



Great Tree Pharmacy Co., Ltd.

Meeting Minutes of 2022 Annual General Meeting

(Translation)

Time : 10:00 a.m., Tuesday, May 31, 2022

Venue : 17F, No. 186, Fuxing Rd., Taoyuan Dist., Taoyuan City

Attendance : 45,805,463 shares represented by shareholders present in person and by proxy (including electronic voting 41,685,027 shares), accounting for 64.59% of total outstanding shares (70,911,059)

Attendant directors :

Chairman : Zhen Han Investment Co., Ltd. representative: Ming- Lung Cheng

Director : Top Taiwan XI Venture Capital Co, Ltd. representative: Li- Ping Shen 、
Shan-Feng Lu

Independent director : Tian- Dao Liu

In attendance : CPA Hsiao- Chin Lo from Ernst & Young

Chairman : Ming-Lung Cheng

Recorder : Shu- Yi Wu

I. Calling the Meeting to Order : The shares represented by the shareholders present in person and by proxy constituted a quorum. The Chairman called the meeting to order.

II. The Chair's Remarks : (Omitted)

III. Report Items

(I) Subject : To approve the Company's 2021 Business Report.

Description : Please see Attachment 1.

(II) Subject : To approve the Audit Committee's audit report for 2021.

Description : Please see to Attachment 2.

(III) Subject : To approve the Company's 2021 Distribution of Employee Compensation and Remunerations of the Directors.

Description : The Company has had NT\$511,892,210 of profit in 2021 (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\$4,555,841, and 3% of which, or NT\$15,356,767, will be distributed in cash to Directors and employees respectively.

(IV) Subject : To approve the Company's 2021 Appropriation of Net Income in Cash Dividends.

Description :

1. Pursuant to Article 23 of the Company's Articles of Incorporation, the Board of Directors is authorized to distribute all or part of the dividends and bonuses in cash and report to the Shareholders' Meeting.
2. The Board of Directors meeting held on February 25, 2022 resolves that the Company's after-tax net profit in 2021 was NT\$407,418,481. After appropriating legal capital reserve, adding the beginning undistributed surplus and other comprehensive income or loss (remeasurements of defined benefits plan in 2021), the income available for distribution for this period was NT\$364,946,686. The Company is to distribute cash dividends of NT\$182,241,423 for ordinary shares (cash dividend of NT\$2.57 per share), and they are to be distributed in cash.
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 delegate the Chairman with all competent authority to handle related matters. In addition, the Company also proposes to delegate the Chairman to establish related matters, including setting an ex-dividend date.
4. 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.

IV. Proposals

Proposal 1. (proposed by the Board of Directors)

Proposal: Please approve of the Company's 2021 Business Report and Financial Statements.

Description:

1. The Company's 2021 Financial Statements have been audited by Certified Public Accountants (CPA) Lo Hsiao Chin and Hung Mao I from EY Taiwan and reviewed by the Audit Committee along with the Business Report, and written Audit Report has been issued accordingly.
2. Please see Attachment 1 and Attachment 3 for the 2021 Business Report, CPA Audit Report and the Financial Statements (including Consolidated Financial Statements).

Resolution: The chairman ordered that the proposal be voted. Among 43,156,161 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-40,950,048 votes (including 37,079,090 votes in an electronic form)	94.88%
Dissenting votes-1,475 votes (including 1,475 votes in an electronic form)	0.00%
Invalid votes/Abstained or were not exercised-2,204,638 votes (including 1,955,160 votes in an electronic form)	5.10%

As the affirmative votes accounted for 94.88% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

Proposal 2. (proposed by the Board of Directors)

Proposal: Please approve of the Company's 2021 Appropriation of Net Income.

Description:

1. The Company's after-tax net profit in 2021 was NT\$407,418,481. After appropriating legal capital reserve, adding the beginning undistributed surplus and other comprehensive income or loss (remeasurements of defined benefits plan in 2021), the income available for distribution for this period was NT\$364,946,686. The Company proposes to distribute cash dividends of NT\$182,241,423 for ordinary shares (cash dividend of NT\$2.57 per share), and share dividends of NT\$182,241,420 (share bonus of approximately 257 shares per thousand shares).

2. The Company's 2021 appropriation of net income is listed in the table below:

Great Tree Pharmacy Co., Ltd.

2021 Appropriations of Net Income

Unit: NT\$

Item	Amount
Beginning retained earnings	\$455,836
Less: other comprehensive income (remeasurements of defined benefit plan in 2021)	(2,428,648)
Add: 2021 after-tax net income	407,418,481
Less: appropriation of legal capital reserve	(40,498,983)
Income available for distribution for this period	364,946,686
Allocations	
Cash dividends (approximately NT\$2.57 per share)	(182,241,423)
Share dividends (approximately NT\$2.57 per share)	(182,241,420)
	(364,482,843)
Ending retained earnings	\$463,843

Note:

1. Profits from 2021 would be appropriated first during current appropriations of profits.
2. Calculation of appropriation of legal capital reserve:
 $(407,418,481 - 2,428,648) * 10\% = 40,498,983$
3. Calculation is based on 70,911,059 shares outstanding as of February 25, 2022.

Resolution: The chairman ordered that the proposal be voted. Among 43,156,161 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-40,949,506 votes (including 37,078,548 votes in an electronic form)	94.88%
Dissenting votes-2,293 votes (including 2,293 votes in an electronic form)	0.00%
Invalid votes/Abstained or were not exercised-2,204,362 votes (including 1,954,884 votes in an electronic form)	5.10%

As the affirmative votes accounted for 94.88% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

V. 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\$182,241,420 from the Company's 2021 surplus available for appropriation, and to issue 18,224,142 new shares as capital increase. Each share will have a par value of NT\$10, and all will be ordinary shares.
2. 257 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. 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-rights 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 Board of Directors with all rights to handle related matters.

Resolution: The chairman ordered that the proposal be voted. Among 43,156,161 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-39,887,813 votes (including 36,016,855 votes in an electronic form)	92.42%
Dissenting votes-6,999 votes (including 6,999 votes in an electronic form)	0.01%
Invalid votes/Abstained or were not exercised-3,261,349 votes (including 3,011,871 votes in an electronic form)	7.55%

As the affirmative votes accounted for 92.42% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

Proposal 2. (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. Pursuant to Directive Letter No. 1110380465 announced by the FSC on January 28, 2022, the Company will amend certain articles of its "Regulations Governing the Acquisition and Disposal of Assets".
2. For the comparison table of the "Regulations Governing the Acquisition and Disposal of Assets" before and after the amendments, please refer to Attachment 4.

Resolution: The chairman ordered that the proposal be voted. Among 43,156,161 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-39,868,331 votes (including 35,997,373 votes in an electronic form)	92.38%
Dissenting votes-22,139 votes (including 22,139 votes in an electronic form)	0.05%
Invalid votes/Abstained or were not exercised-3,265,691 votes (including 3,016,213 votes in an electronic form)	7.56%

As the affirmative votes accounted for 92.38% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

Proposal 3. (proposed by the Board of Directors)

Proposal: Discussion of private placement of common shares and/or private placement of domestic convertible corporate bonds.

Description:

In order to enrich working capital, expand channels, and increase the benefits of channels and market share, It will be proposed for the shareholders meeting to authorize the Board of Directors to choose appropriate timing and fund fundraising instrument(s) by one or a combination of methods: conduct private placement of common shares and/or conduct private placement of domestic convertible corporate bonds, within the limit of 2 million common shares, depending on the market conditions and the Company's needs, in accordance with the applicable laws and regulations and the following fund raising method principles. When domestic convertible corporate bonds are issued through private placement, the number of common shares that can be converted from privately placed convertible corporate bonds shall be within the aforementioned scope of 2 million shares, and shall be calculated in accordance with the conversion price determined at the time of private placement.

