

TWSE Stock Code:6469



Great Tree Pharmacy Co., Ltd.

2025 Annual Shareholders'  
Meeting  
Meeting Handbook

Date: May 29, 2025

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

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## **Chapter 1 Meeting Procedure**

### **Great Tree Pharmacy Co., Ltd.**

#### **Meeting Procedures of the 2025 General Shareholders' Meeting**

- I. Calling the Meeting to Order
- II. The Chair's Remarks
- III. Report Items
- IV. Proposals
- V. Discussions
- VI. Extraordinary Motions
- VII. Adjournment

## **Chapter 2 Meeting Agenda**

### **Great Tree Pharmacy Co., Ltd.**

#### **Agenda of the 2025 General Shareholders' Meeting**

Time: 10:00 a.m., Thursday, May 29, 2025

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) 2024 Business Report
  - (II) 2024 Audit Committee's Audit Report.
  - (III) 2024 Distribution of Employees' and Directors' Remuneration.
  - (IV) 2024 Appropriation of Net Income in Cash Dividends.
  - (V) Report on the Handling of Private Placement of Securities by Our Company.
  - (VI) Report on the Execution of the Company's Convertible Bond Conversion.
- IV. Proposals
  - (I) 2024 Business Report and Financial Statements.
  - (II) 2024 Appropriation of Net Income.
- V. Discussions
  - (I) Proposal to issue new shares through capitalization of earnings.
  - (II) Proposal to amend certain articles of the Company's "Articles of Incorporation".
  - (III) Proposal on private placement of common shares and/or domestic unsecured convertible corporate bonds, to be handled.
- VI. Extraordinary Motions
- VII. Adjournment

## **Report Items**

I. Please examine the Company's 2024 Business Report.

Description: Please see Attachment 1 on Pages 13-15 in this Handbook for the Company's 2024 Business Report.

II. Please examine the Company's 2024 Audit Committee's Audit Report.

Description: Please see Attachment 2 on Page 16 in this Handbook for the 2024 Audit Committee's Report.

III. Please examine the Company's 2024 Distribution of Employees' and Directors' Remuneration.

Description: In 2024, the profit of the Company was NT\$861,997,003, the Directors' remuneration distributed under the Articles of Incorporation was 0.49% of the total amount of NT\$4,216,243, and the employees' remuneration was 3% of the total amount of NT\$25,859,911, which was paid in cash.

IV. Please examine the Company's 2024 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 27, 2025 resolves to distribute cash dividends of NT\$436,717,919 for ordinary shares (cash dividends of NT\$3.30 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.

# V. Report on the Handling of Private Placement of Securities by the Company.

## Description:

1. The Company resolved to conduct a private placement of unsecured convertible corporate bonds at the board meeting on April 6, 2022, and at the shareholders' meeting on May 31, 2022. Please refer to the table below for relevant information and execution status.

Item	The first private placement of domestic unsecured convertible corporate bonds in 2022 Date of issuance: September 29, 2022					
Types of Privately Placed Securities	Domestic unsecured convertible corporate bonds					
Date and Amount of Approval by the Shareholders' Meeting	May 31, 2022, within the limit of no more than 2 million common shares					
Basis and rationality of the pricing	According to the resolution of the General Shareholders' Meeting on May 31, 2022, the basis for determination shall be no less than 80% of the theoretical value, and the conversion price shall be NT\$270.5 per share on the conversion pricing date, September 6, 2022.					
Method for Selecting Specific Persons	The private placement of domestic convertible corporate bonds shall be limited to specific persons as set out in Article 43-6 of the Securities and Exchange Act and the No. 0910003455 Order of the Financial Regulatory Commission (June 13, 2002). The offeree that the Company negotiated with on September 6, 2022 is Sugi Holdings Co., Ltd.					
Necessities of the Private Placement	Considering the capital market, the timeliness, feasibility and issuance costs of raising funds, the actual needs of strategic investors, and the provision that privately placed securities are non-transferable within three years, the Company shall maintain a long-term cooperative relationship with strategic investors.					
Payment Completion Date	September 15, 2022					
Information about the Offeree	Object of Private Placement	Subscription Amount (NT\$)	Public Offering Shareholding Weight %	Shareholding Ratio in Private Placement %	Relationship with the Company	
	Sugi Holdings Co., Ltd.	220,000,000	0%	100%	None	
Actual Subscription (or Conversion) Price	Due to the distribution of dividends by the Company in 2024, the conversion price was adjusted to NT\$183.20 from August 18, 2024.					
Actual Subscription (or Conversion) Price vs. Reference Price Difference	90%					

Item	The first private placement of domestic unsecured convertible corporate bonds in 2022 Date of issuance: September 29, 2022
Impacts of Private Placement on Shareholders' Equity	The amount of private placement accounted for about 0.9% of the paid-in capital, and there was no significant damage to shareholders' equity.
Use of Private Funds and Plan Implementation Progress	The first private placement of domestic unsecured convertible corporate bonds was completed in September 2022 with the proceeds of NT\$220,000,000. The bonds were fully provisioned to increase the working capital, expand channels, increase market share and reinforce the Company's financial structure in the fourth quarter of 2022.
Appearance of Private Equity Benefits	Private equity benefits are used to increase the working capital, expand channels, enlarge market shares, and reinforce the Company's financial structure.

2. At the Annual Shareholders' Meeting on May 31, 2024, the Company approved a resolution authorizing the Board of Directors to conduct a private placement of common shares and/or domestic unsecured convertible corporate bonds within a limit not exceeding 13 million common shares. According to Article 43-6 of the Securities and Exchange Act, such private placement must be conducted either at once or in installments within one year from the date of the shareholders' resolution. As the May 28, 2025 deadline approaches, due to our inability to secure subscribers, we have been unable to complete the implementation. Therefore, this matter will not be pursued further during the remaining period.

## VI. Report on the Execution of the Company's Convertible Bond Conversion.

### Description:

1. On July 7, 2022, the Board of Directors passed a resolution to raise NT\$1 billion through the second issuance of unsecured convertible corporate bonds for the repayment of bank borrowings and to increase the working capital.

For the Company's second issuance and fundraising of domestic unsecured convertible corporate bonds (Code: 64692), please refer to the table below.

Period/Type	The Second Issuance of Domestic Unsecured Convertible Corporate Bonds in 2022
Date of Issuance	September 12, 2022
Expiry Date	September 12, 2025
Total Amount Issued	NT\$1,000,000,000
Par Value per Share	The par value is NT\$100,000
Duration	Triennial
Coupon Rate	0%
Method of Redemption	Except for the holders of the convertible bonds converted into the Company's common shares as set out in Article 10 of the Conversion Measures and the early redemption of the bonds by the Company as set out in Article 18 of the Measures or the cancellation of the bonds purchased by the securities dealers business premises, the Company shall repay the bonds held by the bondholders in cash and in one lump sum within ten business days from the day following the maturity of the bonds.
Execution of Fund Application Plans	It has been used to repay bank borrowings and replenish working capital in the fourth quarter of 2022 and has been implemented according to the full use of the capital utilization plan.
Remark	The bondholder had applied for conversion of NT\$408,500,000, a total of 1,508,366 common shares was converted, until the conversion ceased on March 31, 2025.



2. On February 27, 2025, the Board of Directors of this company approved the issuance of the third domestic unsecured convertible bonds amounting to NT\$1 billion. The purpose of raising these funds is to repay the principal of the second domestic unsecured convertible bonds maturing in 2022, repay the principal of the first privately placed unsecured convertible bonds at maturity, and to supplement working capital. As of March 31, 2025, the third domestic unsecured convertible corporate bonds of the Company has not been issued. Relevant procedures will be handled in accordance with applicable laws and regulations, and will be separately announced after obtaining approval from the relevant competent authorities.

## Proposals

Proposal 1 (proposed by the Board of Directors)

Proposal: Please approve the Company's 2024 Business Report and Financial Statements.

Description:

1. The Company's 2024 Financial Statements have been audited by Certified Public Accountants (CPA) Cheng Ching-Piao and Chang Chih-Ming 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 on Pages 13-15 and Attachment 3 on Pages 17-36 in this Handbook for the 2024 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 the Company's 2024 Appropriation of Net Income.

Description:

1. The Company's net income after tax in 2024 was NT\$680,767,088. The Company made a legal provision for legal capital reserve and special reserve. After adding the undistributed surplus and other comprehensive incomes at the beginning of the year (the re-evaluation of the defined benefit plan in 2024), the Company's available distribution surplus was NT\$618,543,857, the cash dividend of common shares was NT\$436,717,919 (cash dividend of NT\$3.30 per share), and common stock dividends amount to NT\$172,040,390 (with 130 shares distributed per thousand shares, without compensation).
2. The Company's 2024 Appropriation of Net Income is listed in the table below:

Great Tree Pharmacy Co., Ltd.  
2024 Appropriation of Net Income

Unit: NT\$	
Item	Amount
Beginning retained earnings	\$2,361,707
Add: Net profit after tax in 2024	680,767,088
Add: other comprehensive income (remeasurement of defined benefit plan in 2024)	1,262,169
Less: appropriation of legal capital reserve	(68,202,926)
Add: reversal of special reserve	<u>2,355,819</u>
Income available for distribution for this period	618,543,857
Allocations	
Cash dividends (approximately NT\$3.30 per share)	(436,717,919)
Shareholder dividends (approximately NT\$1.30 per share)	(172,040,390)
	<u>(608,758,309)</u>
Ending retained earnings	<u>\$9,785,548</u>
<p>Note:</p> <ol style="list-style-type: none"> <li>Profits from 2024 would be appropriated first during current appropriations of profits.</li> <li>Calculation of appropriation of legal capital reserve: <math>(680,767,088 + 1,262,169) * 10\% = 68,202,926</math></li> <li>Calculation is based on 132,338,763 shares outstanding as of January 31, 2025.</li> </ol>	

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 issue new shares through capitalization of earnings.

