

股票代碼：4108



懷特生技新藥(股)公司
PhytoHealth Corporation

2024 Annual Report



Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Annual report inquiry URL: <https://mops.twse.com.tw>

Company website: <https://www.phytohealth.com.tw>

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V. Overseas Trade Places for Listed Negotiable Securities and Method to Inquire for Such Overseas Negotiable Securities : None °

VI. Company website : www.phytohealth.com.tw

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1 、 Letter to Shareholders

Dear Shareholders,

First and foremost, we extend our sincere appreciation for your continued support and trust throughout the years. Below is a summary of the Company's business performance in 2024 and an outline of our 2025 business plan.

I. Business Performance for the Year 2024

(I).Implementation Results of Business Plan

1.PG2 Lyo. Injection 500mg (PG2[®]) Clinical Research:

- (1) The PhytoHealth Purification Plant successfully completed routine GMP and GDP inspections in August 2022 and obtained the Certificate of Good Manufacturing Practices on January 13, 2023.

- (2) Ongoing accumulation of real-world clinical efficacy data for National Health Insurance (NHI) reimbursed cases:

In compliance with the NHI Administration's requirement to submit clinical benefit data after drug reimbursement, we have launched a Real-World Data (RWD) research program targeting "Cancer-Related Fatigue" across seven medical centers: Taipei Chang Gung, Linkou Chang Gung, Tri-Service General Hospital, China Medical University Hospital, Taichung Veterans General Hospital, Kaohsiung Medical University Hospital, and E-Da Hospital. This program aims to collect data from 200 breast cancer patients receiving PG2 Lyo. Injection 500mg (PG2[®]) under NHI reimbursement.

According to the results, PG2 Lyo. Injection 500mg (PG2[®]) treatment for cancer-related fatigue in NHI-covered breast cancer patients effectively alleviates fatigue with high treatment satisfaction. The benefit evaluation report was submitted to the NHI Administration on August 27, 2024. Research findings were presented at the 2024 TIBCS (Taipei International Breast Cancer Symposium) on October 26, 2024, and at the 2024 SABCS (San Antonio Breast Cancer Symposium) on December 11, 2024. A manuscript is currently being drafted for academic publication. The product was approved in the December 2024 NHI Pharmaceutical Benefits Review Committee meeting for continued inclusion in the reimbursement list, and a reimbursement agreement was signed with the NHI Administration on February 3, 2025.

- (3) Clinical trial evaluating PG2 Lyo. Injection 500mg (PG2[®]) in combination with chemotherapy for breast cancer:

The study assessed whether PG2 Lyo. Injection 500mg (PG2[®]), when used alongside chemotherapy in early-stage breast cancer patients, could reduce chemotherapy-induced side effects, improve treatment compliance, and enhance efficacy. Results were presented at the 2023 ASCO (American Society of Clinical Oncology) Annual Meeting on June 4, 2023. The final clinical trial report has been completed, and the findings were published in Scientific Reports, a Nature series journal (IF = 3.8).

- (4) Clinical trial evaluating PG2 Lyo. Injection 500mg (PG2[®]) for preoperative chemoradiotherapy in esophageal cancer:

All patients have completed the trial. Statistical analysis showed positive outcomes. Results were presented at the 2024 ESMO (European Society for Medical Oncology) Annual Meeting on September 16, 2024.

- (5) Pilot study of PG2 Lyo. Injection 500mg (PG2[®]) for cancer-related fatigue in breast cancer patients undergoing chemotherapy:

To prepare for international clinical trials and respond to market demands overseas, we initiated a pilot study exploring different combination treatment strategies. Patient enrollment has begun at leading medical centers and is ongoing. The study's outcome will guide future international Phase III clinical trial strategies.

- (6) Exploratory Research Projects on Astragalus Polysaccharides for New Indications and Mechanisms:

- A. Investigating the effect of Astragalus polysaccharides on gut microbiota and immune regulation in cancer:

Recent studies emphasize the importance of gut microbiota in immune function. Preliminary trials demonstrated that Astragalus polysaccharides can modulate gut flora by inhibiting harmful bacteria and promoting the growth of beneficial immune-regulating probiotics. This year, an in vitro human gut flora simulation model was planned to confirm the regulatory effects of orally administered Astragalus polysaccharides.

- B. Studying the combination of PhytoHealth's oral Astragalus polysaccharides with targeted therapies in resistant cancer cells:

Preliminary results suggest that combining Astragalus polysaccharides with targeted therapies may reduce resistance in lung cancer cell lines and enhance cytotoxicity. The scope was expanded to include colorectal and ovarian cancer cell lines with drug resistance. Cytotoxicity enhancement tests have been completed, and a patent application has been submitted based on the research findings..

- C. Development of new functional ingredients from Astragalus polysaccharides:

This year, we completed initial specifications and functional efficacy analyses. The results will support future new product development and evaluation.

2. Oraphine[®] 60mg soft Capsule

Approved by the TFDA on March 18, 2020. To strengthen post-marketing clinical evidence in target markets, a post-marketing study was initiated focusing on multimodal pain management after orthopedic surgery. Patient enrollment has begun at five medical centers nationwide, with a target of collecting usage data from over 200 cases. The results will be submitted for publication in international journals. In 2024, the product was adopted by nearly 30 regional and above-grade hospitals with support from the local sales team, expanding its application in the postoperative pain management market.

3. PHN031 (Osteoporosis prevention)

Phase IIa clinical trials approved by both the U.S. FDA and Taiwan TFDA have been completed. A medicinal plant conservation and cultivation program has been implemented in accordance with Good Cultivation and Agricultural Practices (GAP), and the harvested materials from the planned cultivation will be collected in February 2025. We continue to comply with international Chemistry, Manufacturing, and Controls (CMC) standards to ensure batch-to-batch consistency. Collaborations with agricultural improvement agencies are ongoing to gradually expand the production capacity of functional medicinal herbs. The

potential for applying these materials in the health supplement market will be evaluated. In 2025, we will continue to conduct quality analysis and verification trials.

4. PHN033(Diabetic nephropathy)

Phase IIa clinical trials approved by both the U.S. FDA and Taiwan TFDA have been completed. A medicinal plant conservation and cultivation program has been implemented in accordance with GCAP, and the harvested materials from the planned cultivation will be collected in February 2025. Batch-to-batch consistency will be ensured per CMC standards. We will collaborate with agricultural improvement agencies to expand the production capacity and evaluate potential applications in the health supplement market. Quality analysis and validation testing will continue in 2025.

5. Applications of Astragalus-Based Health Products and Raw Materials

Through proprietary phytopharmaceutical technology, PhytoHealth uses premium *Astragalus membranaceus* var. *mongholicus* to produce a unique extract known as “PhytoHealth Supreme Astragalus®.” Based on this, we have developed functional health supplements aimed at sub-health populations, such as “PhytoHealth EnerCharge® Drink” and “PhytoHealth Energy+® Capsule.”

Additionally, using rAPP-refined *Astragalus* polysaccharides, we developed the medical-grade health supplement “AmazPower®” designed to alleviate fatigue in cancer patients post-chemotherapy and radiotherapy.

All three products are distributed through professional channels and e-commerce platforms in collaboration with Maywufa.

“AmazPower®” has secured patents in Taiwan, Germany, and Japan, and received the SNQ (Symbol of National Quality) mark on December 10, 2020. Animal testing has confirmed anti-fatigue efficacy, and all required safety and stability studies have been completed. The efficacy results were accepted for publication by several international academic journal in December 2023.

6. International Several Market Development :

【Oraphine®60mg soft Capsule】

This year, we continued negotiations with potential distributors in Europe, North America, and Southeast Asia. By participating in CPHI 2024, we actively engaged with prospective European partners to explore multi-market opportunities and focused on strengthening our supply chain network.

【PG2 Lyo. Injection 500mg (PG2®)】

We are evaluating the feasibility of Name Patient Program (NPP) and pursuing agency agreements in regions with well-established phytopharmaceutical regulations, such as South Korea, Germany, and Turkey.

【Astragalus-based Health Products】

This year, a Memorandum of Understanding was signed with a century-old European botanical health company. Both parties have entered into further discussions for continued collaboration on the development of functional ingredients and clinical research, aiming to tap into the global market for functional health products targeting the aging population.

(II).Budget Execution Status

According to the "Regulations Governing the Publication of Financial Forecasts of Public

Companies," financial forecast information for 2024 has not been disclosed, so this item is not applicable.

(III).Financial Revenue and Profitability Analysis

Unit: NT\$ thousands

Year		2024	2023	Increase (decrease)%
Items				
Financials	Revenue	153,562	162,489	(5.49)
	Gross Profit	64,007	67,643	(5.38)
	Operating Loss	(160,183)	(121,677)	-
	Non-Operating Income (Expense)	51,649	47,530	8.67
	Net Income (Loss)	(108,534)	(74,147)	-
Profitability	Return on Assets (%)	(4.52)	(3.13)	-
	Return on Equity (%)	(4.68)	(3.26)	-
	Net Profit Margin (%)	(70.68)	(45.63)	-
	EPS(Loss) (NTD)	(0.37)	(0.24)	-

(IV).Research and Development Status.

1. Research and development expenses.

Item	Year
Operating Revenue (A)	2024 153,562 (in thousands)
R&D expenditure (B)	128,507 (in thousands)
Total employees (C)	126 people
R&D staff (D)	28 people
R&D expenditure ratio B/A	84%
R&D personnel ratio D/C	22%

2. 2024 annual research and development results

Major product development achievements :

Product	Indications/R &D direction	R & D progress
PG2 Lyo. Injection 500mg(PG2 [®])	Moderate to severe cancer- related fatigue	<ul style="list-style-type: none"> Conducted a multicenter Real-World Evidence (RWE) study to evaluate the clinical benefits of PG2 Lyo. Injection 500mg (PG2[®]) in NHI-reimbursed breast cancer patients. The benefit assessment report was submitted to the National Health Insurance Administration on August 27, 2024. Research findings were presented at the 2024 TIBCS (Taipei International Breast Cancer Symposium) on October 26 and the 2024 SABCS (San Antonio Breast Cancer Symposium) on December 11. A manuscript is currently being drafted for academic publication. The

		<p>product was approved in the December 2024 NHI Pharmaceutical Benefits Review Committee meeting for continued inclusion in the reimbursement scheme, and a reimbursement agreement was signed with the NHI Administration on February 3, 2025</p> <ul style="list-style-type: none"> • Strengthen collaboration with oncology care medical societies to update clinical practice guidelines for cancer-related fatigue and promote medical education initiatives. • Completed a clinical trial of PG2 Lyo. Injection 500mg (PG2®) in combination with chemotherapy for early-stage breast cancer. The results were published in Scientific Reports, a Nature series journal. • Carried out exploratory clinical trials of PG2 Lyo. Injection 500mg (PG2®) in combination with chemotherapy for breast cancer and preoperative chemoradiotherapy for esophageal cancer, as well as a real-world evidence (RWE) study on the use of PG2 Lyo. Injection 500mg (PG2®) with adjuvant chemotherapy and targeted therapy for colorectal cancer. • Planned and implemented three basic research projects to explore new indications and mechanisms of action for Astragalus polysaccharides. • Assessed foreign phytopharmaceutical regulatory requirements and actively pursued licensing and co-development opportunities.
Oraphine® 60mg Soft Capsule	Acute moderate to severe pain	<ul style="list-style-type: none"> • 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. • Execute regulatory consultation for marketing authorization in China, the EU and other Asian countries, as well as bridging clinical trial evaluation, and negotiate foreign licensing opportunities. • Execute marketing plans for product launches in Taiwan and collect clinical data to support sales and promotion domestically and internationally.
PHN031 (Osteoporosis prevention)	Osteoporosis	<ul style="list-style-type: none"> • 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. • Completed conservation and cultivation programs for medicinal plant strains • Evaluate the market application potential of health supplements and continuously ensure the quality of herbal ingredients through verification and testing.
PHN033(Diab	Diabetic	<ul style="list-style-type: none"> • The Phase IIa clinical trials, approved by the US FDA and Taiwan

etic nephropathy)	nephropathy	<p>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.</p> <ul style="list-style-type: none"> • Completed conservation and cultivation programs for medicinal plant strains • Evaluate the market application potential of health supplements and continuously ensure the quality of herbal ingredients through verification and testing.
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II. The business plan for 2025 is summarized as follows:

(I).Management Policy

The new drug team at PhytoHealth Corporation remains true to its original mission—leveraging years of experience in developing botanical drugs derived from Astragalus to continuously expand the commercialization and clinical application value of such products. PG2 Lyo. Injection 500mg (PG2[®]) is the world's only prescription drug approved for the treatment of moderate to severe Cancer-Related Fatigue (CRF). It was included in Taiwan's National Health Insurance (NHI) coverage on March 1, 2021, significantly benefiting breast cancer patients and driving stable growth in the self-pay market. The product has been adopted by over 90% of medical centers in Taiwan. Over the years, PG2 Lyo. Injection 500mg (PG2[®]) has been consistently supported by post-marketing clinical studies, earning strong recognition from the medical community. Research on PG2 Lyo. Injection 500mg (PG2[®]) in breast cancer-related fatigue was presented at the 2023 American Society of Clinical Oncology (ASCO). Additionally, its use in combination with chemoradiotherapy for esophageal cancer has demonstrated survival benefits and was presented at the 2024 European Society for Medical Oncology (ESMO).

Oraphine[®] 60mg Soft Capsule is the world's only oral formulation of Nalbuphine, developed for the treatment of moderate to severe acute pain. It offers two key advantages—oral administration and low addiction potential. The product has already been adopted by several leading medical centers and is undergoing negotiations for distribution and licensing partnerships in Europe and Southeast Asia. It holds strong potential in the large post-operative pain management market.

In response to the rising global awareness of preventive healthcare in the post-pandemic era, PhytoHealth is leveraging its foundation in botanical drug development to expand into the herbal health supplement market. The company is now engaged in partnership discussions with major European phytotherapy manufacturers to co-develop functional active ingredients, with plans to deepen clinical development collaborations this year and seize opportunities in the global anti-aging health market.

(II).Expected sales quantity and its basis

1. According to statistics from the Ministry of Health and Welfare, cancer accounts for 25% of deaths in Taiwan, Cancer has been the leading cause of death in Taiwan for many years. PG2 Lyo. Injection 500mg (PG2[®]) is currently the first "therapeutic" prescription drug for cancer-related fatigue and has no competition in the market. It was included in the National Health Insurance reimbursement and expected to gradually expand the market.
2. Oraphine[®] 60mg Soft Capsule has obtained the new drug certificate approved by the Ministry of Health and Welfare on 03.27.2020. It is highly safe, does not have the respiratory depressant side effects of opioid analgesics, and is not addictive. Compared with the original injection (Bain[®] Injection), which has high patient compliance and has analgesic efficacy comparable to that of opiates. It has gradually entered the medical

channel in Taiwan and its efficacy is highly recognized

(III).Important Production and Sales Policies

1. "Phytohealth R&D, Maywufa Marketing": Successful products developed by Phytohealth will be quickly introduced to the market through the strong marketing team established by Maywufa.
2. Continuously stable production of " PG2 Lyo. Injection 500mg (PG2®)" to fully control the quality of the upstream Astragalus membranaceus herb slices and the production technology of the middle stream " PG2 Lyo. Injection 500mg (PG2®)" raw materials.
3. Promote the launch of the new product Oraphine® 60mg Soft Capsule by enhancing product exposure and visibility through participation in major medical association exhibitions. Actively drive adoption and usage in both medical centers and primary healthcare institutions..
4. Leveraging the clinical care and research capabilities of Taiwan's medical community, we will continue to promote post-market research collaborations to enhance the expansion of our product offerings both domestically and internationally.

III.Company's Development Strategies in the future:

The company has not forgotten the original intention of developing new botanical drugs - to meet clinical needs that cannot be met by western medicine. It has invested many years and has successfully developed PG2 Lyo. Injection 500mg (PG2®). Since its launch, it has accumulated core capabilities in the development of botanical drugs through the promotion of clinical research. Up to now, " PG2 Lyo. Injection 500mg (PG2®)" has been designated for use by more than 115 medical centers and medical institutions in China. It has been prescribed by more than 680 oncologists, benefiting more than 18,000 cancer patients and helping them overcome the disease. Severe cancer-related fatigue that cannot be recovered during chemotherapy and radiotherapy can successfully complete the course of treatment and achieve the best therapeutic effect. " PG2 Lyo. Injection 500mg (PG2®)" is being developed for other indications (such as combined treatment with immunotherapy, etc.). The scope of these new indications and the potential market size are huge, which will become the driving force for the company's future growth.

The second new drug is Oraphine® 60mg Soft Capsule, which is the world's first oral nalbuphine dosage form. It has low side effects and low addiction. It targets the broad postoperative analgesic market. After it is launched, it will continue to invest in relevant research to support domestic and foreign markets, promotion.

In order to seize the post-epidemic health care business opportunities, the company will expand its product line and increase revenue momentum. The company will use its years of botanical extraction technology to cooperate with major foreign manufacturers to develop functional raw materials. At the same time, it will target the post-illness auxiliary and functional maintenance market to develop such as "PhytoHealth EnerCharge® Drink ", "AmazPower®" and other related health products.