1. For the proposal to offer ordinary shares and/or domestic unsecured convertible corporate bonds through private placement, the Board of Directors would like to request the Shareholders' Meeting to authorize the Board of Directors to implement the offering with the following method:
 - (I) Matters which shall be explained when offering private placement in accordance with the provisions of Article 43-6 of the Securities and Exchange Act and Directions for Public Companies Conducting Private Placements of Securities:
 - (1) The basis and reasonableness of the private placement pricing:
 - ① The basis for setting the issuance price fixed for these privately placed ordinary shares is not lower than 80 percent of the reference price. The reference price of private placement of ordinary shares shall be the higher of the following two calculations:
 - A. The simple average closing price of the ordinary shares of the TWSE listed or TPEx listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - B. The simple average closing price of the ordinary shares of the TWSE listed or TPEx listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - ② The price of the Company's privately placed domestic unsecured convertible corporate bonds is determined to be at no less than 80 percent of the theoretical price of such corporate bonds. The conversion price of private placement of ordinary shares shall be the higher of the following two calculations, and is determined to be at no less than 80 percent of the reference price:
 - A. The simple average closing price of the ordinary shares of the TWSE listed or TPEx listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - B. The simple average closing price of the ordinary shares of the TWSE listed or TPEx listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - ③ The fixed price per share for privately placed ordinary shares and the conversion price for privately placed domestic unsecured convertible corporate bonds are in compliance with the laws and regulations and

with reference to the current situation and future prospects of the Company, and considering the three-year transfer restriction on privately placed securities under the Securities and Exchange Act, and the basis for the price of the Company's privately placed securities are set in accordance with the "Directions for Public Companies Conducting Private Placements of Securities." It may be reasonable that the regulations on matters needing attention in the handling of private placement of securities will not cause significant damage to shareholders' equity.

- ④ The actual price determination date and actual private placement price of the Company's private placement of the aforementioned securities are proposed to be submitted to the 2022 Annual Shareholders' Meeting to authorize the Board of Directors to make decisions, under the conditions that it shall comply with laws and regulations, the price shall be within the range of the price basis and percentage determined by the 2022 Annual Shareholders' Meeting, and it shall consider on the circumstances of approaching specific persons and the market conditions by then.
- ⑤ In the future, due to the impact of changes in the securities market, if the actual price per share issued or the conversion price per share set is lower than the par value of the stock, such price setting is deemed to be necessary and reasonable, given that the price is set based on the provisions of laws and regulations, that it is a reflection of the market price, and that the purpose of private placement is to successfully raise funds for the long-term and stable growth of the company. If the price per share and the conversion price are lower than the par value, resulting in an increase in accumulated losses and an impact on shareholders' equity, shareholders will evaluate the annual operational results at the future Annual Shareholders' Meetings, and discuss whether to reduce capital or make up for the losses through other statutory methods.

(2) The method for selecting the specific persons:

- ① The placees for the private placement of this resolution are limited to specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and relevant official letters and orders issued by the competent authority. At present, the placees to be negotiated are mainly strategic investors who may participate in the private placement. It is proposed that the 2022 Annual Shareholders' Meeting will be requested to authorize the Board of Directors to handle matters related to the negotiation with the specific persons.
- ② The placees shall be strategic investors
 - A. The method and objectives of selecting the placees: The

placees shall be legal persons who meet the aforementioned regulations and qualifications and are able to provide profits to the Company through their own experience, technology, knowledge, brand or channel, etc., by vertical industry integration, horizontal integration or joint development of products or markets, which assists the Company to reduce costs, increase efficiency, and expand market share.

- B. Necessity for such a selection of the placee: In response to the Company's long-term operational planning purposes, in order to improve operational performance and strengthen the financial structure, the introduction of the funds from strategic investors in this private placement will help the Company's operations and business development, improve the Company's overall operating conditions and strengthen the Company's confidence. Therefore, it is indeed necessary to introduce strategic investors in this private placement.
- C. The anticipated benefits: With the capital injection from strategic investors, the pressure on working capital costs may be reduced, the financial structure and the competitiveness of the Company may be strengthened, and the Company's operating performance may stably grow. The capital injection is also beneficial to the shareholders' equity. The participation of placees helps to improve the competitiveness of the Company, expand channels directly or indirectly, and provide diversified products.

(3) The reasons for the necessity of offering private placement:

① The reasons for not using a public offering:

Considering the conditions of the capital market, the timeliness and feasibility of raising capital, the cost of issuance and the actual needs of introducing strategic investors, the private placement of securities is subject to the three-year non-free transfer requirement, which can ensure that the Company and the strategic investors have a long-term cooperative relationship. Therefore, instead of public offering, the Company plan to issue securities by private placement.

② The anticipated number of closings and the limit on the private placement:

The Company proposes to carry out the Proposed Private Placement with one(1)year in several phases(no more than 3 times) starting from the date of approval by the 2022 Annual Shareholders' Meeting based on the market conditions and the selected investors qualifications.

③ The use of the funds raised by the private placement and the

anticipated benefits:

- A. The use of the funds raised by the private placement: Enrich working capital and expand channels.
 - B. The anticipated benefits: Increase the number of channels and market share.
- (II) The private placement of ordinary shares and/or ordinary shares converted from domestic unsecured convertible corporate bonds have the same rights and obligations as the ordinary shares issued by the Company. However, according to the Securities and Exchange Act, the securities in this private placement shall not be resold to other parties within three years from the delivery date, except to the parties stipulated in Article 43-8 of the Securities and Exchange Act. It is proposed to request the 2022 Annual Shareholders' Meeting to authorize the Board of Directors to obtain a consent letter from the Taipei Exchange, depending on the circumstances by then, and then apply for make-up procedures for public offering and OTC trading three years after the delivery date of the privately placed ordinary shares and three years after the delivery date of the domestic unsecured convertible corporate bonds and having been converted into ordinary shares.
- (III) For the Regulations Governing the Issuance and Conversion of Private Placement of Unsecured Convertible Corporate Bonds (Tentative), please refer to Attachment 5.
- (IV) The major plans of this private placement of ordinary shares and/or domestic unsecured convertible corporate bonds, in addition to the percentage of the price of the private placement, include the actual issue price and actual conversion price per share, the number of issued shares, the number of issued board lots, the actual issuance conditions and conversion methods, amount of private placement, record date of capital increase, project items, planned progress, progress of fund utilization, estimated potential benefits and other unresolved matters. If they are revised in the future due to the directives of the competent authority or due to changes in the objective circumstances and market conditions, it is proposed to request the Annual Shareholders' Meeting to authorize the Board of Directors to act in accordance with the regulations.
- (V) In order to cooperate with the offering of this private placement of securities, the proposal is to be submitted to the 2022 Annual Shareholders' Meeting, and authorize the Chairman or any person who is designated by the Chairman to negotiate, sign and deliver all contracts or documents related to the issuance of this private placement of securities on behalf of the Company, and handle all matters related to the issuance of this private placement of securities for the Company. For all matters not covered in the aforementioned paragraphs, the Chairman of the Board is authorized to handle them in accordance with the law.