Description:

1. To meet the operating needs and increase the Company's working capital, the Company intends to transfer NT\$172,040,390 to issue 17,204,039 new shares, with a par value of NT\$10 per share, all of which are common shares, from the profit available for distribution in 2024.
2. Shareholders' stock dividends are allocated approximately 130 shares per thousand shares according to the proportion of shares held by the shareholders listed in the shareholders' register on the base date of capital increase and allotment. For odd lots of less than one share resulting from this profit increase and capitalization distribution, shareholders may, within five days from the record date for suspension of transfers, piece together to form whole shares through the Company's share transfer agent. Any remaining odd lots after piecing together may be rounded to the nearest dollar (NT\$) and paid in cash (to offset fees of book entry of securities on centralized trades and other dematerialized registration fees), with amounts below NT\$1 disregarded. The shares shall be authorized for purchase at par value by the Chair from specific individuals.
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.
4. New shares to be issued in the current capital increase have the same rights and obligations as the common shares already issued.
5. Upon approval from the Shareholders' Meeting and applying to the competent authority for approval pursuant to legal regulations, the Board of Directors will be authorized 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 Chairman with all rights to handle related matters.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Proposal: Please discuss the proposal to amend the Company's "Articles of Incorporation".

Description:

In response to the amendment to Article 14, Section 6 of the Securities Exchange Act, the Company has revised certain provisions of its Articles of Incorporation. For a comparison of the provisions before and after the amendment, please refer to Attachment 4 on Page 37 of this Handbook.

Resolution:

Proposal 3 (proposed by the Board of Directors)

Proposal: Please discuss the proposal on private placement of common shares and/or domestic convertible corporate bonds.

Description:

1. In order to enrich the working capital to achieve the benefits of expanding the channel, increasing the market share and strengthening the financial structure, the Company intends to propose to the Board of Shareholders to authorize the Board, within the limit of not more than 2,500 million shares of common shares, depending on the market environment and the Company's needs, to select one or match the following financing methods at an appropriate time in accordance with the relevant laws, the Articles of Incorporation of the Company and other competent authorities. If the domestic unsecured convertible corporate bonds are issued through private placement, the number of common shares that can be converted into convertible bonds shall be calculated at the conversion price on the date of private placement within 2,500 million shares. The Company shall handle them once or in stages, no more than three stages, during a given calendar year since the resolution of the Annual General Shareholders' Meeting, depending on the market and the situation of contacting specific persons. For the basis and rationale for the determination of the private placement price, the method of selecting specific candidates (the applicants have not yet been confirmed), and the necessary reasons for conducting the private placement, please refer to Attachment 5 on Pages 38-40 of this handbook .
2. For the Regulations Governing the Issuance and Conversion of Private Placement of Unsecured Convertible Corporate Bonds (Tentative), please refer to Attachment 6 on Pages 41-43 of this Handbook.
3. In addition to the actual offering price and the actual conversion price per share, the number of shares issued, the number of shares issued, the actual issuance conditions and conversion methods, the amount of private placement, the capital increase base date, the planned project, the expected

progress, the progress of the use of funds, estimated benefits and other outstanding matters, in the future, if amended by the instructions of the competent authority or due to any change in objective environment and market conditions, it is proposed to request the shareholders' ordinary meeting to authorize the Board to dispose of it at its sole discretion.

4. For cooperation in handling the Private Securities, it's planned to hold the 2025 annual shareholders meeting to pass the private placement and to authorize the Chair of the Board or his designated person to negotiate, sign and deliver all contracts or documents related to the issuance of the Private Placement Securities on behalf of the Company and handle all matters necessary for the Company to issue the Private Placement Securities. For all matters not covered above, the Chair of the Board is authorized to handle them by law.

<Supplement>According to the Securities Investors and Futures Traders Protection Center of Foundation Juridical Person Securities Investors and Futures Traders Protection Center March 17, 114 Security Guarantee Act Letter No.1140000794, please refer to Appendix 4 on Pages 62 of this Handbook.

Resolution:

## **Extraordinary Motions**

### **Adjournment**

## Attachment I

### Great Tree Pharmacy Co., Ltd. Business Report

The Company's 2024 operational performance and future outlook are summarized as below:

#### I. 2024 Business Report

##### (I) Achievements from the implementation of the 2024 Business Plan

In 2024, the Company's consolidated net operating revenue amounted to NT\$17,274,254 thousand, representing an increase of 7.00% compared to 2023. The consolidated pre-tax net profit was NT\$846,765 thousand, reflecting a 0.59% increase from 2023. The primary reason for the revenue growth was the addition of 53 new store locations in 2024, bringing the total number of stores to over 386. Furthermore, effective cost management contributed to improved operational efficiency, allowing the pre-tax net profit for 2024 to maintain a modest growth.

Furthermore, in response to the declining birthrate and aging population, which have led to increased demand for companionship, the company has ventured into the pet food and medical care market. By the end of 2024, we had established 11 stores, continuing to increase revenue.

In addition to continuously expanding distribution channels, the Great Tree team consistently differentiates its market positioning, enhances service capabilities, and extends category development to provide consumers with a comprehensive shopping environment for health products. At the same time, we are striving for higher service standards and satisfaction. We hope that, through feedback and the optimization of services, all consumers and colleagues can have a strong sense of mission.

##### (II) Budget implementation status: The Company has not disclosed its financial forecast for 2024, so there is no need to disclose any budget execution.

##### (III) Financial Revenue/Expense and Profitability Analysis

Unit: in NT\$1,000

Item	2024	2023
Cash flow from operating activities	1,138,673	890,331
Cash flow from investing activities	(881,373)	(416,526)
Cash flow from financing activities	(499,079)	(795,842)
Return on assets (%)	6.35	6.82
Return on equity (%)	19.43	22.31
Ratio of net profit before tax to paid-in capital	64.02	63.91
Net profit margin	3.94	4.13
Earnings per share (NT\$)	5.16	5.13

Note: The financial information entered above is consolidated information based on the adoption of IFRS.

##### (IV) Research and development (R&D) status: The Company, belonging to the chain pharmacy industry, does not have a dedicated research and development department, but based on the service of the vast consumer demand, the commodity marketing department is still actively involved in product development-related services.

## II. Outline of 2025 Business Plan

The Company's latest five-year plan (from 2021 to 2025), with the following main business directions as planned specifically:

### (I) Management policy and important production and marketing policies

- 1) Continuous Expansion of Stores: The Company continues to expand its store network, becoming Taiwan's largest health pharmacy channel. In the future, we will continue to expand our store presence through three different types of stores: large stores in commercial districts, small community stores, and hypermarkets, in order to enhance our overall market penetration.
- 2) Three-Cross Project: Cross-Category/Industry – Introduction of exclusively distributed products from overseas partners such as Japan's Sugi and Akachan, establishment of hearing centers within pharmacy locations, introduction of pet products in pharmacy stores, and other initiatives. Through the implementation of diversified product categories, we increase revenue and differentiate our company from other distribution channels. Overseas development - Overseas development plan is gradually being implemented, leveraging Taiwan's success to meet 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. In addition, according to the relevant statistics of “wholesale, retail and catering turnover” from the Ministry of Economy (from NT\$169 billion in 2013 to NT\$213.2 billion in 2024), the annual compound growth rate is 2.35% and generally speaking, the domestic pharmaceutical and cosmetic retail market has maintained a moderate and optimistic growth trend. The Company is actively opening up new stores and expanding its business scale and expects to maintain stable revenue growth.

## III. Sustainability

In the development process, the Company has always adhered to the spirit of “the most trustworthy pharmacy” and expects to benefit its employees, suppliers and shareholders, and the whole society and fulfill its corporate social responsibilities.

The Company has long been concerned about socially disadvantaged groups. Since 2022, it has participated annually in the Cathay Bank Foundation's Big Trees Project, calling attention to the equal education rights of school kids and promoting the development of grass-roots education. Regarding environmental protection, the Company actively cooperates with suppliers engaged in energy conservation and carbon reduction and intends to list the supplier's carbon footprint and carbon reduction performance as major indicators while procuring products and/or services.

## IV. Future Company development strategies

Our company will implement an aggressive yet prudent growth strategy, simultaneously recruiting professional talent while actively developing new products and markets to establish industry leadership. We aspire for Great Tree Pharmacy to become customers' first choice for their health product consumption needs.

Since its establishment, the Company has deeply rooted in the pharmaceutical industry of Taiwan and has met the shareholders' expectations to become the largest pharmacy in Taiwan. Next, it shall reach



other fields and even other countries. In new areas, in addition to finding the most helpful strategic partners for business, the Company shall also strictly control risks and expect to create higher value for shareholders.

The Company shall continue to innovate through all-member brainstorming, to change the past pharmacy consumption behavior, and to let everyone see that Great Tree Pharmacy shall not only be a pharmacy.

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

The Company shall continue provide education and training for its employees, thereby establishing its professional brand value. It shall adhere to the principles of “professionalism and integrity” and provide consumers with a full range of services. Through the innovative senior management core team, it shall improve the threshold of services and quickly replicate successful experiences to expand its business map and widen its differences with 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.

The transparent corporate governance accepts the shareholders’ inspection. The shareholders’ equity is the foremost, and making profits is still the Company’s main objective. All colleagues shall uphold a high sense of responsibility, unity, and cooperation, form a competitive edge for the Company with better business performance, and create value for shareholders.

Chairman: Cheng Ming Lung

Manager: Cheng Ming Lung

Accounting Manager: Wu Shu Yi

## **Attachment II**

### **Great Tree Pharmacy Co., Ltd.**

### **Audit Committee's Audit Report**

The Board of Directors has prepared and submitted the Company's 2024 Business Report, Financial Statements and the Proposal for Appropriation of Net Income, among which the Financial Statements have been audited by CPAs Cheng Ching-Piao and Chang Chih-Ming 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. 2025 Annual Shareholders' Meeting

Liu Tian Dao, Convenor of the Audit Committee

February 27, 2025

## **Attachment III**

### **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, 2024 and December 31, 2023, and the related Parent Company Only Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2024 and December 31, 2023, 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, and in reliance upon the audit results and other auditors' reports (please refer to the Other Matters section), 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, 2024 and December 31, 2023, as well as its individual financial performance and individual cash flow from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023.

