the Board of Directors)

Proposal: Please approve of the Company's 2020 Business Report and Financial Statements.

Description:

1. The Company's 2020 Financial Statements have been audited by Certified Public Accountants (CPA) Lo Hsiao Chin and Cheng Ching Piao from EY Taiwan and reviewed by the Audit Committee along with the Business Report, and written Audit Report has been issued accordingly.
2. Please refer to the meeting agenda for the 2020 Business Report, CPA Audit Report and the Financial Statements (including Consolidated Financial Statements).

Resolution:

Proposal 2. (proposed by the Board of Directors)

Proposal: Please approve of the Company's 2020 Appropriation of Net Income.

Description:

1. The Company's after-tax net profit in 2020 was NT\$194,310,941. After appropriating legal capital reserve, adding the beginning undistributed surplus and other comprehensive income or loss (remeasurements of defined benefits plan in 2020), the income available for distribution for this period was NT\$214,340,948. The Company proposes to distribute cash dividends of NT\$53,471,282 for ordinary shares (cash dividend of approximately NT\$1.00 per share), and share dividends of NT\$160,413,830 (share bonus of approximately 300 shares per thousand shares).
2. Subsequently, if changes occur to the Company's share capital, affecting the number of shares outstanding, leading to adjustments to the rate of shareholders' dividend distribution, the Company proposes to ask the Shareholders' Meeting to delegate the Chairman with all competent authority to handle related matters. And the Company also proposes to ask the Shareholders' Meeting to delegate the Chairman to establish related matters including setting an ex-dividend date etc.
3. For the current cash dividend distribution, the dividend will be calculated to the amount of one whole NTD, and any decimal point below one NTD will be rounded down. Shares below one NTD will be adjusted from the largest decimal place, until the total amount of cash dividend has been distributed.
4. The Company's 2020 appropriation of net income is listed in the table below:

Great Tree Pharmacy Co., Ltd.
2020 Appropriations of Net Income

Unit: NT\$

Item	Amount
Beginning retained earnings	\$38,393,479
Add: other comprehensive income (remeasurements of defined benefit plan in 2020)	1,186,247
Add: 2020 after-tax net income	194,310,941
Less: appropriation of legal capital reserve	(19,549,719)
Income available for distribution for this period	<u>214,340,948</u>
Allocations	
Cash dividends (approximately NT\$1.00 per share)	(53,471,282)
Share dividends (approximately NT\$3.00 per share)	(160,413,830)
	<u>(213,885,112)</u>
Ending retained earnings	<u><u>\$455,836</u></u>
Note:	
1. Profits from 2020 would be appropriated first during current appropriations of profits.	
2. Calculation is based on 53,471,278 shares outstanding as of February 28, 2021.	

Resolution:

Discussions

Proposal 1. (proposed by the Board of Directors)

Proposal: Please discuss the proposal to distribute new shares through transferring capital surplus.

Description:

1. In line with operating needs and to replenish the Company's working capital, the Company proposes to allocate NT\$160,413,830 from the Company's 2020 surplus available for appropriation, and to issue 16,041,383 new shares as capital increase. Each share will have a par value of NT\$10, and all will be ordinary shares.
2. 300 shares will be distributed for every 1,000 shares in proportion to the number of shares owned by shareholders recorded on the list of shareholders on the ex-dividend date. Petty stock of less than 1 share will be distributed in cash and rounded to the nearest dollar (NTD) pursuant to Article 240 of the Company Act to cancel out any TDCC wire transfer or registration fees. Shareholders can also piece together shares owned to the nearest one whole share to the share transfer agency within 5 days from the ex-dividend date. The Chairman will be authorized to negotiate with specific persons to purchase the petty cash at par value.
3. Subsequently, if changes occur to the Company's share capital, affecting the number of shares outstanding, leading to adjustments to the rate of shareholders' dividend distribution, the Company proposes to ask the Shareholders' Meeting to delegate the Chairman with all competent authority to handle related matters.
4. New shares to be issued in the current capital increase have the same rights and obligations as the ordinary shares already issued.
5. Upon approval from the Shareholders' Meeting and applying to the competent authority for approval pursuant to legal regulations, the Company proposes to ask the Shareholders' Meeting to authorize the Board of Directors to establish the ex-dividend date and related matters. In case changes are needed based on competent authority's request for amendment or based on actual needs, the Company proposes to ask the Shareholders' Meeting to delegate the Chairman with all rights to handle related matters.