Resolution: The chairman ordered that the proposal be voted. Among 43,156,161 votes represented by the shareholders present at the meeting, the resolution is as follows

Result	%
Affirmative votes-39,172,915 votes (including 35,207,898 votes in an electronic form)	90.77%
Dissenting votes-795,471 votes (including 795,471 votes in an electronic form)	1.84%
Invalid votes/Abstained or were not exercised-3,187,775 votes (including 3,032,356 votes in an electronic form)	7.38%

As the affirmative votes accounted for 90.77% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

VI. Extraordinary Motions : None.

VII. Adjournment

Time : 10:42 a.m., May 31, 2022

Attachment 1

Great Tree Pharmacy Co., Ltd. Business Report

The Company's 2021 operational performance and future outlook are summarized as below:

I. 2021 Business Report

(I) Implementation status of 2021 Business Plan

The beginning of 2020 saw the emergence of COVID-19 throughout the world. In addition to handling severe epidemic prevention situation, it also has impacted new diversified industries and undertakings. However, for the biotechnology industry, the severity of the pandemic has led to an increase in national health awareness. Along with the trend of an aging population, during the period of pandemic in Taiwan, the demand for pandemic prevention-related products of the Company increased significantly, and the Company's team continued to expand our market presence, resulting in this year's revenue reaching NT\$11.2 billion, a record high in the Company's history.

In 2021, the Company's consolidated net operating revenue has been NT\$11,280,942 thousand, showing a 30.55% increase from 2020. The pretax consolidated profit has been NT\$509,670 thousand, which showed an increase of 109.39% from 2020. Increases in both revenue and pretax profits are mostly attributable to the revenue injections from the surging sales number of COVID-19 prevention-related products, the Company's 49 new stores opened in 2021, and through effective cost control, enhancing operating efficiency. These efforts have paid off in the form of increases in both 2021 consolidated revenue and pretax profit.

At the end of 2020, the Company signed an Asia-Pacific development cooperation agreement with Sugi Holding Co., Ltd. (7649 TYO), a Japanese pharmacy with more than 1,200 stores in Japan. To develop in the Asia-Pacific region together, the Company has obtained the exclusive right to use the trademark authorized by Sugi Pharmacy and the agency right of Sugi Pharmacy products since 2021, and the said products have been exclusively sold in 200 Great Tree Pharmacy stores in Taiwan.

In addition, in view of the demand for companionship derived from the declining birthrate and the aging population, in the second half of 2020, the number of pet dogs and cats in Taiwan has also exceeded the population of children under the age of 15. The golden age of the pet industry in Taiwan has officially begun. Aiming to cross into the pet food and medical care market, the Company entered the pet market for the first time in 2021. It has opened two specialized stores, namely, Bade Xingfeng Store and Neili Chengzhang Store, in September and December, respectively. In 2021, they contributed approximately NT\$14,952 thousand in revenue and their performances are spectacular.

To provide convenient shopping experiences to consumers and to enhance the awareness for our corporate image, the Company continues to optimize both software and hardware facilities in our stores. Through improving in-store style, professional consulting services and building membership services which provide customized healthcare management system, the Company has also strengthened customer loyalty. With the Company's active launch of new stores, there are about 3.84 million members so far. By effective managing approximately 1 million active members and new stores continuing to bring in new members, our revenues have continued to grow.

(II) Budget implementation status: The Company did not disclose 2021 financial estimates; therefore, disclosure of budget implementation is not necessary.

(III) Financial Revenue/Expense and Profitability Analysis

Unit: in NT\$1,000's

Item	2021	2020
Cash flow from operating activities	1,077,660	728,128
Cash flow from investing activities	(268,427)	(253,470)
Cash flow from financing activities	(336,566)	53,021
Return on assets (%)	6.51	4.10
Return on equity (%)	23.49	14.05
Ratio of net profit before tax to paid-in capital	72.08	45.63
Net profit margin	3.61	2.23
Earnings per share (NT\$)	5.83	2.88

Note: The financial information presented is consolidated information that has followed IFRS reporting standards.

(IV) Research and development (R&D) status: The Company is in the chain pharmaceutical retail business and does not have a dedicated R&D unit. Nevertheless, our product marketing department is actively dedicated to product development to serve the diverse needs of our broad customer base.

II. Outline of 2022 Business Plan

The second five-year plan of Great Tree Pharmacy is implemented between 2021 and 2025, and the Company has specifically planned the following major management policies:

(I) Management policy and important production and marketing policies

- ① Plan of a thousand stores in Taiwan: We will continue to optimize our successful store launch model and open a respective of 300 and 200 stores based on the types of business districts and communities, and we plan to develop about 500 authorized stores, allowing consumers to order online and pick up goods offline.
- ② Three crossover plans: Cross-brand: The Company has introduced overseas exclusive agency products from Sugi Pharmacy, and the Company's channel differentiation is formed through diversified products; Cross-industry: The Company has crossed into the health retail service industry outside the pharmacy, and invested in cross-industry investment of pet food and medical care in 2021. With the vigorous development of the pet industry, the output value of the related demands is also considerable; Cross-border: The overseas development plan with Sugi Pharmacy is gradually carried out. Market transformation needs. The plan aims to combine the compound experiences of cosmeceutical channel and product categories of both parties to provide the transformation needs of overseas markets.

(II) Expected Sales Volume and Basis

The Company is a channel of chain pharmacy. Due to large variety of products sold and in different quantity units, it is not possible to provide the expected sales quantity. According to "turnover of wholesale, retail and catering industry" issued by the Department of Statistics of the Ministry of Economic Affairs, the annual compound growth rate is 1.85% from NT\$164.8 billion in 2011 to NT\$198.0 billion in 2021.

Therefore, the domestic retail market of drugs and cosmetics has a moderate and optimistic growth trend as a whole. The Company is actively opening up new stores and expanding its business scale and expects to maintain stable revenue growth.

III. Sustainable development and Future insight

Along the process of corporate development of Great tree pharmacy Ltd., we have always uphold our ultimate goal of becoming “the most trustworthy pharmacy” by making great contributions for our employees, suppliers, shareholders through fulfilling our social responsibility as “the peoples’ pharmacy”.

Throughout these two years affected by the COVID epidemic, the company has not only provided the most complete medical products to the public, but also a large number of anti-epidemic supplies to those who were in great need in order to help them get through this tough time. In terms of environmental protection, the company has also been actively cooperating and working with different suppliers in order to launch a new series of products using more carbon-friendly processes, allowing us to bring more environmentally friendly products and choices to the society to help make the world a healthier and cleaner place.

IV. Future Company development strategies

The Company will follow an active and sound growth strategy by recruiting professional talent on one hand, and actively develop new products and new markets on the other, enabling it to become the best in the industry.

Since its establishment, the company has been deeply involved in the Taiwan pharmacy industry, and has lived up to the expectations of shareholders and strived to become the largest pharmacy in Taiwan. The next step of this company will be to expand the company beyond the field pharmacy in Taiwan and towards other industries and in the near future even other countries.

Over the next five years, the Company will continue to innovate, and all of our team members will definitely do our best to implement the second five-year plan and change past consumer behaviors at pharmacies. We aim to show the public that Great Tree is more than just a pharmacy.

V. Impacts from external competitive environment, legal environment, and overall operating environment

The Company is a channel for the operation of pharmacy. Due to rich product items, it is faced with competition, including from pharmacy and drug stores. Due to price-cutting in the industry, the competition will be increasingly aggressive in the future. The Company will continue to provide professional and complete education and training to its employees, and further establish the professional brand value of "Great Tree Pharmacy". The Company will adhere to the motto of "professional and honest" and provide consumers with all-round services. In the survey of top 2,000 enterprises by CommonWealth Magazine in 2020, our overall rating was 178. We hope our core team of innovative senior management will develop service processes with high entry barriers, quickly emulate successful experience, expand our business scope, and further distinguish ourselves from the industry competitors.