IV.Impact of External Competitive, Regulatory, and Overall economy Environment

(I).External Competitive Environment:

Our company's herbal medicine has been verified by regulations and adopted for many years with a high threshold, establishing its irreplaceability.

(II).Regulatory Environment:

The implementation period of the"ENAct for the Development of Biotech and Pharmaceutical Industry" has been extended to December 31, 2031 and the scope of incentives has been expanded; new dosage forms, precision medicine, digital medicine and other incentive projects have been added to encourage advanced medical treatment and cross-

domain cooperation, which will be more beneficial The development of the group company in various advanced technological fields.

(III).Overall business environment:

Phytohealth currently has two products with high market potential and technological barriers, which will continue to invest in post-market research to expand the clinical application value of the products. Additionally, leveraging years of expertise in herbal medicine extraction, we are developing high-value post-disease recovery functional health products. Strengthen collaboration with key partners in the industry supply chain simultaneously. By integrating the group's distribution channels and marketing resources, we aim to drive revenue and maximize shareholder value.

Best wishes to all shareholders,

Chairperson: Lee Yi-li



General Manager: Lee I-lin



2. Corporate Governance Report

2.1 Information on Directors, General Manager, Vice President and Assistant Vice President and Heads of Departments and Branches:

2.1.1 Information on Directors :

March 30, 2024 (stock closing date)

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Directors with which the person has a relationship of spouse or relative within the second degree			Remarks(Note:1)
Chairman	R.O.C.	Maywufa Company Ltd. Representative : Lee Yi-Li	F 41~50	05/24/2023 05/24/2023	3 years	05/20/2002	35,130,698	17.69%	35,130,698	17.69%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ➤ MBA, Rutgers University ➤ BBA In Finance, National Taiwan University ➤ Director, PhytoHealth Corp. ➤ Director, AmCad BioMed Corp. ➤ Supervisor, Taiwan Bio Industry Organization. ➤ 2016 Top 10 Female Heads of The Biomedical Industry ➤ Vice President, International Global Corporate, Standard Chartered Bank ➤ Vice President, Credit Agricole Corporate and Investment Bank ➤ Manager, Corporate Banking Group, Citibank, N.A. 	<ul style="list-style-type: none"> ➤ Chairman, PhytoHealth Corp. ➤ Chairman / General Manager, AmCad BioMed Corp. ➤ Vice Chairman, Maywufa Company Ltd. ➤ Chairman, BROADSOUND CORPORATION ➤ Director, Maywufa Cosmetics (Shanghai) Co., Ltd. ➤ Director, Taiwan Incubator SME Development Corporation ➤ Independent Director, Sinyi Realty Inc. 	Director	Lee Chen-Chia	Father and daughter	None
									300,000	0.15%	0	0.00%	0	0.00%		<ul style="list-style-type: none"> ➤ Vice Chairman, Maywufa Company Ltd. ➤ Director, Maywufa Cosmetics (Shanghai) Co., Ltd. ➤ Director, Taiwan Incubator SME Development Corporation ➤ Independent Director, Sinyi Realty Inc. 	Vice Chairman	Lee I-Lin	Sisters	
																	Director	Lai Yu-Ju	Couple	
Vice Chairman	R.O.C.	Lee I-Lin	F 41~50	05/24/2023	3 years	06/13/2017	196,485	0.10%	196,845	0.10%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ➤ MBA, Carnegie Mellon University ➤ B.Acc., National Taiwan University ➤ Product Manager (Sales and Marketing), Janssen Pharmaceutical Factory of Johnson & Johnson ➤ Auditor/Risk Assessment Consultant, Deloitte Taiwan 	<ul style="list-style-type: none"> ➤ Vice Chairman / General Manager, PhytoHealth Corp. ➤ Executive Director, Maywufa Company Ltd. ➤ Vice Chairman, AmCad BioMed Corp. ➤ Vice Chairman, BROADSOUND CORPORATION ➤ Supervisor, Maywufa Cosmetics (Shanghai) Co., Ltd. ➤ Supervisor, Taiwan Bio Industry Organization. 	Director	Lee Chen-Chia	Father and daughter	None
																	Chairman	Lee Yi-Li	Sisters	
																	Director	Lai Yu-Ju	Affinity	
Director	R.O.C.	Maywufa Company Ltd. Representative : Lee Chen-Chia	M 71~80	05/24/2023 05/24/2023	3 years	05/20/2002	35,130,698	17.69%	35,130,698	17.69%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ➤ Honorary Ph.D. , National Taipei University of Technology ➤ EMBA, National Chengchi University ➤ B.Pharm., School of Pharmacy, Kaohsiung Medical University ➤ Founder / Chairman, PhytoHealth Corp. ➤ Founder / Chairman, AmCad BioMed Corp. ➤ Chairman, BROADSOUND CORPORATION ➤ National Policy Consultants, Presidential Palace ➤ Director, Central Bank of the Republic of China (Taiwan) ➤ Representatives of the National Assembly ➤ Director, Straits Exchange Foundation ➤ Chairman, Taiwan Federation of Industry ➤ Chairman, Taiwan Province Industry Association 	<ul style="list-style-type: none"> ➤ Director, PhytoHealth Corp. ➤ Chairman, Maywufa Company Ltd. ➤ Director, AmCad BioMed Corp. ➤ Chairman, Taiwan Incubator SME Development Corporation. 	Chairman	Lee Yi-Li	Father and daughter	None
									300,000	0.15%	0	0.00%	0	0.00%			Vice Chairman	Lee I-Lin	Father and daughter	
																	Director	Lai Yu-Ju	Father and son-in-law	

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Directors with which the person has a relationship of spouse or relative within the second degree			Remarks(Note:1)
Director	R.O.C.	Maywufa Company Ltd. Representative : Lai Yu-Ju	M 51~60	05/24/2023 05/24/2023	3 years	05/20/2002	35,130,698	17.69%	35,130,698	17.69%	0	0.00%	0	0.00%	➤ MBA, UCLA ➤ BBA, National Taiwan University ➤ VP, Citibank, Taiwan ➤ The Ernst & Young Entrepreneur of the Year Awards in 2012	➤ Director, PhytoHealth Corp. ➤ Director / General Manager, Maywufa Company Ltd. ➤ Chairman, Maywufa Cosmetics (Shanghai) Co., Ltd. ➤ Director, Taiwan Incubator SME Development Corporation	Director	Lee Chen-Chia	Father and son-in-law	None
																	Chairman	Lee Yi-Li	Couple	
																	Vice Chairman	Lee I-Lin	Affinity	
Director	R.O.C.	Jen Yu Ltd. Representative : Wang Pai-Sen	M 61~70	05/24/2023 05/24/2023	3 years	06/12/2014	54,000	0.03%	54,000	0.03%	0	0.00%	0	0.00%	➤ MBA, Tulane University ➤ B.Pharm., School of Pharmacy, Kaohsiung Medical University ➤ Chairman / President, Fresenius Medical Care Taiwan Co., Ltd. ➤ Chairman / General Manager, AstraZeneca Taiwan Limited ➤ General Manager of the Western Medicine and Trade Division, Imperial Chemical Industries Ltd. (ICI) of Taiwan ➤ Executive Director and Convener of the Public Affairs Committee, International Research-Based Pharmaceutical Manufacturers Association, IRPMA ➤ Director, Research Foundation of Cardiovascular Medicine	➤ Director, PhytoHealth Corp. ➤ Chairman, Enrich Visions International Co., Ltd. ➤ Independent Director, TFBS Bioscience, Inc. ➤ Director, YES Health Co., Ltd.	None	None	None	None
Director	R.O.C.	Hua Wei Ltd. Representative : Tsai Ching-Chung	M 71~80	05/24/2023 05/24/2023	3 years	06/10/2011	46,000	0.02%	46,000	0.02%	0	0.00%	0	0.00%	➤ B.Pharm., School of Pharmacy, Kaohsiung Medical University ➤ Director / Vice General Manager, China Chemical & Pharmaceutical Co., Ltd. ➤ Director, Sino-Japan Chemical Co., Ltd. ➤ Consultant, China Chemical & Pharmaceutical Co., Ltd. ➤ Consultant, PharmaCore Biotech Co., Ltd.	➤ Director / Senior Consultant, PhytoHealth Corp. ➤ Consultant, Standard Chemical & Pharmaceutical Co. Ltd.	None	None	None	None
Director	R.O.C.	Hua Wei Ltd. Representative : Wang Ming-Fu	M 71~80	05/24/2023 05/24/2023	3 years	06/10/2011	46,000	0.02%	46,000	0.02%	0	0.00%	0	0.00%	➤ Ph. D. of Medical Science, The University of Tokushima, Japan ➤ Master of Medical Nutrition, The University of Tokushima, Japan ➤ B.Pharm. / Pharmacist, School of Pharmacy, China Medical University ➤ Research Fellow of Life Science and Technology Institute, Japan ➤ Instructor of Tokushima Bunri University, Japan ➤ The Founding Chairman of Anti-aging and Health Society of Taiwan ➤ Director of the Department of Food and Nutrition of Providence University ➤ Dean of Student Affairs / Research of Providence University ➤ Director of Innovation Incubation Center of Providence University ➤ Dean of the College of Health Sciences at	➤ Director, PhytoHealth Corp. ➤ Chair Professor/School Affairs Consultant, Department of Food and Nutrition, Providence University ➤ Director of International Aging Industry Research and Development Center, Providence University. ➤ Visiting Professor of International Nutrition Research, Jyumonjigakuenjyoshidaigaku ➤ Executive Director of Health Food Society of Taiwan ➤ Examiner, Review Committee of Healthy Food, Ministry of Health and Welfare ➤ Convener / Advisory Committee Member, Review Committee of Healthy Food, Ministry of Health and	None	None	None	None

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Directors with which the person has a relationship of spouse or relative within the second degree			Remarks(Note:1)
															Yuanpei University of Medical Technology ➤ President / Director, Yuanpei University of Medical Technology	Welfare ➤ Independent Director, Bio-Jourdeness International Group Co., Ltd. ➤ Director, Foundation for East-West Medicine				
Director	R.O.C.	Jen Yu Ltd. Representative : Huang Tse-Hung	M 51~60	05/24/2023 05/24/2023	3 years	06/12/2014	54,000	0.03%	54,000	0.03%	0	0.00%	0	0.00%	➤ Doctor of Medical Science, Institute of Clinical Medicine, Chang Gung University ➤ Master of Graduate Institute of Traditional Chinese Medicine, Chang Gung University ➤ MBBS, School of Medicine, China Medical University ➤ Director, Chinese Medicine Department of Keelung Chang Gung Memorial Hospital ➤ Chief Resident, Chinese Medicine Department of Taoyuan Chang Gung Memorial Hospital ➤ Resident, Chinese Medicine Department of LinKou Chang Gung Memorial Hospital ➤ Doctor, Capital Medical University	➤ Director, PhytoHealth Corp. ➤ Convener, Traditional Chinese Medicine Development of Chang Gung Medical System ➤ Director, Chinese Medicine Department of LinKou Chang Gung Memorial Hospital ➤ Assistant Professor, Graduate Institute of Health Industry Technology, Chang Gung University of Science and Technology ➤ Professor, College of Chinese Medicine of Chang Gung University ➤ Assistant Professor, MingChi University of Technology Department of Chemical Engineering	None	None	None	None
Independent Director	R.O.C.	Wang Der-Shan	M 81~90	05/24/2023	3 years	06/19/2008	0	0.00%	0	0.00%	0	0.00%	0	0.00%	➤ Master / Bachelor of Public Finance, National Chengchi University ➤ Political Deputy Minister, Ministry of Finance ➤ Administrative Deputy Minister, Ministry of Finance ➤ Director, Taxation Department of Ministry of Finance ➤ Director-General, National Taxation Bureau of Taipei, Ministry of Finance ➤ Certified Public Accountant	➤ Independent Director, PhytoHealth Corp. (resigned on March 5, 2025.)	None	None	None	None
Independent Director	R.O.C.	Lai Sun-Quae	M 61~70	05/24/2023	3 years	06/13/2017	0	0.00%	0	0.00%	0	0.00%	0	0.00%	➤ Ph.D. of Business Administration, National Taipei University ➤ MBA, Indiana University of Pennsylvania ➤ BBA, Soochow University ➤ Chairman, Topco Scientific Co., Ltd. ➤ Chairman, CSBC Corporation, Taiwan ➤ Director, Small and Medium Enterprise Administration, Ministry of Economic Affairs ➤ Deputy Director General, Department of Commerce, MOEA	➤ Independent Director, PhytoHealth Corp. ➤ Independent Director, Yi Jinn Industrial Co., Ltd. ➤ Independent Director, Metaage Corporation ➤ Vice Chairman, Topco Scientific Co., Ltd. ➤ Chairman, Eco Technical Services Co., Ltd. ➤ Chairman, Yunyue Technology Co., Ltd. ➤ Chairman, Unitech New Energy Engineering Co., Ltd. ➤ Director, Jia Yi Energy Co., Ltd. ➤ Director, ANYONG Freshmart, Inc. ➤ Chairman, Yao Yue Energy Co., Ltd. ➤ Director, Reset Resource Technologies Co., Ltd.	None	None	None	None

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Directors with which the person has a relationship of spouse or relative within the second degree			Remarks(Note:1)
Independent Director	R.O.C.	Lin Shoei-Loong	M 71~80	05/24/2023	3 years	05/26/2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ➤ MBBS, National Taiwan University College of Medicine ➤ MMS, University of Hawaii ➤ Surgical Research Fellow, Johns Hopkins University School of Medicine ➤ Assistant Professor of Surgery, National Taiwan University College of Medicine ➤ Superintendent of the hospital, Choninn Medical System ➤ Clinical Professor of Surgery, Taipei Medical University ➤ Clinical Professor of Surgery, National Yang-Ming University ➤ CEO, Hospital Administration Commission, Department of Health ➤ Chairman, Taiwan Public Hospital Association ➤ Chairman, Taiwan Drug Relief Foundation ➤ Director of the hospital, Ministry of Health and Welfare Puzi Hospital ➤ Director of the hospital, Ministry of Health and Welfare Tainan Hospital ➤ Director of the hospital, Ministry of Health and Welfare Chia Yi Hospital ➤ Director of the hospital, Ministry of Health and Welfare Taipei Hospital ➤ Director, Joint Commission of Taiwan ➤ Committee Member, Joint Commission of Taiwan 	<ul style="list-style-type: none"> ➤ Independent Director, PhytoHealth Corp. ➤ Chairman, Nan-Hsing Medical Foundation ➤ Evaluation Committee, Institute for Biotechnology and Medicine Industry ➤ Clinical professor, Fu Jen Catholic University ➤ Superintendent, Taipei Jen-Chi Relief Institution 	None	None	None	None
Independent Director	R.O.C.	Wu Yang-Chang	M 71~80	05/24/2023	3 years	05/24/2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ➤ Pharmacy Postdoctoral Fellow, University of North Carolina College / Meijo University College ➤ Doctor / Master, Kaohsiung Medical University ➤ B.Pharm., School of Pharmacy, Kaohsiung Medical University ➤ Chair Professor / Director, Kaohsiung Medical University Research Center for Natural Products and Drug Development ➤ Chair Professor / Vice-President, China Medical University School of Pharmacy / Chinese Medicine ➤ Committee Member of the East Asian Herbal Medicine Expert Committee of United States Pharmacopeia ➤ Director of Research and Development Office, Kaohsiung Medical University ➤ Convener of the Pharmaceutical and Traditional Chinese Medicine Sciences Panel, Biological Division, National Science and Technology Council ➤ Member of the Traditional Chinese Medicine Committee of the Department of Health, Executive Yuan ➤ Director / Professor, Kaohsiung Medical 	<ul style="list-style-type: none"> ➤ Independent Director, PhytoHealth Corp. ➤ Dean's Office Consultant, China Medical University Hospital. ➤ Member of National Standards Technology Committee, Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, Taiwan ➤ Supervisor, International Symposium of Biocatalysis and Agricultural Biotechnology(ISBAB) ➤ Supervisor, Taiwan Association of Traditional and Complementary Medicine ➤ Chair Professor, Pharmaceutical Sciences Program, China Medical University 	None	None	None	None

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Directors with which the person has a relationship of spouse or relative within the second degree			Remarks(Note:1)
															University Research Center for Natural Products and Drug Development ➤ Executive director / Chairman of National Standards Technical Committee, Niu-Chang-Chih, Industry Association, Taiwan ➤ Chair Professor, Graduate Institute of Integrated Medicine, China Medical University					

Note 1: When the chairman of the board of directors and the general manager or equivalent (top manager) are the same person, spouses or first-degree relatives, the reason, rationality, necessity and future improvement measures should be explained: Not applicable.

Note 2: The representative director of Li Ling Investment Ltd., resigned on September 14, 2023. The vacancy has not yet been filled.

1. Major Shareholders of Corporate Shareholders

March 30, 2024 (stock closing date)

Name of corporate shareholder	Major shareholders of the corporate shareholder (Note)
Maywufa Company Ltd.	Cheng Yi Investment Company Ltd.(17.75%)、PhytoHealth Corp. (12.59%)、Li Ling Investment Company Ltd. (11.25%)、Chen Wen-Hwa (2.71%)、Cheng Hsin Investment Company Ltd.(2.36%)、Lee Chen-Chia (2.03%)、Lee Yi-Li (1.05%)、Yi Xin International Company Ltd.(1.04%)、Tsai Mau- Jen (1.03%)、Lin Ting-Ji (0.81%)
Hua Wei Ltd.	Guo Li-Rong (100%)
Jen Yu Ltd.	Wu Pei-Ling (100%)
Li Ling Investment Company Ltd.	Lee Chen-Chia (41.33%)、Tsai Yu-Yun (38.31%)、Lee I-Lin (20.02%)、Lee Yi-Li (0.34%)

Note: The name of the main shareholder of the legal person shareholder (whose shareholding ratio accounts for the top ten) and the shareholding ratio.

