

Stock Code : 4108



懷特生技新藥(股)公司  
PhytoHealth Corporation

# Handbook for the 2024 Annual Meeting of Shareholders

Form of meeting: Physical Meeting

Meeting Time: May 28, 2024

Meeting Place: 3rd Fl., No.10 Shih-er Rd., Yangmei District, Taoyuan City

# Table of Contents

I. Meeting Procedures .....	1
II. Meeting Agenda .....	2
1. Report Items .....	3
2. Acknowledged Matters .....	4
3. Discussion Matters .....	6
4. Extemporaneous Motions .....	7
III. Attachments	
1. The 2023 Business Report .....	8
2. The 2023 Audit Committee's Review Report .....	14
3. Status Report on the Execution of Plans to Enhance Operations for 2012 and 2020 Capital Increase Through Cash Injection .....	15
4. 2023 Independent Auditors' Report and Financial Statements .....	18
5. Directors(including independent directors) Concurrently Holding Positions in Other Companies .....	36
IV. Appendices	
1. Rules of Procedure for Shareholder Meeting .....	37
2. Articles of Incorporation .....	45
3. Shareholding of Directors .....	51

# **I. Meeting Procedures**

## **PhytoHealth Corporation**

### **Procedure for the 2024 Annual Meeting of Shareholders**

1. Calling the Meeting to Order (Report the total number of shares present)
2. Chairperson Remarks
3. Report Items
4. Acknowledged Matters
5. Discussion Matters
6. Extemporaneous Motions
7. Adjournment

## **II. Meeting Agenda**

### **PhytoHealth Corporation**

#### **Procedure for the 2024 Annual Meeting Agendas**

Form of Meeting: Physical Meeting

Meeting Time: 9:00a.m., Tuesday, May 28, 2024

Meeting Place: 3rd Fl., No.10 Shih-er Rd., Yangmei District, Taoyuan City

1. Call the Meeting to Order (Report the total number of shares present)
2. Chairperson Remarks
3. Report Items
  - (1) The 2023 Business Report.
  - (2) The 2023 Audit Committee's Review Report.
  - (3) Status Report on the Execution of Plans to Enhance Operations for 2012 and 2020 Capital Increase Through Cash Injection.
4. Acknowledged Matters
  - (1) Adoption of 2023 the Financial Statements and Business Report.
  - (2) Adoption of the Proposal for 2023 Deficit Compensation.
5. Discussion Matters
  - Proposal to Release the Prohibition on Directors from Participation in Competitive Business.
6. Extemporaneous Motions
7. Adjournment

# 1. Report Items

- (1) The 2023 Business Report.

Explanation : Please refer to Attachment 1 (page 8~13) for detailed Business Reports.

- (2) The 2023 Audit Committee's Review Report.

Explanation : Please refer to Attachment 2 (page 14) for 2023 Audit Committee's Review Report.

- (3) Status Report on the Execution of Plans to Enhance Operations for 2012 and 2020 Capital Increase Through Cash Injection .

Explanation : Please refer to Attachment 3 (page 15~17) for Status Report on the Execution of Plans to Enhance Operations for 2012 and 2020 Capital Increase Through Cash Injection Report.

## 2. Acknowledged Matters

Subject : 1. Adoption of 2023 the Financial Statements and Business Report.  
(Proposed by the Board of Directors)

Explanation : (i).The company's 2023 financial statements and business report have been approved by the audit committee and the resolution of the board of directors on February 26, 2024. The financial statements have been audited by Ernst & Young Accountants Yu Chienju and Chang Chiaoying, and issued "Unqualified Opinion".

(ii). Please refer to Attachment 1 (page 8~13) for detailed Business Reports and Attachment 4 (page 18~35) for Financial Statements.

(iii). Please acknowledge.

Resolution :

Subject : 2. Adoption of the Proposal for 2023 Deficit Compensation.  
(Proposed by the Board of Directors)

Explanation : (i). The company's loss to be made up at the beginning of the period is

NT\$156,825,119, plus disposal of investments in financial at fair value through other comprehensive gains and losses of NT\$12,836,234, after deducting the net loss after tax of NT\$47,117,225 in 2023, the loss to be made up at the end of the period is NT\$191,106,110.

(ii). This case has been approved by the Audit Committee and the Board of Directors on February 26, 2024.

(iii). Please refer to 2023 Deficit Compensation as follows :

Unit: NT\$

Item	Amount
Losses to be made up at the beginning of the period	(156,825,119)
Add: Disposal of equity investment in financial assets at fair value through other comprehensive income	12,836,234
Less: Net loss after tax in 2023	(47,117,225)
Losses to be made up at the end of the period	(191,106,110)

Chairman : Lee Yi-Li

Manager : Lee I-Lin

Accounting supervisor : Huang Chih-Yuan

(iv). Please acknowledge.

Resolution :

### **3. Discussion Matters**

Subject : Proposal to Release the Prohibition on Directors from Participation in Competitive Business.(Proposed by the Board of Directors)

Explanation : (i).Pursuant to Article 209 of the Company Law, directors should explain the important content of their actions to the shareholders' meeting and obtain their approval for actions that fall within the scope of the company's business for themselves or others.

(ii).Please refer to Attachment 5 (page 36) for Directors concurrently holding positions in other companies.

(iii).This case has been approved by the board of directors on February 26, 2024. °

(iv).Please discuss.

Resolution :



## **4. Extemporaneous Motions**

## **5. Adjournment**

### III. Attachments

#### Attachment 1

#### PhytoHealth Corporation

#### The 2023 Business Report

##### (一) 2023 Management Policy

PhytoHealth Corporation specializes in the field of Astragalus-based pharmaceuticals globally. Our prescription drug PG2<sup>®</sup> is the only prescription drug globally approved for the treatment of Cancer Related Fatigue ranging from moderate to severe. It was approved for national health insurance reimbursement on March 1, 2021, which not only benefits breast cancer patients but also drives growth in the self-pay market. It has been adopted by ninety percent of medical centers domestically. PhytoHealth Corporation has continuously invested in clinical research for PG2 Lyo. Injection after its market launch and has been highly praised by the medical community. The research findings related to breast cancer were presented at the American Society of Clinical Oncology (ASCO) in the current year, garnering international attention. Oraphine<sup>®</sup> 60mg Soft Capsule is the only oral form of nalbuphine painkiller in the world, which has the advantages of oral administration and low addiction.

It has been swiftly adopted by medical centers in post-operative pain control. Technical licensing cooperation are ongoing in Europe and Southeast Asia in the same time, targeting the vast postoperative pain relief market.

In response to the rising global post-pandemic healthcare awareness, PhytoHealth Corporation leverages its expertise in herbal medicine, that has ventured into plant-based healthcare. We actively engaged in collaborations with leading European plant-based healthcare manufacturers to develop efficacious ingredients this year, and seized the global immunomodulatory healthcare business opportunities.

##### (二) Implementation Overview and Results of the Business Plan for the Year 2023

###### 1. PG2 Lyo. Injection 500mg (PG2<sup>®</sup>):

- (1) Our refining plant completed the GMP and GDP routine inspections of raw materials in August 2022 and obtained the Good Manufacturing Practice (GMP) certificate on January 13, 2023, valid until October 26, 2025.
- (2) Continued accumulation of real-world clinical efficacy data under the National Health Insurance (NHI) scheme: In response to the National Health Insurance Administration's requirement for clinical benefit data post-NHI reimbursement, PhytoHealth initiated a Real-World Data (RWD) research project on Cancer Related Fatigue medication under NHI coverage in collaboration with seven medical centers including Taipei Chang Gung Memorial Hospital, Linkou Chang Gung Memorial Hospital, Tri-Service General Hospital, China Medical University, Taichung Veterans General Hospital, Kaohsiung Medical University, and E-Da General Hospital. The project aimed to collect data from 200 breast cancer patients receiving PG2 NHI reimbursement. According to the mid-term benefit assessment analysis of this project, the results showed that PG2 Lyo. Injection 500mg effectively alleviated fatigue in breast cancer patients under NHI coverage and demonstrated good medication satisfaction. The Corporation would

continue to collect cases, and by December 2023, the number of cases analyzed had reached 200 and data compilation is currently underway.

- (3) Conducting clinical trials on the impact of PG2 Lyo. Injection 500mg on breast cancer with chemotherapy: Assessing whether the concurrent use of chemotherapy drugs and PG2 Lyo. Injection 500mg can reduce the side effects of chemotherapy drugs, improve treatment compliance, and enhance the possibility of efficacy. The results of this study were presented at the 2023 ASCO Annual Meeting on June 4, 2023, and the paper is currently being written for publication.
- (4) Conducting clinical trials on the impact of PG2 Lyo. Injection 500mg on preoperative chemoradiotherapy for esophageal cancer: All patients in this trial have completed the study and entered the follow-up period. Subsequent result analysis and preparation for international journal submission are ongoing.
- (5) Conducting a pilot trial of PG2 Lyo. Injection 500mg for cancer-related fatigue during breast cancer chemotherapy: In preparation for future international clinical trials and in response to foreign market environments, a pilot trial with different combination therapy strategies has been initiated at pivotal medical centers. Patient enrollment has commenced, targeting completion by 2024.
- (6) Research outcomes of using PG2<sup>®</sup> against COVID-19 have been published in the prestigious international medical journal *Viruses* in March 2023, and relevant patent applications were submitted in 2022, with Taiwanese patents already approved.
- (7) Three basic research projects are underway to investigate the new indications and clinical mechanisms of action of Astragalus polysaccharides and PG2<sup>®</sup>:
  - A. Investigating the mechanism of action of Astragalus polysaccharides on intestinal flora and anticancer immune regulation: In recent years, research on the interaction between intestinal flora and immune regulation has been increasing, establishing the importance of intestinal flora in immune function. Preliminary experiments have shown that Astragalus polysaccharides can improve intestinal damage in mice. This research project targets oral administration of Astragalus polysaccharides and has obtained trial results in the fourth quarter of 2022, demonstrating the regulation of intestinal flora function, inhibition of harmful bacteria, and promotion of beneficial probiotic growth. Verification in humans is planned for 2024, building on the preliminary research findings for publication.
  - B. Investigating the effect of Astragalus polysaccharides combined with targeted drugs on drug-resistant cancer cells: Preliminary studies have shown that Astragalus polysaccharides, when combined with targeted drugs, can reduce the drug resistance of lung cancer cells to targeted drugs, thereby improving the killing effect of targeted drugs on cancer cells. The scope has been expanded to include colorectal and ovarian cancer cell lines resistant to targeted drugs for Astragalus polysaccharide-enhanced drug killing tests. Relevant experiments have been completed, and results have been attained, with related patent applications in progress.
  - C. Initiating the development of new functional health ingredients from Astragalus polysaccharides: Batch production was completed in 2023, and ongoing work includes specification and efficacy functional analysis. Results will be applied to

subsequent new product development and evaluation..