While pursuing corporate growth, in addition to maximizing the interests of shareholders, the Company also puts much emphasis on the implementation of environmental, social, and corporate governance (ESG) values in daily operations, and actively follows various indicators guided by the competent authorities, so as to meet the expectations of all stakeholders.

Chairman: Cheng Ming Lung

Manager: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

Attachment 2

Great Tree Pharmacy Co., Ltd.

Audit Committee's Audit Report

The Board of Directors has prepared and submitted the Company's 2021 Business Report, Financial Statements and the Proposal for Appropriation of Net Income, among which the Financial Statements have been audited by CPAs Lo Hsiao Chin and Hung Mao I from EY Taiwan, by whom an Audit Report has been issued accordingly.

The aforementioned Business Report, Financial Statements and Proposal for Appropriation of Net Income have been examined and reviewed by the Audit Committee, and no irregularities were found. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please review.

To

Great Tree Pharmacy Co., Ltd. 2022 Annual Shareholders' Meeting

Liu Tian Dao, Convener of the Audit Committee

Date: February 25, 2022

Attachment 3

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, 2021 and December 31, 2020, and the related Parent Company Only Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2021 and December 31, 2020, 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, 2021 and December 31, 2020, as well as its individual financial performance and individual cash flow from January 1, 2021 to December 31, 2021 and from January 1, 2020 to December 31, 2020.

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 2021 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\$11,322,396 thousand in 2021. 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, 2021, the net inventory of Great Tree Pharmacy Co., Ltd. was NT\$1,532,599 thousand, accounting for 21% 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 2021 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. (2017) FSC No. 1060026003

No. (1998)TCZ(VI)65315

Certified Public Accountant (CPA)

Lo Hsiao Chin

Hong Mao Yi

February 25, 2022

Great Tree Pharmacy Co., Ltd.

Parent Company Only Balance Sheets

As of December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

Asset		December 31, 2021			December 31, 2020	
Code	Accounting item	Note	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$1,247,408	17	\$809,527	13
1136	Financial assets measured at amortized cost	4, 6.2 and 8	24,000	-	24,000	1
1150	Notes receivable, net	4 and 6.3	2,144	-	4,517	-
1170	Accounts receivable, net	4 and 6.4	421,827	6	295,252	5
1180	Net accounts receivable - related parties	4, 6.4 and 7	381,865	5	271,779	5
1200	Other receivables		43,213	1	68,776	1
1210	Other receivables - related parties	7	35,100	-	42,587	1
1300	Inventory	4 and 6.5	1,532,599	21	1,225,045	20
1410	Prepayments		13,913	-	22,526	-
1470	Other current assets		9,744	-	2,345	-
	Total current assets		3,711,813	50	2,766,354	46
15xx	Non-current assets					
1535	Financial assets measured at amortized cost	4, 6.2 and 8	3,000	-	3,000	-
1550	Investments accounted for using the equity method	4 and 6.6	145,803	2	116,438	2
1600	Property, plant and equipment	4 and 6.7	690,429	10	619,583	10
1755	Right-of-use assets	4 and 6.18	2,722,065	37	2,434,371	40
1780	Intangible assets	4 and 6.8	18,747	-	18,018	-
1840	Deferred tax assets	4 and 6.22	11,828	-	7,742	-
1900	Other non-current assets	4 and 6.9	94,534	1	74,812	2
	Total non-current assets		3,686,406	50	3,273,964	54
1xxx	Total assets		\$7,398,219	100	\$6,040,318	100

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd.

Parent Company Only Balance Sheet (continued)

As of December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

Code	Liabilities and Equity		December 31, 2021		December 31, 2020	
	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	6. 10	\$370,000	5	\$370,000	6
2130	Contract liabilities	4 and 6.16	11,790	-	8,104	-
2150	Notes payable		556,961	7	328,701	5
2160	Notes payable - related parties	7	134,581	2	140,825	2
2170	Accounts payable		1,091,721	15	785,369	13
2180	Accounts payable - related parties	7	50,802	1	48,415	1
2200	Other payables	6.11 and 6.13	275,696	4	218,152	4
2220	Other payables - related parties	7	242	-	242	-
2230	Tax liabilities for this period	4 and 6.22	69,042	1	26,019	-
2280	Lease liabilities	4 and 6.18	303,748	4	280,837	5
2300	Other current liabilities		24,381	-	22,473	-
2321	Corporate bonds that mature or execute the right to sell back within one year or one operating cycle	4 and 6.12	-	-	40,583	1
	Total current liabilities		2,888,964	39	2,269,720	37
25xx	Non-current liabilities					
2580	Lease liabilities	4 and 6.18	2,518,332	34	2,233,309	37
2640	Net defined benefit liabilities	4 and 6.13	5,645	-	3,425	-
2645	Guarantee deposits	7	53,408	1	34,602	1
	Total non-current liabilities		2,577,385	35	2,271,336	38
2xxx	Total liabilities		5,466,349	74	4,541,056	75
31xx	Equity attributable to shareholders of parent company					
3100	Share capital	6.14				
3110	Ordinary share capital		700,431	9	530,659	9
3140	Prepaid share capital		6,679	-	2,787	-
3200	Capital surplus	6.14	726,345	10	658,506	11
3300	Retained earnings	6.14				
3310	Legal capital reserve		92,969	1	73,419	1
3350	Unappropriated net income		405,446	6	233,891	4
	Total equity		1,931,870	26	1,499,262	25
	Total liabilities and equity		\$7,398,219	100	\$6,040,318	100

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd.

Parent Company Only Statement of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.16 and 7	\$11,322,396	100	\$8,619,074	100
5000	Operating costs	7	(8,480,073)	(75)	(6,505,952)	(76)
5900	Gross profit		2,842,323	25	2,113,122	24
6000	Operating expenses					
6100	Selling and marketing expenses		(2,071,890)	(18)	(1,646,230)	(19)
6200	Administration expenses		(340,220)	(3)	(276,053)	(3)
	Total operating expenses		(2,412,110)	(21)	(1,922,283)	(22)
6900	Operating profit		430,213	4	190,839	2
7000	Non-operating income and expenses					
7100	Interest income	6. 20	714	-	566	-
7010	Other income	6.20 and 7	40,004	-	29,476	-
7020	Other gains and losses	6.20 and 7	155	-	(3,295)	-
7050	Financing costs	6. 20	(34,507)	-	(32,035)	-
7070	Shares of subsidiaries, affiliates, and joint ventures accounted for using the equity method		55,400	-	43,394	1
	Total non-operating income and expenses		61,766	-	38,106	1
7900	Profit before tax		491,979	4	228,945	3
7950	Income tax expenses	4 and 6.22	(84,561)	(1)	(34,634)	(1)
8200	Net income		407,418	3	194,311	2
8300	Other comprehensive income (loss), net	6. 21				
8310	Items that will not be reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans		(2,428)	-	1,186	-
	Comprehensive income (loss) (net value after tax) for this period		(2,428)	-	1,186	-
8500	Total comprehensive income (loss)		\$404,990	3	\$195,497	2
	Earnings per share, EPS (NT\$)					
9750	Basic EPS	6.23	\$5.83		\$2.88	
9850	Diluted EPS	6.23	\$5.58		\$2.80	

