

Great Tree Pharmacy Co., Ltd.

Meeting Agenda to the Annual Shareholders' Meeting 2022

(Summary Translation)

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

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

Method of convention: Physical shareholders' meeting

- I. Calling the Meeting to order (Announcing the total number of shares represented at the Meeting)
- II. The Chair's Remarks
- III. Report Items
 - (I) 2021 Business Report.
 - (II) 2021 Audit Committee's Audit Report.
 - (III) 2021 Distribution of Employee Compensation and Remunerations of the Employees and Directors.
 - (IV) 2021 Appropriation of Net Income in Cash Dividends
- IV. Proposals
 - (I) 2021 Business Report and Financial Statements.
 - (II) 2021 Appropriation of Net Income.
- V. Discussions
 - (I) Proposal for a new share issue through capitalization of earnings.
 - (II) Proposal to amend certain articles of the Company's "Regulations Governing the Acquisition and Disposal of Assets".
 - (III) Discussion of private placement of common shares and/or private placement of domestic convertible corporate bonds.
- VI. Extempore Motions
- VII. Adjournment

Report Items

- I. Please examine the Company's 2021 Business Report.

Description: Please refer to the meeting agenda for the Company's 2021 Business Report.

- II. Please examine the Audit Committee's audit report for 2021.

Description: Please refer to the meeting agenda for the 2021 Audit Committee's Audit Report.

- III. Please examine 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. Please examine 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.

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 refer to the meeting agenda for the 2021 Business Report, CPA Audit Report and the Financial Statements (including Consolidated Financial Statements).

Resolution:

Proposal 2. (proposed by the Board of Directors)

Proposal: Please approve of the Company's 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: $(407,418,481 - 2,428,648) \times 10\% = 40,498,983$
3. Calculation is based on 70,911,059 shares outstanding as of February 25, 2022.

Chairman: Cheng Ming Lung

Manager: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

Resolution:

Discussions

Proposal 1. (proposed by the Board of Directors)

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

Description:

1. In line with operating needs and to replenish the Company's working capital, the Company proposes to allocate NT\$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:

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. Please refer to the meeting agenda for a Table of Comparisons Before and After Amendments of Regulations Governing the Acquisition and Disposal of Assets.

Resolution:

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 the meeting agenda.
- (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:

Extraordinary Motions

Adjournment