## 2. Oraphine® 60mg Soft Capsule

On March 18, 2020, Oraphine® 60mg soft Capsule received notification from TFDA(Taiwan Food and Drug Administration) that it had passed the review and was granted a drug license (Department of Health Drug Manufacture No. 060459). On December 15, 2020, it was awarded the Silver Award for Drug Category of the 2020 Drug Technology Research and Development Award jointly presented by the Ministry of Health and Welfare and the Ministry of Economic Affairs. Currently, the company is actively negotiating technology licensing and product sales agency rights with domestic and foreign companies, as well as conducting regulatory consultations and related bridging clinical trial research assessments for listing permits in China, the Europe, and Asian countries. Clinical research findings have been published to support post-market applications. Pivot trial results were published in the Clinical Journal of Pain in 2023 Q3. Additionally, a clinical trial project was completed in March 2023, accumulating experiences from 50 hemorrhoid patients and 200 caesarean section patients for analysis, with an overall satisfaction rate of nearly ninety percent. A multicenter post-market study on orthopedic postoperative pain is being planned, expected to commence enrollment in 2024.

## 3. PHN031

The Phase IIa clinical trials, approved by the US FDA and Taiwan TFDA, have been completed. Meanwhile, the optimization of the Chemistry, Manufacturing, and Control (CMC) process necessary for new drug registration continues to ensure batch-to-batch consistency and product quality. Following the guidelines of Good Agricultural and Collection Practices (GACP), plans for the preservation and cultivation of medicinal materials have been executed. The medicinal materials planted according to the plan were harvested in February 2023. Collaboration with agricultural improvement authorities is anticipated to expand the production capacity of functional medicinal ingredients gradually while maintaining quality standards.

## 4. PHN033

The Phase IIa clinical trials, approved by the US FDA, have been completed. Meanwhile, the optimization of the Chemistry, Manufacturing, and Control (CMC) process necessary for new drug registration continues to ensure batch-to-batch consistency and product quality. Following the guidelines of Good Agricultural and Collection Practices (GACP), plans for the preservation and cultivation of medicinal materials have been executed. The medicinal materials planted according to the plan were harvested in February 2023. Collaboration with agricultural improvement authorities is anticipated to expand the production capacity of functional medicinal ingredients gradually while maintaining quality standards.

## 5. Astragalus Health Products and Raw Materials

Using patented herbal medicine extraction technology and top-quality membranous Astragalus as raw materials, PhytoHealth has developed exclusive extracts " Phytohealth Da Astragalus ® " for sub-healthy populations as Qi-enhancing health products, such as " PhytoHealth EnerCharge® Drink " and " PhytoHealth EnerCharge Capsule ® ". Furthermore, using refined Astragalus polysaccharides as the main ingredient, we have developed "AmazPower® ," a medicinal-grade health product for cancer patients suffering from fatigue after chemoradiotherapy. These products are marketed and sold by Maywufa in professional

channels and e-commerce platforms. "AmazPower®" has obtained patents in Taiwan, Germany, and Japan for its proprietary layout and was awarded the SNQ National Quality Mark on December 10, 2020. Efficacy animal trials have been completed, and necessary safety and stability tests have been conducted, with efficacy results accepted for publication in international academic journals in December 2023.

#### 6. International Exhibition

##### 【Oraphine® 60mg Soft Capsule】

Participated in the 2023 US BIO conference and continued negotiations with sales agency partners for North America, Europe, and Southeast Asia. In support of market promotion, real-world clinical data collection is ongoing in domestic obstetrics, orthopedic, and colorectal surgery fields, with plans for clinical report submissions to support domestic and international applications.

##### 【PG2®】

Participated in the 2023 US BIO conference and conducted feasibility assessments and sales agency negotiations for Named Patient Program in regions with well-established regulations for herbal medicines, including South Korea, Germany, and Turkey.

##### 【Astragalus Health Products and Raw Materials】

Continued negotiations with leading European plant-based healthcare companies for collaboration on functional ingredient development.

#### (三) Budget Execution

According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," financial forecast information for 2023 has not been disclosed, so this item is not applicable.

#### (四) Financial expenditure and profitability analysis

Unit: NT\$ thousand

Project \ Year		2023	2022	Increase (decrease)%
Finance revenue and expenditure	Operating revenue	162,489	135,465	20
	Gross profit	67,643	57,032	19
	Net Operating loss	(121,677)	(156,664)	22
	Net non-operating income and expenses	47,530	41,941	13
	Net loss after tax	(74,147)	(114,723)	35
Profitability	Return on assets (%)	( 3.13)	(4.74)	34
	Return on equity (%)	(3.26)	(4.92)	34
	Profit rate (%)	(45.63)	(84.69)	46
	Loss per share (in NT\$)	(0.24)	(0.40)	-

(五) Research Development Status

1. 2023 annual research and development expenditure

Project \ Year	2023
Operating revenue (A)	162,489 (in thousands)
Research and development expenses (B)	92,594 (in thousands)
Total number of employees (C)	129 people
Total R&D personnel (D)	32 people
R&D expenditure ratio B/A	57%
R&D manpower to total manpower D/C	25%

2. 2023 annual research and development results

Important product research and development achievements:

Product	Indications/R &D direction	R & D progress
PG2 Lyo. Injection 500mg(PG2 <sup>®</sup> )	Moderate to severe cancer-related fatigue	<ul style="list-style-type: none"> <li>On October 23, 2012, it obtained the TFDA drug license ( No. 058837 ).</li> <li>" PG2 Lyo. Injection 500mg" had complied with Article 17 of the "National Health Insurance Drug Payment Items and Payment Standards" : it was the first new drug with clinical value to be marketed in R.O.C. and globally in the world. The drug passed review committee and was approved for the reimbursement on late-stage breast cancer patients on March 1, 2021 by National Health Insurance Bureau.</li> <li>Strengthen collaboration with oncology care medical societies to update clinical practice guidelines for cancer-related fatigue and promote medical education activities.</li> <li>Conduct a multi-center real-world data (RWE) study to observe the clinical benefits for breast cancer patients eligible for NHI reimbursement.</li> <li>Execute exploratory clinical trials combining PG2 with breast cancer chemotherapy and esophageal cancer preoperative radiotherapy.</li> <li>Plan and execute three basic research projects to investigate the new indications and clinical mechanisms of action of Astragalus polysaccharides and PG2.</li> <li>Evaluate foreign regulations on herbal medicine requirements and actively negotiate licensing and collaborative development opportunities.</li> </ul>
Oraphine <sup>®</sup> 60mg Soft Capsule	Acute moderate to severe pain	<ul style="list-style-type: none"> <li>On March 27, 2020 , it received a letter from the Ministry of Health and Welfare to inform that it had passed the review and issued a drug license.</li> </ul>

		<ul style="list-style-type: none"> <li>• Execute marketing plans for product launches in Taiwan and collect clinical data to support sales and promotion domestically and internationally.</li> </ul>
PHN031	Osteoporosis	<ul style="list-style-type: none"> <li>• The Phase IIa clinical trials, approved by the US FDA and Taiwan TFDA, have been completed. Meanwhile, the optimization of the Chemistry, Manufacturing, and Control (CMC) process necessary for new drug registration continues to ensure batch-to-batch consistency and product quality.</li> <li>• Completion of plans for the preservation and cultivation of medicinal materials.</li> </ul>
PHN033	Diabetic nephropathy	<ul style="list-style-type: none"> <li>• The Phase IIa clinical trials, approved by the US FDA, have been completed. Meanwhile, the optimization of the Chemistry, Manufacturing, and Control (CMC) process necessary for new drug registration continues to ensure batch-to-batch consistency and product quality.</li> <li>• Completion of plans for the preservation and cultivation of medicinal materials.</li> </ul>

Chairman : Lee Yi-Li

Manager : Lee I-Lin

Accounting Supervisor : Huang Chih-Yuan

## **Attachment 2**

### **PhytoHealth Corporation Audit Committee's Review Report**

We have agreed and submitted the Company's 2023 financial statements to the board of directors and obtained the approval of the board of directors. The financial statements have been audited by Ernst & Young Taiwan engaged by the board of directors with an unqualified opinion in the independent auditor's report.

We audited the Company's 2023 business report and deficit compensation proposal which have been resolved by the board of directors and has concluded that both of them are in accordance with the related regulations. Pursuant to the regulations set forth in Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, a report is submitted as above. Please review.