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

					Retained earnings		
	Item	Share capital	Prepaid share capital	Capital surplus	Legal capital reserve	Unappropriated earnings	Total equity
Code		3100	3140	3200	3310	3350	3XXX
A1	Balance as of January 1, 2020	\$425,820	\$6,451	\$534,710	\$59,821	\$173,748	\$1,200,550
	Appropriation of earnings in 2019						
B1	Legal capital reserve				13,598	(13,598)	-
B5	Cash dividends					(43,484)	(43,484)
B9	Share dividends	78,272				(78,272)	-
D1	2020 net income					194,311	194,311
D3	Other comprehensive income (loss) in 2020					1,186	1,186
D5	Total comprehensive income (loss)	-	-	-	-	195,497	195,497
I1	Convertible corporate bond conversion	26,567	(3,664)	122,487			145,390
N1	Share-based payment transactions			1,309			1,309
Z1	Balance as of December 31, 2020	530,659	2,787	658,506	73,419	233,891	1,499,262
	Appropriation of earnings in 2020						
B1	Legal capital reserve				19,550	(19,550)	-
B5	Cash dividends					(53,471)	(53,471)
B9	Share dividends	160,414				(160,414)	-
D1	2021 net income					407,418	407,418
D3	Other comprehensive income (loss) in 2021					(2,428)	(2,428)
D5	Total comprehensive income (loss)	-	-	-	-	404,990	404,990
I1	Convertible corporate bond conversion	9,358	(2,787)	32,207			38,778
N1	Share-based payment transactions		6,679	35,632			42,311
Z1	Balance as of December 31, 2021	\$700,431	\$6,679	\$726,345	\$92,969	\$405,446	\$1,931,870

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd.

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2021	2020	Code	Item	2021	2020
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for this period	\$491,979	\$228,945	B01800	Acquisition of investments accounted for using the equity method	(30,000)	-
A20000	Adjustment items:			B02700	Acquisition of property, plant and equipment	(246,182)	(242,389)
A20010	Gain or loss items that do not affect cash flows:			B02800	Disposal of property, plant and equipment	3,286	5,835
A20100	Depreciation expense (including right-of-use assets)	484,023	401,860	B03700	Increase (decrease) in refundable deposits	(16,852)	(14,415)
A20200	Amortization expenses	2,902	7,177	B04500	Acquisition of intangible assets	(3,631)	(4,520)
A20900	Interest expenses	34,507	32,035	BBBB	Net cash provided by (used in) investing activities	(293,379)	(255,489)
A21200	Interest income	(714)	(566)				
A21900	Cost of share-based payments	6,173	1,309	CCCC	Cash flow from financing activities:		
A22300	Shares of subsidiaries, affiliates, and joint ventures accounted for using the equity method	(55,400)	(43,394)	C00100	Increase of short-term loans	-	370,000
A22500	Loss on disposal of property, plant, and equipment	(101)	1,294	C00130	Repayments of bonds	(2,000)	-
A29900	Other item - gain on lease modification	(2,598)	-	C03000	Increase in guarantee deposits received	18,806	9,655
A30000	Changes in assets/liabilities related to operating activities:			C04020	Repayment of principal on loan	(326,145)	(275,064)
A31130	(Increase) decrease in notes receivable	2,373	(2,146)	C04500	Distribution of cash dividends	(53,471)	(43,484)
A31150	(Increase) decrease in accounts receivable	(126,575)	20,788	C04800	Employees exercising share option	36,138	-
A31160	(Increase) decrease in accounts receivable - related parties	(110,086)	33,807	CCCC	Net cash inflow (outflow) from financing activities	(326,672)	61,107
A31180	(Increase) decrease in other receivables	25,563	19,660				
A31190	(Increase) decrease in other receivables - related parties	12,487	(31,236)	EEEE	Net increase (decrease) in cash and cash equivalents for this period	437,881	531,547
A31200	(Increase) decrease in inventory	(307,554)	(338,999)	E00100	Beginning balance of cash and cash equivalents	809,527	277,980
A31230	(Increase) decrease in prepayments	8,613	(4,378)	E00200	Ending balance of cash and cash equivalents	\$1,247,408	\$809,527
A31240	(Increase) decrease in other current assets	(7,399)	1,125				
A32125	Increase (decrease) in contract liabilities	3,686	1,051				
A32130	Increase (decrease) in notes payables	228,260	57,109				
A32140	Increase (decrease) in notes payables - related parties	(6,244)	86,385				
A32150	Increase (decrease) in accounts payables	306,352	127,704				
A32160	Increase (decrease) in accounts payable - related parties	2,387	15,701				
A32180	Increase (decrease) in other payables	61,068	89,636				
A32230	Increase (decrease) in other current liabilities	1,908	9,582				
A32240	Increase (decrease) in net defined benefit liabilities	(208)	(184)				
A33000	Cash inflow (outflow) from operating activities	1,055,402	714,265				
A33100	Interest received	714	566				
A22300	Dividends received	51,035	39,825				
A33300	Interest paid	(3,595)	(2,859)				
A33500	Income tax paid	(45,624)	(25,868)				
AAAA	Net cash inflow (outflow) from operating activities	1,057,932	725,929				

(Please refer to the accompanying Notes to Parent Company Only Financial Statements)

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

1 Company Statement

The entities that are required to be included in the Consolidated Financial Statements of Great Tree Pharmacy Co., Ltd. for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the Combined Financial Statements is included in the Consolidated Financial Statements. Consequently, Great Tree Pharmacy Co., Ltd. and Subsidiaries do not prepare a separate set of Consolidated Financial Statements.

We hereby declare and affirm to the statement above.

Company name: Great Tree Pharmacy Co., Ltd.

Person in charge: Cheng Ming Lung

February 25, 2022

Independent Auditors' Report

To Great Tree Pharmacy Co., Ltd.

Audit Opinion

We have audited the accompanying Consolidated Balance Sheets of Great Tree Pharmacy Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2021 and December 31, 2020, and the related Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2021 and December 31, 2020, as well as Notes to the Consolidated Financial Statements, including the Summary of Significant Accounting Policies (together “the Consolidated Financial Statements”).

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2021 and December 31, 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and December 31, 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee, or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis of Audit Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 Consolidated Financial Statements. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Great Tree Pharmacy Co., Ltd. and its subsidiaries recognized operating revenue of NT\$11,280,942 thousand in 2021. Since the Group's sources of revenue include different selling models such as retail transactions at pharmacies and revenue from management services and more, the judgment over performance obligation and the timing of its fulfillment over customer orders or contracts was needed, therefore leading to significant risk of revenue recognition. Hence, we have decided to include this as a key audit matter.

Our audit procedures include (but are not limited to): understanding each selling model, evaluating the appropriateness of revenue recognition policy related to obligation fulfillment under each model, evaluating and testing the effectiveness of the relevant internal control to the timing of revenue recognition in the sales cycle, conducting detailed testing by sampling the sales receipts, and conducting analytical review procedure and carrying out cut-off tests and more. Our accountants have also considered the appropriateness of revenue disclosure identified in Note 6 of the Consolidated Financial Statements.