#### **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 other ethical responsibilities in accordance with the Norm. In reliance upon the audit results and other auditors' reports, we believe that 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 2024 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\$17,051,942 thousand in 2024. 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, 2024, the net inventory of Great Tree Pharmacy Co., Ltd. was NT\$2,618,184 thousand, accounting for 22% 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.

### **Other Matters - Reference to the Audit of Other Auditors**

Included in the Parent Company Only Financial Statements of Great Tree Pharmacy Co., Ltd. is a portion pertaining to Financial Statements of investments under the equity method for the year 2023, which have not been audited by our auditors but by other auditors. Therefore, in our opinion expressed

in the accompanying Parent Company Only Financial Statements, the amounts included for the Financial Statements of such investee companies are based on the audit reports of other auditors. On December 31, 2023, the recognition of investments under the equity method in the Company amounted to NT\$7,075 thousand, accounting for 0.07% of the individual total asset. From January 1 to December 31, 2023, the share of subsidiaries, associates, and joint ventures recognized under the equity method in the income(loss) amounted to NT\$925 thousand, representing 0.11% of the individual pre-tax net profit. The share of other comprehensive income(loss) from subsidiaries, associates, and joint ventures recognized under the equity method amounted to NT\$0, accounting for 0% of the individual's other comprehensive income(loss) net amount.

### **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 2024 Parent Company Only Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

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

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

No. (2002)TCZ(VI)144183

Certified Public Accountant (CPA)

Cheng Ching-Piao

Chang Chih-Ming

February 27, 2025

Great Tree Pharmacy Co., Ltd.  
 Parent Company Only Balance Sheets  
 As of December 31, 2024 and 2023  
 (Amounts expressed in thousands of New Taiwan Dollars)

Asset			December 31, 2024		December 31, 2023	
Code	Accounting item	Note	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$1,660,310	14	\$1,877,053	18
1136	Financial assets measured at amortized cost	4, 6.4 and 8	328,500	3	24,000	-
1150	Notes receivable, net	4 and 6.5	7,659	-	12,779	-
1170	Net accounts receivable	4 and 6.6	519,824	4	537,026	5
1180	Net accounts receivable - related parties	4, 6.6 and 7	714,071	6	594,140	6
1200	Other receivables		280,743	2	247,724	2
1210	Other receivables - related parties	7	42,399	1	23,345	-
1300	Inventory	4 and 6.7	2,618,184	22	2,334,917	22
1410	Prepayments		55,326	-	48,794	1
1470	Other current assets		40,896	-	9,135	-
	Total current assets		6,267,912	52	5,708,913	54
15xx	Non-current assets					
1510	Financial assets measured at fair value through profit or loss	4, 6.2 and 6.14	-	-	905	-
1517	Financial assets measured at fair value through other comprehensive income	4 and 6.3	134,624	1	84,671	1
1535	Financial assets measured at amortized cost	4, 6.4 and 8	3,000	-	3,000	-
1550	Investments accounted for using the equity method	4 and 6.8	447,530	4	398,465	4
1600	Property, plant, and equipment	4 and 6.9	834,249	7	764,261	7
1755	Right-of-use assets	4 and 6.20	3,857,042	32	3,311,460	31
1780	Intangible assets	4 and 6.10	56,330	-	42,715	-
1840	Deferred tax assets	4 and 6.24	11,051	-	13,612	-
1900	Other non-current assets	4 and 6.11	420,252	4	263,720	3
	Total non-current assets		5,764,078	48	4,882,809	46
1xxx	Total assets		\$12,031,990	100	\$10,591,722	100

(Please refer to the notes to the Parent Company Only financial statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi



Great Tree Pharmacy Co., Ltd.  
 Parent Company Only Balance Sheets (continued)  
 As of December 31, 2024 and 2023  
 (Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	4 and 6.12	\$455,000	4	\$-	-
2130	Contract liabilities	4 and 6.18	11,229	-	18,723	-
2150	Notes payable		533,465	5	679,831	7
2160	Notes payable - related parties	7	155,086	1	132,517	1
2170	Accounts payable		1,785,285	14	1,594,037	15
2180	Accounts payable - related parties	7	106,785	1	49,488	-
2200	Other payables	6.13 and 6.15	355,700	3	360,357	4
2220	Other payables - related parties	7	242	-	242	-
2230	Tax liabilities for this period	4 and 6.24	72,534	1	73,634	1
2280	Lease liabilities	4 and 6.20	506,305	4	436,075	4
2321	Corporate bonds that mature or execute the right to sell back within one year or one operating cycle	4 and 6.14	802,392	7	-	-
2300	Other current liabilities		28,181	-	28,336	-
	Total current liabilities		4,812,204	40	3,373,240	32
25xx	Non-current liabilities					
2530	Bonds payable	4 and 6.14	-	-	800,441	8
2572	Deferred income tax liabilities	4 and 6.24	2,728	-	1,972	-
2580	Lease liabilities	4 and 6.20	3,516,989	29	3,017,288	28
2640	Net defined benefit liabilities	4 and 6.15	2,720	-	4,150	-
2645	Guarantee deposits	7	100,727	1	113,066	1
	Total non-current liabilities		3,623,164	30	3,936,917	37
2xxx	Total liabilities		8,435,368	70	7,310,157	69
31xx	Equity attributable to shareholders of parent company					
3100	Share capital	6.16				
3110	Ordinary share capital		1,318,889	11	1,117,037	11
3130	Convertible Bond Warrant		-	-	4,220	-
3140	Prepaid share capital		3,678	-	4,516	-
3200	Capital surplus	6.16	1,311,886	11	1,286,228	12
3300	Retained earnings	6.16		-		-
3310	Legal capital reserve		270,196	2	203,591	2
3320	Special capital reserve		2,356	-	1,372	-
3350	Unappropriated earnings		684,390	6	666,957	6
36xx	Other equity		5,227	-	(2,356)	-
	Total equity		3,596,622	30	3,281,565	31
	Total liabilities and equity		\$12,031,990	100	\$10,591,722	100

(Please refer to the notes to the Parent Company Only financial statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

Great Tree Pharmacy Co., Ltd.  
 Parent Company Only Statements of Comprehensive Income  
 For the years ended December 31, 2024 and 2023  
 (Amounts expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.18 and 7	\$17,051,942	100	\$15,979,329	100
5000	Operating costs	7	(12,466,221)	(73)	(11,721,989)	(73)
5900	Gross profit		4,585,721	27	4,257,340	27
6000	Operating expenses	7				
6100	Selling and marketing expenses		(3,381,504)	(20)	(3,039,779)	(19)
6200	General and administrative expenses		(496,617)	(3)	(495,266)	(3)
	Total operating expenses		(3,878,121)	(23)	(3,535,045)	(22)
6900	Operating profit		707,600	4	722,295	5
7000	Non-operating income and expenses					
7100	Interest income	6.22	12,584	-	15,311	-
7010	Other income	6.22 and 7	91,035	1	77,246	-
7020	Other gains and losses	6.22	8,599	-	2,618	-
7050	Financing costs	6.22	(57,098)	-	(55,544)	-
7070	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method		69,201	-	66,499	-
	Total non-operating income and expenses		124,321	1	106,130	-
7900	Net profit before tax		831,921	5	828,425	5
7950	Income tax expenses	4 and 6.24	(151,154)	(1)	(162,376)	(1)
8200	Net income		680,767	4	666,049	4
8300	Other comprehensive income (loss), net	6.23				
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans		1,262	-	(3)	-
8316	Equity instruments measured at fair value through other comprehensive income		2,528	-	523	-
	Unrealized valuation gains (losses) on investments					
8360	Items that may subsequently be reclassified to profit or loss					
8380	Other comprehensive profit or loss shares of subsidiaries, affiliates, and joint ventures measured at the equity method		5,055	-	(1,507)	-
	Other comprehensive income (loss) (net value after tax) for this period		8,845	-	(987)	-
8500	Total comprehensive income (loss)		\$689,612	4	\$665,062	4
	Earnings per share, EPS (NT\$)					
9750	Basic EPS	6.25	\$5.16		\$5.13	
9850	Diluted EPS	6.25	\$5.07		\$4.98	

(Please refer to the notes to the Parent Company Only financial statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

Great Tree Pharmacy Co., Ltd.  
 Parent Company Only Statements of Changes in Equity  
 For the years ended December 31, 2024 and 2023  
 (Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	Share capital	Convertible bond warrant	Prepaid share capital	Capital surplus	Retained earnings			Other equity items		Total equity
						Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences translated from the financial statements of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive profit or loss	
		3100	3130	3140	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2023	\$891,352	-	\$7,239	\$867,945	\$133,468	\$-	\$701,696	\$(205)	\$(1,167)	\$2,600,328
B1	Appropriation of earnings in 2022										
B1	Legal capital reserve					70,123		(70,123)			-
B3	Special capital reserve						1,372	(1,372)			-
B5	Cash dividends							(422,522)			(422,522)
B9	Share dividends	206,766						(206,766)			-
D1	2023 net income							666,049			666,049
D3	Other comprehensive income (loss) in 2023							(3)	(1,507)	523	(987)
D5	Total comprehensive income (loss)	-	-	-	-	-	-	666,046	(1,507)	523	665,062
I1	Convertible corporate bond conversion	10,415	4,220	-	370,167						384,802
M5	The difference between the actual acquisition or disposal price of subsidiary company equity and its book value.							(2)			(2)
N1	Share-based payment transaction	8,504		(2,723)	17,924						23,705
T1	Others - issuance of employee stock options				30,192						30,192
Z1	Balance as of December 31, 2023	1,117,037	4,220	4,516	1,286,228	203,591	1,372	666,957	(1,712)	(644)	3,281,565
B1	Appropriation of earnings in 2023										
B1	Legal capital reserve					66,605		(66,605)			-
B3	Special capital reserve						984	(984)			-
B5	Cash dividends							(405,514)			(405,514)
B9	Share dividends	191,493						(191,493)			-
D1	2024 net income							680,767			680,767
D3	Other comprehensive income (loss) in 2024							1,262	5,055	2,528	8,845
D5	Total comprehensive income (loss)	-	-	-	-	-	-	682,029	5,055	2,528	689,612
I1	Convertible corporate bond conversion	4,669	(4,220)		10,181						10,630
M5	The difference between the actual acquisition or disposal price of subsidiary company equity and its book value.				2						2
N1	Share-based payment transaction	5,690		(838)	11,929						16,781
T1	Others - issuance of employee stock options				3,546						3,546
Z1	Balance as of December 31, 2024	\$1,318,889	\$-	\$3,678	\$1,311,886	\$270,196	\$2,356	\$684,390	\$3,343	\$1,884	\$3,596,622