2. If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

March 30, 2024 (stock closing date)

Name of corporate/juristic person	Major shareholders of the corporate/juristic person (Note)
Cheng Yi Investment Company Ltd.	Lee Yi-Li (43.26%)、Lee Chen-Chia (33.42%)、Tsai Yu-Yun (14.28%)、Lee I-Lin (9.04%)
PhytoHealth Corp.	Maywufa Company Ltd. (17.69%)、Yun Cheng Investment Corporation (0.90%)、Chen Qing-Tang (0.60%)、Zheng An-Hang (0.58%)、Wu Yu-Kun (0.53%)、Wu Li-Hua (0.51%)、Wu Zhao-Xiong (0.50%)、Chang Te-Jung (0.48%)、Lu Xue-Chang (0.48%)、National Defense Education Foundation Research Foundation (0.48%)
Li Ling Investment Company Ltd.	Lee Chen-Chia (41.33%)、Tsai Yu-Yun (38.31%)、Lee I-Lin (20.02%)、Lee Yi-Li (0.34%)
Cheng Hsin Investment Company Ltd.	Lee I-Lin (81.03%)、Tsai Yu-Yun (11.73%)
Yi Xin International Company Ltd.	Lee Bi-Jen (50.00%)、Lee Yu-Chia (35.00%)、Lee Yong-Rui (7.5%)、Lee Yin-Rui (7.5%)

Note : Fill in the names of the major shareholders of the legal person (whose shareholding ratio accounts for the top ten) and their shareholding ratio.

3. Information on Directors and Supervisors

(1) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors :

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chairman Lee Yi-Li	1. Amcad Biomed Corp. Chairman and General Manager. 2. Maywufa Company Limited Vice Chairman. 3. Sinyi Realty Inc. Independent Director, Audit Committee Member, Remuneration Committee Member. 4. Director, International Global Corporate, Standard Chartered Bank 5. Vice President, Credit Agricole Corporate And Investment 6. The person has over 20 years of experience in the biotech and medical industry market, finance and banking, and capital markets.	There are no circumstances as specified in Article 30 of the Company Act.	1

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Vice Chairman Lee I-Lin	1. Phytohealth Corp. Vice Chairman and General Manager. 2. Amcad Biomed Corp. Vice Chairman. 3. Maywufa Company Limited Executive Director. 4. Product Manager (Sales And Marketing), Janssen Armaceutical Factory Of Johnson & Johnson 5. Auditor/Risk Assessment Consultant, Deloitte Taiwan 6. The person has over 15 years of experience in the biotech and medical industry market, risk management in accounting firms, and financial auditing.	There are no circumstances as specified in Article 30 of the Company Act.	0
Director Lee Chen- Chia	1. Maywufa Company Limited Founder and Chairman. 2. Phytohealth Corp., Amcad Biomed Corp. Director, Founder, and Former Chairman. 3. National Policy Consultants, Presidential Palace 4. Director, Central Bank Of The Republic Of China (Taiwan) 5. Director, Straits Exchange Foundation Managing Director 6. Taiwan Federation Of Industry Managing Director, National Association of Small & Medium Enterprises, R.O.C. President. 7. The person has over 45 years of leadership experience in associations of listed and over-the-counter companies, related industries, government agencies, and the biotech and medical industry market.		0
Director Lai Yu-Ju	1. Maywufa Company Limited Director and General Manager. 2. Vice President, Citibank, Taiwan. 3. The person has over 25 years of experience in the e-commerce industry market, biotech and medical industry market, finance and banking, and capital markets.		0
Director Wang Pai- Sen	1. Enrich Visions International Co., Ltd. Chairman. 2. Independent Director at Qihong Biotechnology Co., Ltd. 3. Director at Jump Lion Health Co., Ltd. 4. Former Chairman and CEO of Fresenius Medical Care Taiwan Co., Ltd., Former Chairman and General Manager of ASTRAZENECA TAIWAN LIMITED, Former General Manager of the Pharmaceutical and Trading Division at Taiwan Branch of Imperial Chemical Industries (ICI). 5. Former Executive Director and Convener of the Public Affairs Committee of the Taiwan Research-Based Pharmaceutical Manufacturers Association, Director of the Heart Medicine Research and Development Foundation. 6. Leader of foreign pharmaceutical and biotech companies and related business industry associations, with over 40 years of experience in the biotech and medical industry market.		1
Director Tsai Ching- Chung	1. Phytohealth Corporation senior advisor. 2. CHINA CHEMICAL & PHARMACEUTICAL CO., LTD. Director and Vice President and SINO-JAPAN CHEMICAL CO., LTD. Director. 3. Over 40 years of experience in the biotech and medical industry market.		0

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Director Wang Ming-Fu	<ol style="list-style-type: none"> 1. Director of the Department of Food and Nutrition, Dean of Student Affairs, Director of Research and Development, Distinguished Professor, Advisor to the President, Director of the International Research and Development Center for Aging Industry and the Innovation and Incubation Center at Providence University. 2. Health Food Society of Taiwan. Executive Director. 3. Convener/Advisory Committee Member of Health Food, Ministry of Health and Welfare. 4. BIO-JOURDENESS INTERNATIONAL GROUP CO., LTD. Independent Director. 5. Former Lecturer at Shikoku Women's University in Japan, Anti-aging and Health Society of Taiwan Founding President and Yuanpei University of Medical Technology Director, Principal, Dean of the College of Health Sciences. 6. Director of a government health agency, university professor, leader of a non-profit organization related to industry and commerce, with over 40 years of experience in the biotech and medical industries. 	There are no circumstances as specified in Article 30 of the Company Act.	1
Director Huang Tse-Hung	<ol style="list-style-type: none"> 1. Convenor of Traditional Chinese Medicine development in Chang Gung Health System. 2. Director of Department of Traditional Chinese Medicine at Linkou Chang Gung Memorial Hospital. 3. Professor of Chinese Medicine Department, in Chang Gung University, Director of Traditional Chinese Medicine Department at Keelung Chang Gung Memorial Hospital. 4. Former Director of Traditional Chinese Medicine Department at Keelung Chang Gung Memorial Hospital and Chief Physician of Traditional Chinese Medicine Department at Taoyuan Chang Gung Memorial Hospital. 5. Physician at a large medical institution, university professor, with over 20 years of experience in the biotech and medical industries. 		0
Independent Director Wang Der-Shan (Note 3)	<ol style="list-style-type: none"> 1. Former Deputy Minister of Finance, Executive Deputy Minister of Finance, Director General of the Taxation Agency, Ministry of Finance and Director General of the Taipei National Taxation Bureau, Ministry of Finance. 2. The director of relevant units at the Ministry of Finance and has over 50 years of experience in financial, tax, and accounting matters. 3. Certified Public Accountant. 	1. There are no circumstances as specified in Article 30 of the Company Act.	0
Independent Director Lai Sun-Quae	<ol style="list-style-type: none"> 1. Vice Chairman of Chong Yue Group. 2. Independent Director of Yi Jin Industrial, Jiu Hao Precision Ceramics, and Ju Shuo Technology Co., Ltd. 3. Chairman of Jian Yue Technology Engineering, Yun Yue Technology, Yao Yue Green Power and Guang Yu Engineering Consultants, Co., Ltd. 4. Director of Ernst & Young Lifestyle Ventures, Jia Yi Energy and Reset Resource Technologies Co., Ltd. 5. Former Chairman of Taiwan International Shipbuilding Co., Ltd, Deputy Director General of the Department of Commerce, Ministry of Economic Affairs, and Director General of the Small and Medium Enterprise Administration 6. Over 30 years of managerial experience in relevant units of the Ministry of Economic Affairs and in business management. 	2. Note 2.	3

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Independent Director Lin Shoei-Loong	<ol style="list-style-type: none"> 1. Director-General of Renji Hospital. 2. Clinical Professor at Fu Jen Catholic University. 3. Chairman of Nanxing Foundation. 4. Evaluation Committee Member of the National Biotechnology and Medical Care Industry Promotion Office. 5. Former Chairman of the Taiwan Public Hospitals Association, Executive Director of the Hospital Management Committee, Department of Health, Executive Yuan, Director of Taipei Hospital, Tainan Hospital, Chiayi Hospital, and Puzi Hospital under the Ministry of Health and Welfare, member of the Pharmaceutical Relief Foundation and Director of the Taiwan Medical Foundation. 6. Over 40 years of experience in Chief of a medical institution, director of a government health agency, university professor, biotech and medical industries. 		0
Independent Director Wu Yang-Chang	<ol style="list-style-type: none"> 1. Adjunct Professor of Pharmaceutical Master's Program, China Medical University. 2. Committee Member of the Food National Technical Committee, Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs. 3. Consultant to the Office of the President, China Medical University Hospital. 4. Supervisor of the International Society for Biocatalyst and Agricultural Biotechnology. 5. Supervisor of the Taiwan Association for Traditional and Complementary Medicine. 6. Former Professor and Director of the Institute of Natural Medicine and the Center for Natural Medicine and New Drug Development, Kaohsiung Medical University, Professor and Vice President of the School of Chinese Medicine and School of Pharmacy, China Medical University, Committee Member of the East Asian Herbal Medicine Expert Committee, United States Pharmacopeia Convention, Director of Research and Development and Professor at Kaohsiung Medical University, and former Director of the Institute of Natural Medicine, Convener of the Pharmacology and Traditional Chinese Medicine Division, Biochemical Sciences and Traditional Chinese Medicine Committee, National Science Council and Committee Member of the Traditional Chinese Medicine Committee, Department of Health, Executive Yuan. Executive Director of Taiwan Ganoderma Industry Association and Convener of the National Standards Technical Committee. Chair Professor, Graduate Institute of Integrated Chinese and Western Medicine, China Medical University. 7. Over 40 years of experience in healthcare institutions, government health agencies, and as a university professor specializing in research and development of traditional Chinese herbal medicine. 	<ol style="list-style-type: none"> 1. There are no circumstances as specified in Article 30 of the Company Act. 2. Note 2. 	0

Note1 : Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note2 : Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they

serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 3: Independent Director Mr. Wang Der-Shan resigned on March 5, 2025.

Meets the Independence Criteria	Includes but is not limited to whether oneself, spouse, or first-degree relatives serve as directors, supervisors, or employees of the company or its affiliated enterprises.	The number and proportion of shares held by oneself, spouse, and first-degree relatives (or held under others' names).	Whether serving as a director, supervisor, or employee of companies with specific relationships with the company (referring to provisions 5-8 of Article 3, Paragraph 1 of the Measures for the Appointment of Independent Directors of Publicly Traded Companies).	The amount of compensation received for providing business, legal, financial, accounting, or other services to the company or its affiliated enterprises in the past 2 years.
Name and Title				
Wang Der-Shan Independent Director (Note)	No	0 stocks 0%	No	\$0
Lai Sun-Quae Independent Director	No	0 stocks 0%	No	\$0
Lin Shoei-Loong Independent Director	No	0 stocks 0%	No	\$0
Wu Yang-Chang Independent Director	No	0 stocks 0%	No	\$0

Note: Independent Director Mr. Wang Der-Shan resigned on March 5, 2025.

(2) Board diversity and independence :

A. Board diversity :

The company has established "Corporate Governance Best Practice Guidelines", which stipulate that the composition of the board of directors should consider diversity and formulate a diversity policy for basic criteria and professional knowledge and skills based on its own operations, operating style, and development needs. When appointing directors, the company not only considers their professional background, but also diversity as an important factor. According to Article 20, Paragraph 3 of the "Corporate Governance Best Practice Guidelines", board members should generally have the knowledge, skills, and qualities necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors as a whole should have the following abilities :

- (A) Operational judgment capability.
- (B) Accounting and financial analysis capability.
- (C) Business management capability.
- (D) Crisis management capability.
- (E) Industry knowledge.
- (F) International market perspective.
- (G) Leadership capability.
- (H) Decision-making capability.

Our company has a total of 12 directors, including 4 Independent Directors. Among

them, 2 directors are female. The members have professional backgrounds covering management, medicine, pharmacy, finance, accounting, doctors, pharmacists, and certified public accountants, among other experts. The board members possess diverse backgrounds in industry, academia, and knowledge, which can provide professional opinions from different perspectives and greatly benefit the company's business and management performance. In addition, our company also values gender equality in the composition of the board members. The target for the proportion of female directors is above 15%, and the current ratio of female directors (including Independent Directors) is 16.67%.

The number of female directors has not reached one-third. The reasons and planned measures to enhance gender diversity among directors:

1. Explanation of Reasons: Our company has thirteen board seats, and the current directors were elected at the shareholders' meeting on May 26, 2023. However, there are only two female directors, which, while compliant with the relevant regulations at that time, still does not meet the one-third requirement. This is due to the characteristics of the industry, making it difficult to find talent in a short period.

2. Measures to be Taken: Before the board is re-elected at the end of its term, we will seek recommendations for talent from various channels, such as the industry or academic institutions, to enhance the effectiveness of corporate governance and implement the policy of diversity among board members.

The implementation of board diversity is shown in the following table :

Core elements of diversity. Director Name	Age	Length of tenure as an independent director	Industry experience	Professional expertise	Nationality	Gender	Employed by the company.	Age	Length of tenure as an independent director	Industry experience	Professional expertise	Risk Management	Financial Accounting	Pharmacist	Doctor	Business management	Finance and banking	Biotechnology and Medical Industry
Lee Yi-Li Chairman						F	✓	✓		✓		✓				✓	✓	✓
Lee I-Lin Vice Chairman						F	✓	✓		✓		✓				✓	✓	✓
Lee Chen-Chia Director						M				✓						✓		✓
Lai Yu-Ju Director						M		✓		✓		✓				✓	✓	✓
Wang Pai-Sen Director						M				✓						✓		✓
Tsai Ching-Chung Director						M				✓				✓		✓		✓
Wang Ming-Fu Director						M				✓						✓		✓
Huang Tse-Hung Director						M		✓		✓		✓			✓	✓		✓

Wang Der-Shan(Note) Independent Director		M						✓			✓	✓	✓	✓			✓	✓
Lai Sun-Quae Independent Director		M				✓				✓		✓		✓			✓	✓
Lin Shoei-Loong Independent Director		M					✓		✓			✓		✓	✓			✓
Wu Yang-Chang Independent Director		M					✓		✓			✓				✓		

Note: Independent Director Mr. Wang Der-Shan resigned on March 5, 2025.

B.Independence of the Board of Directors :

- (A)Our company currently has 11 directors, of which 3 are Independent Directors, accounting for 27.27% of the total board members.
- (B)There are four directors in our company who have family relationships within the second degree of kinship. Lee Yi-Li, Chairman of the Board, and Lee I-Lin, Vice Chairman of the Board, are father and daughter. Lee Yi-Li, Chairman of the Board, and Lai Yu-Ju, director, are husband and wife. Lee Yi-Li, Chairman of the Board, and Lee I-Lin, Vice Chairman of the Board, are sisters. Lee I-Lin, Vice Chairman of the Board, and Lee Chen-Chia, director, and Lai Yu-Ju, director, are relatives by marriage. The proportion of these directors is only 36.37% and does not reach 50%, so there are no circumstances under the provisions of Article 26-3, paragraphs 3 and 4 of the Securities Exchange Act.