Inventory Valuation

As of December 31, 2021, the net inventory of Great Tree Pharmacy Co., Ltd. and its subsidiaries was NT\$1,839,468 thousand, accounting for 25% of the consolidated total asset. Main businesses of Great Tree Pharmacy Co., Ltd. and its subsidiaries include trading of maternity and infant products as well as various drugs. Most of their products have shelf lives, leading evaluations of allowance for inventory valuation and obsolescence loss to require material judgment from the Group's management. Therefore, this was included as a key audit matter. Our audit procedures include (but are not limited to): evaluating the appropriateness of the policy of allowance for inventory valuation and obsolescence loss, evaluating the management method for near expiring goods and identification of expired inventory and testing the effectiveness of the relevant internal control, sampling the inventory aging report to test its accuracy and selecting significant inventory location for physical inventory observation and count, and inspecting current inventory and utilization status and more. We have also taken the appropriateness of inventory disclosure in Note 5 and Note 6 in the Notes to Consolidated Financial Statements into consideration.

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

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

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

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

Responsibilities of the CPA in Auditing the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 Consolidated Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have also audited and expressed unqualified opinions on the Parent Company Only Financial Statements of the Company as of and for the years ended December 31, 2021 and December 31, 2020.

Ernst & Young

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

Auditing and Attestation

No. (2017) FSC No. 1060026003

No. (1998)TCZ(VI)65315

Certified Public Accountant (CPA)

Lo Hsiao Chin

Hong Mao Yi

February 25, 2022

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

Asset			December 31, 2021		December 31, 2020	
Code	Accounting item	Note	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$1,308,469	18	\$835,802	14
1136	Financial assets measured at amortized cost	4, 6.2 and 8	24,000	1	24,000	1
1150	Notes receivable, net	4 and 6.3	2,144	-	4,517	-
1170	Accounts receivable, net	4 and 6.4	468,728	6	311,114	5
1200	Other receivables		44,412	1	71,025	1
1300	Inventory	4 and 6.5	1,839,468	25	1,462,245	24
1410	Prepayments		41,137	1	34,258	1
1470	Other current assets		10,498	-	3,457	-
	Total current assets		3,738,856	52	2,746,418	46
15xx	Non-current assets					
1535	Financial assets measured at amortized cost	4, 6.2 and 8	3,000	-	3,000	-
1600	Property, plant and equipment	4 and 6.6	749,832	10	669,788	11
1755	Right-of-use assets	4 and 6.17	2,768,801	37	2,487,538	41
1780	Intangible assets	4 and 6.7	20,530	-	18,018	-
1840	Deferred tax assets	4 and 6.21	11,828	-	7,742	-
1900	Other non-current assets	6. 8	97,017	1	76,918	2
	Total non-current assets		3,651,008	48	3,263,004	54
1xxx	Total assets		\$7,389,864	100	\$6,009,422	100

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

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Balance Sheets (continued)

As of December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2021		December 31, 2020	
Code	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	6. 9	\$370,000	5	\$370,000	6
2130	Contract liabilities	4 and 6.15	11,902	-	8,104	-
2150	Notes payable		584,117	8	350,323	6
2170	Accounts payable		1,138,318	15	819,673	13
		4, 6.10 and				
2200	Other payables	6.12	295,222	4	228,757	4
2230	Tax liabilities for this period	4 and 6.21	78,312	1	35,791	1
2280	Lease liabilities	4 and 6.17	309,123	4	287,118	5
2300	Other current liabilities		26,672	1	23,510	-
	Corporate bonds that mature or execute the right to sell back within one year					
2321	or one operating cycle	4 and 6.11	-	-	40,583	1
	Total current liabilities		2,813,666	38	2,163,859	36
25xx	Non-current liabilities					
2580	Lease liabilities	4 and 6.17	2,562,052	35	2,282,404	38
2640	Net defined benefit liabilities	4 and 6.12	5,645	-	3,425	-
2645	Guarantee deposits		56,005	1	40,189	1
	Total non-current liabilities		2,623,702	36	2,326,018	39
2xxx	Total liabilities		5,437,368	74	4,489,877	75
31xx	Equity attributable to shareholders of parent company					
3100	Share capital	6. 13				
3110	Ordinary share capital		700,431	9	530,659	9
3140	Prepaid share capital		6,679	-	2,787	-
3200	Capital surplus	6. 13	726,345	10	658,506	11
3300	Retained earnings	6. 13				
3310	Legal capital reserve		92,969	1	73,419	1
3350	Unappropriated net income		405,446	6	233,891	4
36xx	Non-controlling interests		20,626	-	20,283	-
3xxx	Total equity		1,952,496	26	1,519,545	25
	Total liabilities and equity		\$7,389,864	100	\$6,009,422	100

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

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.15	\$11,280,942	100	\$8,641,394	100
5000	Operating costs		(8,337,939)	(74)	(6,456,664)	(75)
5900	Gross profit		2,943,003	26	2,184,730	25
6000	Operating expenses					
6100	Selling and marketing expenses		(2,100,411)	(19)	(1,667,927)	(19)
6200	Administration expenses		(350,364)	(3)	(291,489)	(3)
6450	Estimated credit (loss) gain	4 and 6.16	84	-	-	-
	Total operating expenses		(2,450,691)	(22)	(1,959,416)	(22)
6900	Operating profit		492,312	4	225,314	3
7000	Non-operating income and expenses					
7100	Interest income	6. 19	737	-	578	-
7010	Other income	6. 19	51,597	1	50,116	-
7020	Other gains and losses	6. 19	154	-	272	-
7050	Financing costs	6. 19	(35,130)	-	(32,870)	-
	Total non-operating income and expenses		17,358	1	18,096	-
7900	Profit before tax		509,670	5	243,410	3
7950	Income tax expenses	4 and 6.21	(101,909)	(1)	(50,743)	(1)
8200	Net income		407,761	4	192,667	2
8300	Other comprehensive income (loss)	4 and 6. 20				
8310	Items that will not be reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans		(2,428)	-	1,186	-
	Comprehensive income (loss) (net value after tax) for this period		(2,428)	-	1,186	-
8500	Total comprehensive income (loss)		\$405,333	4	\$193,853	2
8600	Earnings attributable to:					
8610	Owners of the parent		\$407,418	4	\$194,311	2
8620	Non-controlling interests		343	-	(1,644)	-
			\$407,761	4	\$192,667	2
8700	Total comprehensive income attributable to:					
8710	Owners of the parent		\$404,990	4	\$195,497	2
8720	Non-controlling interests		343	-	(1,644)	-
			\$405,333	4	\$193,853	2
	Earnings per share, EPS (NT\$)					
9750	Basic EPS	4 and 6.22	\$5.83		\$2.88	
9850	Diluted EPS	4 and 6.22	\$5.58		\$2.80	