(Please refer to the notes to the Parent Company Only financial statements)

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd.**  
**Parent Company Only Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2024	2023	Code	Item	2024	2023
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for the period	\$831,921	\$828,425	B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(47,425)	(35,315)
A20000	Adjustment items:			B00040	Financial assets measured at amortized cost (increase) decrease	(304,500)	-
A20010	Gain or loss items that do not affect cash flows:			B01800	Acquisition of investments accounted for using the equity method	(71,724)	(217,630)
A20100	Depreciation expense (including right-of-use assets)	740,306	651,554	B01900	Disposal of investments accounted for using the equity method	12,000	-
A20200	Amortization expenses	18,275	10,896	B02700	Acquisition of property, plant, and equipment	(323,029)	(244,758)
A20400	Valuation loss (gain) on financial liabilities measured at fair value through profit or loss	905	715	B02800	Disposal of property, plant, and equipment	4,882	2,219
A20900	Interest expenses	57,098	55,544	B03700	(Increase) decrease in deposits	(143,549)	(49,045)
A21200	Interest income	(12,584)	(15,311)	B04500	Acquisition of intangible assets	(31,913)	(27,462)
A21900	Cost of share-based payments	3,546	30,192	B04600	Disposal of intangible assets	25	-
A22300	Shares of subsidiaries, affiliates, and joint ventures measured at the equity method	(69,201)	(66,499)	BBBB	Net Cash inflow (outflow) from investing activities	(905,233)	(571,991)
A22500	Loss on disposal of property, plant, and equipment	(422)	(499)				
A22800	Gain on disposal of intangible assets	(2)	-	CCCC	Cash flow from financing activities:		
A23100	Gain on disposal of investments	(5,298)	-	C00100	Proceeds from short-term borrowings	455,000	-
A29900	Other item - gain on lease modification	-	(1,110)	C03000	Increase (decrease) in guarantee deposits received	(12,339)	23,909
A30000	Changes in assets/liabilities related to operating activities:			C04020	Repayment of principal on loan	(516,245)	(450,349)
A31130	(Increase) decrease in notes receivable	5,120	(10,877)	C04500	Cash dividends	(405,514)	(422,522)
A31150	(Increase) decrease in accounts receivable	17,202	(188,749)	C04800	Employees exercising share option	16,781	23,705
A31160	(Increase) decrease in accounts receivable - related parties	(119,931)	(103,192)	CCCC	Net cash inflow (outflow) from financing activities	(462,317)	(825,257)
A31180	(Increase) decrease in other receivables	(33,019)	(134,035)				
A31190	(Increase) decrease in other receivables - related parties	(23,954)	2,938	EEEE	Amount of Increase (decrease) in cash and cash equivalents for the period	(216,743)	(431,153)
A31200	(Increase) decrease in inventories	(283,267)	(78,594)	E00100	Beginning balance of cash and cash equivalents	1,877,053	2,308,206
A31230	(Increase) decrease in prepayments	(6,532)	(10,902)	E00200	Ending balance of cash and cash equivalents	\$1,660,310	\$1,877,053
A31240	(Increase) decrease in other current assets	(31,761)	(3,377)				
A32125	Increase (decrease) in contract liabilities	(7,494)	2,362				
A32130	Increase (decrease) in notes payables	(146,366)	(36,187)				
A32140	Increase (decrease) in notes payable - related parties	22,569	8,632				
A32150	Increase (decrease) in accounts payables	191,248	129,332				
A32160	Increase (decrease) in accounts payable - related parties	57,297	(898)				
A32180	Increase (decrease) in other payables	(11,362)	(23,025)				
A32190	Increase (decrease) in other payables - related parties	-	(699)				
A32230	Increase (decrease) in other current liabilities	(155)	3,721				
A32240	Increase (decrease) in net defined benefit liabilities	(168)	(160)				
A33000	Cash inflow (outflow) from operating activities	1,193,971	1,050,197				
A33100	Interest received	12,584	15,311				
A33200	Dividends received	95,115	102,778				
A33300	Interest paid	(1,926)	(315)				
A33500	Income tax paid	(148,937)	(201,876)				
AAAA	Net cash inflow (inflow) from operating activities	1,150,807	966,095				

(Please refer to the notes to the Parent Company Only financial statements)  
General Manager: Cheng Ming-Lung

Chairman: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

## 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, 2024 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 27, 2025

## 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, 2024 and December 31, 2023, and the related Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years ended December 31, 2024 and December 31, 2023, 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, 2024 and December 31, 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2024 and December 31, 2023, 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 2024 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\$17,274,254 thousand in 2024. Since the Group's sources of revenue include different selling models such as retail transactions at pharmacies and revenue from management services and more, the judgment over performance obligation and the timing of its fulfillment over customer orders or contracts was needed, therefore leading to significant risk of revenue recognition. Hence, we have decided to include this as a key audit matter. Our audit procedures include (but are not limited to): understanding each selling model, evaluating the appropriateness of revenue recognition policy related to obligation fulfillment under each model, evaluating and testing the effectiveness of the relevant internal control to the timing

of revenue recognition in the sales cycle, conducting detailed testing by sampling the sales receipts, and conducting analytical review procedure and carrying out cut-off tests and more. Our accountants have also considered the appropriateness of operating revenue disclosure identified in Note 6 of the Consolidated Financial Statements.

### Inventory Valuation

As of December 31, 2024, the net inventory of Great Tree Pharmacy Co., Ltd. and its subsidiaries was NT\$3,164,557 thousand, accounting for 26% of the consolidated total asset. Main businesses of Great Tree Pharmacy Co., Ltd. and its subsidiaries include trading of maternity and infant products as well as various drugs. Most of their products have shelf lives, leading evaluations of allowance for inventory valuation and obsolescence loss to require material judgement from the Group's management. Therefore, this was included as a key audit matter. Our audit procedures include (but are not limited to): evaluating the appropriateness of the policy of allowance for inventory valuation and obsolescence loss, evaluating the management method for near expiring goods and identification of expired inventory and testing the effectiveness of the relevant internal control, sampling the inventory aging report to test its accuracy and selecting significant inventory location for physical inventory observation and count, and inspecting current inventory and utilization status and more. We have also taken the appropriateness of inventory disclosure in Note 5 and Note 6 in the Notes to Consolidated Financial Statements into consideration.

### **Other Matters - Mention of Audit by Other Accountants**

Included in the consolidated financial statements of Great Tree Pharmacy Co., Ltd. and its subsidiaries, the financial statements related to equity-accounted investments of 2023 were not audited by our auditor but were audited by other auditors. Therefore, in the opinion expressed by our auditor on the aforementioned consolidated financial statements, the amounts presented in the financial statements of such investee companies are based on the audit report of other auditors. As of December 31, 2023, the equity method investments in those companies were recognized at NT\$7,075 thousand, accounting for 0.07% of the total consolidated assets. For the period from January 1 to December 31, 2023, the attributable share of (loss) profit from related associates and joint ventures recognized under the equity method amounted to NT\$(925) thousand, representing (0.11)% of the consolidated profit before tax. The attributable share of other comprehensive income from related associates and joint ventures recognized under the equity method amounted to NT\$0, representing 0% of the net amount of consolidated other comprehensive income.

### **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 2024 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, 2024 and December 31, 2023.

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

Auditing and Attestation No. (2014) FSC No. 1030025503  
No. (2002)TCZ(VI)144183

Certified Public Accountant (CPA)

Cheng Ching-Piao  
Chang Chih-Ming

February 27, 2025

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2024 and 2023

(Amounts expressed in thousands of New Taiwan Dollars)

Asset			December 31, 2024		December 31, 2023	
Code	Accounting item	Note	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$1,902,002	16	\$2,134,734	20
1136	Financial assets measured at amortized cost	4, 6.4 and 8	328,500	3	24,000	-
1150	Notes receivable, net	4 and 6.5	7,659	-	12,779	-
1170	Net accounts receivable	4 and 6.6	668,189	6	664,924	6
1200	Other receivables		280,924	2	248,672	2
1300	Inventory	4 and 6.7	3,164,557	26	2,793,580	26
1410	Prepayments		95,053	1	86,762	1
1470	Other current assets		42,931	-	10,408	-
	Total current assets		6,489,815	54	5,975,859	55
15xx	Non-current assets					
1510	Financial assets measured at fair value through profit or loss	4, 6.2 and 6.14	-	-	905	-
1517	Financial assets at fair value through other comprehensive income (loss)	4 and 6.3	137,624	1	84,671	1
1535	Financial assets measured at amortized cost	4, 6.4 and 8	3,000	-	3,000	-
1550	Investments accounted for using equity method	4 and 6.8	5,584	-	7,075	-
1600	Property, plant, and equipment	4 and 6.9	961,305	8	881,617	8
1755	Right-of-use assets	4 and 6. 20	4,005,891	33	3,475,938	32
1780	Intangible assets	4 and 6.10	57,726	-	43,825	1
1840	Deferred tax assets	4 and 6.24	39,672	-	32,448	-
1900	Other non-current assets	6.11	426,633	4	267,857	3
	Total non-current assets		5,637,435	46	4,797,336	45
1xxx	Total assets		\$12,127,250	100	\$10,773,195	100