2.1.2 Information of General Manager, Deputy General Manager, Assistant General Manager, Department Heads, and Branch Managers :

March 30, 2024 (stock closing date)

Job title	Nationality or place of registration	Name	Gender, age	Commencement date of first term	No. of shares held at time of election		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Directors with which the person has a relationship of spouse or relative within the second degree			Remarks (Note:1)
					Shares	%	Shares	%	Shares	%			Job title	Name	Relation	
General Manager	R.O.C.	Lee I-Lin	F	08/04/2021	196,845	0.10%	0	0.00%	0	0.00%	<div><div>➤ MBA, Carnegie Mellon University</div><div>➤ B.Acc., National Taiwan University</div><div>➤ Product Manager (Sales and Marketing), Janssen Pharmaceutical Factory of Johnson & Johnson</div><div>➤ Auditor/Risk Assessment Consultant, Deloitte Taiwan</div></div>	<div><div>➤ Vice Chairman / General Manager, PhytoHealth Corp.</div><div>➤ Executive Director, Maywufa Company Ltd.</div><div>➤ Vice Chairman, AmCad BioMed Corp.</div><div>➤ Vice Chairman, Broadsound Corporation</div><div>➤ Supervisor, Maywufa Cosmetics (Shanghai) Co., Ltd.</div><div>➤ Supervisor, Taiwan Bio Industry Organization.</div></div>	None	None	None	None
Plant Manager	R.O.C.	Hu Shun-Chieh	M	08/17/2015	0	0.00%	2	0.00%	0	0.00%	<div><div>➤ Master of Chemical and Materials Engineering, Chang Gung University, Taiwan</div><div>➤ Supervisor, Production Technology Development Lab., China chemical & Pharmaceutical Co., Ltd</div><div>➤ Sr. Technical Service Specialist, Pfizer Biotech Corporation</div></div>	None	None	None	None	None
Research Director	R.O.C.	Wang Teng-Hsu	M	07/30/2021	0	0.00%	0	0.00%	0	0.00%	<div><div>➤ Ph. D., Department of Agricultural Chemistry, National Taiwan University</div><div>➤ Master, Department of Agricultural Chemistry, National Taiwan University (Bio-Industrial Chemistry Group)</div><div>➤ Director of International Clinical and R&D Division, PhytoHealth Corp.</div><div>➤ Pharmaceutical Academic Manager, Protech Pharmservices Corporation</div><div>➤ Academic Department of Medicine, Janssen Pharmaceutical Factory of Johnson & Johnson</div></div>	None	None	None	None	None
Financial Supervisor/ Corporate Governance Management	R.O.C.	Huang Chih-Yuan	F	05/11/2021	0	0.00%	0	0.00%	0	0.00%	<div><div>➤ BBA, Accounting Department of Soochow University, Taipei, Taiwan</div><div>➤ Financial / Accounting officer and spokesman AmCad BioMed Corp.</div><div>➤ Audit Supervisor, PhytoHealth Corp.</div><div>➤ Chief Financial Officer and Spokesperson, Wellell Inc.</div><div>➤ Group Accountant, Microlife Corporation</div><div>➤ Auditor General, Microlife Corporation</div></div>	<div><div>➤ Director, Broadsound Corporation</div><div>➤ Corporate Governance Officer, AmCad BioMed Corp.</div></div>	None	None	None	None

Audit Supervisor	R.O.C.	Yeh Li-Feng	F	05/11/2021	1,000	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ➤ BBA, Accounting Department of Soochow University, Taipei, Taiwan ➤ Finance Supervisor and Spokesperson, Maywufa Company Ltd. ➤ Accounting Manager, Maywufa Company Ltd. ➤ Director of Finance and Accounting, AOC International 	<ul style="list-style-type: none"> ➤ Supervisor, Broadsound Corporation 	None	None	None	None
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Note 1: When the chairman of the board of directors and the general manager or equivalent (top manager) are the same person, spouses or first-degree relatives, the reason, rationality, necessity and future improvement measures should be explained: Not applicable.

2.2 Remuneration to Directors, Supervisors, General Manager, and Vice Presidents

2.2.1 Remuneration of general directors and independent directors (disclosing individual names and remuneration methods).

Dec. 31, 2024 Unit: NTD thousands

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration from Invested Businesses Other than Subsidiaries or Parent Company
		Remunerations (A)		Retirement pension (B)		Directors Compensation (C)		Allowances (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F) (Note 1)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		The Company				
																Cash	Stock	Cash	Stock			
Chairman	Maywufa Company Ltd. Representative : Lee Yi-Li	0	0	0	0	0	0	500	1,009	500 (0.68%)	1,009 (1.37%)	1,948	6,642	0	0	0	0	0	0	2,448 (3.33%)	7,651 (10.41%)	7,374
Vice Chairman	Lee I-Lin	0	0	0	0	0	0	260	530	260 (0.35%)	530 (0.72%)	3,900	5,067	108	174	0	0	0	0	4,268 (5.81%)	5,771 (7.85%)	5,280
Director	Maywufa Company Ltd. Representative : Lai Yu-Ju	0	0	0	0	0	0	260	260	260 (0.35%)	260 (0.35%)	0	0	0	0	0	0	0	0	260 (0.35%)	260 (0.35%)	8,783
Director.	Maywufa Company Ltd.. Representative : Lee Chen-Chia	0	0	0	0	0	0	260	520	260 (0.35%)	520 (0.71%)	0	0	0	0	0	0	0	0	260 (0.35%)	520 (0.71%)	15,004
Director.	Jen Yu Ltd. Representative : Huang Tse-Hung	0	0	0	0	0	0	260	260	260 (0.35%)	260 (0.35%)	0	0	0	0	0	0	0	0	260 (0.35%)	260 (0.35%)	0
Director.	Hua Wei Ltd. Representative : Tsai Ching-Chung	0	0	0	0	0	0	255	255	255 (0.35%)	255 (0.35%)	0	0	0	0	0	0	0	0	255 (0.35%)	255 (0.35%)	0
Director.	Hua Wei Ltd. Representative : Wang Ming-Fu	0	0	0	0	0	0	260	260	260 (0.35%)	260 (0.35%)	0	0	0	0	0	0	0	0	260 (0.35%)	260 (0.35%)	0
Director.	Jen Yu Ltd. Representative : Wang Pai-Sen	0	0	0	0	0	0	260	260	260 (0.35%)	260 (0.35%)	0	0	0	0	0	0	0	0	260 (0.35%)	260 (0.35%)	720
Independent director.	Wu Yang-Chang	0	0	0	0	0	0	290	290	290 (0.39%)	290 (0.39%)	0	0	0	0	0	0	0	0	290 (0.39%)	290 (0.39%)	0

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration from Invested Businesses Other than Subsidiaries or Parent Company
		Remunerations (A)		Retirement pension (B)		Directors Compensation (C)		Allowances (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F) (Note 1)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		The Company				
																Cash	Stock	Cash	Stock			
Independent director.	Wang Der-Shan	0	0	0	0	0	0	290	290	290 (0.39%)	290 (0.39%)	0	0	0	0	0	0	0	0	290 (0.39%)	290 (0.39%)	0
Independent director.	Lai Sun-Quae	0	0	0	0	0	0	290	290	290 (0.39%)	290 (0.39%)	0	0	0	0	0	0	0	0	290 (0.39%)	290 (0.39%)	0
Independent director.	Lin Shoei-Loong	0	0	0	0	0	0	290	290	290 (0.39%)	290 (0.39%)	0	0	0	0	0	0	0	0	290 (0.39%)	290 (0.39%)	0
1.The policy, system, standards, and structure of remuneration for independent directors, as well as the correlation between their remuneration amount and factors such as their responsibilities, risks, and time input, are stated as follows: According to Article 25 of the Company's Articles of Association, the remuneration of all directors is authorized by the Board of Directors. It shall be paid at the same level as that of the industry, regardless of the operating profit or loss. In addition, the "Director Remuneration Payment Method" was formulated and approved by the Remuneration and Compensation Committee and the Board of Directors on August 9, 2022, and the relevant provisions for the remuneration of independent directors are implemented in accordance with this method. 2. In addition to the disclosure in the table above, the remuneration received by the company's directors for providing services to all companies in the financial report (such as serving as non-employee consultants, etc.) in the recent fiscal year amounted to 3,600NT thousand																						

Note 1: The actual payment amount for retirement pensions in 2024 was \$0, and the provision for retirement pensions expense was recorded as \$108,000.

2.2.2 Remuneration of the general manager and deputy general manager.

Dec. 31, 2024 Unit: NTD thousands

Job title	Name	salary (A)		salary (A)		Retirement pay and pension (B) (Note 1)		Rewards and special disbursements. (C)				Employee profit- sharing compensation (D)		Sum of A+B+C+D and ratio to net income (%) All consolidated entities
		The Company	The Company	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		All consolidated entities	The Company	
								cash	stock	cash	stock			
General manager.	Lee I-Lin	3,300	4,380	108	174	600	687	0	0	0	0	4,008 (5.45%)	5,241 (7.13%)	5,280

Note 1: The actual payment amount for retirement pensions in 2024 was \$0, and the provision for retirement pensions expense was recorded as \$108,000.

Remuneration Range Table

Remuneration Range for Each of the Company's Director	Name of Directors	
	The Company	All consolidated entities (Note)
Under NTD 1,000,000		
NTD 1,000,000 (inclusive)		
NTD 2,000,000 (inclusive)		
NTD 3,500,000 (inclusive)	Lee I-Lin	
NTD 5,000,000 (inclusive)		Lee I-Lin
NTD 10,000,000 (inclusive)		
NTD 15,000,000 (inclusive)		
NTD 30,000,000 (inclusive)		
NTD 50,000,000 (inclusive)		
Over NTD 100,000,000		
Total	1	1

Note: Parent company and all affiliated invested businesses.

2.2.3The top five highest-paid executives and their remuneration (disclosed by name and remuneration method).

Job title	Name	salary (A)		Retirement pay and pension (B) (Note 1)		Rewards and special disbursemen ts. (C)		Employee profit- sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Compan y		All consolidate d entities		The Company	All consolidated entities	
								cash	stock	cash	stock			
Manager	A	3,300	4,380	108	174	600	687	0	0	0	0	4,008 (5.45%)	5,241 (7.13%)	5,280
Manager	B	1,703	1,703	104	104	465	465	0	0	0	0	2,272 (3.09%)	2,272 (3.09%)	0
Manager	C	1,750	1,750	105	105	281	281	0	0	0	0	2,136 (2.91%)	2,136 (2.91%)	0
Manager	D	1,494	1,494	91	91	235	235	0	0	0	0	1,820 (2.48%)	1,820 (2.48%)	0
Manager	E	1,397	1,397	85	85	151	151	0	0	0	0	1,632 (2.22%)	1,632 (2.22%)	0

2.2.4Name(s) of manager(s) who received employee remuneration and the allocation situation: As the Company has newly launched drugs and is continuously investing in R&D, there are no earnings yet, and thus no employee bonuses have been distributed.

2.2.5Comparison and analysis of the total remuneration paid to the directors, general managers, and deputy general managers of the Company and all companies in the consolidated financial statements in the past two years, as a percentage of the post-tax net profit of the individual financial statements. The policy, standards, and composition of remuneration, the procedures for determining remuneration, and their relationship with business performance should also be explained.

Explanation:

1. The percentage of the total remuneration paid to the directors, general managers, and deputy general managers of the Company and all companies in the consolidated financial statements in the past two years, as a percentage of the post-tax (loss) profit of the individual financial statements.

Remuneration						
	Ratio of total remuneration paid to directors, supervisors, general manager and vice presidents to net income (%)				Increase (decrease) %	
	2024		2023			
Category	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	-12.83%	-22.31%	-20.32%	-35.53%	-7.49%	-13.23%
General Manager / Vice presidents						

2. Policies, standards, and composition of remuneration, procedures for determining remuneration, and their relationship with business performance and future risks:

To establish a sound salary and compensation system for the directors and managers of the Company, the Board of Directors has established a "Remuneration Committee" in accordance with the "Regulations on the Establishment and Exercise of Powers of Salary and Remuneration Committees for Companies Listed on the Stock Exchange or Traded at Securities Firms." The Committee adopts a professional and objective approach, taking into account factors such as individual time and responsibility, achievement of goals, and the remuneration of other employees in similar positions in the Company and the industry. In addition, the Committee considers the Company's short-term and long-term business objectives, financial condition, and future risks, and formulates policies and systems for the remuneration of directors and managers, without encouraging them to engage in behaviors that exceed the Company's risk tolerance in pursuit of remuneration.

The Company's "Manager's Salary and Remuneration Payment Measures" are used as the basis for evaluating managers, with evaluation criteria including salary levels in the industry, the scope of responsibilities within the Company, and contributions to the Company's operational objectives, as well as financial indicators such as revenue, pre-tax and after-tax net profit achievement rates, and non-financial indicators such as the progress of clinical trials in the R&D stage of new drugs, the completion of planning and execution of various projects, and significant deficiencies in compliance with laws and regulations and operational risks of subordinate units.

The annual remuneration of directors and managers is determined in accordance with Article 30 of the Company's Articles of Association. If the Company has profits for the year (meaning pre-tax profit minus employee and director remuneration), after reserving for accumulated losses, a portion ranging from 3% to 6% is allocated for employee remuneration and no more than 4% is allocated for director remuneration.

The above-mentioned remuneration for directors and managers must be approved by the Remuneration Committee and submitted to the Board of Directors for resolution.

2.3 The operating status of corporate governance.

2.3.1 Operation of the Board of Directors

In the most recent fiscal year, the Board of Directors held four meetings (A).

The attendance by the directors and supervisors was as follows: :

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Chairman	Maywufa Company Limited Legal Representative : Lee Yi-Li	4	0	100%	-
Vice Chairman	Lee I-Lin	4	0	100%	-
Director	Maywufa Company Limited Legal Representative : Lee Chen-Chia	4	0	100%	-
Director	Maywufa Company Limited Legal Representative : Lai Yu-Ju	4	0	100%	-
Director	Li Ling Investment Company Ltd. Legal Representative : Chen Wen-Hwa	4	0	100%	-
Director	Jen Yu Ltd. Legal Representative : Wang Pai-Sen	3	1	75%	-
Director	Hua Wei Ltd. Legal Representative : Tsai Ching-Chung	4	0	100%	-
Director	Hua Wei Ltd. Legal Representative : Wang Ming-Fu	4	0	100%	-
Director	Jen Yu Ltd. Legal Representative : Huang Tse-Hung	4	0	100%	-
Independent Director	Wang Der-Shan	4	0	100%	-
Independent Director	Lai Sun-Quae	4	0	100%	-
Independent Director	Lin Shoei-Loong	4	0	100%	-
Independent Director	Wu Yang-Chang	4	0	100%	-

Other information required to be disclosed :

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors :

(I) Any matter under Article 14-3 of the Securities and Exchange Act (All independent directors had no objections to the resolutions of the board meetings of the Company for the year 2024 and the first quarter of 2025, and therefore, the Company did not need to address any opinions from independent directors.) :

Board of
Directors

Agenda items and follow-up actions

Date/Term	
2024.02.26 9th 4th	1.To discuss the amendment of the "Board Meeting Rules."
	2.To discuss the removal of restrictions on director's non-compete obligations.
	The above resolutions : Upon the Chairman's inquiry, all attending directors had no objections and the proposals were approved accordingly.
2024.08.13 9th 6th	To discuss the amendment of the "Regulations Governing Compensation and Remuneration for Managerial Officers."
	The above resolutions : Upon the Chairman's inquiry, all attending directors had no objections and the proposals were approved accordingly.
2024.11.01 9th 7th	To discuss the formulation of the "Risk Management Policy and Procedures."
	Resolution : The proposal was approved as presented after the Chairman consulted with all attending directors and found no objections.
2025.02.26 9th 8th	To discuss the amendment of the "Board Meeting Rules."
	The above resolutions : Upon the Chairman's inquiry, all attending directors had no objections and the proposals were approved accordingly.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution : None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted : There were no such incidents in 2024.

III. Implementation of Evaluations of the Board of Directors :

Assessment cycle	The evaluation period	Evaluation Scope	Assessment methods	Evaluation Content
Once a year	January 1st, 2024 to December 31st, 2024	Board of Directors, individual directors, and functional committees	Overall board of directors, individual board members, and functional committees performance evaluation.	Note

Note : The evaluation content shall include at least the following based on the scope of the evaluation:

- (1)Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.
- (2)Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.
- (3)Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

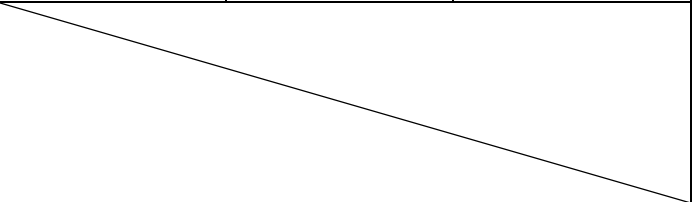
IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward

achievement there of :

- ① The operation of the board of directors of our company is exercised in accordance with the law, the company's articles of association, and resolutions of the shareholders' meeting. All directors not only possess the necessary professional knowledge, skills and qualities required for performing their duties, but also act in good faith and exercise due care to create the maximum benefits for all shareholders.
- ② The company appointed four independent directors during the 2023 shareholders' meeting. In order to establish a sound corporate governance system, strengthen supervisory functions and enhance management capabilities, our company has established a board meeting protocol in accordance with the regulations of the securities regulator. The protocol includes the main content of the agenda, operating procedures, matters to be recorded in the minutes, announcements and other requirements to be followed.
- ③ Our company has established a board of directors performance evaluation system, and the board has passed the board performance evaluation method, which is reviewed and summarized by self-assessment and peer assessment questionnaires every year. At least once every three years, an external professional independent agency or team of experts and scholars will be commissioned to conduct an evaluation as needed to encourage self-discipline among board members and improve the sound operation of the board of directors.
- ④ In addition to conducting regular self-inspections of the operation of the board of directors and strengthening its functions, the internal audit staff also prepares an audit report on the operation of the board of directors, and the monthly audit report is submitted to each independent director for review by the end of the following month, in compliance with the regulations of the securities regulator.
- ⑤ Our company has established a compensation committee in compliance with the regulations of the securities regulator, which was approved by the board of directors on December 15, 2011. In 2024, the committee held two meetings in compliance with regulations to review the compensation policies of directors and managers to ensure the implementation of sound corporate governance.
- ⑥ In order to comply with the regulations of the securities regulator, our company established an audit committee to replace the supervisor at the board of directors meeting held on February 21, 2017. In 2024, the committee held four meetings and submitted its resolutions to the board of directors for decision-making, thereby enhancing corporate governance.