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

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

Item		Equity attributable to shareholders of parent company						Non-controlling interests	Total equity
		Share capital	Prepaid share capital	Capital surplus	Retained earnings		Total		
					Legal capital reserve	Unappropriated earnings			
Code		3100	3140	3200	3310	3350	31XX	36XX	3XXX
A1	Balance as of January 1, 2020	\$425,820	\$6,451	\$534,710	\$59,821	\$173,748	\$1,200,550	\$21,927	\$1,222,477
	Appropriation of earnings in 2019								
B1	Legal capital reserve				13,598	(13,598)	-		-
B5	Cash dividends					(43,484)	(43,484)		(43,484)
B9	Share dividends	78,272				(78,272)	-		-
D1	2020 net income					194,311	194,311	(1,644)	192,667
D3	Other comprehensive income (loss) in 2020					1,186	1,186	-	1,186
D5	Total comprehensive income (loss)	-	-	-	-	195,497	195,497	(1,644)	193,853
I1	Convertible corporate bond conversion	26,567	(3,664)	122,487			145,390		145,390
N1	Share-based payment transactions			1,309			1,309		1,309
Z1	Balance as of December 31, 2020	530,659	2,787	658,506	73,419	233,891	1,499,262	20,283	1,519,545
	Appropriation of earnings in 2020								
B1	Legal capital reserve				19,550	(19,550)	-		-
B5	Cash dividends					(53,471)	(53,471)		(53,471)
B9	Share dividends	160,414				(160,414)	-		-
D1	2021 net income					407,418	407,418	343	407,761
D3	Other comprehensive income (loss) in 2021					(2,428)	(2,428)	-	(2,428)
D5	Total comprehensive income (loss)	-	-	-	-	404,990	404,990	343	405,333
I1	Convertible corporate bond conversion	9,358	(2,787)	32,207			38,778		38,778
N1	Share-based payment transactions		6,679	35,632			42,311		42,311
Z1	Balance as of December 31, 2021	\$700,431	\$6,679	\$726,345	\$92,969	\$405,446	\$1,931,870	\$20,626	\$1,952,496

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

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2021 Amount	2020 Amount	Code	Item	2021 Amount	2020 Amount
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for this period	\$509,670	\$243,410	B02700	Acquisition of property, plant and equipment	(248,449)	(246,652)
A20000	Adjustment items:			B02800	Disposal of property, plant and equipment	3,286	10,692
A20010	Adjustments:			B03700	(Increase) decrease in refundable deposits	(17,229)	(12,990)
A20100	Depreciation expense (including right-of-use assets)	495,492	419,805	B04500	Acquisition of intangible assets	(6,035)	(4,520)
A20200	Amortization expenses	3,523	7,177	BBBB	Net cash inflow (outflow) from investing activities	(268,427)	(253,470)
A20300	Amount of expected credit loss (gain)	(84)	-	CCCC	Cash flow from financing activities:		
A20900	Interest expenses	35,130	32,870	C00100	Increase(decrease) of short-term loans	-	370,000
A21200	Interest income	(737)	(578)	C00130	Repayments of bonds	(2,000)	-
A21900	Cost of share-based payments	6,173	1,309	C03000	Increase (decrease) in guarantee deposits received	15,816	14,174
A22500	Loss on disposal of property, plant, and equipment	(101)	(899)	C04020	Repayment of principal on loan	(333,049)	(287,669)
A29900	Other item - gain on lease modification	(2,598)	(1,477)	C04500	Cash dividends distributed	(53,471)	(43,484)
A30000	Changes in assets/liabilities related to operating activities:			C04800	Employees exercising share option	36,138	-
A31130	(Increase) decrease in notes receivable	2,373	(1,271)	CCCC	Net cash inflow (outflow) from financing activities	(336,566)	53,021
A31150	(Increase) decrease in accounts receivable	(157,530)	29,872				
A31180	(Increase) decrease in other receivables	26,613	30,859	EEEE	Net increase (decrease) in cash and cash equivalents for this period	472,667	527,679
A31200	(Increase) decrease in inventory	(377,223)	(301,980)	E00100	Beginning balance of cash and cash equivalents	835,802	308,123
A31230	(Increase) decrease in prepayments	(6,879)	5,857	E00200	Ending balance of cash and cash equivalents	\$1,308,469	\$835,802
A31240	(Increase) decrease in other current assets	(7,041)	1,094				
A32125	Increase (decrease) in contract liabilities	3,798	1,051				
A32130	Increase (decrease) in notes payables	233,794	69,729				
A32150	Increase (decrease) in accounts payables	318,645	129,842				
A32180	Increase (decrease) in other payables	58,020	96,964				
A32230	Increases (decreases) in other current liabilities	3,162	9,584				
A32240	Increase (decrease) in net defined benefit liabilities	(208)	(184)				
A33000	Cash inflow (outflow) from operating activities	1,143,992	773,034				
A33100	Interest received	737	578				
A33300	Interest paid	(3,595)	(2,859)				
A33500	Income tax paid	(63,474)	(42,625)				
AAAA	Net cash inflow (outflow) from operating activities	1,077,660	728,128				

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

Chairman: Ming-Lung Cheng

General Manager: Ming-Lung Cheng

Accounting Manager: Shu-Yi Wu

Attachment 4

Great Tree Pharmacy Co., Ltd.

Table of Comparisons Before and After Amendments of "Regulations Governing the Acquisition and Disposal of Assets"