Sincerely,

PhytoHealth Corporation 2024 Annual General Meeting of Shareholders

Convener Of Audit Committee : Wang Der-Shan

February 26, 2024



**PhytoHealth Corporation**  
**Status Report on the Execution of Plans to Enhance Operations for**  
**2012 and 2020 Capital Increase Through Cash Injection**

(一) PHN012/PHN014/PHN015(PG2 Lyo. Injection 500mg):

1. Execution of clinical trials on the impact of "PG2 Lyo. Injection 500mg" on breast cancer chemotherapy: The clinical trial has been completed, and the results were presented at the 2023 ASCO (American Society of Clinical Oncology) Annual Meeting on June 4, 2023. The clinical trial report is undergoing final editing and review, and the manuscript is being prepared for publication.
2. Execution of clinical trials on the impact of "PG2 Lyo. Injection 500mg" on preoperative radiotherapy for esophageal cancer: All patients in this trial have completed the study and entered the follow-up period. Additionally, in terms of patent layout, a patent titled "Method for Enhancing Effect of Immunotherapy for Cancer Using Extracts of Astragalus Polysaccharides " was granted in Japan in August 2022. This patent has been granted in the United States, Taiwan, South Korea, and Japan.
3. Plan for three international clinical trial projects to expand the international market and explore new indications for PG2 Lyo. Injection:
  - (1)Based on the results of a clinical expert consultation held on March 14, 2021, plans are underway for a pivotal multinational clinical trial of "PG2 Lyo. Injection" and pre-consultation with the US FDA and German BfArM (/ EU member states). Consultation has been conducted with a CRO regarding regulatory strategy planning for the US, Germany/EU regulatory authorities, and partial quotations have been obtained for internal assessment. The trial plan summary design has been completed, and the feasibility of conducting multinational clinical trials in Germany and other EU countries will be evaluated based on the preliminary results of the pilot trial at National Taiwan University Hospital.
  - (2)Pilot trial for cancer-related fatigue during breast cancer chemotherapy: A pivotal clinical trial design to be conducted in the United States and Europe has been planned. In response to adjustments in the foreign market environment, weekly dosing will be administered. To obtain preliminary validation data to assess the final number of trial subjects, a preliminary trial lasting 4 weeks with the same design will be conducted at National Taiwan University Hospital. The target population includes breast cancer patients experiencing moderate to severe cancer-related fatigue during chemotherapy with support from the National Taiwan University Breast Medicine Center team. The enrollment officially began in July 2022 aiming to enroll 36 patients. By the end of December 2023, 8 patients had been enrolled. To expedite enrollment, Taipei Cancer Center Branch of National Taiwan University Hospital and Taipei Veterans General Hospital will be added to the enrollment sites, with the aim of completing trial unblinding by the second quarter of 2023. The results of this trial will serve as a reference for subsequent international Phase III trial strategy planning.
  - (3) In response to the global and domestic COVID-19 pandemic, clinical case reports of COVID-19 patients in Taiwan have been compiled and submitted to Frontiers in Medicine, successfully published in November 2022. Basic research findings on the

application of PG2 in combating COVID-19 were published in March 2023 in the internationally renowned peer-reviewed medical journal Viruses (2022 Impact Factor: 5.8). Relevant applications were filed for new patents in the United States and Taiwan in September 2022, with a Taiwan patent granted on January 1, 2023, for the use of Astragalus extract in treating COVID-19-related cytokine storms.

4. On March 1, 2021, PG2 Lyo. Injection 500mg was officially included in the National Health Insurance (NHI) reimbursement, with the first wave of Stage IV breast cancer patients being eligible to use it. The signing procedure for the second-year drug reimbursement agreement was also completed. In compliance with the National Health Insurance Administration (NHIA)'s requirement for subsequent submission of benefit data for reimbursed drugs and to accumulate more real-world data (RWD), a joint "Cancer-related Fatigue" NHI reimbursed drug real-world data (RWE) research project was conducted by seven medical centers: Taipei Chang Gung Memorial Hospital, Linkou Chang Gung Memorial Hospital, Tri-Service General Hospital, China Medical University Hospital, Taichung Veterans General Hospital, Kaohsiung Medical University Hospital, and E-Da Hospital. The goal was to collect data from 200 PG2 breast cancer patients under NHI reimbursement. The project began receiving approvals from each hospital's Institutional Review Board (IRB) since September 7, 2021, and Keelung Chang Gung Memorial Hospital was added on June 20, 2023. The interim benefit assessment analysis of the first 48 cases showed that the use of "PG2 Lyo. Injection 500mg" for NHI reimbursed breast cancer patients with cancer-related fatigue effectively improved fatigue and had high medication satisfaction. The report was completed on June 22, 2022, and submitted to the NHIA. The drug was approved for the continuation of inclusion on NHI reimbursement in December 2022. PhytoHealth Corporation completed the signing of the reimbursement agreement with the NHI on February 1, 2023. PhytoHealth Corporation would continue to collect real-world evidence from NHI cases until the data collection deadline (December 31, 2023), with the expected number of analyzed cases reaching 200, and data compilation is currently underway.

(二) PHN131 (Oraphine® 60mg Soft Capsule):

On March 18, 2020, Oraphine® 60mg soft Capsule received notification from TFDA (Taiwan Food and Drug Administration) that it had passed the review and was granted a drug license (Department of Health Drug Manufacture No. 060459). Currently, the company is actively negotiating technology licensing and product sales agency rights with domestic and foreign companies, as well as conducting regulatory consultations and related bridging clinical trial research assessments for listing permits in China, the Europe, and Asian countries.

1. To support domestic and international promotion and usage, real-world data collection is being driven in line with domestic market preparation and the target indications. Clinical applications for niche markets are being developed, and clinical reports are being prepared for submission and publication. A clinical trial program was initiated in March 2023, accumulating usage experiences and satisfaction from over 200 actual patients. Preliminary analysis of 50 hemorrhoid patients was completed in the second quarter of 2023, with an overall satisfaction rate of nearly 90%. A multicenter post-market study on orthopedic postoperative pain relief is being planned and is expected to commence patient enrollment in the second quarter of 2023, with enrollment completion targeted for the fourth quarter of 2023.

2. Basic research related to the Oraphine® 60mg soft Capsule formulation was completed in the fourth quarter of 2022, and relevant findings were compiled for the submission of a new continuation patent application for Oraphine® 60mg soft Capsule in June 2023. Simultaneous patent and global PCT (Patent Cooperation Treaty) applications were filed in the United States, Taiwan, and several Southeast Asian countries. (Malaysia, Thailand, Singapore, the Philippines and Vietnam)

(三) PHN031:

The Phase IIa clinical trials, approved by the US FDA and Taiwan TFDA, have been completed. Meanwhile, the optimization of the Chemistry, Manufacturing, and Control (CMC) process necessary for new drug registration continues to ensure batch-to-batch consistency and product quality. Following the guidelines of Good Agricultural and Collection Practices (GACP), plans for the preservation and cultivation of medicinal materials have been executed. The medicinal materials planted according to the plan were harvested in February 2023. Collaboration with agricultural improvement authorities is anticipated to expand the production capacity of functional medicinal ingredients gradually while maintaining quality standards.

(四) PHN033:

The Phase IIa clinical trials, approved by the US FDA, have been completed. Meanwhile, the optimization of the Chemistry, Manufacturing, and Control (CMC) process necessary for new drug registration continues to ensure batch-to-batch consistency and product quality. Following the guidelines of Good Agricultural and Collection Practices (GACP), plans for the preservation and cultivation of medicinal materials have been executed. The medicinal materials planted according to the plan were harvested in February 2023. Collaboration with agricultural improvement authorities is anticipated to expand the production capacity of functional medicinal ingredients gradually while maintaining quality standards.

## Attachment 4

### Independent Auditors' Report Translated from Chinese

To Phytohealth Corporation

#### Opinion

We have audited the accompanying consolidated balance sheets of Phytohealth Corporation (the "Company") and its subsidiaries as of December 31, 2023 and 2022, consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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. 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 2023 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

The Group recognized operating revenue amounts to NT\$162,489 thousand in 2023. The Group's principal activities consist of revenue from the sale of pharmaceutical drugs, dietary supplements, and medical diagnostic products. The Group recognizes revenue from the sale of pharmaceutical drugs, dietary supplements and medical diagnostic products when it satisfies a performance obligation and the recognition timing. Therefore, we considered this a key audit matter.

Our audit procedures include but are not limited to understanding the trading manners through walkthrough, and to evaluating the appropriateness of the accounting policy related to revenue recognition from the sale of pharmaceutical drugs, dietary supplements, and medical diagnosis products and the transactions made from sales by testing the internal control effectiveness determined by management. We confirm that the timing of recognizing revenue is when performance obligations are met by reviewing the terms of transaction. We confirm the correctness of recognizing revenue from sale of pharmaceutical drugs, dietary supplements, and medical diagnosis products and the existence of sales revenue by performing transactions' detail testing which includes reviewing vouchers of selected samples and cash receipts record. We check transaction records to confirm the occurrence of the revenue. We perform cutoff testing through periods before and after the balance sheet date by reviewing related documentation of selected samples.

Please refer to Note 4 and 6. (16) for revenue related accounting policies and information.

#### Impairment of non-financial assets

As of December 31, 2023, the total net amount of property, plant and equipment, right-of-use assets and intangible assets of the Company and its subsidiaries was NT\$320,223 thousand, accounted 14% of the consolidated total assets. The Company and its subsidiaries are engaged in medical products manufacturing industry. The Company and its subsidiaries are still at loss position in the year of 2023 because the medical products are still at development stage. As of the balance sheet date, the Company and its subsidiaries based on the external and internal sources to assess whether there is any indication of impairment. If there is indication of impairment, the impairment testing for above assets is required. The result of impairment evaluation is significant to the consolidated financial statements. Therefore, we consider impairment assessment as a key audit matter.