V. Attendance of independent directors at each board meeting in the current and recent fiscal year :

(◎ : Personally attended ★ : Proxy Attendance ◆ : Absent)

2024	1st	2nd	3rd	4th
Wang Der-Shan	◎	◎	◎	◎
Lai Sun-Quae	◎	◎	◎	◎
Lin Shoei-Loong	◎	◎	◎	◎
Wu Yang-Chang	◎	◎	◎	◎
2025	1st			
Wang Der-Shan	★			
Lai Sun-Quae	◎			
Lin Shoei-Loong	◎			
Wu Yang-Chang	◎			

3.4.2 Operation of the Audit Committee :

In 2023, the annual shareholders' meeting elected four independent directors, who subsequently formed the Audit Committee. The Audit Committee meets at least once a quarter and aims to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls.

The matters reviewed by the Audit Committee mainly include :

The matters reviewed by the Audit Committee mainly include :

1. First quarter, second quarter, third quarter, and annual financial reports.
2. Audit of financial statements and accounting policies and procedures.
3. Internal control system and related policies and procedures.
4. Assessment of the effectiveness of the internal control system.
5. Significant asset or derivative transactions.
6. Significant loans, endorsements, or guarantees.
7. The issuance or offering of securities.
8. Appointment, removal, or compensation of the certifying accountant.
9. Appointment or removal of financial, accounting, or internal audit executives.
10. Self-evaluation questionnaire of the Audit Committee's performance assessment.

The Audit Committee held 42 meetings (A).

The attendance by the independent directors was as follows :

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Independent Director	Wang Der-Shan	4	0	100%	
Independent Director	Lai Sun-Quae	4	0	100%	
Independent Director	Lin Shoei-Loong	4	0	100%	
Independent Director	Wu Yang-Chang	4	0	100%	

Other information required to be disclosed :

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee :

1. Any matter under Article 14-5 of the Securities and Exchange Act :

Board of Directors Date/Term	Audit Committee Date/Term	Agenda items and follow-up actions
2024.02.26 9th 4th	2024.02.26 3rd 3rd	1. Please approve the financial statements, consolidated financial statements, and operating report for the year 2023.
		2. Please approve the assessment of the effectiveness of the internal control system and the internal control system statement for the year 2023.
		3. Please discuss the revised "Internal Control System" and "The internal control self-assessment procedure".
		4. Please discuss the amendment of the "Organizational Regulations of the Audit Committee".
		5. Please approve the payment of auditor fees and evaluation of their independence.
		6. Please discuss the process and general policies for obtaining prior consent for non-assurance services from Ernst & Young LLP and its related entities, as well as the list of non-assurance services.
		Audit Committee Resolution : Upon consultation with all attending members of the audit committee and receiving no objections, the proposal has been passed and will be brought up for discussion at the board of directors meeting.

		Handling of the audit committee's opinions by the company : All attending directors agreed to approve.
2024.05.03 9th 5th	2024.05.03 3rd 4th	Please approve the consolidated financial statements for the first quarter of 2024. Audit Committee Resolution : Upon consultation with all attending members of the audit committee and receiving no objections, the proposal has been passed and will be brought up for discussion at the board of directors meeting. Handling of the audit committee's opinions by the company : All attending directors agreed to approve.
2024.08.13 9th 6th	2024.08.13 3rd 5th	1. Please approve the consolidated financial statements for the second quarter of 2024. 2. Ratification of the Company's participation in the 2024 cash capital increase and share subscription of the TPEx-listed company AmCad BioMed Corporation. Audit Committee Resolution : Upon consultation with all attending members of the audit committee and receiving no objections, the proposal has been passed and will be brought up for discussion at the board of directors meeting. Handling of the audit committee's opinions by the company : All attending directors agreed to approve.
2024.11.01 9th 7th	2024.11.01 3rd 6th	1. Please approve the consolidated financial statements for the third quarter of 2024. 2. Please discuss formulation of the "Procedures for the Preparation and Assurance of the Sustainability Report." 3. Please discuss formulation of the internal control system for the "Management of Sustainability Information." 4. Please discuss the internal audit plan for the year 2025. 5. Please discuss thd investment in the stocks of domestic listed financial institutions. Audit Committee Resolution : Upon consultation with all attending members of the audit committee and receiving no objections, the proposal has been passed and will be brought up for discussion at the board of directors meeting. Handling of the audit committee's opinions by the company : All attending directors agreed to approve.
2025.02.26 9th 8th	2025.02.26 3rd 7th	1. Please approve the financial statements, consolidated financial statements, and operating report for the year 2024. 2. Please discuss amendment to the 2020 Cash Capital Increase Plan. 3. Please approve the assessment of the effectiveness of the internal control system and the internal control system statement for the year 2024. 4. Please discuss the revised "Internal Control System". 5. Please approve the payment of auditor fees and evaluation of their independence. 6. Please discuss the process and general policies for obtaining prior consent for non-assurance services from Ernst & Young LLP and its related entities, as well as the list of non-assurance services. Audit Committee Resolution : Upon consultation with all attending members of the audit committee and receiving no objections, the proposal has been passed and will be brought up for discussion at the board of directors meeting. Handling of the audit committee's opinions by the company : All attending directors agreed to approve.

2. In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors : None ◦

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted : None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.) :

1. The company's internal audit manager regularly communicates the results of audit reports and

their follow-up execution with the Independent Director on a monthly basis, and has fully communicated the implementation and effectiveness of the audit business.

2. The company's internal audit manager regularly communicates the results of audit reports and their follow-up execution with the Independent Director before each quarterly audit committee meeting, and has fully communicated the implementation and effectiveness of the audit business.
3. Prior to the Audit Committee meeting on February 26, 2025, the auditor communicated and fully discussed the results of the annual financial statement audit and other related legal requirements with the Independent Director.
4. The audit manager and the auditor maintain open communication channels and are in direct contact with the Independent Director as needed.

2.3.3 Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons :

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		1. The company established the "Corporate Governance Best Practice Guidelines" on June 24, 2010, which was approved by the Board of Directors. The guidelines have been revised on February 24, 2015, April 28, 2015, August 8, 2017, August 13, 2019, and most recently on February 24, 2023, to comply with regulatory updates and align with the company's actual operation, and were reported to the shareholders' meetings accordingly. 2. The company has disclosed the Corporate Governance Best Practice Guidelines on its website.	No difference.
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		The company has established a spokesperson and proxy spokesperson system in accordance with regulations, and has published their contact telephone numbers and email addresses on the official website for shareholders to contact. The spokesperson and proxy spokesperson use these channels to understand and assist shareholders in resolving their issues.	No difference.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		The company has commissioned the stock transfer agent, "Grand Fortune Securities Co., Ltd. Share Transfer Agency Department," to regularly update the shareholder and major shareholder rosters, in order to fully understand the ultimate controllers of the company's equity, and to comply with legal requirements for internal personnel to report changes in their shareholding status to the company on a monthly basis. This enables the company to effectively maintain the list of major shareholders.	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(3)Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		The company has established relevant systems in its internal control system in compliance with legal requirements, such as the "Regulations for Supervision and Management of Subsidiaries," "Management Procedures for Related Party Transactions," and " Operating procedures for financial transactions among related parties."	No difference.
(4)Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		The company has established relevant systems in its internal control system in compliance with legal requirements, such as the "Management Procedures for Preventing Insider Trading."	No difference.
3. Composition and responsibilities of the board of directors (1)Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		<p>The company has established the "Corporate Governance Best Practice Guidelines," which stipulate that the composition of the board of directors should take into account diversity, and that the company should develop a diversity policy for basic conditions and professional knowledge and skills based on its own operations, business models, and development needs. When appointing directors, the company considers not only their professional background but also their diversity as an important factor. In accordance with Article 20, Paragraph 3 of the Corporate Governance Best Practice Guidelines, members of the board of directors should possess the knowledge, skills, and competencies necessary to perform their duties. To achieve the ideal goal of corporate governance, the overall capabilities that the board of directors should possess are as follows :</p> <ol style="list-style-type: none"> 1. Operational judgment capability. 2. Accounting and financial analysis capability. 3. Business management capability. 4. Crisis management capability. 5. Industry knowledge. 6. International market perspective. 7. Leadership capability. 8. Decision-making capability. 	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>The company has a total of 12 directors (including 4 Independent Directors), with 2 female directors. The members' professional backgrounds cover management, medicine, pharmacy, finance, accounting, chemical engineering, law, pharmacy, and accounting. The board of directors has diverse backgrounds in industry, academia, and knowledge, providing professional opinions from different perspectives, which greatly enhances the company's operational and management performance. In addition, the company also places importance on gender equality in the composition of the board of directors, with a target female director ratio of over 15%, and the current female director (including Independent Director) ratio is 18.19%.</p> <p>For information on the implementation of the board of directors' diversity policy, please refer to page 18-20 of this year's annual report.</p>	
(2)Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee		✓	The Company has established the Audit Committee and the Remuneration Committee in accordance with applicable regulations. Additionally, on November 1, 2024, the Board of Directors approved the establishment of the Sustainable Development Committee.	Other functional committees will be considered for establishment in the future based on actual needs.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(3)Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		<p>The Company has established the Board of Directors' Performance Evaluation Rules and its evaluation methods, which were approved by the Board of Directors on February 24, 2016, and subsequently amended on August 8, 2017, November 9, 2017, and August 12, 2020. In addition, on August 13, 2019, the Board of Directors added the performance evaluation of functional committees. The annual performance evaluation is conducted at the end of each fiscal year, and at least once every three years, an external professional independent organization or a team of external experts and scholars is commissioned to conduct an evaluation as needed. The scope of the evaluation includes the overall Board of Directors, individual directors, and performance evaluation of functional committees. The measurement items for the performance evaluation of the Board of Directors of our company include the following five aspects :</p> <ol style="list-style-type: none"> 1. Participation in the company's operations. 2. Improving the quality of the Board's decisions. 3. Composition and structure of the Board of Directors. 4. Selection and continuous education of directors. 5. Internal control. <p>The measurement items for the performance evaluation of individual directors should include at least the following six aspects :</p> <ol style="list-style-type: none"> 1. Understanding of the company's goals and mission. 2. Awareness of the duties of a director. 3. Participation in the company's operations. 4. Management of internal relationships and communication. 5. Professionalism and continuous education of directors. 6. Internal control. <p>The measurement items for the performance evaluation of functional committees should include at least the following five aspects :</p> <ol style="list-style-type: none"> 1. Participation in the company's operations. 2. Awareness of the duties of the functional committee. 	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons																								
	Yes	No	Summary description																									
			<div>3. Improving the quality of the functional committee's decisions.</div> <div>4. Composition and member selection of the functional committee.</div> <div>5. Internal control.</div> <div>Scoring method: 1 point is given for full compliance, 0.75 points for mostly compliance, 0.5 points for partial compliance, 0.25 points for minor compliance, and 0 points for non-compliance. The final score is obtained by summing up the points and dividing by the total number of items * 100. The secretariat of the Board of Directors reports the evaluation results during the Board meeting and provides recommendations on areas that need improvement.</div> <div>According to the above-mentioned method, the evaluation report of the board of directors for the year 2024 was submitted to the board of directors on February 26, 2025 , as follows :</div> <div><div>Results of the Board of Directors and Board Member Performance Evaluation</div><div><div><div><div>The results of the performance self-evaluation, after weighted calculations, show that the average score of valid questionnaires ranges from 88.54 to 100 points. Analysis indicates that the scores for "improving the quality of board decision-making" and "continuing education for directors" are relatively low. The areas that need further enhancement are primarily "understanding the characteristics and risks of the industry" and "courses that can strengthen knowledge and skills through continuing education."</div><div>The company will comply with regulations in the future by providing relevant training courses for directors and will timely provide information related to the company, industry, and risks for directors to understand.</div></div></div><div><div>Board members</div><div><table><tr><th>Category</th><th>Score</th></tr><tr><td>Understanding the company's type and mission</td><td>98.00</td></tr><tr><td>Understanding of Board Responsibilities in company operations</td><td>100.00</td></tr><tr><td>Internal Relationship Management and communication</td><td>98.00</td></tr><tr><td>The professionalization and continuous education of directors</td><td>88.54</td></tr><tr><td>Internal control</td><td>100.00</td></tr></table></div></div><div><div>Board of Directors</div><div><table><tr><th>Category</th><th>Score</th></tr><tr><td>Degree of participation in company operations</td><td>96.00</td></tr><tr><td>Enhancing the quality of board decision-making</td><td>94.00</td></tr><tr><td>Composition and Structure of the Board of Directors</td><td>100.00</td></tr><tr><td>Appointment of Directors and Continuing Education</td><td>91.00</td></tr><tr><td>Internal control</td><td>100.00</td></tr></table></div></div></div></div>	Category	Score	Understanding the company's type and mission	98.00	Understanding of Board Responsibilities in company operations	100.00	Internal Relationship Management and communication	98.00	The professionalization and continuous education of directors	88.54	Internal control	100.00	Category	Score	Degree of participation in company operations	96.00	Enhancing the quality of board decision-making	94.00	Composition and Structure of the Board of Directors	100.00	Appointment of Directors and Continuing Education	91.00	Internal control	100.00	
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Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons																						
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			<div><p>Performance evaluation results of the functional committee</p><ul style="list-style-type: none">The performance self-evaluation results, after weighted calculation, yield an average score of 100 points based on the number of valid questionnaires.<div><div><p>Audit Committee</p><table><caption>Audit Committee Performance Data</caption><thead><tr><th>Category</th><th>Score</th></tr></thead><tbody><tr><td>Degree of participation in company operations</td><td>100</td></tr><tr><td>Understanding the Responsibilities of the Audit Committee</td><td>100</td></tr><tr><td>Enhancing the decision-making quality of the Audit Committee</td><td>100</td></tr><tr><td>Composition of the Audit Committee</td><td>100</td></tr><tr><td>Internal control</td><td>100</td></tr></tbody></table></div><div><p>Compensation Committee</p><table><caption>Compensation Committee Performance Data</caption><thead><tr><th>Category</th><th>Score</th></tr></thead><tbody><tr><td>Degree of participation in company operations</td><td>100</td></tr><tr><td>Understanding of Compensation Responsibilities</td><td>100</td></tr><tr><td>Enhancing the quality of Compensation committee decision-making</td><td>100</td></tr><tr><td>Composition of Compensation Committee and Member Selection</td><td>100</td></tr></tbody></table></div></div></div>	Category	Score	Degree of participation in company operations	100	Understanding the Responsibilities of the Audit Committee	100	Enhancing the decision-making quality of the Audit Committee	100	Composition of the Audit Committee	100	Internal control	100	Category	Score	Degree of participation in company operations	100	Understanding of Compensation Responsibilities	100	Enhancing the quality of Compensation committee decision-making	100	Composition of Compensation Committee and Member Selection	100	
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(4)Does the Company regularly evaluate its external auditors’ independence?	✓		<div><p>On February 26, 2025, the Audit Committee and the Board of Directors of our company approved the remuneration payment to the auditor and assessed the independence of the auditor. Currently, the appointed signing auditors are Yu Chien-ju and Chang Chiao-Ying, who have been signing auditors since the first quarter of 2022 and the first quarter of 2023, respectively. They have not yet reached the required seven-year term for rotation.</p><p>In accordance with the Auditing Standards Bulletin of our country, accountants should provide governance units with statements about the independence of personnel, firms, and affiliated firms of accounting firms who follow the independence regulations stipulated in the Code of Ethics for Professional Accountants, and communicate all possible relationships and other matters (including related protective measures) that may affect the independence of accountants.</p><p>Our company has obtained the AQI information and independence statement of</p></div>																							