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

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

**Great Tree Pharmacy Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets (continued)**  
**As of December 31, 2024 and 2023**  
(Amounts expressed in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Accounting item	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	4 and 6.12	\$455,000	4	\$-	-
2130	Contract liabilities	4 and 6.18	11,363	-	18,813	-
2150	Notes payable		566,737	5	712,168	7
2170	Accounts payable		1,865,590	15	1,655,285	15
2200	Other payables	4, 6.13 and 6.15	372,606	3	375,639	4
2230	Tax liabilities for this period	4 and 6.24	85,434	1	83,269	1
2280	Lease liabilities	4 and 6. 20	520,694	4	450,125	4
2321	Corporate bonds maturing within one year or one operating cycle, or subject to put options	4 and 6.14	802,392	7	-	-
2399	Other current liabilities		31,099	-	30,794	-
	Total current liabilities		4,710,915	39	3,326,093	31
25xx	Non-current liabilities					
2530	Bonds payable	4 and 6.14	-	-	800,441	8
2572	Deferred income tax liabilities	4 and 6.24	2,751	-	1,972	-
2580	Lease liabilities	4 and 6. 20	3,658,884	30	3,173,572	29
2640	Net defined benefit liabilities	4 and 6.15	2,720	-	4,150	-
2645	Guarantee deposits		103,726	1	115,664	1
	Total non-current liabilities		3,768,081	31	4,095,799	38
2xxx	Total liabilities		8,478,996	70	7,421,892	69
31xx	Equity attributable to shareholders of parent company					
3100	Share capital	6.16				
3110	Ordinary share capital		1,318,889	11	1,117,037	10
3130	Bond conversion entitlement certificates		-	-	4,220	-
3140	Prepaid share capital		3,678	-	4,516	-
3200	Capital surplus	6.16	1,311,886	11	1,286,228	12
3300	Retained earnings	6.16				
3310	Legal capital reserve		270,196	2	203,591	2
3320	Special capital reserve		2,356	-	1,372	-
3350	Unappropriated earnings		684,390	6	666,957	6
3400	Other equity		5,227	-	(2,356)	-
36xx	Non-controlling interests		51,632	-	69,738	1
3xxx	Total equity		3,648,254	30	3,351,303	31
	Total liabilities and equity		\$12,127,250	100	\$10,773,195	100

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

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

Code	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.18	\$17,274,254	100	\$16,143,701	100
5000	Operating costs		(12,431,678)	(72)	(11,658,104)	(72)
5900	Gross profit		4,842,576	28	4,485,597	28
6000	Operating expenses	4 and 6.19				
6100	Selling and marketing expenses		(3,511,109)	(20)	(3,158,748)	(20)
6200	General and administrative expenses		(530,033)	(3)	(521,291)	(3)
6450	Expected credit (loss)gain		(248)	-	-	-
	Total operating expenses		(4,041,390)	(23)	(3,680,039)	(23)
6900	Operating profit		801,186	5	805,558	5
7000	Non-operating income and expenses					
7100	Interest income	6.22	13,265	-	15,879	-
7010	Other income	6.22	83,578	-	76,013	-
7020	Other gains and losses	6.22	8,425	-	2,796	-
7050	Financing costs	6.22	(58,900)	-	(57,500)	-
7060	Share of loss (profit) of joint ventures accounted for using equity method		(789)	-	(925)	-
	Total non-operating income and expenses		45,579	-	36,263	-
7900	Net profit before tax		846,765	5	841,821	5
7950	Income tax expenses	4 and 6.24	(166,801)	(1)	(175,337)	(1)
8200	Net income		679,964	4	666,484	4
8300	Other comprehensive income (loss)	4 and 6.23				
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans		1,262	-	(3)	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income (loss)		2,528	-	523	-
8360	Items that may subsequently be reclassified to profit or loss					
8361	Exchange differences translated from the financial statements of foreign operations		9,065	-	(1,638)	-
	Comprehensive income (loss) (net value after tax) for this period		12,855	-	(1,118)	-
8500	Total comprehensive income (loss)		\$692,819	4	\$665,366	4
8600	Net income (loss)attributable to:					
8610	Owners of the parent company		\$680,767	4	\$666,049	4
8620	Non-controlling interests		(803)	-	435	-
			\$679,964	4	\$666,484	4
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$689,612	4	\$665,062	4
8720	Non-controlling interests		3,207	-	304	-
			\$692,819	4	\$665,366	4
	Earnings per share (EPS) (NT\$)					
9750	Basic EPS	4 and 6.25	\$5.16		\$5.13	
9850	Diluted EPS	4 and 6.25	\$5.07		\$4.98	

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

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

Great Tree Pharmacy Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	Equity attributable to shareholders of parent company										Non-controlling interests	Total equity
		Share capital	Bond conversion entitlement certificates	Prepaid share capital	Capital surplus	Retained earnings			Other equity items		Total		
						Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences translated from the financial statements of foreign operations	Unrealized (loss) gain on financial assets measured at fair value through other comprehensive profit or loss			
		3100	3130	3140	3200	3310	3320	3350	3410	3420	31XX	36XX	3XXX
A1	Balance as of January 1, 2023	\$891,352	\$-	\$7,239	\$867,945	\$133,468	\$-	\$701,696	\$(205)	\$(1,167)	\$2,600,328	\$24,408	\$2,624,736
	Appropriation of earnings in 2022												
B1	Provision of legal capital reserve					70,123		(70,123)			-		-
B3	Provision of special capital reserve						1,372	(1,372)			-		-
B5	Cash dividends							(422,522)			(422,522)		(422,522)
B9	Share dividends	206,766						(206,766)			-		-
D1	2023 net income							666,049			666,049	435	666,484
D3	Other comprehensive income (loss) in 2023							(3)	(1,507)	523	(987)	(131)	(1,118)
D5	Total comprehensive income (loss)	-	-	-	-	-	-	666,046	(1,507)	523	665,062	304	665,366
I1	Convertible corporate bond conversion	10,415	4,220		370,167						384,802		384,802
	Difference between consideration and carrying amount of subsidiaries acquired or disposed							(2)			(2)	2	-
N1	Share-based payment transaction	8,504		(2,723)	17,924						23,705		23,705
O1	Increase or decrease in non-controlling interest											45,024	45,024
T1	Others - issuance of employee stock options				30,192		-				30,192		30,192
Z1	Balance as of December 31, 2023	1,117,037	4,220	4,516	1,286,228	203,591	1,372	666,957	(1,712)	(644)	3,281,565	69,738	3,351,303
	Appropriation and distribution of earnings in 2023												
B1	Provision of legal capital reserve					66,605		(66,605)			-		-
B3	Provision of special capital reserve						984	(984)			-		-
B5	Cash dividends							(405,514)			(405,514)		(405,514)
B9	Share dividends	191,493						(191,493)			-		-
D1	2024 net income							680,767			680,767	(803)	679,964
D3	Other comprehensive income (loss) in 2024							1,262	5,055	2,528	8,845	4,010	12,855
D5	Total comprehensive income (loss)	-	-	-	-	-	-	682,029	5,055	2,528	689,612	3,207	692,819
I1	Convertible corporate bond conversion	4,669	(4,220)		10,181						10,630		10,630
	Difference between consideration and carrying amount of subsidiaries acquired or disposed				2						2	(2)	-
N1	Share-based payment transaction	5,690		(838)	11,929						16,781		16,781
O1	Increase or decrease in non-controlling interest											(21,311)	(21,311)
T1	Others - issuance of employee stock options				3,546						3,546		3,546
Z1	Balance as of December 31, 2024	\$1,318,889	\$-	\$3,678	\$1,311,886	\$270,196	\$2,356	\$684,390	\$3,343	\$1,884	\$3,596,622	\$51,632	\$3,648,254

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

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

**Great Tree Pharmacy Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
(Amounts expressed in thousands of New Taiwan Dollars)

Code	Item	2024	2023	Code	Item	2024	2023
		Amount	Amount			Amount	Amount
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investing activities:		
A10000	Net profit before tax for the period	\$846,765	\$841,821	B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(50,425)	(35,315)
A20000	Adjustment items:			B00040	Increase (decrease) in financial assets measured at amortized cost	(304,500)	-
A20010	Adjustments:			B01800	Acquisition of investments accounted for using equity method	(6,000)	(8,000)
A20100	Depreciation expense(including right-of-use assets)	781,733	687,235	B01900	Disposal of investments accounted for using equity method	12,000	-
A20200	Amortization expenses	19,131	13,855	B02700	Acquisition of property, plant and equipment	(359,029)	(296,250)
A20300	Expected credit impairment loss	248	-	B02800	Disposal of property, plant and equipment	4,882	2,219
A20400	Net loss(gain) on financial assets measured at fair value through profit or loss	905	715	B03700	(Increase) decrease in refundable deposits	(145,271)	(49,126)
A20900	Interest expenses	58,900	57,500	B04500	Acquisition of intangible assets	(33,055)	(30,054)
A21200	Interest income	(13,265)	(15,879)	B04600	Disposal of intangible assets	25	-
A21900	Cost of share-based payments	3,546	30,192	BBBB	Net cash inflow(outflow) from investing activities	(881,373)	(416,526)
A22300	Share of loss (profit) of joint ventures accounted for using equity method	789	925				
A22500	Gain on disposal of property, plant and equipment	(422)	(499)	CCCC	Cash flow from financing activities:		
A23700	Allowance for inventory valuation and obsolescence loss(gains on recovery)	(315)	(10,000)	C00100	Proceeds from short-term borrowings	455,000	-
A22800	Gain on disposal of intangible assets	(2)	-	C03000	Increase (decrease) in guarantee deposits received	(11,938)	23,909
A23100	Gain on disposal of investments	(5,298)	-	C04020	Repayment of principal on loan	(532,097)	(465,958)
A29900	Other item - gain on lease modification	-	(1,485)	C04500	Cash dividends	(405,514)	(422,522)
A30000	Changes in assets/liabilities related to operating activities:			C04800	Employees exercising share option	16,781	23,705
A31130	(Increase) decrease in notes receivable	5,120	(10,727)	C05800	Changes in non-controlling interests	(21,311)	45,024
A31150	(Increase) decrease in accounts receivable	(3,515)	(236,228)	CCCC	Net cash inflow(outflow) from financing activities	(499,079)	(795,842)
A31180	(Increase) decrease in other receivables	(32,489)	(134,031)				
A31200	(Increase) decrease in inventories	(370,662)	(151,482)	DDDD	Effect of changes in exchange rate on cash and cash equivalents	9,047	(1,638)
A31230	(Increase) decrease in prepayments	(8,291)	(9,262)				
A31240	(Increase) decrease in other current assets	(32,523)	(2,635)	EEEE	Amount of Increase(decrease)in cash and cash equivalents for the period	(232,732)	(323,675)
A32125	Increase (decrease) in contract liabilities	(7,450)	2,362	E00100	Beginning balance of cash and cash equivalents	2,134,734	2,458,409
A32130	Increase (decrease) in notes payables	(145,431)	(53,305)	E00200	Ending balance of cash and cash equivalents	\$1,902,002	\$2,134,734
A32150	Increase (decrease) in accounts payables	210,305	119,752				
A32180	Increase (decrease) in other payables	(9,738)	(18,633)				
A32230	Increase (decrease) in other current liabilities	305	3,432				
A32240	Increase (decrease) in net defined benefit liabilities	(168)	(160)				
A33000	Cash inflow (outflow) from operating activities	1,298,178	1,113,463				
A33100	Interest received	13,265	15,879				
A33300	Interest paid	(1,926)	(315)				
A33500	Income tax paid	(170,844)	(238,696)				
AAAA	Net cash inflow (inflow) from operating activities	1,138,673	890,331				