We have conducted audit procedures including but not limited to obtaining representation letter; to evaluating the impairment indicator and cash generating unit; to obtaining the information on assessing the recoverable amount and assumptions for the annual testing of intangible assets with indefinite life. We also examined the historical and other business' financial information to evaluate whether the assumptions such as sales growth rate, gross margin, operating profit margin, and discount rate applied in the cash flow forecast are reasonable and are in conformity. In Note 4 and 5 of consolidated financial statements to assess the appropriateness of the accounting policies and disclosures relating to the impairment of non-financial assets.

#### **Responsibilities of Management and Those Charged with Governance 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.

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

#### **Auditor's Responsibilities for the Audit of 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 the Standards on Auditing of the Republic of China, we exercise professional judgement 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 the Company 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 Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 2023 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 audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2023, and 2022.

/s/Yu, Chien-Ju  
/s/Chang, Chiao-Ying  
Ernst & Young, Taiwan  
February 26, 2024

#### Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translations of Consolidated Financial Statements Originally Issued in Chinese  
PHYTOHEALTH CORPORATION AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2023 and December 31, 2022  
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	As of	
		December 31, 2023	December 31, 2022
<b>Current assets</b>			
Cash and cash equivalents	4, 6	\$62,756	\$100,456
Financial assets at fair value through profit and loss, current	4, 6	11,000	16,519
Financial assets at amortized cost, current	4, 6	1,192,340	1,243,740
Accounts receivable, net	4, 6	11,492	4,403
Accounts receivable-related parties, net	4, 6, 7	24,185	21,103
Other receivables		18	63
Other receivable-related parties, net	7	366	-
Inventories	4, 6	163,090	151,224
Prepayments	6	33,411	30,442
Other current assets		798	514
Total current assets		<u>1,499,456</u>	<u>1,568,464</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income, non-current	4, 6	526,031	433,292
Financial assets measured at amortized cost, non-current	4, 6	984	1,082
Property, plant and equipment	4, 6, 7	220,788	247,124
Right-of-use assets	4, 6, 7	25,502	27,255
Intangible assets	4, 6	73,933	81,713
Prepayments for equipment		-	463
Refundable deposits	7, 8	3,817	5,235
Total non-current assets		<u>851,055</u>	<u>796,164</u>
<b>Total assets</b>		<u><u>\$2,350,511</u></u>	<u><u>\$2,364,628</u></u>

(The accompanying notes are an integral part of the consolidated financial statements.)



English Translations of Financial Statements Originally Issued in Chinese  
PHYTOHEALTH CORPORATION AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2023 and December 31, 2022  
(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	As of	
		December 31, 2023	December 31, 2022
<b>Current liabilities</b>			
Contract liabilities, current	4, 6	\$2,729	\$3,341
Notes payable		113	184
Accounts payable		2,383	5,606
Other payables	6, 7	39,883	41,090
Provision, current	4, 6	1,129	1,346
Lease liabilities, current	4, 6, 7	10,542	9,957
Other current liabilities		599	594
Total current liabilities		57,378	62,118
<b>Non-current liabilities</b>			
Lease liabilities, non-current	4, 6, 7	17,460	20,046
Guarantee deposit received		288	288
Other non-current liabilities		4,723	4,723
Total non-current liabilities		22,471	25,057
<b>Total liabilities</b>		79,849	87,175
<b>Equity attributable to the parent</b>			
Capital			
Common stock	4, 6	1,986,189	1,986,189
Capital surplus	4, 6	1,161	523
Retained earnings	4, 6		
Accumulated deficits	6	(191,106)	(156,825)
Other components of equity	6		
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		130,862	78,045
Total equity attributable to the parent		1,927,106	1,907,932
<b>Non-controlling interests</b>	6	343,556	369,521
<b>Total equity</b>		2,270,662	2,277,453
<b>Total liabilities and equity</b>		\$2,350,511	\$2,364,628

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translations of Consolidated Financial Statements Originally Issued in Chinese  
PHYTOHEALTH CORPORATION AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the Years ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years ended December	
	Notes	2023	2022
Operating revenue	4, 6, 7	\$162,489	\$135,465
Operating costs	6	(94,846)	(78,433)
Gross profit		<u>67,643</u>	<u>57,032</u>
Operating expenses	4, 6, 7		
Sales and marketing expense		(35,667)	(32,876)
General and administrative expense		(61,059)	(61,349)
Research and development expense		(92,594)	(119,521)
Expected credit gain		-	50
Total operating expenses		<u>(189,320)</u>	<u>(213,696)</u>
Operating loss		<u>(121,677)</u>	<u>(156,664)</u>
Non-operating income and expenses			
Interest income	6	18,397	12,159
Other income	4, 6	29,369	28,422
Other gains and losses	4, 6	108	1,672
Financial costs	4, 6, 7	(344)	(312)
Total non-operating income and expenses		<u>47,530</u>	<u>41,941</u>
Net (loss) income before income tax		(74,147)	(114,723)
Income tax expense	4, 6	-	-
Net (loss)		<u>(74,147)</u>	<u>(114,723)</u>
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gains or losses on financial assets at fair value through other comprehensive (loss) income	4, 6	65,211	2,765
Total other comprehensive income (loss) , net of tax		<u>65,211</u>	<u>2,765</u>
Total comprehensive loss		<u><u>\$(8,936)</u></u>	<u><u>\$(111,958)</u></u>
Net (loss) attributable to:			
Shareholders of the parent		\$(47,117)	\$(79,413)
Non-controlling interests		(27,030)	(35,310)
		<u><u>\$(74,147)</u></u>	<u><u>\$(114,723)</u></u>
Comprehensive income (loss) attributable to:			
Shareholders of the parent		\$18,536	\$(72,959)
Non-controlling interests		(27,472)	(38,999)
		<u><u>\$(8,936)</u></u>	<u><u>\$(111,958)</u></u>
Earnings (loss) per share (in NT\$)	6		
Earnings (loss) per share-basic		<u><u>\$(0.24)</u></u>	<u><u>\$(0.40)</u></u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translations of Consolidated Financial Statements Originally Issued in Chinese

PHYTOHEALTH CORPORATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT

	Retained earnings		Other components of equity		Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Accumulated deficits	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)			
Balance as of January 1, 2022	\$1,986,189	\$356,845	\$(441,016)	\$78,674	\$1,980,692	\$407,862	\$2,388,554
Capital surplus used to offset accumulated deficit	-	(356,521)	356,521	-	-	-	-
Net loss for the years ended December 31, 2022	-	-	(79,413)	-	(79,413)	(35,310)	(114,723)
Other comprehensive income, net of tax for the Years ended December 31, 2022	-	-	-	6,454	6,454	(3,689)	2,765
Total comprehensive income (loss)	-	-	(79,413)	6,454	(72,959)	(38,999)	(111,958)
Disposal of investments in financial assets at fair value through other comprehensive income	-	-	7,083	(7,083)	-	-	-
Changes in subsidiary ownership	-	164	-	-	164	658	822
Share-based payment transactions	-	35	-	-	35	-	35
Balance as of December 31, 2022	\$1,986,189	\$523	\$(156,825)	\$78,045	\$1,907,932	\$369,521	\$2,277,453
Balance as of January 1, 2023	\$1,986,189	\$523	\$(156,825)	\$78,045	\$1,907,932	\$369,521	\$2,277,453
Net loss for the years ended December 31, 2023	-	-	(47,117)	-	(47,117)	(27,030)	(74,147)
Other comprehensive income, net of tax for the years ended December 31, 2023	-	-	-	65,653	65,653	(442)	65,211
Total comprehensive income (loss)	-	-	(47,117)	65,653	18,536	(27,472)	(8,936)
Disposal of investments in financial assets at fair value through other comprehensive income	-	-	12,836	(12,836)	-	-	-
Changes in subsidiary ownership	-	489	-	-	489	1,507	1,996
Share-based payment transactions	-	149	-	-	149	-	149
Balance as of December 31, 2023	\$1,986,189	\$1,161	\$(191,106)	\$130,862	\$1,927,106	\$343,556	\$2,270,662

(The accompanying notes are an integral part of the consolidated financial statements.)



English Translations of Consolidated Financial Statements Originally Issued in Chinese

PHYTOHEALTH CORPORATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the Years ended December 31,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Net loss before tax	\$(74,147)	\$(114,723)
Adjustments:		
Depreciation	45,039	44,355
Amortization	8,066	8,084
Expected credit gain	-	(50)
Net gain on financial assets at fair value through profit or loss	18	(15)
Interest expense	344	312
Interest revenue	(18,397)	(12,159)
Dividend income	(22,792)	(24,148)
Share-based payment	825	857
Loss on disposal of property, plant and equipment	169	10
Gain on disposal of investments	(90)	(55)
Gain on lease modification	(1)	-
Changes in operating assets and liabilities:		
Accounts receivable	(7,089)	1,305
Accounts receivable-related parties, net	(3,082)	(6,544)
Other receivables, net	45	117
Other receivable-related parties, net	(366)	-
Inventories, net	(15,581)	(6,119)
Prepayments	(2,969)	6,105
Other current assets	(284)	253
Contract liabilities	(612)	(2,782)
Notes payable	(71)	117
Accounts payable	(3,223)	3,687
Other payables	(1,207)	5,390
Provision	(217)	(58)
Other current liabilities	5	118
Cash outflow generated from operations	(95,617)	(95,943)
Interest received	18,397	12,159
Dividend received	22,792	24,148
Interest paid	(344)	(312)
Net cash used in operating activities	(54,772)	(59,948)
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income, non-current	(56,114)	(1,328)
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,586	19,638
Acquisition of financial assets measured at amortized cost	(23,910)	-
Return of funds to financial assets measured at amortized cost	75,408	67,061
Acquisition of disposal of financial assets at fair value through profit or loss, current	(63,000)	(260,500)
Proceeds from disposal of financial assets at fair value through profit or loss, current	68,591	254,060
Acquisition of property, plant and equipment	(4,907)	(1,142)
Increase in refundable deposits	-	(406)
Decrease in refundable deposits	1,418	-
Acquisition of intangible assets	(286)	-
Increase in prepayments for business facilities	463	(463)
Net cash provided by investing activities	26,249	76,920
<b>Cash flows from financing activities:</b>		
Increase in guarantee deposit received	-	8
Cash payment for the principal portion of the lease liabilities	(10,497)	(10,530)
Stock options exercised by employees of subsidiaries	1,320	-
Net cash used in financing activities	(9,177)	(10,522)
Net (decrease) increase in cash and cash equivalents	(37,700)	6,450
Cash and cash equivalents at beginning of period	100,456	94,006
Cash and cash equivalents at end of period	\$62,756	\$100,456

(The accompanying notes are an integral part of the consolidated financial statements.)