Articles after amendments	Articles before amendments	Explanation of amendments
<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already lapsed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related</p>	<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already lapsed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party</p>	<p>Amended pursuant to Article 5 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Articles after amendments	Articles before amendments	Explanation of amendments
<p>party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the industry codes of their respective trade associations of which they are members as well as</u> the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data, parameters, and information used, as the</p>	<p>of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and</u> reasonableness of the sources of data, parameters, and information used, as the basis for issuance of the appraisal report or the</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
<p>basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations.</p>	
<p>Chapter 2 Procedures</p> <p>Section 1 Acquisition or disposal of assets</p> <p>Article 6: Evaluation and procedures are as follows:</p> <p>I. Real property, equipment or right-of-use assets</p> <p>In acquiring or disposing of equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I) Where due to special circumstances it is necessary to give a limited</p>	<p>Chapter 2 Procedures</p> <p>Section 1 Acquisition or disposal of assets</p> <p>Article 6: Evaluation and procedures are as follows:</p> <p>I. Real property, equipment or right-of-use assets</p> <p>In acquiring or disposing of equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I) Where due to special circumstances it is necessary to give a</p>	<p>Amended pursuant to Articles 9, 10, and 11 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Articles after amendments	Articles before amendments	Explanation of amendments
<p>price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained (appraisers shall not be related parties to one another).</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal 	<p>limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained (appraisers shall not be related parties to one another).</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, <u>a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
<p>results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(IV) No more than 3 months may have elapsed between the date of the appraisal report issued by a professional appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>II. Short- and long-term marketable securities In acquiring or disposing of securities shall, prior to the date of occurrence of the event, the Company shall obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to</p>	<p>appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(IV) No more than 3 months may have elapsed between the date of the appraisal report issued by a professional appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>II. Short- and long-term marketable securities In acquiring or disposing of securities shall, prior to the date of occurrence of the event, the Company shall obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
<p>publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>III. Membership or intangible assets Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>IV. Derivatives Handled in accordance with related rules in Section 3 of the Procedures.</p> <p>V. Acquisition or disposal of assets through merger, demerger, acquisition, or transfer of shares in accordance with the law will be handled in accordance with related rules in Section 4 of the Procedures.</p> <p>VI. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be</p>	<p>if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>III. Membership or intangible assets Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
<p>substituted for the appraisal report or CPA opinion.</p> <p>VII. The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Paragraph 2, Article 31 herein, and "within the preceding year" as used herein refers to one year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>IV. Derivatives Handled in accordance with related rules in Section 3 of the Procedures.</p> <p>V. Acquisition or disposal of assets through merger, demerger, acquisition, or transfer of shares in accordance with the law will be handled in accordance with related rules in Section 4 of the Procedures.</p> <p>VI. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>VII. The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Paragraph 2, Article 31 herein, and "within the preceding year" as used herein refers to one year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
	toward the transaction amount.	
<p>Article 11: When the Company intends to acquire or dispose of real estate property or its right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real estate property or its right-of-use assets from or to a related party and the transaction amount reaches 20% or more of the Company's paid-up capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for trading of domestic government bonds or bonds under repurchase and resale agreements, as well as subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and approved by the Board of Directors:</p> <ol style="list-style-type: none"> I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. II. The reason for choosing the related party as a transaction counterparty. III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with 	<p>Article 11: When the Company intends to acquire or dispose of real estate property or its right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real estate property or its right-of-use assets from or to a related party and the transaction amount reaches 20% or more of the Company's paid-up capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for trading of domestic government bonds or bonds under repurchase and resale agreements, as well as subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and approved by the Board of Directors:</p> <ol style="list-style-type: none"> I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. II. The reason for choosing the related party as a transaction counterparty. III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction 	<p>Amended pursuant to Article 15 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Articles after amendments	Articles before amendments	Explanation of amendments
<p>Articles 12 and 13.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may, pursuant to Article 8, delegate to the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to</p>	<p>terms in accordance with Articles 12 and 13.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 31 herein, and "within the preceding year" as used herein refers to one year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the Supervisors need not be counted toward the</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
<p>and ratified by the next Board of Directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>If the Company or a subsidiary which is not a domestic public company has made a transaction stipulated in Paragraph 1, and the transaction amount is more than 10 percent of the Company's total assets, the Company shall submit the materials listed in the Paragraph 1 to the Shareholders' Meeting for approval before signing a transaction contract and making payments. However, the regulation does not apply in the transactions between the Company and its parent company and subsidiaries, or the transactions among its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in <u>paragraph 1 and the preceding paragraph</u> shall be made in accordance with Paragraph 2, Article 31 herein, and "within the preceding year" as used herein refers to one year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>Shareholders' Meeting and the Board of Directors</u> need not be counted toward the</p>	<p>transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may, pursuant to Article 8, delegate to the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
transaction amount.		
<p>Chapter 3 Public disclosure of information</p> <p>Article 31: Under any of the following circumstances, when the Company acquires or disposes of assets, it shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format and classification as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer</p>	<p>Chapter 3 Public disclosure of information</p> <p>Article 31: Under any of the following circumstances, when the Company acquires or disposes of assets, it shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format and classification as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p>	<p>Amended pursuant to Article 31 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Articles after amendments	Articles before amendments	Explanation of amendments
<p>of shares.</p> <p>III. Losses from derivatives transactions reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>V. Acquisition of real property by the Company by engaging others to build on its own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, in which the Company is expected to invest NT\$500 million or more in transaction amount.</p> <p>VI. Where an asset transaction other than any of those referred to in the five preceding subparagraphs, a disposal of receivables by a financial</p>	<p>III. Losses from derivatives transactions reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>V. Acquisition of real property by the Company by engaging others to build on its own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, in which the Company is expected to invest NT\$500 million or more in transaction amount.</p> <p>VI. Where an asset transaction other than any of those referred to in the five preceding subparagraphs, a disposal of receivables by a financial institution, or an investment in the</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
<p>institution, or an investment in the mainland China reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more. Provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds <u>or foreign government bonds with the credit rating not lower than the sovereign credit rating of Taiwan.</u></p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>I. The amount of any individual transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>III. The cumulative transaction amount of</p>	<p>mainland China reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more. Provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds.</p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>I. The amount of any individual transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and cumulative disposals, respectively) of real property or right-of-use assets thereof within the same development</p>	

Articles after amendments	Articles before amendments	Explanation of amendments
<p>acquisitions and disposals (cumulative acquisitions and cumulative disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and cumulative disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to one year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p>	<p>project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and cumulative disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to one year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p>	
<p>Article 39: The Procedures were enacted on June 25, 2013; first amendment took place on June 29, 2016;.....; sixth amendment took place on July 2, 2021; <u>seventh amendment took place on May 31, 2022.</u></p>	<p>Article 39: The Procedures were enacted on June 25, 2013; first amendment took place on June 29, 2016;.....; sixth amendment took place on July 2, 2021.</p>	<p>Added date of amendment.</p>

Attachment 5

Great Tree Pharmacy Co., Ltd.

Regulations Governing the Issuance and Conversion of Private Placement of Unsecured Convertible Corporate Bonds (Tentative)

I. Total amount issued

It will be proposed for the shareholders meeting to authorize the Board of Directors to choose appropriate timing and fund fundraising instrument(s) by one or a combination of methods: conduct private placement of common shares and/or conduct private placement of domestic convertible corporate bonds, within the limit of 2 million common shares, depending on the market conditions and the Company's needs, in accordance with the applicable laws and regulations and the following fund raising method principles.

II. Date of issuance

The private placement shall be offered within one year in several phases (no more than 3 times) after the date of approval from 2022 Annual Shareholders' Meeting.

III. Method of issuance

The convertible corporate bond is to be issued in accordance with Article 43-6 of the Securities and Exchange Act. The places of this private placement are limited to the specific persons stipulated in Article 43-6 of the Securities and Exchange Act; the places who may be engaged in negotiations are mainly strategic investors who may participate in the private placement.

IV. Par value and issued price of the bond

The par value of this convertible bond is NT\$100,000 per board lot. The issued price shall not be lower than 80 percent of the theoretical price.

V. Coupon rate

The coupon rate will be 0% per annum.

VI. Duration

To be determined by the Board of Directors, which is authorized to do so.

VII. Repayment method

Unless they have already been converted, redeemed or canceled through repurchase, the convertible bonds shall be repaid in cash by the Company at the par value of the bond or an additional interest compensation shall be paid upon maturity.

VIII. Conversion target

Newly issued ordinary shares of the Company.

IX. Conversion

1. Conversion period

Except under the circumstances of early redemption, repurchase, cancellation, exercise of conversion right, or during the book closure period as stipulated by law, the holders of the convertible bonds may, starting from a certain period after the issuance of the convertible bonds until the maturity date of the convertible bonds, at any time in accordance with the

relevant laws and regulations, request the Company to convert the convertible bonds held by them into the Company's ordinary shares.

2. Conversion procedure

When requesting conversion, the creditor shall prepare a “Conversion Notice”, check the bond and the documents or certificates required by the laws of the Republic of China, and submit a conversion application to the Company.

3. Determination and adjustment of conversion price

The conversion price shall not be lower than the simple average closing price of the ordinary shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, or 80 percent of the simple average closing price of the ordinary shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. For the actual price, it is proposed that the Shareholders' Meeting shall authorize the Board of Directors to determine it in accordance with relevant laws and regulations. The Board of Directors is also authorized to adjust the conversion price.

4. Attribution of relevant dividends in the year of conversion

Holders of the convertible bonds shall not be entitled to cash dividends or stock dividends before the conversion; holders of the Company's ordinary shares after the conversion are entitled to the distribution of cash dividends or stock dividends in accordance with the law, which are the same as other holders of ordinary shares of the Company.

5. Rights and obligations after conversion

Except that this convertible bond is subject to the restriction of transfer within three years after the delivery date in accordance with Article 43-8 of the Securities and Exchange Act, the ordinary shares converted from this convertible bond have the same rights and obligations as the ordinary shares already issued by the Company.

X. Early redemption conditions by the Company

To be determined by the Board of Directors, which is authorized to do so.

XI. Sell back conditions for bondholders

The company may choose not to have a sell back option, or the bondholder may require the issuing company to redeem the bond in whole or in part, at a price calculated at a certain rate of return, each year after a certain period following issuance.

XII. Other important matters agreed upon

The Board of Directors is authorized to make necessary formulations and amendments, and is given full authority to handle the conditions of the issuance of the convertible bonds and other unresolved matters.