Resolution:

Proposal 2. (proposed by the Board of Directors)

Proposal: Please discuss the proposed amendments to the Company's Articles of Incorporation.

Description:

1. In line with the Company's future capital plans, the Company proposes to increase the authorized capital to NT\$1.5 billion, to be distributed in 150,000,000 shares.
2. In line with actual operational needs, the Company proposes to apply for additional business activities; therefore, certain articles in the Company's Articles of Incorporation will be amended accordingly.
3. In line with Article 235,235-1,240 of the Company Act, the Company proposes to amend the regulations on directors' remuneration and surplus distribution.
4. Please refer to the meeting agenda for a Table of Comparisons Before and After Amendments of Articles of Incorporation.

Resolution:

Proposal 3. (proposed by the Board of Directors)

Proposal: Please discuss the proposal to amend certain articles of the Company's "Procedures for Election of Directors".

Description:

1. Pursuant to Directive Letter No. 1090338980 announced by the FSC on May 29, 2020, the Company will amend certain articles of its "Procedures for Election of Directors".
2. Please refer to the meeting agenda for a Table of Comparisons Before and After Amendments of Procedures for Election of Directors.

Resolution:

Proposal 4. (proposed by the Board of Directors)

Proposal: Please discuss the proposal to amend certain articles of the Company's "Rules of Procedure for Shareholders' Meeting"

Description:

1. In accordance with Directive Letter No. 1090338980 announced by the FSC on May 29, 2020 and the Directive Letter No. 11000519042 announced by the Taipei Exchange (TPEX) on February 9, 2021, the Company will amend certain articles of its "Rules of Procedure for Shareholders' Meeting".
2. Please refer to the meeting agenda for a Table of Comparisons Before and After Amendments of Rules of Procedure for Shareholders' Meeting.

Resolution:

Proposal 5. (proposed by the Board of Directors)

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

Description:

1. The Company will amend certain articles in its "Regulations Governing the Acquisition and Disposal of Assets" in line with actual operational needs.
2. Please refer to the meeting agenda for a Table of Comparisons Before and After Amendments of Regulations Governing the Acquisition and Disposal of Assets.

Resolution:

Matters for Election

(Proposed by the Board of Directors)

Proposal: Please proceed with the by-election to fill one vacancy arising during the current Board of Directors' term of office.

Description:

1. Liu Yu Teng, the Representative of the Company's Corporate Director Jun Wei Investment Co., Ltd, has resigned from his position as Director on November 9, 2020. Pursuant to provisions in the Company's Articles of Incorporation, a by-election will be held to fill the vacancy. The election will adopt a candidate nomination system, in which the Shareholders' Meeting will elect a Director from the list of Director's candidate.
2. The newly elected Director will take office immediately after the election to fill the former term. The term of office will be from June 24, 2021 to June 16, 2023.
3. The relevant information for the candidate of the by-election of Director is listed below:

Type of Nominee	Name	Educational Background	Work Experiences	Concurrent Role Held	Shares Held
Director	Lu Shan Feng	Bachelor's degree from Department of Pharmacy, Chia Nan University of Pharmacy & Science	<ol style="list-style-type: none"> 1. Qualified for Senior Pharmacist Examination for Professional and Technical Personnel 2. Head of Operation Department at Great Tree Pharmacy Co., Ltd. 3. Vice General Manager of Great Tree Pharmacy Co., Ltd. 	<ol style="list-style-type: none"> 1. Vice General Manager of Great Tree Pharmacy Co., Ltd. 2. Chairman of Great Tree Pets Co., Ltd. 	455,853

Result of Election:

Other Matters

(Proposed by the Board of Directors)

Proposal: Please discuss the proposal to release the newly elected Director and its representative(s) from non-compete clause.

Description:

1. According to Paragraph 1 of Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. In consideration that that newly elected Director may invest or operate in a company that is within or similar to the scope of the Company's business or serve as its Director, pursuant to provisions in Article 209 of the Company Act, the Company proposes to ask the 2021 Annual Shareholders' Meeting to release the non-compete restriction from the newly elected Director.
3. Other Position Concurrently Held at the Company and Other Companies

Name of Companies/Institutions of the Concurrent Positions	Concurrent Title
Great Tree Pets Co., Ltd.	Chairman

Resolution:

Extraordinary Motions

Adjournment