## **Independent Auditors' Report Translated from Chinese**

To Phytohealth Corporation

### **Opinion**

We have audited the accompanying parent company only balance sheets of Phytohealth Corporation (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and their parent company only financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2023 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

The Company recognized operating revenue amounts to NT\$97,233 thousand in 2023. The Company's principal activities consist of revenue from the sale of pharmaceutical drugs, dietary supplements. The Company recognizes revenue from the sale of pharmaceutical drugs, dietary supplements when it satisfies a performance obligation and the recognition timing. Therefore, we considered this a key audit matter.

Our audit procedures include but are not limited to understanding the trading manners through walkthrough, and evaluating the appropriateness of the accounting policy related to revenue recognition from the sale of pharmaceutical drugs, dietary supplements and the transactions made from sales by testing the internal control effectiveness determined by management. We confirm that the timing of recognizing revenue is when performance obligations are met by reviewing the terms of transaction. We confirm the correctness of recognizing revenue from sale of pharmaceutical drugs, dietary supplements, and the existence of sales revenue by performing transactions' detail testing which includes reviewing vouchers of selected samples and cash receipts record. We check transaction records to confirm the occurrence of the revenue. We perform cutoff testing through periods before and after the balance sheet date by reviewing related documentation of selected samples.

Please refer to Note 4 and 6. (15) for revenue related accounting policies and information.

#### Impairment of Assets

As of December 31, 2023, the total net amount of investments accounted for under the equity method, property, plant and equipment and right-of-use assets of the Company was NT\$298,225 thousand, accounted for 16% of the total assets. The Company is engaged in medical products manufacturing industry. The Company is still at loss position in the year of 2023 because the medical products are still at development stage. As of the balance sheet date, the Company based on the external and internal sources to assess whether there is any indication of impairment. If there is indication of impairment, the impairment testing for above assets is required. The result of impairment evaluation is significant to the parent company only financial statements. Therefore, we consider impairment assessment as a key audit matter.

We have conducted audit procedures including but not limited to obtaining representation letter; to evaluating the impairment indicator and cash generating unit; to obtaining the information on assessing the recoverable amount and assumptions for the annual testing of intangible assets with indefinite life. We also examined the historical and other business' financial information to evaluate whether the assumptions such as sales growth rate, gross margin, operating profit margin, and discount rate applied in the cash flow forecast are reasonable and are in conformity. In Note 4 and 5 of the parent company only financial statements to assess the appropriateness of the accounting policies and disclosures relating to the impairment of assets.

#### **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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 the Standards on Auditing of the Republic of China, we exercise professional judgement 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 the Company.
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 entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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 2023 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.

/s/Yu, Chien-Ju  
/s/Chang, Chiao-Ying  
Ernst & Young, Taiwan  
February 26, 2024

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The accompanying parent company only financial statements are intended only to present the parent company only financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.



English Translations of Financial Statements Originally Issued in Chinese

PHYTOHEALTH CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and December 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	As of	
		December 31, 2023	December 31, 2022
<b>Current assets</b>			
Cash and cash equivalents	4, 6	\$33,098	\$53,412
Financial assets at fair value through profit and loss, current	4, 6	6,000	13,504
Financial assets at amortized cost, current	4, 6	939,730	962,960
Accounts receivable, net	4, 6	159	-
Accounts receivable-related parties, net	4, 6, 7	24,171	21,000
Other receivables-related parties, net	7	366	-
Inventories	4, 6	138,068	127,897
Prepayments	6	31,338	29,419
Other current assets		633	391
Total current assets		<u>1,173,563</u>	<u>1,208,583</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income, non-current	4, 6	497,972	404,552
Financial assets at amortized cost, non-current	4, 6	984	1,082
Investments accounted for under the equity method	4, 6	134,392	150,261
Property, plant and equipment	4, 6, 7	152,359	177,537
Right-of-use assets	4, 6, 7	11,220	17,036
Intangible assets	4, 6	254	-
Prepayments for equipment		-	463
Refundable deposits	7	1,513	1,513
Total non-current assets		<u>798,694</u>	<u>752,444</u>
<b>Total assets</b>		<u><u>\$1,972,257</u></u>	<u><u>\$1,961,027</u></u>

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translations of Financial Statements Originally Issued in Chinese

PHYTOHEALTH CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2023 and December 31, 2022  
(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	As of	
		December 31, 2023	December 31, 2022
<b>Current liabilities</b>			
Contract liabilities, current	4, 6	\$675	\$675
Accounts payable		543	4,729
Other payables	6, 7	25,281	22,998
Lease liabilities, current	4, 6, 7	6,145	6,079
Other current liabilities		315	277
Total current liabilities		32,959	34,758
<b>Non-current liabilities</b>			
Lease liabilities, non-current	4, 6, 7	7,469	13,614
Other non-current liabilities		4,723	4,723
Total non-current liabilities		12,192	18,337
Total liabilities		45,151	53,095
<b>Equity</b>			
Capital			
Common stock	4, 6	1,986,189	1,986,189
Capital surplus	4, 6	1,161	523
Retained earnings	4, 6		
Accumulated deficits	6	(191,106)	(156,825)
Other components of equity	6		
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		130,862	78,045
Total equity		1,927,106	1,907,932
<b>Total liabilities and equity</b>		<u>\$1,972,257</u>	<u>\$1,961,027</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translations of Financial Statements Originally Issued in Chinese  
**PHYTOHEALTH CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
For the Years Ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended December 31,	
	Notes	2023	2022
Operating revenue	4, 6, 7	\$97,233	\$73,835
Operating costs	6	(70,614)	(54,849)
Gross profit		26,619	18,986
Operating expenses	4, 6, 7		
Sales and marketing expense		(14,773)	(14,591)
General and administrative expense		(31,066)	(31,241)
Research and development expense		(48,472)	(65,521)
Total operating expenses		(94,311)	(111,353)
Operating loss		(67,692)	(92,367)
Non-operating income and expenses			
Interest income	6	14,094	9,020
Other income	4, 6	22,640	23,192
Other gains and losses	6	181	(29)
Financial costs	4, 6, 7	(221)	(196)
Share of profit or loss of subsidiary, associates and joint ventures accounted for using the equity method		(16,119)	(19,033)
Total non-operating income and expenses		20,575	12,954
Net loss before income tax		(47,117)	(79,413)
Income tax expense	4, 6	-	-
Net loss		(47,117)	(79,413)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gains on financial assets at fair value through other comprehensive income	4, 6	65,892	8,492
Share of other comprehensive income of subsidiary which will not be reclassified subsequently to profit or loss	4, 6	(239)	(2,038)
Total other comprehensive income, net of tax		65,653	6,454
Total comprehensive income (loss)		\$18,536	\$(72,959)
Earnings (loss) per share (in NT\$)			
Loss per share - basic			
Net loss	6	\$(0.24)	\$(0.40)

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translations of Financial Statements Originally Issued in Chinese

PHYTOHEALTH CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings	Other components of equity	
	Common stock	Capital surplus	Accumulated deficits	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)	Total equity
Balance as of January 1, 2022	\$1,986,189	\$356,845	\$(441,016)	\$78,674	\$1,980,692
Capital surplus used to offset accumulated deficit	-	(356,521)	356,521	-	-
Net loss for the year ended December 31, 2022	-	-	(79,413)	-	(79,413)
Other comprehensive income, net of tax for the year ended December 31, 2022	-	-	-	6,454	6,454
Total comprehensive income (loss)	-	-	(79,413)	6,454	(72,959)
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	7,083	(7,083)	-
Changes in subsidiary ownership	-	164	-	-	164
Share-based payment transactions	-	35	-	-	35
Balance as of December 31, 2022	\$1,986,189	\$523	\$(156,825)	\$78,045	\$1,907,932
Balance as of January 1, 2023	\$1,986,189	\$523	\$(156,825)	\$78,045	\$1,907,932
Net loss for the year ended December 31, 2023	-	-	(47,117)	-	(47,117)
Other comprehensive income, net of tax for the year ended December 31, 2023	-	-	-	65,653	65,653
Total comprehensive income (loss)	-	-	(47,117)	65,653	18,536
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	12,836	(12,836)	-
Changes in subsidiary ownership	-	489	-	-	489
Share-based payment transactions	-	149	-	-	149
Balance as of December 31, 2023	\$1,986,189	\$1,161	\$(191,106)	\$130,862	\$1,927,106

(The accompanying notes are an integral part of the parent company only financial statements.)