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			the signing accountant. The information did not detect any reason that may affect their independence with our company. Furthermore, based on our company's internal self-assessment, the signing accountant hired by our company is not a director or shareholder of our company, not paid by our company, and is not a related party, thus meeting the relevant regulations on independence.	
4.Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		Currently, the company's governance affairs are overseen by the Accounting director who also serves as the Governance Officer, who has over three years of experience in managing financial, stock-related, and deliberation affairs of publicly traded companies. They are responsible for planning corporate governance-related matters, safeguarding shareholder rights, and strengthening the role of the board of directors. Their main responsibilities include providing information required by directors and independent directors to carry out their duties and keeping them informed of the latest legal and regulatory developments relevant to the company's operations to assist them in complying with the laws and regulations. The implementation of corporate governance in the year 2024 is as follows, and has been reported to the Board of Directors on February 26, 2025 : Timely inform board members of significant company news after its release. 1.The company promptly informs board members after releasing significant information, ensuring that board members are timely informed of important company updates. 2.Provide timely notifications to board members regarding the latest legislative and regulatory amendments related to corporate governance, as well as the direction of development, during board meetings. 3.Timely formulation of updates to corporate governance-related systems and organizational structures is essential to ensure the independence of the board of directors, demonstrate the company's transparency and compliance with laws, and reflect the actual operation of internal audits and controls.	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			<p>4.Regarding the continuing education of board members, periodic training materials are provided intermittently to remind board members of their training status and hours.</p> <p>5.Report on the "Directors and Officers Liability Insurance" that is annually insured for board members</p> <p>6.Convene communication meetings with the auditor, finance director, audit director, and independent directors as necessary.</p> <p>7.Consult all directors' opinions prior to board meetings to plan and develop agendas, notify all directors to attend at least 7 days before the meeting, and provide sufficient information about the issues to help them understand the content of the meeting. If the content of the issue is related to interested parties, it will give relevant personnel prior notice.</p> <p>8.Register the shareholder meeting date annually according to the legal deadline, prepare and file meeting notices, annual reports, agendas, and minutes before the deadline, and make changes to the charter or board members after reelection.</p> <p>9.In addition to self-assessing the performance of the board, individual directors, audit committee, and compensation committee annually, the company conducts an internal performance evaluation of its overall operations annually. It shall also appoint an external professional independent organization or expert every three years, as needed, to conduct a performance evaluation.</p> <p>10. On September 13, 2024, the Company was invited by Taishin Securities to host a joint investor conference, during which the management team presented the latest updates on the Company's R&D progress and business development to institutional investors and analysts: The Company is the first publicly listed new drug development company in Taiwan. Its successfully developed product, PG2® Lyo. Injection 500mg, is the first prescription drug approved by the Taiwan Food and Drug Administration (TFDA) for the treatment of cancer-related fatigue and remains the only one of its kind globally. It was officially</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			included in the National Health Insurance reimbursement list on March 1, 2021. Oraphine® 60mg Soft Capsule has also obtained marketing approval from the TFDA. It is the world's first oral nalfurafine-based new drug for the treatment of moderate to severe pain with low addiction potential. The product has entered major domestic medical distribution channels, and licensing negotiations are currently underway with multiple pharmaceutical companies. Among the nine new drugs approved by the Ministry of Health and Welfare to date, PhytoHealth is the only company to have obtained two drug licenses.	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company has established a communication channel for stakeholders in the Stakeholder Relations section on its official website, with dedicated personnel responsible for responding to important corporate social responsibility issues of concern to stakeholders in an appropriate manner. The Company maintains open communication channels with its stakeholders, and respects and protects their legal rights and interests. The Company reports on its communication with stakeholders to the Board of Directors on a regular basis, with a report presented in the first quarter of each year. The Company submitted a report on its communication with stakeholders for 2024 to the Board of Directors on February 26, 2025, and details can be found on the Company's website.	
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		Our company has appointed the "Shareholder Services Department of Fubon Securities Co., Ltd." as our shareholder services agency to handle shareholder meetings and related matters.	None
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and	✓		Our company has established the website: www.phytohealth.com.tw and complies with relevant regulations to regularly disclose or update financial, business, and corporate governance information on the Taiwan Stock Exchange Market Observation Post website. The company website also provides a link to access the	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
corporate governance status?			Taiwan Stock Exchange Market Observation Post for further information.	
(2)Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		Our company has established an English version of our official website and designated the head of the accounting department as responsible for collecting company information. We are committed to following the regulations on information disclosure set by the competent authorities and reporting information that should be disclosed. We have also implemented a spokesperson and proxy spokesperson system and made available the process of our investor relations conference on our company website.	None
(3)Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓		The Company's standalone and consolidated financial statements for the year 2024 were publicly announced and filed on February 27, 2025. The Chinese consolidated financial reports for the first, second, and third quarters of 2024 were announced and filed on May 7, August 13, and November 11, respectively. The English consolidated financial reports for the first, second, and third quarters were announced and filed on July 5, August 28, and January 7, 2025, respectively. All the aforementioned financial reports, along with the monthly operating results, were announced and filed within the required deadlines.	None
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights	✓		1. Employee benefits : The Company values employee rights and follows legal requirements. A labor-management conference is held to reach labor-management harmony, and the Employee Welfare Committee regularly organizes employee welfare activities and establishes various system measures to fulfill its social responsibilities. For example, the Company has established an employee retirement system, purchased group insurance for employees, and held educational training. The Company's management team, consisting of the	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			<p>General Manager and various department heads, plans the annual "Manager Inspirational Meeting" for manager training and development. The team also has a leisure activity committee, which plans various group activities and holiday gifts, and a care committee that cares for colleagues and their families. To facilitate employee complaints, the Company has set up an electronic mailbox for employees to submit their opinions.</p> <p>2. Employee care : The Company respects the human rights of all colleagues, provides equal opportunities to job applicants and employees without discrimination based on their race, belief, religion, party affiliation, gender, marital status, disability, or other government-protected factors that are unrelated to work. This principle applies to recruitment, employment, training, promotion, salary, welfare, transfer, and the Company discloses its "Measures for the Prevention and Punishment of Workplace Sexual Harassment," ensuring a friendly workplace for women and establishing a safe and healthy working environment.</p> <p>3. Investor relations : In order to enable investors to better understand the Company's business status, the Company has set up an "Investor Relations" section on its website, regularly updating various stock and financial information.</p> <p>4. Supplier relations : When the Company signs a contract with a supplier, it also signs a statement of integrity in business. The Company strictly requires its employees and cooperation partners not to provide, promise, request or receive bribes, commissions, hospitality, kickbacks, improper gifts, or other improper benefits directly or indirectly during business activities. In order to establish a good cooperative relationship, the Company also requests that its cooperation partners not engage in any form of promise, bribery, commission, kickback, gift, hospitality or other improper benefit to any employee of the Company. Payment to suppliers is also made on time within the agreed payment period to maintain good relationships.</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>5. Rights of stakeholders : On February 26, 2025, the Company reported to the Board of Directors on its stakeholder communication activities for the year 2024. A dedicated stakeholder section has been established on the Company's official website. The Company remains committed to its promises to stakeholders such as suppliers, customers, shareholders, and employees by prioritizing quality and service in order to safeguard their respective rights and interests.</p> <p>6. Board of Directors training situation : Please refer to the detailed explanation on page 83 of this year's annual report for relevant information regarding further education or training.</p> <p>7. Implementation of Risk Management Policy and Risk Assessment Standards: The Company has established its risk management policies and procedures in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and PIC/S GMP guidelines, which serve as the Company's highest guiding principles for risk management. To ensure the safety and quality of pharmaceutical products, the Company has established standard operating procedures (SOPs) for the identification, analysis, evaluation, and control of risks associated with its products. Risk assessments are conducted promptly during design changes and production phases to identify potential hazards. These hazards undergo risk analysis and risk evaluation, followed by risk control measures to mitigate risks. An overall risk assessment is then performed to determine acceptability. The product risk management process continues beyond product design and manufacturing stages and extends into the post-production phase, including the collection of post-market data to support ongoing risk control. The aim is to maintain all risks generated throughout various activities within acceptable limits. The Company has designated an Information Management Department responsible for risk management. This department operates under the internal control system and relevant procedures covering customer data, credit assessment, and order management. It maintains</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>a comprehensive customer database, sets credit limits for shipment control, and obtains collateral from customers as needed to mitigate the Company's risk exposure.</p> <p>8. Implementation of Customer Policy: The company has established customer information, credit, and order management measures. All products have obtained government permits and a contact mailbox is provided on the company's website to protect consumers.</p> <p>9. The company's purchase of liability insurance for directors: The company's articles of association clearly stipulate that it may purchase liability insurance for directors and senior executives. The company has reported the implementation status to the board of directors on August 13, 2024, and has executed the policy effectively.</p>	
<p>9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>The explanation of the areas for improvement and the corresponding measures for the governance assessment results for the year 2023 are as follows: :</p> <p>(1) In 2025, the Company will actively invite more than half of the directors, as well as the convener of the Audit Committee, to attend the Annual General Shareholders' Meeting in person.</p> <p>(2) In 2025, the Company plans to hold at least two investor conferences and disclose at least two full video recordings of the meetings. The interval between the first and last conferences held in the year will exceed three months.</p> <p>(3) In 2025, the Company will prepare its Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards, submit it to the Board of Directors for approval, and upload both the Chinese and English versions to the Market Observation Post System (MOPS) and the Company's official website.</p> <p>(4) The Company will actively encourage all directors to complete continuing education in accordance with the required hours stipulated in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies."</p>				

2.3.4 If the company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed :

The remuneration committee is responsible for assisting the board of directors in implementing and evaluating the company's overall

compensation and benefits policies, as well as the remuneration of executives.

1. The Compensation Committee was established and approved by the board of directors on December 15, 2011. The members of the fifth Compensation Committee were appointed by the board of directors on May 24, 2023 and July 28, 2023. Mr. Wang Der-Shan serves as the convener of the current committee, which consists of four Independent Directors who meet the qualifications set forth in the Securities and Exchange Act and the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock is Listed on the Stock Exchange or Traded Over-the-Counter at Securities Firms.

Please refer to our company website for the organization regulations of the Compensation Committee.

(1) Information on Remuneration Committee Members

Capacity	Qualifications Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Convener (Independent Director)	Wang Der-Shan (Note)	Please refer to pages 14-20 of this annual report for information disclosure regarding the professional qualifications of directors and the independence of independent directors.		0
Committee member (Independent Director)	Lai Sun-Quae			3
Committee member (Independent Director)	Lin Shoei-Loong			0
Committee member (Independent Director)	Wu Yang-Chang			0

Note: The convener Wang Der-Shan resigned on March 5, 2025.

(2)Operation of the Remuneration Committee

A. The Company's remuneration committee has a total of 3 members.

B. The term of the current members is from May 24th, 2023 to May 23th, 2026. In the most recent fiscal year, the Remuneration Committee held two meeting (A). The attendance by the members was as follows :

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A)	Remarks
Convener	Wang Der-Shan	2	0	100.00%	
Committee member	Lai Sun-Quae	2	0	100.00%	
Committee member	Lin Shoei-Loong	2	0	100.00%	
Committee member	Wu Yang-Chang	2	0	100.00%	

Other information required to be disclosed:

- 1.If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons). : None.
- 2.With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion. : None.
- 3.The operation of the Remuneration Committee should be disclosed, including the date and term of the Board meeting, the agenda, the resolution of the Remuneration Committee, and the company's handling of the opinions of the Remuneration Committee regarding remuneration and compensation :

Board of Directors Date/Term	Compensation Committee Date/Term	Agenda items and follow-up actions
2024.08.13 9th ?th	2024.08.13 5th 2th	Discussion on amending the "Regulations Governing Compensation and Remuneration for Managerial Officers."
		Resolution of the Compensation Committee: After the chairman consulted with all members of the Audit Committee and there were no objections, the proposals were approved and submitted to the Board of Directors for further discussion.
		Handling of the Company's opinions on the Compensation Committee: The proposal was approved by all attending directors.
2024.11.1 9th ?nd	2024.11.1 5th 4st	Request for discussion on the allocation of year-end bonuses and performance-based bonuses for the fiscal year 2024.
		Resolution of the Compensation Committee: After the chairman consulted with all members of the Audit Committee and there were no objections, the proposals were approved and submitted to the Board of Directors for further discussion.
		Handling of the Company's opinions on the Compensation Committee: The proposal was approved by all attending directors.

Other resolution items not approved by the Compensation Committee but have been approved by over two-thirds of the entire board of directors: None.

4. The implementation of recusal by the Compensation Committee for matters involving conflicts of interest should include the names of the committee members, the content of the resolution, the reasons for recusal, and their participation in the vote: No such cases exist.

5. Communication between the Compensation Committee and the internal personnel manager and the board meeting unit should include :

- (1) The personnel manager and the board meeting unit of the Company communicate with the Compensation Committee irregularly.
- (2) The personnel manager and the board meeting unit of the Company communicate the content of the current agenda to the Compensation Committee before each scheduled meeting. The execution situation and results of personnel affairs have been fully communicated.
- (3) For the agenda of the two Compensation Committee meeting in 2024, the personnel manager and the board meeting unit have reported and fully communicated with the Compensation Committee in advance.
- (4) The communication channels between the personnel manager and the board meeting unit and the Compensation Committee are smooth and they can contact each other directly as needed.

2.3.5 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons :

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I、Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>To strengthen the management of sustainable development, the Company revised its “Corporate Social Responsibility Best Practice Principles” to the “Sustainable Development Best Practice Principles”, which was approved by the Board of Directors on February 22, 2022. In line with the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” issued by the Financial Supervisory Commission (Ref. No. Financial-Securities-Firm-1110381030 dated March 9, 2022), the Company has established a Sustainable Development Committee, along with a Sustainability Task Force, to identify material sustainability issues concerning the Company’s operations and its stakeholders, formulate corresponding strategies and operational guidelines, allocate sustainability-related budgets across departments, plan and implement annual sustainability initiatives, and track performance to ensure that the Company’s sustainability strategy is effectively integrated into daily operations. The Board of Directors regularly receives reports from the management team. The management is responsible for proposing corporate strategies to the Board, which in turn evaluates their feasibility, monitors their progress, and, when necessary, urges the management team to make timely adjustments.</p> <p>1. On November 1, 2024, the Company established the Sustainable Development Committee under the Board of Directors. According to the Organizational Regulations of the Sustainable Development Committee, the committee shall convene at least once per year and report its annual implementation results and the following year’s plan to the Board of Directors in the first quarter of each year.</p> <p>2. The Sustainable Development Committee consists of three members, including two directors and the Corporate Governance Officer. The main responsibilities of the Committee include: (1) Establishing, promoting, and strengthening the</p>	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																
	Yes	No	Summary description																	
			<p>Company’s sustainable development policies, annual plans, and strategies.(2) Reviewing, tracking, and revising the implementation and effectiveness of sustainability initiatives.(3) Supervising sustainability-related disclosures and reviewing the Company’s sustainability reports. (4) Supervising the implementation of the Company’s Sustainable Development Best Practice Principles and other sustainability-related initiatives as resolved by the Board of Directors.</p> <p>3.The current term of the Committee is from October 31, 2024, to May 17, 2026. The qualifications and experience of the current Committee members are as follows:</p> <table><tr><th>Title</th><th>Name</th><th>Sustainability Expertise and Competencies</th></tr><tr><td>Chairperson and Convener (Chairman)</td><td>Lee Yi-Li</td><td>Sustainable development strategy</td></tr><tr><td>Committee Member (Vice Chairman and General Manager)</td><td>Lee I-Lin</td><td>Participating in social welfare activities, organizing relevant medical events and seminars, and managing energy use and supply chain operations related to production.</td></tr><tr><td>Committee Member (Deputy Manager of Public Affairs)</td><td>Hao-Lun Ni</td><td>Assisting with matters related to sustainable development.</td></tr></table> <p>4.We reported the 2024-year execution status to the board of directors on February 26, 2025, as follows :</p> <table><tr><th>Item</th><th>Execution status</th></tr><tr><td>1</td><td>Our company website has disclosed the actual implementation status of</td></tr></table>	Title	Name	Sustainability Expertise and Competencies	Chairperson and Convener (Chairman)	Lee Yi-Li	Sustainable development strategy	Committee Member (Vice Chairman and General Manager)	Lee I-Lin	Participating in social welfare activities, organizing relevant medical events and seminars, and managing energy use and supply chain operations related to production.	Committee Member (Deputy Manager of Public Affairs)	Hao-Lun Ni	Assisting with matters related to sustainable development.	Item	Execution status	1	Our company website has disclosed the actual implementation status of	
Title	Name	Sustainability Expertise and Competencies																		
Chairperson and Convener (Chairman)	Lee Yi-Li	Sustainable development strategy																		
Committee Member (Vice Chairman and General Manager)	Lee I-Lin	Participating in social welfare activities, organizing relevant medical events and seminars, and managing energy use and supply chain operations related to production.																		
Committee Member (Deputy Manager of Public Affairs)	Hao-Lun Ni	Assisting with matters related to sustainable development.																		
Item	Execution status																			
1	Our company website has disclosed the actual implementation status of																			

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<div>various important sustainability issues that the company continues to promote.</div> <div>2 We have formulated practical guidelines for sustainable development and placed them on the website and in a network-attached storage (NAS) system that all company colleagues can access, while strengthening related preventive measures and education campaigns.</div> <div>3 We have established an employee complaint area on our company website, allowing employees to have the right and channel to obtain information and express opinions about the company's business management activities and decisions.</div> <div>4 We have also set up a customer complaint area on our company website, enabling consumers to have a transparent and effective consumer complaint process for our products and services, with fair and timely handling of consumer complaints.</div> <div>5 Our company implements waste sorting on a daily basis and recycles paper and paper mills at the end of each year.</div> <div>6 Our Yangmei plant, leased from Maywufa Company Limited, has a qualified certified wastewater treatment facility to avoid polluting water resources.</div> <div>7 All employees of our company have signed labor contracts, and the contract content complies with relevant laws and regulations related to human rights, gender equality, job rights, and benefits.</div> <div>8 Our refining plant has obtained the PIC/S GMP certification from the Ministry of Health and Welfare, and we follow relevant domestic regulations related to drug production.</div> <div>9 We have developed personal data protection management guidelines and comply with relevant laws and regulations related to personal data protection, ensuring the protection of consumer privacy and the personal</div>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			data provided by consumers.	
			10 In January and November 2024, we supported the Taiwan Neurotrauma and Critical Care Society in hosting three events, enhancing the clinical care quality for stroke among new specialist physicians.	
			11 In March 2024, we sponsored the Taiwan Oncology Nursing Society Annual Meeting, providing 200 copies of the updated "CRF Cancer-Related Fatigue Diagnosis and Care Guidelines", increasing awareness and recognition of cancer-related fatigue among healthcare professionals and the public.	
			12 In March and May 2024, we sponsored the Taiwan Society of Clinical Oncology, improving the medical quality of cancer clinical care for healthcare professionals.	
			13 In April 2024, we sponsored the Taiwan Pain Society Annual Meeting, enhancing the medical quality of pain management for healthcare professionals	
			14 In May 2024, we sponsored the Taiwan Joint Cancer Conference (TJCC) to improve the quality of cancer-related fatigue treatment.	
			15 In May, July, and August 2024, we sponsored three Taiwan Palliative Medicine Society Early Palliative Care Seminars, advancing the quality of cancer fatigue treatment and care.	
			16 In June 2024, we sponsored the Taiwan Society of Minimally Invasive Spine Surgery Summer Conference, enhancing and refining physicians' expertise in the field.	
			17 In June 2024, we sponsored the Taiwan International Breast Cancer Symposium (2024 TIBCS), improving the quality of breast cancer treatment for healthcare professionals.	
			18 In August 2024, we sponsored the Breast Cancer Education and Prevention Society Seminar, raising awareness about breast cancer	