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

Chairman: Cheng Ming-Lung

General Manager: Cheng Ming-Lung

Accounting Manager: Wu Shu-Yi

## Attachment IV

### Great Tree Pharmacy Co., Ltd.

#### Table of Comparisons Before and After Amendments to the Articles of Incorporation

Articles after amendments	Articles before amendments	Revision Notes
<p>Article 22:</p> <p>If the Company makes profits for the current year, it shall set aside between 3% to 10% as employee compensation, and no more than 5% as remunerations of the Directors. However, if the Company still records a cumulative loss, its profit shall first be used to make up the loss. <u>Of the total amount allocated for employee remuneration mentioned above, no less than fifty percent should be designated for the distribution of remuneration to entry-level employees.</u></p> <p>The recipients of shares or cash for employee's compensation from preceding paragraph may include employees of subsidiaries that meet a certain criterion for control. The Board of Directors or its authorized person will be delegated with the power to decide on the conditions and methods of such share distributions.</p>	<p>Article 22:</p> <p>If the Company makes profits for the current year, it shall set aside between 3% to 10% as employee compensation, and no more than 5% as remunerations of the Directors. However, if the Company still records a cumulative loss, its profit shall first be used to make up the loss.</p> <p>The recipients of shares or cash for employee's compensation from preceding paragraph may include employees of subsidiaries that meet a certain criterion for control. The Board of Directors or its authorized person will be delegated with the power to decide on the conditions and methods of such share distributions.</p> <p>Before the establishment of the Company's Audit Committee, remuneration of the Supervisors shall be distributed in accordance with the ratio stated under the Paragraph.</p>	<p>1. Paragraph 1 is amended in accordance with Order No. 1130385442 issued by the Financial Supervisory Commission</p> <p>2. The company has established an audit committee, so the third item is deleted.</p>
<p>Article 26: The Articles were enacted on April 18, 2001.</p> <p>... (omitted)</p> <p>The eleventh amendment was made on June 17, 2020.</p> <p>The twelfth amendment was made on July 2, 2021.</p> <p>The thirteenth amendment was made on May 31, 2023.</p> <p>The fourteenth amendment was made on May 31, 2024.</p> <p><u>The thirteenth amendment was made on May 29, 2025.</u></p>	<p>Article 26: The Articles were enacted on April 18, 2001.</p> <p>... (omitted)</p> <p>The eleventh amendment was made on June 17, 2020.</p> <p>The twelfth amendment was made on July 2, 2021.</p> <p>The thirteenth amendment was made on May 31, 2023.</p> <p>The fourteenth amendment was made on May 31, 2024.</p>	<p>The number and date of revision was added.</p>

## **Attachment V**

### **Explanation of Private Placement Matters**

- (I) Matters which shall be explained when offering private placement as set out in Articles 43-6 of the Securities and Exchange Act and the 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 offering price of these privately placed common shares is not lower than 80 percent of the reference price. The reference price of private placement of common shares shall be the higher of the following two calculations:
    - A. The simple average closing price of the common 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 common 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 offering 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 common 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 common 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 common 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 placing common shares and the conversion price for privately placed domestic unsecured convertible corporate bonds comply with the laws and regulations concerning the current situation and 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 under the "Directions for Public Companies Conducting Private Placements of Securities." It may be reasonable that the regulations on items needing attention in the private placement of securities shall not cause significant damage to shareholders' equity.



- 4) The actual pricing date, and the actual private placement price, of the Company's securities above, are proposed to be submitted to the 2025 annual shareholders meeting to authorize the Board to set the price by law and within the range of not less than the number and basis of the resolution of the 2025 annual shareholders meeting, subject to future contact with specific persons and the market conditions at that time.
  - 5) In the future, due to the impact of any change 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 the private placement is to successfully raise funds for the Company's long-term and stable growth. 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 shall 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 places 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 candidates to be negotiated are mostly strategic investors. The 2025 Annual General Shareholders' Meeting proposes to empower the Board to handle the relevant matters with full authority.
  - 2) Fundraisers are strategic investors
    - A. Method and purpose of selection of candidates: Candidates shall meet the above regulations and qualifications, and can provide the Company's profits, through their own experience, technology, knowledge, brand or channel, through industry vertical integration, horizontal integration or joint development of goods or markets, etc., can help the Company reduce costs, improve efficiency and expand the market and other benefits of the legal person.
    - B. Necessity: In order to improve the operating performance and strengthen the financial structure for the Company's long-term operation planning, the introduction of strategic investor funds in this private placement shall help the Company's operation and business development, and can improve the overall operation of the Company and strengthen the centripetal force on the Company. Therefore, it is necessary to introduce strategic investors in this private placement.
    - C. Estimated Benefits: Through strategic investor capital injection, the pressure

on working capital costs can be reduced and the Company's financial structure and competitiveness can be strengthened, which promotes the stable growth of the Company's operations and is beneficial to shareholders' equity. The participation of placees helps to improve the Company's competitiveness, 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) Estimated number of times:

The Company shall handle them once or in stages, no more than three stages, during a given calendar year since the resolution of the 2025 Annual General Shareholders' Meeting, depending on the market and the situation of contacting specific persons.

3) The use of the funds raised by the private placement and the anticipated benefits:

A. The purpose of private placements is to increase the working capital.

B. Expected benefits: Expand channels, increase market shares and reinforce the Company's financial structure.

(II) The rights and obligations of the common shares in this private placement and the common shares in the domestic unsecured convertible corporate bonds of the private placement are the same as those of the common shares issued by the Company, except that according to the provisions of the Securities Exchange Law, the securities in this private placement shall not be sold to other objects within three years from the date of delivery, except for the objects of transfer prescribed in Article 43-8 of the Securities Exchange Law. The 2025 Annual General Shareholders' Meeting is proposed to authorize the Board to declare the Supplementary Public Offering Procedure after the expiration of three years from the date of delivery of the common shares of the Private Placement and after the expiry of three years from the date of delivery of the domestic unsecured convertible corporate bonds of the Private Placement and their conversion into common shares, according to the relevant provisions at that time, after applying to the Over-the-Counter Trading Center for a letter of consent, and applying for over-the-counter trading.

## **Attachment VI**

### **Great Tree Pharmacy Co., Ltd.**

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

**I. Total amount issued**

The number of common shares that may be converted shall be calculated by the conversion price at the time of private placement within the scope of the aforesaid 25 million shares if the Board is authorized to handle the cash increase of common shares and/or the private placement of domestic convertible bonds within the limit of not more than 25 million shares by private placement (the “Bonds”).

**II. Date of issuance**

To handle once or in stages (no more than three times) within one year since the resolution of the 2025 Annual General Shareholders’ Meeting.

**III. Method of issuance**

The convertible corporate bond is to be issued as set out in Articles 43-6 of the Securities and Exchange Act. This private placement is limited to specific persons in compliance with the provisions of Article 43-6 of the Securities and Exchange Act, and the candidates to be negotiated are mainly strategic investors.

**IV. Par value and offering price of the Company’s bonds**

The Company's bonds are convertible bonds privately placed in the registered form, each denomination is NT\$100,000, and the offering price shall be no less than 80% of the theoretical price.

**V. Coupon rate**

Coupon rate, 0%, on a yearly basis.

**VI. Duration**

Within five years from the date of issuance.

**VII. Repayment method**

Except for those who have been converted, sold back, redeemed or repurchased for cancellation, this convertible corporate bond shall be repaid by the Company at maturity in cash at the face value of the bond or with additional interest compensation.

**VIII. Conversion target**

Newly issued common shares of the Company.

**IX. Conversion**

**1. Conversion period**

Except under the circumstances of early redemption, repurchase, cancellation and

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 by the relevant law, and request the Company to convert the convertible bonds held by them into the Company's common shares.

2. Conversion procedure

If requesting a conversion, the creditor shall prepare a "notification of conversion", check the bonds 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 arithmetic average of the closing price of the Company's common shares calculated one business day before the pricing date, deducting the deductible rights and ex-dividends of the unpaid allotment of shares, and the share price of the capital reduction cancellation right, or the simple arithmetic average closing price of the Company's common shares 30 business days before the pricing date, deducting the deductible rights and dividends of the unpaid allotment of shares, and 80% of the share price after the capital reduction cancellation right. For the actual price, it is proposed that the shareholders' meeting shall authorize the Board 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 common shares after the conversion are entitled to the distribution of cash dividends or stock dividends by law, which are the same as other holders of the Company's common shares.