English Translations of Financial Statements Originally Issued in Chinese

PHYTOHEALTH CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended December 31,	
	2023	2022
<b>Cash flows from operating activities :</b>		
Net loss before tax	\$(47,117)	\$(79,413)
Adjustments:		
Depreciation	35,608	34,813
Amortization	32	-
Net gain on financial assets at fair value through profit or loss	4	-
Interest expense	221	196
Interest revenue	(14,094)	(9,020)
Dividend income	(22,387)	(22,573)
Share-based payment	149	35
Loss on share of profit or loss of subsidiary, associates and joint ventures accounted for using the equity method	16,119	19,033
Gain on disposal of investments	(75)	(55)
Changes in operating assets and liabilities:		
Accounts receivable	(159)	-
Accounts receivable-related parties, net	(3,171)	(6,565)
Other receivables, net	-	49
Other receivables, net - related parties, net	(366)	-
Inventories, net	(10,171)	(3,514)
Prepayments	(1,919)	5,100
Other current assets	(242)	64
Accounts payable	(4,186)	3,895
Other payables	2,283	754
Other current liabilities	38	49
Cash outflow generated from operations	(49,433)	(57,152)
Interest received	14,094	9,020
Dividend received	22,387	22,573
Interest paid	(221)	(196)
Net cash used in operating activities	(13,173)	(25,755)
<b>Cash flows from investing activities :</b>		
Acquisition of financial assets at fair value through other comprehensive income, non-current	(56,114)	(1,328)
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,586	19,638
Return of funds to financial assets measured at amortized cost	23,328	35,301
Acquisition of financial assets at fair value through profit and loss, current	(58,000)	(254,500)
Proceeds from disposal of financial assets at fair value through profit or loss, current	65,575	251,060
Acquisition of property, plant and equipment	(4,614)	(528)
Decrease in refundable deposits	-	600
Acquisition of intangible assets	(286)	-
Decrease (increase) in prepayment for business facilities	463	(463)
Net cash (used in) provided by investing activities	(1,062)	49,780
<b>Cash flows from financing activities :</b>		
Cash payment for the principal portion of the lease liabilities	(6,079)	(6,106)
Net cash used in financing activities	(6,079)	(6,106)
Net (decrease) increase in cash and cash equivalents	(20,314)	17,919
Cash and cash equivalents at beginning of year	53,412	35,493
Cash and cash equivalents at end of year	\$33,098	\$53,412

(The accompanying notes are an integral part of the parent company only financial statements.)

**Attachment 5**

**PhytoHealth Corporation**

**Directors(including independent directors) Concurrently  
Holding Positions in Other Companies**

Directors(including independent directors)	Positions concurrently held in other companies at present
Jen Yu Ltd. Representative:Wang Pai-Sen	Independent Director, TFBS Bioscience, Inc.
	Representative of juristic person director of YES Health Co., Ltd.
Lai Sun-Quae	Representative of juristic person director of ANYONG Feshmart, Inc.

## **IV. Appendices**

### **Appendix 1**

#### **PhytoHealth Corporation**

##### **Rules of Procedure for Shareholder Meeting**

Article 1 : The rules of procedure for the company's shareholders' meeting shall be governed by these rules, unless otherwise stipulated by laws or the articles of association.

The shareholders' meeting of the company shall be convened by the board of directors unless otherwise provided by laws and regulations.

Changes in the method of convening the shareholders' meeting of the company shall be resolved by the board of directors, and shall be implemented no later than the dispatch of the notice of the shareholders' meeting.

Article 2 : The Company shall specify in the notice of the meeting the time and place of registration of the accepting shareholders, solicitors, and authorized agents (hereinafter referred to as “shareholders”), and other matters to be noted.

The time for accepting shareholder registration in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the registration office shall be clearly marked, and adequate and competent personnel shall be assigned to handle it; the shareholders meeting video meeting shall be held 30 minutes before the meeting starts at the shareholders meeting. The meeting platform accepts registration, and shareholders who complete the registration are deemed to have attended the shareholders' meeting in person.

Shareholders should present their attendance certificates, attendance cards or other attendance certificates to attend the shareholders' meeting. The company shall not arbitrarily add other certificates to the certificates that shareholders rely on for attendance; the solicitor who is a solicitation letter of attorney shall bring his or her identity certificate, for verification.

If the shareholders meeting is convened by videoconference, shareholders who wish to attend by videoconference shall register with the company two days before the shareholders meeting.

If the shareholders' meeting is held by video conference, the company shall upload the procedure manual, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

Article 2-1 : When the company holds a shareholders meeting via videoconference, the following items shall be specified in the shareholders meeting convening notice:

1. Shareholders' participation in video conferences and methods for exercising their rights.
2. How to deal with obstacles caused by natural disasters, accidents, or other force majeure events, including at least the following items:
  - (1) The time at which the meeting must be postponed or continued due to the occurrence of previous obstacles that cannot be eliminated, and the date when the meeting must be postponed or continued.
  - (2) Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.
  - (3) To convene a video-assisted shareholders' meeting, if the video conference cannot be continued, after deducting the number of shares attending the shareholders' meeting via video conference, the total number of shares attended reaches the statutory quota for the shareholders' meeting, the shareholders' meeting should continue and participate in the video conference. Shareholders, whose number of shares attended shall be included in the total number of shareholders' shares present, shall be deemed to have abstained from voting on all proposals at the shareholders' meeting.
  - (4) How to deal with the situation where all the motions have been announced and no provisional motions have been made.
3. To convene a video-conference shareholders meeting, which shall specify appropriate alternative measures for shareholders who have difficulty participating in video-conferencing.

Article 3 : Attendance and voting at the shareholders' meeting shall be calculated on the basis of shares. The number of shares attended is calculated based on the number of shares registered on the signature book or attendance card and video conferencing platform, plus the number of shares that exercise voting rights in written or electronic means.

Article 4 : The shareholders' meeting shall be held at a location in the place where the company is located or at a location convenient for shareholders to attend and suitable for holding the shareholders' meeting. The meeting shall not commence before 9:00 a.m. or after 3:00 p.m.

When the company holds a video-conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.

Article 5 : If the shareholders' meeting is convened by the board of directors, the chairman shall be the chairman. When the chairman is on leave or unable to exercise his powers for some reason, the vice chairman shall act as his proxy. In terms of power, the



chairman shall designate a managing director to act as an agent; if there is no managing director, designate a director to act as an agent; if the chairman does not designate an agent, the managing director or the directors shall recommend a person to act as an agent. If the shareholder meeting is convened by a person other than the board of directors who has the right to convene, the person with the right to convene shall serve as the chairman.

Article 6 : The company may appoint its commissioned lawyers, accountants, or relevant personnel to attend the shareholders' meeting. The staff in charge of the shareholders' meeting affairs shall wear identification cards or armbands.

Article 7 : The company shall record the entire process of the shareholders' meeting by audio or video and keep it for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

If the shareholders' meeting is held by video conference, the company shall keep records of shareholders' registration, registration, registration, questioning, voting, and company vote counting results, etc., and record and video the entire process of the video conference continuously.

The company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.

Article 8 : When the meeting time has expired, the chairman shall immediately announce the opening of the meeting, and at the same time announce the number of non-voting shares and the number of shares present.

However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements is limited to two, and the total delay time shall not exceed one hour. If there are still not enough shareholders representing more than one-third of the total issued shares to attend after two delays, the chairman will announce the adjournment; if the shareholders' meeting is held by video conference, the company shall also announce the adjournment on the shareholders' meeting video conference platform.

The preceding paragraph is postponed twice and the amount is still insufficient and there are shareholders representing more than one-third of the total issued shares present, a false resolution may be made in accordance with the provisions of Article 175, Paragraph 1 of the Company Law, and the false resolution shall be notified.

Each shareholder shall convene a shareholders' meeting again within one month; if the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the company in accordance with Article 2 .

The shareholders' meeting for voting in accordance with Article 174 of the Company Law.

Article 9 : If the shareholders meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and relevant proposals (including temporary motions and amendments to original proposals) shall be discussed and voted on a case-by-case basis.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the conclusion of the agenda (including temporary motions) scheduled in the first two items, the chairman shall not adjourn the meeting without a resolution. If the chairman announces the adjournment of the meeting in violation of the rules of procedure, other members of the board of directors shall promptly assist the attending shareholders in accordance with the legal procedures, and elect a person as the chairman with the consent of more than half of the voting rights of the attending shareholders to continue the meeting. After the meeting is adjourned, shareholders are not allowed to elect another chairman to continue the meeting at the original location or other places.

The chairman shall provide ample explanation and discussion opportunities for proposed resolutions and amendments or motions raised by shareholders. When it is deemed that sufficient discussion has been held and the matter is ready for voting, the chairman may announce the end of discussion, proceed to the vote, and allocate adequate voting time.

Article 10 : When presenting shareholders speak, they must first fill out a speech slip indicating the subject of the speech, shareholder account number (or attendance card number) and account name, and the chairman will determine the order of their speeches.

Shareholders attending the meeting who only put forward speech slips but did not make a speech shall be deemed as having not made a speech. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail. When shareholders present are speaking, other shareholders are not allowed to interfere with their speech unless they have obtained the consent of the chairman and the speaking shareholder. Violators should be stopped by the chairman.

Each shareholder's speech on the same proposal shall not exceed two times without the consent of the chairman, and each time shall not exceed five minutes. If a shareholder's speech violates the regulations or exceeds the scope of the topic, the chairman may stop the speech.

When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person can speak on the same proposal.

After attending shareholders' speeches, the chairman may reply in person or by designating relevant personnel. If the shareholders meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is closed. The number of questions for each proposal shall not exceed two times. The limit is 200 characters, and the provisions of items 1 to 5 do not apply.