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<div>prevention and treatment, and promoting women's health in Taiwan.</div> <div>19 In September and November 2024, we sponsored two Taiwan Oncology Nursing Society Cancer Patient Clinical Care Guideline Hospital Briefings, improving the quality of clinical cancer care among healthcare professionals.</div> <div>20 In October 2024, we sponsored the ASSMN Asia Surgical Metabolism and Nutrition Conference, presenting a paper introducing new treatments for metastatic colorectal cancer to enhance the clinical quality of oncology specialists.</div> <div>21 In October 2024, we sponsored the Taiwan Breast Medicine Society's TIBCS Taipei International Breast Cancer Symposium, releasing real-world National Health Insurance (NHI) data to raise awareness of cancer-related fatigue.</div> <div>22 In October 2024, we sponsored the Taiwan Formosa Health Education Society, promoting early detection and treatment of breast cancer and providing comprehensive support and care for patients and their families.</div> <div>23 In November 2024, we sponsored the Taiwan Palliative Medicine Society Annual Meeting, improving the quality of cancer-related fatigue treatment and care among healthcare professionals.</div> <div>24 In November 2024, we sponsored the Taiwan Anti-Cancer Association's "2024 Unyielding Knights Cycling Tour Around Taiwan Dream Project," providing health supplements ("Huang Qi Drink") to support cancer patients and raise public awareness of cancer prognosis.</div> <div>25 In December 2024, we sponsored the Taiwan Society of Minimally Invasive Spine Surgery Annual Meeting, furthering physicians' expertise in the field.</div> <div>In 2024, the Company actively participated in various social welfare activities. To</div>	

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			enhance the quality of healthcare professionals and promote patient well-being, the Company collaborated with major medical associations and healthcare institutions to host academic annual meetings, clinical education courses, and expert symposiums. In total, over 700 medical outreach events were conducted, providing healthcare education and training to more than 20,000 medical professionals and delivering health education to over 60,000 patients. On February 26, 2025, the Board of Directors reviewed the Company's sustainability performance for 2024 and provided guidance and recommendations accordingly.	
2.Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<ol style="list-style-type: none"> 1. This disclosure covers the sustainable performance of the company's main locations from January to December 2024. The risk assessment boundary is primarily based on the company and includes existing locations in Taiwan. 2. On November 1, 2024, the Board of Directors approved the Company-wide "Risk Management Policy and Procedures." The risk management organizational structure includes the Board of Directors, Audit Committee, senior management, the internal audit unit, R&D department, manufacturing units, and administrative departments. The risk management procedures cover risk identification, risk assessment, risk monitoring, risk reporting and disclosure, and risk response, enabling the Company to effectively identify operational risks and implement appropriate measures to ensure proper management. The execution of risk management for the year 2024 was reported to the Board of Directors on February 26, 2025. For detailed information, please refer to the Company's website. 3. The Company has established a Risk Management Procedure in accordance with PIC/S GMP guidelines, serving as the highest guiding principle for its risk management practices. To ensure the safety and quality of pharmaceutical products, the Company has formulated this Standard Operating Procedure (SOP) to define the methods for identifying, analyzing, evaluating, and 	No difference.

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>controlling product-related risks, and strictly adheres to it. During design changes and production phases, the Company conducts immediate risk assessments to identify potential product hazards. Following risk analysis and risk evaluation, appropriate risk control measures are implemented to reduce risks, and the overall risk acceptability is subsequently assessed. The product risk management process does not conclude upon completion of product design and manufacturing; instead, it extends into the post-production phase, including the collection of post-market information to support ongoing risk management. The Company aims to ensure that all risks arising from various activities are controlled within an acceptable range.</p> <p>4. Based on the risk assessment, the following risk management policies or strategies have been established :</p> <p>① Environmental Protection The company is mainly engaged in research, development, and manufacturing of plant-based medicines, which have less adverse impact on the environment, as they are developed using plant-based materials instead of chemical substances.</p> <p>② Product Responsibility The company requires its suppliers to obtain necessary environmental permits (e.g. emission monitoring), approvals, and registration documents, and to maintain and update them regularly. The company also requires suppliers to identify and manage chemicals and other substances that may cause harm when released into the environment, to ensure safe handling, transportation, storage, use, recycling, reuse, and disposal of these substances.</p> <p>③ Labor Relations Employees are the company's greatest asset, and the company is committed to creating a friendly and equal work environment, following the principles</p>	

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>of "hiring the right people for the right jobs" and "mutual trust and respect" among colleagues and between employees and the company, in order to enable each employee to contribute their talents.</p> <p>④ Anti-Corruption The company's personnel department is responsible for revising, implementing, interpreting, providing consulting services, and recording related content of this regulation, and supervising its implementation. The company has established "Code of Conduct", "Code of Ethics", "Integrity Management Operating Procedures and Behavioral Guidelines", internal control systems, and methods for defining rights and responsibilities, as well as other measures to prevent corruption. In addition, the company coordinates internal audit operations, internal control self-assessment operations, and provides a hotline for reporting violations of professional ethics. When the company signs contracts with suppliers, they are also required to sign a statement of integrity, strictly prohibiting the direct or indirect provision, promise, request, or receipt of bribes, commissions, gifts, kickbacks, or other undue benefits to or from any employee of the company. To establish a good working relationship, the company also requests that its suppliers not engage in any direct or indirect form of commitment, bribery, commission, kickbacks, gifts, entertainment or other improper benefits to any employee of the company. The company's contracts with its main suppliers contain a clause for maintaining their corporate social responsibility policies, and for terminating or dissolving the contract when the supplier violates the law and is unable to improve in a timely manner.</p> <p>⑤ Intellectual Property Rights The company has formulated "Intellectual Property Management Measures", "Standard Operating Procedures for Retrieving Intellectual Property Data", and "Patent Application Procedures", strictly adhering to</p>	

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>the confidentiality of trade secrets, and prohibiting the collection or acquisition of non-job-related internal trade secrets, trademarks, patents, copyrights, and other intellectual property. The company also signs confidentiality agreements (Non-Disclosure Agreement, NDA) with its suppliers and customers, and follows the "Network Use and Confidential Document Management Measures" and "BI Business Intelligence Use Management Measures" to protect its trade secrets.</p> <p>⑥ Compliance with Social and Economic Regulations</p> <p>The company follows the laws and regulations of the countries where it operates and exports its products, as well as international standards. All products comply with international safety standards, international environmental regulations, and import and export regulations, ensuring that the company's commercial operations comply with relevant regulations and ethical standards. The company also holds training courses for its employees on a regular basis to promote compliance with legal regulations.</p>	
3.Environmental Issues (1)Has the Company set an environmental management system designed to industry characteristics?	✓		Our company is primarily engaged in researching, developing, and manufacturing plant-based medicines. Our philosophy is to develop new drugs for the treatment of diseases based on plants rather than chemical substances, which has less adverse impact on the environment.	No difference.
(2)Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		Our company has established an environmental management system based on the characteristics of our plant-based pharmaceutical refining and extraction facilities. We require strict testing for pesticide residues and heavy metals for the Chinese medicinal materials used. Our plant-based pharmaceutical refining and extraction facilities are located in the Yangmei Youshi Industrial Park in Taoyuan County, and are built in accordance with PIC/S GMP standards. We actively promote various energy-saving measures, select equipment with high energy efficiency and energy-saving designs, and expand the use of renewable energy to	No difference.

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			optimize energy consumption for the company and our products. We use raw materials that comply with EU regulations, such as environmental permits (such as emission monitoring), approval and registration documents, and regularly maintain and update them. We also require our suppliers to identify and manage chemical and other substances that may cause harm when released into the environment, to ensure safe handling, transportation, storage, use, recycling, reuse, and disposal of these substances. In green manufacturing, we reduce unnecessary resource waste, seek waste reduction and reuse technology development, and collaborate with our supply chain partners to share packaging materials. Additionally, we strive to use low-impact recycled materials in our products to maximize the benefits of a circular economy.	
(3)Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		<p>Regarding the potential risks and opportunities associated with climate change and greenhouse gas emissions:</p> <p>1. Risks to companies from climate change-related regulations As regulations and agreements related to climate change become more stringent globally, companies operating in the new drug development industry like ours are minimally affected by the impact of global climate change and greenhouse gas emissions. However, as responsible corporate citizens, we will continue to monitor relevant domestic and foreign regulations and strive to meet industry trends in social responsibility.</p> <p>2. Real risks to companies from climate change In response to the dramatic effects of greenhouse gases on global climate change, companies may incur indirect or direct increases in operating costs. These real risks to our company include :</p> <p>(1)Water resource instability after typhoons causing decreased production or production shutdowns.</p> <p>(2)Heavy rainfall leading to road collapses or waterlogging, preventing the company's products from reaching customers.</p>	No difference.

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary description							
			(3)Strong winds causing power outages, affecting the company's ability to operate fully. 3. Opportunities for companies from climate change In response to climate change, companies will have a greater demand for energy-saving or green products, which will encourage them to actively invest in the use and development of energy-saving or green products, contribute to sustainable environments, and enhance the competitiveness of their industry. To reduce the above-mentioned risk factors, our company is simultaneously identifying feasible opportunities and devising corresponding measures. In terms of mitigating climate change, we are developing green operations, energy management, carbon information disclosure, and green building projects. In terms of adapting to climate change, our company has implemented measures to strengthen basic infrastructure, build sustainable operation capabilities, and fully utilize green buildings.							
(4)Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		trategies, methods, and goals for managing greenhouse gas emissions, water usage, and total waste weight are as follows : 1. The Company (including the Taipei Headquarters and the Yangmei Purification Plant) has completed the inventory of greenhouse gas emissions, water consumption, and waste generation for 2023 and 2024, in accordance with the planning framework of the “Sustainability Roadmap for TWSE/TPEX Listed Companies” issued by the Financial Supervisory Commission. The details are as follows: The years 2023 <table><tr><td>Category/ Item</td><td>Direct greenhouse gas emissions (Category 1)</td><td>Energy-related indirect greenhouse gas emissions (Category 2)</td><td>Transportation Indirect Emission Sources (Category 3)</td><td>Raw Material/Service Indirect Emission Sources (Category 4)</td><td>TTL</td></tr></table>	Category/ Item	Direct greenhouse gas emissions (Category 1)	Energy-related indirect greenhouse gas emissions (Category 2)	Transportation Indirect Emission Sources (Category 3)	Raw Material/Service Indirect Emission Sources (Category 4)	TTL	No difference.
Category/ Item	Direct greenhouse gas emissions (Category 1)	Energy-related indirect greenhouse gas emissions (Category 2)	Transportation Indirect Emission Sources (Category 3)	Raw Material/Service Indirect Emission Sources (Category 4)	TTL					

Item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons		
	Yes	No	Summary description					
			Emission Equivalents	114.7100	1440.7500	—	—	1555.4600
			Percentage	7.37%	92.63%	0.00%	0.00%	100.00%
			Note: Category 1(Scope 1), Category 2 (Scope 2), Category 3, and Category 4 (Scope 3).					
			The years 2024					
			Category/Item	Direct greenhouse gas emissions (Category 1)	Energy-related indirect greenhouse gas emissions (Category 2)	Transportation Indirect Emission Sources (Category 3)	Raw Material/Service Indirect Emission Sources (Category 4)	TTL
			Emission Equivalents	495.2566	1425.6840	15.3271	300.1893	2236.4570
			Percentage	22.14%	63.75%	0.69%	13.42%	100.00%
			The water usage and waste audit findings for the years 2023 and 2024 are as follows:					
			Year	Water consumption (in metric tons)	Waste (in metric tons)			
					hazardous	Non-hazardous	TTL	
			2023	20,203.01	0	5.50	5.50	
			2024	14,860.78	0	16.05	16.05	
			2. Strategies for addressing climate change or greenhouse gas management: In response to the global trend of carbon reduction and to fulfill corporate social responsibility, our company is committed to the following actions :					
			(1)Accurately monitor greenhouse gas emissions.					
			(2)Develop a greenhouse gas reduction plan.					
			(3)Actively engage in greenhouse gas reduction efforts.					
			(4)Increase the proportion of green energy use.					
			3. Reduction targets and progress for greenhouse gas emissions, water usage, and waste :					
			In 2024, the Company’s greenhouse gas (GHG) emissions increased by					

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>approximately 680.997 metric tons, representing a 43.78% increase. Water consumption decreased by 5,342.23 metric tons, a 26.44% reduction. Waste generation increased by 10.55 metric tons, reflecting a 191.82% rise.</p> <p>The targets of achieving an annual reduction of more than 3% were not met for GHG emissions and waste generation; only water consumption met the reduction goal. Moving forward, the Company will strengthen the management and control of GHG emission sources to achieve a gradual year-on-year reduction in emissions.</p> <p>4. Budget and plans for reducing greenhouse gas emissions, water usage, and waste :</p> <p>Our company's environmental cost accounts for about 1% of the company's output value. As the company's output value continues to increase, we will continue to invest in environmental protection expenses and energy-saving measures to achieve our annual reduction target of more than 3% for greenhouse gas emissions, water usage, and waste.</p>	
<p>4.Social Issues</p> <p>(1)Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	✓		<p>In compliance with labor-related laws and regulations, our company ensures that all employees are covered by labor insurance, national health insurance, and contribute to a personal account for labor retirement pension. Additionally, we provide accident insurance for all employees to ensure protection in case of accidents occurring outside of work. Our company's regulations regarding work hours, rest, vacation, overtime, and retirement fully comply with labor laws and have been approved by the competent authorities. Furthermore, we have established a welfare committee to organize regular activities and advocate for the maximum benefits of our employees.</p> <p>Regarding retirement, whether under the old or new system, we fully comply with the Labor Standards Act and relevant regulations, ensuring that employees' rights and benefits are fully protected. During the financial crisis, we took into</p>	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																		
	Yes	No	Summary description																			
			<p>consideration the employees' families and did not implement measures such as layoffs or unpaid leave, thus fulfilling our corporate social responsibility.</p> <p>In terms of human rights, we refer to international human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization. We aspire to be an international corporate citizen that advocates for human rights.</p> <p>Regarding diversity in the workplace, our company provides a safe and healthy work environment and respects and implements diversity. In the process of selection, employment, training, and promotion, we do not discriminate based on race, class, language, religion, political affiliation, place of origin, gender, sexual orientation, age, marital status, appearance, physical or mental disability, or past union membership. We protect our employees from discrimination, harassment, or unequal treatment based on applicable laws and regulations.</p> <table><tr><th>Indicator</th><th>%</th></tr><tr><td>Percentage of female employees among total employees</td><td>60%</td></tr><tr><td>Percentage of female supervisors among all supervisors</td><td>75%</td></tr><tr><td>Percentage of female top executives among all top executives</td><td>60%</td></tr></table> <table><tr><th>Gender pay equity indicator</th><th>Gap</th></tr><tr><td>Gender pay gap in average salary</td><td>0.70</td></tr><tr><td>Gender pay gap in median salary</td><td>0.65</td></tr><tr><td>Gender gap in average variable bonus</td><td>0.65</td></tr><tr><td>Gender gap in median variable bonus</td><td>0.62</td></tr></table> <p>Our company, though not having a labor union organization, still adheres to government labor laws and holds regular labor-management meetings for two-way communication and negotiation. In addition, we occasionally hold labor-management meetings in accordance with Article 83 of the Labor Standards Act</p>	Indicator	%	Percentage of female employees among total employees	60%	Percentage of female supervisors among all supervisors	75%	Percentage of female top executives among all top executives	60%	Gender pay equity indicator	Gap	Gender pay gap in average salary	0.70	Gender pay gap in median salary	0.65	Gender gap in average variable bonus	0.65	Gender gap in median variable bonus	0.62	
Indicator	%																					
Percentage of female employees among total employees	60%																					
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I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>to discuss issues related to promoting labor-management cooperation, coordinating labor relations, improving labor conditions, and planning labor welfare. We also require our suppliers to comply with the same human rights policies and are committed to creating the best practices for human rights in the biopharmaceutical industry. The policy and specific management plan for safeguarding human rights that our company implemented in 2024 are summarized as follows:</p> <ol style="list-style-type: none"> 1.No operational locations or suppliers violate or seriously endanger freedom of association and collective bargaining. 2.No operational locations or suppliers have significant risks of using child labor. 3.No operational locations or suppliers have significant risks of forced or compulsory labor. 4.No human rights issues have been filed, processed, and resolved through formal complaint mechanisms. 5.Our company and suppliers have not been involved in any events related to violating indigenous peoples' rights. 6.No human rights complaints have been filed. 7.No discrimination events have occurred. 8.No violations of regulations related to social categories have occurred, nor have any fines been imposed. 9.There are no significant actual or potential negative impacts on human rights in the supply chain. <p>In addition, the Company has established the “Regulations for Prevention, Complaint, and Disciplinary Measures for Workplace Sexual Harassment,” which have been published on the Company’s website. In 2024, a total of three human rights training sessions were held as part of the onboarding program, with a cumulative duration of six hours and a total of 9 participants. Going forward, the Company will continue to focus on human rights protection, promote relevant</p>	

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			training and education, and enhance awareness to reduce the potential risks associated with human rights issues.	
(2)Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		<p>1. Our company has established a Welfare Committee for employees in accordance with government regulations, and allocated welfare funds as required by law. Both labor and management jointly supervise the use and management of the welfare funds. We also comply with the Labor Standards Act and related laws to establish various salary standards, attendance and leave policies, and welfare measures for employees. We provide competitive benefits to motivate our employees, conduct regular evaluations, distribute performance bonuses, and share the profits with our colleagues.</p> <p>2. In addition to the salaries set forth in the company's bylaws, our employees' compensation is estimated based on the company's annual profits and their performance, and adjustments and incentive rewards are made accordingly. We aim to improve employees' sense of belonging and loyalty to the company by providing appropriate compensation and benefits.</p>	No difference.
(3)Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<p>1. Security and access control system : There are access control systems at all workplace entrances and exits, and security personnel coordinate access control operations. The facility is equipped with surveillance systems and 24-hour security personnel to conduct regular safety patrols and ensure the safety and protection of the plant.</p> <p>2. Fire Safety Management : No fire incidents occurred in our company in 2024. To enhance fire safety management, our company conducts regular fire safety inspections every year, establishes a fire prevention management team, and holds fire safety training sessions with practical fire extinguisher drills every six months. All equipment, such as emergency lighting, evacuation signs, and fire extinguishers, undergo regular inspections.</p> <p>3. Occupational safety and health :</p>	No difference.