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 as set out in Article 43-8 of the Securities and Exchange Act, the common shares converted from this convertible bond have the same rights and obligations as the common shares already issued by the Company.

X. Conditions for the Company's early redemption

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

XI. Conditions for the Bondholders' Redemption

The Company may elect not to create a right of sale, or the Bondholder may, after a certain period has elapsed since the issuance, require the Issuer to redeem the Bonds, in whole or in

part, at a rate of return calculated by the Issuer at a specific rate of return per annum.

XII. Other important matters as agreed

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 convertible bonds and other unresolved matters.

## **Appendix 1**

### **Great Tree Pharmacy Co., Ltd.**

#### **Articles of Incorporation (Before Amendments)**

##### **Chapter 1      General Provisions**

Article 1    The Company is organized in accordance with the Company Act. The name of the Company is Great Tree Pharmacy Co., Ltd. (大樹醫藥股份有限公司).  
The English name of the Company is Great Tree Pharmacy Co., Ltd.

Article 2    The scope of business of the Company shall be as follow:

1.    F108021 Wholesale of Drugs and Medicines.
2.    F208021 Retail Sale of Drugs and Medicines.
3.    F108031 Wholesale of Medical Equipment.
4.    F208031 Retail Sale of Medical Equipment.
5.    F208050 Retail Sale of the Second Type Patent Medicine.
6.    F102170 Wholesale of Food and Grocery.
7.    F203010 Retail Sale of Food Products, Beverages and Groceries.
8.    F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
9.    F204110 Retail Sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
10.   F106020 Wholesale of Articles for Daily Use.
11.   F206020 Retail Sale of Articles for Daily Use.
12.   F107030 Wholesale of Cleaning Preparations.
13.   F207030 Retail Sale of Cleaning Preparations.
14.   F108040 Wholesale of Cosmetics.
15.   F208040 Retail Sale of Cosmetics.
16.   F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
17.   F209060 Retail Sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
18.   F601010 Intellectual Property.
19.   I103060 Management Consulting Services.
20.   A401060 Other Animal Services.
21.   F103010 Wholesale of Animal Feeds.
22.   F202010 Retail Sale of Feeds.
23.   F107070 Wholesale of Veterinary Drugs.
24.   F207070 Retail Sale of Veterinary Drugs.

25. F101120 Wholesale of Ornamental Fishes.
26. F201090 Retail Sale of Ornamental Fishes.
27. F206050 Retail Sale of Pet Food and Supplies.
28. F201980 Retail Sale of Other Animal.
29. JZ99180 Pet Grooming.
30. F106060 Wholesale of Pet Food and Supplies.
31. F107080 Wholesale of Environmental Agents.
32. F207080 Retail Sale of Environmental Agents.
33. F106010 Wholesale of Hardware.
34. F206010 Retail Sale of Ironware.
35. F301020 Supermarkets.
36. F399010 Convenience Stores.
37. F399040 Retail Sale No Storefront.
38. F399990 Retail sale of Other Integrated.
39. F116010 Wholesale of Camera Equipment.
40. F216010 Retail Sale of Camera Equipment.
41. F401010 International Trade.
42. I401010 General Advertising Services.
43. F102040 Wholesale of Nonalcoholic Beverages.
44. F2024020 Wholesale of Household Appliance.
45. F213010 Retail Sale of Electrical Appliances.
46. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
47. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures.
48. I301020 Data Processing Services.
49. I301030 Electronic Information Supply Services.
50. I301050 Reality Technology Services.
51. F108011 Wholesale of Chinese Medicines.
52. F208011 Retail Sale of Traditional Chinese Medicine.
53. G202010 Parking Area Operators.
54. G801010 Warehousing and Storage.
55. H703100 Real Estate Rental and Leasing.
56. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company may, based on business needs and carried out in accordance with the Company's Regulations Governing Making of Endorsements/Guarantees, provide an endorsement/guarantee for companies.

Article 4 The total amount of the Company's reinvestment shall not be subject to the

restriction of not exceeding 40% of its paid-in capital from Article 13 of the Company Act.

Article 5 The Company shall have its head-office in Taoyuan City, Taiwan and, if necessary, may set up branches in and out of this country upon a resolution of its Board of Directors.

Article 6 The Company shall make public announcements in accordance with Article 28 of the Company Act.

## Chapter 2 Shares

Article 7 The total capital amount of the Company shall be two billion New Taiwan Dollars, divided into two hundred million shares, at a par value of ten New Taiwan Dollars (NT\$10) per share, and may be issued separately by the Board of Directors.

An amount of three hundred million New Taiwan Dollar (NT\$300,000,000) out of the aforesaid capital is reserved as subscription warrants for employees, divided into thirty million shares (30,000,000) at a par value of ten New Taiwan Dollars (NT\$10) per share and may be issued separately by the Board of Directors depending on actual needs.

Article 8 The share certificates of the Company shall be in registered form, and before they are issued, shall be signed by or affixed with seals of Company Directors, and be certified pursuant to the law.

The Company may be exempted from printing any share certificate for the shares issued, but shall register the issued shares with the Taiwan Depository & Clearing Corporation and follow the regulations of that enterprise.

Article 9 Regarding share transfer, no changes to the information recorded in the shareholder roster may be allowed within 60 days before an annual general shareholders' meeting, or 30 days before a Special shareholders' meeting, or 5 days before the record date of distribution of stock dividends or bonuses or other benefits.

Article 9-1 When the Company purchases treasury shares in accordance with related laws, the subjects of the share transfer may include qualified employees of the Company or employees of subsidiaries that meet a certain criterion for control. The Board of Directors will be delegated with the power to decide on the conditions and methods of such share distributions.

When the Company distributes employee stock options, the counterparties



shall be qualified employees of the Company or employees of subsidiaries that meet a certain criterion for control. The Board of Directors will be delegated with the power to decide on the conditions and methods of such share distributions.

When issuing new shares, employees who subscribe to the shares shall be qualified employees of the Company or employees of subsidiaries that meet a certain criterion for control. The Board of Directors will be delegated with the power to decide on the conditions and methods of such share distributions.

When issuing restricted employee shares, the counterparties shall be qualified employees of the Company or employees of subsidiaries that meet a certain criterion for control. The Board of Directors will be delegated with the power to decide on the conditions and methods of such share distributions.

### Chapter 3 Shareholders' Meetings

Article 10 Shareholders' meetings shall be of two types, namely general and special ones. The former shall be convened once a year within 6 months after the close of each fiscal year by the Board and the latter shall be convened whenever necessary.

Article 11 Where a shareholder is unable to do so in person, he/she/it may appoint a proxy to attend a Shareholders' Meeting in his/her/its behalf by executing a proxy form printed by the Company stating therein the scope of power authorized to the proxy.

The handling method of the proxy form shall be carried out in accordance with the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies from the competent authority.

Article 12 Unless otherwise provided under Article 179 of the Company Act which sets forth the situation where the shareholder has no voting rights, a shareholder of the Company shall have one vote for each share held by him/her/it.

Article 13 Unless otherwise provided for in the Company Act, a resolution of a Shareholders' Meeting shall be adopted with consent of the shareholders representing a majority of the voting rights at the meeting attended by shareholders holding a majority of the total issued shares.

The Company shall adopt electronic voting as a form of exercising voting rights. A shareholder exercising voting rights in electronic means shall be deemed to have attended the Shareholders' Meeting in person, and related matters shall be handled in accordance with the law.

#### Chapter 4 Directors and the Audit Committee

Article 14 The Company has seven to nine Directors who are appointed for tenure of 3 years and may be re-elected for consecutive terms.

The aforesaid Board of Directors must have at least three Independent Directors, whose number shall account for at least one-fifth of all Directors. As specified in Article 192-1 of the Company Act, the candidate nomination system shall be followed for election of Directors in the Company. The shareholders shall elect Directors from the list of Director candidates.

Article 15 The Board of Directors is organized by Directors. The Chairman of the Board shall be elected from among the Directors by majority of Directors present at a meeting attended by more than two thirds of Directors. The Chairman shall externally represent the Company.

Unless otherwise provided by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of more than half of the Directors present in a meeting attended by more than half of the total Directors.

Article 16 In convening a meeting of the Board, a notice shall be given to each Director no later than 7 days prior to the scheduled meeting date. However, in the case of urgency, the meeting may be convened at any time.

The aforementioned notice for convening the meeting can be given in writing or via e-mail or fax.

Article 17 In case the Chairman is on leave or unable to perform his duties for cause, his/her representative will be carried out in accordance with Article 208 of the Company Act. If a Director is unavailable to attend a meeting in person, the Director may issue a proxy specifying the scope of the authorized powers to authorize another Director to attend the meeting on the Director's behalf, provided that a Director may represent only one other Director at a meeting.

Article 18 Regardless of whether the Company makes profits or suffers loss, the Company may pay the Directors the remunerations for the performance of their duties. The Board of Directors is authorized to determine such remunerations based on the extent of involvements of the Company's operation and the value

of the contribution of the Directors and the normal rate adopted by other companies in the same industry.

The Company may purchase liability insurance to cover the Directors for the liabilities they shall be responsible while performing their duties pursuant to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies. The Board of Directors is delegated to approve the scope of the said insurance.

Article 19 The Company establishes an Audit Committee in compliance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all Independent Directors and is responsible to carry out duties of supervisors stipulated in the Company Act, Securities, and Exchange Act and other laws and regulations.

Matters concerning the audit committee members, the exercise of their powers and other compliance issues shall be handled in accordance with relevant laws and regulations. Its organizational regulations shall be established separately by the Board of Directors.

The Company may establish a compensation committee or other functional committees in accordance with laws and regulations or business needs.

## Chapter 5 Managers

Article 20 The Company may have managers, and their appointment, dismissal and remuneration shall be conducted in accordance with Article 29 of the Company Act.

## Chapter 6 Accounting

Article 21 The Company's Board of Directors shall prepare (1) business report, (2) financial statements and (3) profit distribution or deficit compensation proposal after the end of each fiscal year and forward them to the General Shareholders' Meeting for acceptance pursuant to the law.