Article 11 : Unless otherwise provided for by the Company Law and the Articles of Association of the company, voting on proposals shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, the chairman or his designated person announces the total number of voting rights of shareholders present, and then the shareholders vote.

When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be deemed to be rejected, and there is no need to vote again.

The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the status of shareholders.

The counting of votes or election proposals at the shareholders' meeting shall be done in a public place at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including the counting weights, and shall be recorded.

The company holds a video meeting of the shareholders meeting. Shareholders who participate in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairman announces the opening of the meeting. deemed a waiver.

If the shareholders' meeting is convened by videoconference, after the chairman announces that the voting is over, the votes shall be counted at one time, and the voting and election results shall be announced.

When the company holds a video-assisted shareholders' meeting, shareholders who

have registered to attend the shareholders' meeting via videoconference in accordance with the provisions of Article 2, who wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same way as the registration two days before the shareholders' meeting; Those who cancel after the deadline can only attend the shareholders' meeting via video conference.

Those who exercise voting rights in writing or electronically without revoking their declaration of intention and participate in the shareholders' meeting by videoconference shall not exercise voting rights on the original proposals, propose amendments to the original proposals, or exercise voting rights on amendments to the original proposals, except for ad hoc motions.

Article 12 : If the shareholders' meeting is convened by videoconference, the minutes shall record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the minutes of the meeting, as well as any natural disasters, accidents or other force majeure events. To the video conferencing platform or how to deal with obstacles in video conference participation and how to deal with them.

The Company shall hold a video-conference shareholders meeting, in addition to following the provisions of the preceding paragraph, and shall state in the minutes of the meeting that there are alternative measures provided by shareholders who have difficulties participating in video-conferencing.

Article 13 : The number of shares acquired by the solicitor, the number of shares represented by the entrusted agent, and the number of shares attended by shareholders in written or electronic form, the company shall, on the day of the shareholders' meeting, compile a statistical table in accordance with the prescribed format, and make it clear at the shareholders' meeting. If the shareholders meeting is held by video conference, the company shall upload the aforementioned information to the shareholders meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

When the company holds a video conference of the shareholders' meeting and announces the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting.

Article 14 : If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results of various proposals and election results on the video conference platform of the shareholders' meeting in accordance with

regulations after the voting ends.

Article 15 : When the company holds a video-conference shareholders meeting, the chairman and recorder shall be at the same place in China, and the chairman shall announce the address of the place when the meeting is held.

Article 16 : During the meeting, the chairperson may announce a break at his/her discretion.

Article 17 : If the shareholders' meeting is convened by videoconference, when the meeting is announced, it shall be announced that, except for the circumstances specified in Item 24, Article 44 of the Standards for the Handling of Stock Affairs of Public Offering Companies, there is no need to postpone or continue the meeting. Previously, due to natural disasters, accidents or other force majeure events, if the video conferencing platform or the participation in the form of video communication is obstructed and lasts for more than 30 minutes, the date of the meeting shall be postponed or continued within five days, and Article 182 of the Company Law shall not apply.

Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting in the event of the occurrence of the preceding paragraph.

According to the provisions of Paragraph 1, the meeting should be postponed or resumed, and shareholders who have registered to participate in the original shareholders' meeting and completed the registration through video conference, and those who have not participated in the postponed or continued meeting, the number of shares attended at the original shareholders' meeting, the voting rights exercised and Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the postponed or resumed meeting.

When adjourning or adjourning a general meeting of shareholders in accordance with the provisions of Paragraph 1, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or the list of directors elected.

When the company convenes a video-assisted shareholders' meeting and the video conference cannot be continued under Paragraph 1, if the total number of shares present after deducting the number of shares present at the shareholders' meeting through video conference still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue.

There is no need to postpone or continue the meeting in accordance with the provisions of Paragraph 1.

In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via video

conference shall count the number of shares present in the total number of shares of the shareholders present, but shall be deemed as abstaining from voting on all the resolutions of the shareholders meeting.

Article 18 : When the company holds a video-conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending via video-conferencing.

Article 19 : The chairperson may direct the security personnel (or security guards) to assist in maintaining order in the meeting venue. When the security personnel (or guards) are present to assist in maintaining order, they should wear armbands marked with the words "Security Personnel."

Article 20 : These rules will come into force after being approved by the shareholders' meeting, and the same will apply when they are amended. These rules of procedure were established on March 1, 2000. The first revision was on May 20, 2002. The second revision was on May 24, 2023.

## Appendix 2

### PhytoHealth Corporation

#### Articles of Incorporation

##### Chapter I. General Provisions

Article 1 The company is organized in accordance with the provisions of the company law and named as 懷特生技新藥股份有限公司. The English name is PHYTOHEALTH CORPORATION .

Article 2 The business of the company is as follows:

1. C802041 Western medicine manufacturing industry
2. C199990 Unclassified Other Food Manufacturing Industry
3. F108021 Western medicine wholesale industry
4. F108031 Wholesale of medical equipment
5. F108040 Cosmetics wholesale business
6. F102170 Wholesale of food and miscellaneous goods
7. F208021 Western medicine retailing
8. F208031 Retailing of medical equipment
9. F208040 Cosmetics retailing
10. F208050 Class B patent drug retailing
11. F203010 Food and beverage retailing
12. F401010 International trade
13. F601010 Intellectual property rights industry
14. IC01010 Drug inspection industry
15. I199990 Other consulting services
16. F107200 Wholesale of chemical raw materials
17. C F01011 Medical equipment manufacturing industry
18. C802051 Traditional Chinese Medicine Manufacturing
19. F208011 Traditional Chinese Medicine Retail Industry
20. F108011 Traditional Chinese Medicine Wholesale Industry
21. C110010 Beverage Manufacturing Industry
22. C802070 Pesticide Manufacturing
23. C802080 Environmental pharmaceutical manufacturing industry
24. F107080 Wholesale of Environmental Drugs
25. F207080 Retailing of Environmental Drugs
26. C802100 Cosmetics manufacturing industry
27. C802110 Cosmetic pigment manufacturing industry
28. CE01010 General Instrument Manufacturing
29. F113030 Wholesale of Precision Instruments
30. F213040 Precision Instrument Retailing
31. IG01010 Biotechnology Service Industry
32. I301010 Information Software Service Industry
33. I301020 Data processing service industry
34. I301030 Electronic information supply service industry
35. IZ99990 Other industrial and commercial services
36. In addition to the licensed business, ZZ99999 may operate business that is not prohibited or restricted by law .

Article 3 The company has its head office in Taipei City, and may set up branches at home and abroad with the resolution of the board of directors and the approval of the competent

authority when necessary.

Article 4 The announcement method of the company shall be handled in accordance with Article 28 of the Company Law.

## Chapter II Shares

Article 5 The company's total rated capital is NT\$3.1 billion, which is divided into 100 million shares, of which 10 million shares are reserved for the issuance of employee stock option certificates. Each share has a face value of NT\$10. The board of directors is authorized to distribute issue.

Article 5-1 The company may transfer the shares to employees at a price lower than the average price of the actually repurchased shares, or at a shareholders' meeting attended by shareholders representing more than half of the total number of issued shares, and with the consent of more than two-thirds of the voting rights of shareholders present. Issue employee stock option certificates at a stock option price lower than the closing price on the issue date.

Article 6 The company may guarantee externally; and may transfer investment to become a limited liability shareholder of another company, and the total investment amount may exceed 40% of the company's paid-in capital.

Article 7 Registered shares issued by the company may be exempted from printing stock certificates, but it should be registered with the centralized securities depository institution. However, if the stock certificates are printed, it must be signed or stamped by three or more directors, stamped with the company logo and signed according to law. Issue it. When the employees of the company subscribe for new shares in accordance with Article 267 of the Company Law, they cannot transfer them within two years without the consent of the company, otherwise the transfer will be invalid.

Article 8 The company's shareholders' stock affairs are handled in accordance with the "Stock Affairs Handling Guidelines for Public Offering Companies" promulgated by the competent authority and the Company Law and other relevant laws and regulations.

Article 9 Within 60 days before the regular meeting of shareholders, within 30 days before the extraordinary meeting of shareholders, or within 5 days before the company decides to distribute dividends, bonuses or other benefits, the stock transfer shall be suspended.

## Chapter III Shareholders' Meeting

Article 10 The shareholders' meetings of our company are divided into the following two types:

1. The regular meeting of shareholders shall be held once a year , within six months after the end of each fiscal year , and shall be convened by the board of directors according to law.

2. Extraordinary meeting of shareholders shall be convened according to law when deemed necessary by the board of directors .

When the company's shareholders' meeting is held, it may be held by video conference or other means announced by the central competent authority.

Article 11 When the shareholders' meeting is held, the chairman shall be the chairman. When the chairman is on leave or is unable to exercise his powers for any reason, the vice chairman shall act as his representative. When both the chairman and the vice-chairman are on leave or are unable to perform their duties for some reason, the chairman shall designate a director to act as their representative.

Article 12 All shareholders shall be notified 30 days in advance of the convening of an ordinary shareholders meeting, and 15 days in advance of the convening of an extraordinary shareholders meeting.



- Article 13 When a shareholder is unable to attend the shareholders' meeting for any reason, he shall issue a power of attorney printed and issued by the company, specifying the scope of authorization, and authorize a proxy to attend the shareholders' meeting. In addition to the provisions of Article 177 of the Company Law, the procedures for shareholders to attend by proxy shall be governed by the "Rules on the Use of Power of Attorneys for Public Offering Companies to Attend Shareholders' Meetings" promulgated by the competent authority.
- Article 14 Shareholders of the Company shall have one voting right per share, but shall not have voting rights in the event of any of the circumstances specified in Article 179 and Paragraph 2 of Article 197-1 of the Company Law.
- Article 15 Resolutions of the shareholders' meeting, unless otherwise provided by relevant laws and regulations, shall be attended by shareholders representing more than half of the total number of issued shares in person or by proxy, and shall be carried out with the consent of more than half of the voting rights of the present shareholders.
- Article 16 Minutes of the resolutions of the shareholders' meeting shall be prepared, signed or sealed by the chairman of the shareholders' meeting, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The distribution of the minutes of the proceedings referred to in the preceding paragraph may be done in the form of an announcement.