Article 22 If the Company makes profits for the current year, it shall set aside between 3% to 10% as employee compensation, and no more than 5% as remunerations of the Directors. However, if the Company still records a cumulative loss, its profit shall first be used to make up the loss.

The recipients of shares or cash for employee's compensation from preceding paragraph may include employees of subsidiaries that meet a certain criterion for control. The Board of Directors or its authorized person will be delegated

with the power to decide on the conditions and methods of such share distributions. Before the establishment of the Company's Audit Committee, remuneration of the Supervisors shall be distributed in accordance with the ratio stated under the Paragraph.

Article 23 At the end of fiscal year, the Company shall first compensate the accumulated losses with profits after tax, if any, before contributing 10% of the remaining net profits as legal capital reserve as well as a certain percentage of the remaining net profits as special capital reserve determined by the competent authority in accordance with the Regulations Governing Stock Exchanges. However, if the legal capital reserve has exceeded the Company's total paid-in capital, no such appropriation will be required. Further plans to allocate the remaining profits after tax, together with the retained net profits earlier at the beginning of the fiscal period and the remaining net profits of the current year shall be proposed and submitted by the Board to the Shareholders' Meeting for its resolution.

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

The Company shall appropriate no less than 10% of the aforementioned distributable earnings as dividends for shareholders. However, when the distributable earnings are less than 10% of the paid-in capital, the Company may choose not to distribute dividends.

In consideration of a balanced and stable dividend policy, the Company will adequately adopt either share dividends or cash dividends based on investment capital needs and the levels of dilution on the earnings per share (EPS), provided that the cash dividends shall be no less than 10% of the total dividends. If all or part of the above-mentioned dividends and bonuses are distributed in cash, the Board of Directors shall be authorized to attend with more than two-thirds of the directors, and more than half of the directors' present shall agree to do so, and report to the Shareholders' Meeting. The provision in Paragraph 1 stating that a resolution of Shareholders' Meeting is necessary is not applicable.

## Chapter 7      Supplementary Provisions

Article 24 After public issuance of the Company, approval from the Shareholders' Meeting shall be obtained in case the Company proposes to revoke the public offering, and this Article shall not be changed during listing on either the Taipei Exchange or the TWSE.

Article 25 For matters not provided for in these Articles of Incorporation, the Company Act or other laws and regulations shall govern.

Article 26 The Articles were enacted on April 18, 2001.

The first amendment was made on August 10, 2006.

The second amendment was made on January 14, 2008.

The third amendment was made on December 15, 2008.

The fourth amendment was made on May 21, 2010.

The fifth amendment was made on June 15, 2012.

The sixth amendment was made on May 30, 2014.

The seventh amendment was made on September 26, 2014.

The eighth amendment was made on June 8, 2015.

The ninth amendment was made on June 29, 2016.

The tenth amendment was made on June 26, 2019.

The eleventh amendment was made on June 17, 2020.

The twelfth amendment was made on July 2, 2021.

The thirteenth amendment was made on May 31, 2023.

The fourteenth amendment was made on May 31, 2024.

## **Appendix 2**

### **Great Tree Pharmacy Co., Ltd. Rules of Procedure for Shareholders' Meeting**

Article 1 To establish a strong governance system and sound Supervisory capabilities for this Company's Shareholders' Meetings, and to strengthen management capabilities, these Rules are adopted for compliance.

Article 2 The Company's Rules of Procedure for Shareholders' Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3 Unless otherwise provided by law or regulation, this Company's Shareholders' Meetings shall be convened by the Board of Directors.

To convene an Annual Shareholders' Meeting, the Company shall prepare a Meeting Handbook and announce it to every shareholder 30 days before the date of meeting. Regarding shareholders whose hold less than 1,000 name-bearing shares each, the Company shall make the announcement through the Market Observation Post System (MOPS) 30 days before the date of meeting. To convene a Special Shareholders' Meeting, the Company shall make announcement 15 days before the date of meeting. Regarding shareholders whose hold less than 1,000 name-bearing shares each, the Company shall make the announcement through the MOPS 15 days before the date of meeting.

The reasons for convening a Shareholders' Meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the meeting notice may be given in electronic form.

Election or dismissal of Directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by Directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

When the meeting agenda has specified general re-elections of the Directors and the terms of the Directors' office, the terms of office of the Directors shall not be altered by raising an extraordinary motion or any other method upon the

completion of the general elections at the Shareholders' Meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general Shareholders' Meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit proposed proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the Article 172-1 of the Company Act. Any proposal in excess shall be excluded from the agenda.

Prior to the book closure date before a general shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of receiving such proposals (whether written or in electronic form), and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the General Shareholders' Meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a Shareholders' Meeting, The Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the Shareholders' Meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given Shareholders' Meeting and shall deliver the proxy form to the Company 5 days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the earlier declaration of intent.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the

Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a Shareholders' Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.

Article 6 The Company shall specify in its Shareholders' Meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 If a Shareholders' Meeting is convened by the Board of Directors, the Chair of the meeting shall be the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman. If there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Directors to act as



the Chair. If there are no Managing Directors, one of the Directors shall be appointed to act as the Chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as the Chair.

When a Managing Director or a Director serves as Chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person Director that serves as Chair.

It is advisable that Shareholders' Meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the Directors. If a Shareholders' Meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall Chair the meeting. When there are two or more such convening parties, they shall mutually select a Chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Attendance at Shareholders' Meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and announce relevant information such as the number of non-voting rights and the number of shares present at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and

the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.

Article 10 If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda (including extraordinary motions and amendments to proposals), which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a Shareholders' Meeting convened by a party with the power to convene other than the Board of Directors.

The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. If the Chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and arrange ample time for a vote.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the Chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives appointed may speak on the same proposal.

After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.

Article 12 Voting at a Shareholders' Meeting shall be calculated based on the number of shares.

With respect to resolutions of Shareholders' Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company convenes a Shareholders' Meeting, voting shall be conducted in electronic measures but may also be conducted in writing. When voting via written or electronic method, the choice shall be indicated in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. The shareholder is deemed to have waived his/her rights with respect to the extraordinary motions and revisions to the original proposals of that meeting; it is therefore advisable that the Company shall avoid submission of extraordinary motions and revision to the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in The Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for Shareholders' Meeting proposals or elections shall be conducted in public at the place of the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 The election of Directors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of candidates not elected and their corresponding number of votes received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the weight of the votes), and the number of weighted votes each nominee received in case of a Directors' elections, and shall be retained for the duration of the existence of the Company.

Article 16 On the day of a Shareholders' Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the Shareholders'

Meeting.

If matters put to a resolution at a Shareholders' Meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a Shareholders' Meeting shall wear identification cards or arm bands.

The Chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a Shareholders' Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the Chair may prevent the shareholder from doing so.

When a shareholder violates the Rules of Procedure for Shareholders' Meetings and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the Chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 When a meeting is in progress, the Chair may announce a break based on time considerations. If a force majeure event occurs, the Chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the Shareholders' Meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a Shareholders' Meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

Article 20 The Procedures were enacted on June 25, 2013; first amendment took place on June 29, 2016; second amendment took place on June 17, 2020; third amendment took place on July 2, 2021.

## **Appendix 3**

### **Shareholdings of All Directors**

The shareholding of Directors as of March 31, 2025 (the book closure date) is as follows:

Title	Name or Title	Shares held as of the book closure date	
		Shareholding	Ratio (%)
Chairman	Zhen Han Investment Co., Ltd. Representative: Cheng Ming- Lung	14,202,124	10.72
Director	Top Taiwan XI Venture Capital Co., Ltd. Representative: Shen Li- Ping	396,681	0.30
Director	Chen Hung-Yi	0	0.00
Director	Lu Shan-Feng	1,404,175	1.06
Director	Hao Cheng Investments Co., Ltd. Representative: Yeh Shih-Wei	9,909,922	7.48
Independent Director	Liu Tian- Dao	0	0.00
Independent Director	Kuo Dai-Huang	84,369	0.06
Independent Director	Wang Hsing-Wen	0	0.00
Independent Director	Pan Min-Hsiung	0	0.00
Cumulative Shareholding of All Directors and Ratios		25,997,271	19.63

Note 1: As of the book closure date, the number of shares issued by the Company is 132,429,663 shares.

Note 2: Pursuant to provisions from Article 26 of the Securities and Exchange Act, the minimum required number of shares held by all Directors shall be 8,000,000 shares.

Note 3: The Company has set up four seats of Independent Directors. Of all Directors, the shareholding of Non-independent Directors may be calculated based on 80% of the required number of shares held.

## **Appendix 4**

According to the Securities Investor and Futures Trader Protection Center, a shareholder account number 224, on March 17, 2025, the Securities Investor and Futures Trader Protection Center issued a letter No. 1140000794 requiring the following explanations:

- (1) Explain the necessity and rationality of conducting a private placement to raise funds:

In order to enrich operating capital and achieve the benefits of expanding channels, increasing market share and strengthening financial structure, the Company takes into account the difficulty in grasping the actual financing market conditions and the timeliness, convenience, issuance costs and other aspects of raising capital, and the mobility and flexibility of private placement. The introduction of strategic investors' funds in this private placement will help the Company's operations and business development. Therefore, it is necessary to introduce strategic investors in this private placement.

- (2) Explain the purpose of the private placement evaluation, its impact on management rights, and its impact on shareholders' equity:

In response to the rapid changes in the pharmacy market, the Company considers the capital market conditions and the timeliness of raising capital and therefore intends to conduct a private placement of common stock in an amount not exceeding 25,000,000 shares. The applicants that the Company intends to contact are mainly strategic investors who can help the Company reduce costs, improve efficiency and expand the market through their own experience, technology, knowledge, brand or channels, which will be helpful to the Company's operations and business development. In addition, the Company's insider shareholding ratio is 38.96%. If the private placement is fully raised, the insider shareholding ratio will be reduced to 32.78%, but there will be no major change in the operating rights. In summary, after the Company carefully evaluated the purpose of the private placement and its impact on the operating rights, this private placement will not cause significant damage to the interests of shareholders.