#### Chapter IV Directors , Board of Directors and Managers

- Article 17 The company has nine to thirteen directors, of which there shall be no less than two independent directors and no less than one-fifth of the number of directors. The number of candidates shall be determined by a resolution of the board of directors. One stipulates that a candidate nomination system shall be adopted, and the shareholder meeting shall select candidates from a list of candidates for a term of three years, and shall be eligible for re-election.  
The nomination and election methods of directors and other matters to be complied with shall be handled in accordance with the Company Law and the relevant regulations of the competent securities authority.  
The shareholding ratio of all directors shall be handled in accordance with the "Implementation Rules for the Shareholding Ratio and Inspection of Directors and Supervisors of Public Offering Companies" promulgated by the competent authority.
- Article 18 The company shall set up an audit committee in accordance with the provisions of Article 14-4 of the Securities and Exchange Law. The audit committee shall be composed of all independent directors. The audit committee or members of the audit committee shall be responsible for implementing the provisions of the Company Law, the Securities and Exchange Law, and other laws and regulations. Duties of supervisors.
- Article 18-1 The company shall set up a compensation committee in accordance with Article 14-6 of the Securities and Exchange Act. The compensation committee or members of the compensation committee shall exercise their powers in accordance with the regulations on the establishment and exercise of powers of the compensation committee of companies listed on the stock market or traded in securities firms.
- Article 19 When the vacancy of directors reaches one-third or all independent directors are dismissed, the board of directors shall hold an extraordinary meeting of shareholders within 60 days for by-election.
- Article 20 The board of directors is organized by directors, and its powers are as follows:  
1. Create a business plan.

2. Proposals for profit distribution or loss compensation.
3. Proposals for capital increase or decrease.
4. Formulate important rules and company organizational regulations.
5. Appointment and dismissal of the company's managers.
6. Establishment and dissolution of branches.
7. Prepare budget and final accounts.
8. Other functions and powers conferred by the company law or the resolution of the shareholders meeting.

Article 21 The board of directors shall be attended by more than two-thirds of the directors, and more than half of the directors present shall elect one chairman and one vice chairman among themselves. The chairman represents the company externally, and may designate a director to work at the meeting under the order of the chairman due to business needs.

Article 22 The board of directors shall be convened by the chairman of the board of directors unless otherwise provided by the Company Law. Resolutions of the board of directors, unless otherwise stipulated by the Company Act, shall be attended by more than half of the directors, and shall be made with the consent of more than half of the directors present.

Article 23 The convening of the board of directors shall specify the reasons and notify all directors seven days in advance, but in case of emergency, the convening may be called at any time. The convening in the preceding paragraph may be notified in writing, fax or electronic means.

Article 24 The chairman is the chairman of the board of directors. When the chairman is on leave or unable to exercise his powers for some reason, the vice chairman shall act as his deputy. When both the chairman and the vice-chairman are on leave or are unable to perform their duties for some reason, the chairman shall designate a director to act as an agent. The chairman may also designate a director to work at the meeting under the order of the chairman due to business needs. The chairman does not designate an agent. If so, the directors shall recommend one person to represent them. Directors shall attend the board meeting in person. If a director is unable to attend for some reason, he may entrust another director to represent him. The agent mentioned in the preceding paragraph shall only be entrusted by one person. The board of directors may hold a video conference, and directors who participate in the meeting through video conference shall be deemed to have attended the meeting in person.

Article 25 The remuneration of all directors shall be determined by the authorized board meeting. Regardless of operating profit or loss, it can be paid according to the normal level of the industry. The company may purchase liability insurance for directors within the scope of their duties for the company during their term of office.

Article 26 The company may have a manager whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law. The company may purchase liability insurance for managers within the scope of their duties for the company.

## Chapter V Accounting

Article 27 The fiscal year of the Company shall run from January 1st to December 31st. The final accounts shall be handled at the end of each year.

Article 28 At the end of each fiscal year, the company's board of directors shall prepare (1) business reports, (2) financial statements, and (3) proposals for profit distribution or loss compensation, etc., and submit them to the shareholders' general meeting for

approval according to law .

Article 29 The distribution of dividends and bonuses shall be based on the proportion of shares held by each shareholder. When the company has no profit, it shall not distribute dividends and bonuses.

No. thirty Article 1. If the company makes profits in the year (the so-called profits refer to the profits before taxes and deducting the distribution of employee remuneration and directors' remuneration), after pre-reserving the accumulated losses, if there is any balance, 3% should be appropriated. Up to 6% for employee remuneration and no more than 4% for directors' remuneration, the board of directors shall make a resolution with the attendance of more than two-thirds of the directors and the approval of more than half of the directors present, and report to the shareholders' meeting.

Employee remuneration in the preceding paragraph may be distributed in stock or in cash, and the object may include employees of affiliated companies who meet certain conditions.

Article 31 If there is a surplus in the company's annual final accounts, after paying all taxes and making up losses over the years, if there is any remaining balance, 10% of the statutory surplus reserve shall be withdrawn according to law and the amount of the special surplus reserve shall be adjusted. The balance, together with the accumulated undistributed earnings of the previous year, shall be appropriated at least 50% by the board of directors to prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distribution.

The company's dividend policy is determined by the board of directors based on operating plans, investment plans, capital budgets, and changes in the internal and external environment, and is distributed by resolutions of the shareholders' meeting.

The company's profit distribution adopts a dividend balance policy in principle, with cash dividends and stock dividends each 50% as the principle, and consideration of the company's cash flow, surplus status, and the company's future needs to expand the scale of operations may be adjusted accordingly.

Article 32 The distribution of dividends to shareholders shall be limited to the shareholders recorded in the register of shareholders five days before the base date for deciding to distribute dividends and bonuses.

## Chapter VI Supplementary Provisions

Article 33 The company's organizational regulations and working rules shall be stipulated separately.

Article 34 If there are any matters not covered in this Articles of Association, they shall be handled in accordance with the provisions of the Company Law.

Article 35 The Articles of Association were drafted by the promoters' meeting on October 23, 1998 with the consent of all the promoters, and came into effect on the date of submission to the competent authority for approval and registration.  
The first revision was on March 5, 1999. The second revision was on April 22, 1999. The third revision was on November 26, 1999. The fourth revision was on March 1, 2000. The fifth revision was on September 22, 2000. The sixth revision was on June 14, 2001. The seventh revision was on May 20, 2002. The eighth revision was on June 15, 2004. The ninth revision was on November 26, 2004. The tenth revision was on November 26, 2004. The eleventh revision was made on May 25, 2005. The twelfth revision was made on June 9, 2006. The thirteenth revision was made on June 15, 2007. The fourteenth revision was made on December 28, 2007. The fifteenth revision was on June 19, 2008. The sixteenth revision was on June 16, 2009. The seventeenth

revision was made on June 15, 2010. The eighteenth revision was on June 10, 2011. The nineteenth revision was on June 6, 2012. The twentieth revision was made on June 12, 2014. The twenty-first revision was made on May 27, 2016. The twenty-second revision was on June 13, 2017. The twenty-third revision was made on May 28, 2019. The twenty-fourth revision was made on May 24, 2023.

PhytoHealth Corporation

Chairman: Lee Yi-Li

## Appendix 3

### PhytoHealth Corporation Shareholding of Directors

1. A breakdown of the number of shares held by directors:

March 30, 2024 ( stock closing date)

Job title	Name	Number of shares registered in the register of shareholders	Remark
Chairman	Maywufa Company Ltd.	35,130,698 shares	Representative: Lee Yi-Li
Vice Chairman	Lee I-Lin	196,845 shares	
Director	Maywufa Company Ltd.	35,130,698 shares	Representative: Lee Chen-Chia
Director	Maywufa Company Ltd.	35,130,698 shares	Representative: Lai Yu-Ju
Director	Li Ling Investment Company Ltd.	30,000 shares	Representative: Vacant
Director	Jen Yu Ltd.	54,000 shares	Representative: Wang Pai-Sen
Director	Hua Wei Ltd.	46,000 shares	Representative: Tsai Ching-Chung
Director	Hua Wei Ltd.	46,000 shares	Representative: Wang Ming-Fu
Director	Jen Yu Ltd.	54,000 shares	Representative: Huang Tse-Hung
Independent Director	Wang Der-Shan	0 shares	
Independent Director	Lai Sun-Quae	0 shares	
Independent Director	Lin Shoei-Loong	0 shares	
Independent Director	Wu Yang-Chang	0 shares	

2. The minimum number of shares held by all directors and the detailed list of the number of shares held by the shareholder register:

March 30, 2024 ( stock closing date)

Job title	Number of shares to be held	Number of shares registered in the register of shareholders
Director	11,917,132 shares	35 , 457,543 shares

Remarks:

(1) The paid-in capital of the company is NT\$ 1,986,188,790, and the number of issued

shares is 198,618,879 shares.

- (2) Independent directors are not included in the shareholding of directors.
- (3) The company has set up two or more independent directors. According to Article 2 of the "Public Issuance Company Directors, Supervisors' Shareholding Ratio and Inspection Implementation Rules", the shareholding ratio calculated by the minimum shareholding ratio of all directors is reduced to Eighty percent .