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>Before new employees start working, they are required to submit a physical examination report to identify their suitability for the job and assess whether they are fit for the work to avoid threats or injuries to their health caused by work. Regular health checks are also implemented for current employees. Outdoor smoking areas are planned in accordance with the government's smoke-free workplace policy, and lactation rooms are set up for postpartum female employees. Monthly overtime hours for employees do not exceed 46 hours.</p> <p>4. Establishment of occupational safety and health management units : According to the Regulations for Occupational Safety and Health Management, an occupational safety and health supervisor is appointed to implement the relevant provisions of the Occupational Safety and Health Act and its enforcement regulations, prevent occupational accidents, protect employee safety and health, maintain the common rights and interests of labor and management, and promote sound business development.</p> <p>5. Company Verification Status: As of the printing date of the 2024 annual report, the company has not obtained relevant labor safety verification.</p> <p>6. Occupational Accident Situation: The company regards disaster prevention and disaster mitigation as core principles, utilizing appropriate management tools and available resources to integrate occupational safety and health issues. Effective measures are proposed and continuously improved to promote a culture of occupational safety. Additionally, protective management for operational personnel is strengthened to create a zero-accident environment. In 2024, there were no occupational accidents involving employees, with zero cases and zero individuals affected.</p>	

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(4)Has the Company established effective career development training programs for employees?	✓		We prioritize long-term talent development in our company, and plan various internal and external training programs based on the needs of our organization, departments, and individual employees. For example, we hold motivational meetings every month and invite well-known external figures to share new information with our employees, to enhance and update their knowledge and skills, and to establish effective career capabilities, please refer to page 114-115 of this year's annual report.	No difference.
(5)Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		Our company has established "Personal Information Protection Guidelines" and "Internet Use and Confidential Document Management Measures" to protect consumer rights and establish complaint procedures. We have also created a stakeholder area on our official website, providing customers with a channel to voice their complaints. We continuously monitor product safety information and implement a sound personal information management mechanism to fulfill our commitment to manage and protect customer privacy. Through internal auditing, crisis prevention, and education and training, we safeguard our customers' personal information.	No difference.
(6)Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		Our company has established a PIC/S GMP-certified plant and formulated a "Supplier Management Procedure." In terms of raw material supply, engineering, and machinery equipment design, contractors and suppliers are required to comply with relevant regulations regarding environmental protection, occupational safety and health, and labor rights. We conduct annual evaluations of supplier implementation, and if a supplier violates our corporate social responsibility policy and has a significant negative impact on the environment or society, we may terminate or rescind the contract based on mutual agreement. If a supplier violates legal regulations and cannot improve promptly, we reserve the right to terminate the contract.	No difference.
5.Does the company refer to international reporting standards or		✓	Our company has not yet compiled a sustainability report. However, all employees are actively promoting energy conservation and carbon reduction to	Not yet compiled.

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?			enhance the effectiveness of sustainable development. The company is also considering the compilation of a sustainability report in accordance with regulatory policies and operational conditions.	
<p>6.If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations :</p> <p>In April 24, 2014, the board of directors of our company passed the "Corporate Social Responsibility (CSR) Practices Guidelines," which was renamed the "Sustainability Practices Guidelines" on February 24, 2015 and February 22, 2022. The guidelines have been revised to strengthen the implementation of corporate social responsibility. Our company regularly reviews and improves its implementation in accordance with these guidelines, and reports on the execution of our sustainability practices to the board of directors every year during the first quarter (2025.02.26). Our company operates under a corporate culture of "integrity, reciprocity, and politeness," where everyone from top management to all employees shares a common belief and code of conduct, and actively practices our social responsibility as a corporation. Therefore, there have been no significant deviations in our implementation thus far.</p>				
<p>7. Other important information to facilitate better understanding of the company's promotion of sustainable development :</p> <p>(1) In terms of promoting sustainable development, our company adheres to the corporate culture of "integrity, mutual benefit, and courtesy" as a code of conduct :</p> <p>① Integrity - Conducting business with integrity and regularly reporting on the implementation of sustainable development to the board of directors.</p> <p>② Mutual benefit - Adhering to the principle of mutual benefit in our relationships with stakeholders, including employees, shareholders, suppliers and customers upstream and downstream, consumers, communities, and banks, and sharing the economic value created by the company.</p> <p>③ Courtesy - Placing importance on corporate ethics internally and following laws and moral standards externally. Our company has established a code of ethics for directors and supervisors and a code of ethical behavior for first-level managers to regulate their ethical standards.</p> <p>(2) In terms of environmental protection, our company mainly engages in the research and development of plant-based medicines. We value environmental protection from the acquisition of raw materials (Chinese medicinal herbs) and strictly test for pesticide residues and heavy metals. The production processes and equipment for refining plant-based medicines also incorporate the reuse of recyclable resources in their</p>				

I t e m	I m p l e m e n t a t i o n s t a t u s			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>design to reduce their impact on the environment, fulfilling our responsibility as a corporate citizen to protect the earth and promote sustainable development. Our production factory meets the PIC/S GMP standards, and all products are produced in accordance with international environmental regulations and have obtained relevant certifications.</p> <p>(3) The wastewater discharged from our factory is treated in the wastewater treatment plant of the Yongmei Lion Industrial Park with the permission of the management. The Yongmei factory we lease has also submitted a plan for water pollution prevention and control to the Taoyuan County Environmental Protection Bureau, and obtained a water pollution prevention and control permit with the permit number H3615-03. The permit is valid until March 10, 2030 and may be renewed upon expiration.</p> <p>(4) Our company engages in the development of new drugs, and the human clinical trials involved in the process must be approved by the "Institutional Review Board" (IRB) of participating hospitals before proceeding. For clinical trials registered for inspection, approval from the Food and Drug Administration of the Ministry of Health and Welfare is required before proceeding. After the completion of human clinical trials, we must apply for new drug inspection registration from the Ministry of Health and Welfare, and only upon approval can we obtain the drug certificate.</p>				

2.3.5.1 Execution status of climate-related information:

Item	Implementation status
1. Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management.	The Board of Directors of the company will report annually in the first quarter on the implementation status of sustainable development initiatives in the preceding year. Led by the Chairman, the company will assist in promoting corporate sustainability and climate change-related management actions. It will evaluate climate change issues, company characteristics, and relationships within the supply chain to identify significant risks and opportunities while addressing the substantial risks posed by global warming to the global economy. This proactive approach aims to mitigate the impact of climate change and maximize the company's benefits. In the future, the company will regularly report on the progress of ESG initiatives and ESG implementation goals to the Board of Directors.
2. The identified climate risks and opportunities are explained below in terms of their impact on the business, strategy, and finances of the enterprise in the short, medium, and	The Company is actively developing solutions aimed at mitigating the operational and financial impacts brought about by climate change, with the goal of enhancing the organization's climate resilience. It assesses the potential operational and financial impacts of relevant climate-related risks and opportunities, and formulates corresponding action plans to effectively respond to these climate

long term.

challenges.

R: Risk / O: Opportunity	Type of Risk / Opportunity	Short Term (Within 3 Years)	Medium Term (3–5 Years)	Long Term (Over 5 Years)
Risk	Transition Risk Risks arising from the transition to a low-carbon economy, including policy, legal, technological, market, and reputational risks.	Greenhouse gas emission caps	Changes in consumer demand and preferences. Transition to low-carbon technologies. Inadequate climate action may lead to reputational damage.	Net-zero emission trends
	Physical Risk Extreme rainfall patterns in Taiwan may negatively affect water quality and disrupt production. Climate change may drive up the cost of key commodities, affecting operations.	Increased flooding due to extreme climate patterns, potentially damaging operational assets	Increased drought leading to supply chain disruptions	Rising average temperatures
Opportunity	Opportunity Developing green products to reduce environmental impact; in response to the low-carbon transition, production equipment must gradually be replaced with energy-efficient or renewable-energy-powered systems. Production processes must also adopt new technologies to meet low-carbon standards.	Innovation and development of new low-carbon products and services	Improved resource use efficiency	Enhanced corporate reputation

The Company has conducted assessments of the aforementioned risks and identified climate-related risks and opportunities that may have a significant financial impact. The corresponding response strategies are outlined as follows:

R: Risk / O: Opportunity	Risk / Opportunity Description	Financial Impact	Response Strategy
R: Risk Extreme	Extreme Changes in Rainfall Patterns Extreme rainfall in Taiwan may negatively affect water quality and disrupt production.	Decrease in revenue	Promote water resource management and water-saving initiatives to improve water use efficiency;

	Changes in Rainfall Patterns			implement preventive measures in advance upon heavy rainfall warnings.
	R: Risk Policies and Regulations	Policies and Regulations The “Climate Change Response Act” is expected to introduce a carbon fee in the future.	Increase in costs	Continuously assess the impact and challenges of carbon fee-related regulations on the Company.
	R: Risk Increase in Raw Material Costs	Rising Raw Material Costs Climate change may drive up the cost of key commodities, affecting operations.	Increase in costs	Manage sourcing of raw materials to mitigate price volatility.
	O: Opportunity Technology	In response to the low-carbon transition trend, production line equipment must be gradually replaced with energy-efficient or renewable energy-powered machinery. Additionally, new technologies must be introduced into the manufacturing process to meet low-carbon requirements.	Asset revaluation gains	Construct a green, smart factory compliant with cosmetics GMP standards; upgrade or replace existing equipment with high-efficiency systems and smart monitoring to improve energy use and optimize operational management.
3. Description of the financial impact of extreme weather events and transition actions.	<p>Impact of Extreme Climate Events on Finance Through internal discussions and evaluations, the Company has identified potential risks to production and transportation stages arising from floods, droughts, changes in precipitation patterns, and extreme shifts in climate models. Heavy rainfall-induced flooding could cause operational shutdowns at sites and equipment damage, resulting in temporary suspension of deliveries. Meanwhile, drought and water shortages could disrupt production line operations, necessitating measures such as water conservation and water trucking across regions to maintain supply, thereby increasing operational costs. Regarding the risks posed by typhoons, flooding, changes in precipitation patterns, and extreme climate variations, the Company analyzed potential operational and financial impacts based on data from the Taiwan Climate Change Projection and Information Platform (TCCIP). Under this scenario, the number of typhoons affecting Taiwan by mid-century is projected to decrease by 15%, while the proportion of strong typhoons could double. The analysis indicates that the associated risks will increase accordingly.</p> <p>Impact of Transition Actions on Finance Under transition risks, the shift toward a low-carbon economy could involve significant policy, regulatory, technological, and market changes. During the analysis period, factors such as greenhouse gas emissions regulations, renewable energy policies, and shifts in consumer preferences may lead to increased operating</p>			

	<p>costs or reduced sales volumes. Given that the Company already markets some low-carbon products and continues to innovate and diversify its related product portfolio, no significant impact on market sales has been identified across various scenarios. Consequently, the Company's primary focus is on analyzing potential increases in operating costs. In a low-carbon transition scenario, carbon pricing is expected to increase operational and supply chain costs, thereby impacting the Company's consolidated financials.</p> <p>To address these transition risks, the Company is implementing energy-saving projects aimed at minimizing climate impact by reducing energy consumption, water usage, and waste generation throughout its operations and supply chain. Measures include improving energy efficiency, investing in green energy equipment, and developing green products that meet evolving consumer demands.</p> <p>These initiatives are expected to lead to increased capital expenditures and operational costs for the Company. According to preliminary preventive risk assessments, flood risks and extreme heat and drought risks caused by climate change are not expected to have a significant impact on the operations of the Company's headquarters.</p>
4. Description of how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	<p>On November 1, 2024, the Board of Directors approved the Company's "Risk Management Policy and Procedures," which serve as the highest guiding principles for the Company's risk management framework. Each management unit is responsible for the periodic assessment and review of risk-related matters. Senior management is in charge of strategic planning and oversees the implementation of risk-related decisions to enhance operational efficiency, with the goal of mitigating strategic and operational risks. Assessment results are reported to the Board of Directors. Climate change and environmental risk management have also been incorporated into the identification of relevant risks and opportunities.</p>
5. If using scenario analysis to assess resilience to climate change risks, the following should be explained: the scenarios, parameters, assumptions, analysis factors, and main financial impacts used in the analysis.	<p>The company has not yet used scenario analysis to assess resilience to climate change risks. In the future, various scenarios will be analyzed to formulate response strategies to mitigate potential financial losses resulting from these risks, turning crises into opportunities.</p>
6. If there is a transformation plan in response to managing climate-related risks, please explain the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks.	<p>The company actively implements risk mitigation measures to reduce organizational carbon emissions, as follows:</p> <ul style="list-style-type: none"> (1) Upgrading or replacing existing equipment with more energy-efficient alternatives. (2) Conducting greenhouse gas inventories for organizational carbon emissions in accordance with regulations in the future.
7. If internal carbon pricing is used as a planning tool, the basis for price	<p>Not applicable.</p>

determination should be explained.	
8.If climate-related targets are set, the covered activities, scope of greenhouse gas emissions, planned schedule, progress achieved each year, etc., should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related goals, the source and quantity of carbon offset credits exchanged or the quantity of RECs should be disclosed.	The company will continue to invest in various environmental expenditures and energy-saving measures to establish carbon reduction goals. It will continue to strive towards the annual reduction targets of over 3% for greenhouse gas emissions, water usage, and waste volume.
9. Greenhouse gas inventory, verification status, reduction targets, strategies, and specific action plans (also filled in sections 1-1 and 1-2).	In accordance with the Financial Supervisory Commission's Order No. 11203852314 issued on November 13, 2023, companies, whose paid-in capital does not exceed NT\$5 billion, should complete information disclosure reviews starting from 2026, and full disclosure starting from 2028 for the parent company. Subsidiaries included in the consolidated financial statements should complete information disclosure reviews starting from 2027, and full disclosure starting from 2029. As the current regulations do not require disclosure, it is not applicable.

2.3.6 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons :

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1.Establishment of ethical corporate management policies and programs (1)Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		<p>The company has established a "Code of Ethics" which sets out the principles of fair, honest, trustworthy, and transparent business practices. In order to implement the policy of integrity management and prevent non-compliant behavior, all personnel (including subsidiaries) of the company must comply with the guidelines and principles when conducting business activities. The guidelines include upholding the spirit of honesty, rigor, and professionalism in performing duties, being loyal to their duties, and not engaging in any illegal or improper activities. They must also avoid any conflict of interest that may arise between personal interests and company interests, and must not engage in any behavior that would bring discredit to the company. The company follows the law and regulations, including the Company Act, Securities and Exchange Act, Commercial Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Conflict of Interest Avoidance Act, and other relevant laws and regulations to ensure integrity in its business operations.</p> <p>The company's management team and board of directors are committed to promoting the implementation of the code of ethics. The board of directors practices self-discipline and refrains from participating in discussions and voting on proposals where they or their affiliated entities have a conflict of interest that could be harmful to the company. They may only provide opinions and answer questions related to the proposal. During discussions and voting, they must abstain from voting and recuse themselves from the matter. Directors are also not allowed to represent other directors in exercising their voting rights. The board of directors practices self-discipline and refrains from engaging in any improper mutual support.</p>	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(2)Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓		Our company has established the "Integrity Operating Procedures and Code of Conduct" and has disclosed it on our official website. The code of conduct prohibits bribery, accepting or offering improper benefits, providing or accepting facilitation payments, engaging in unfair competition practices, improper charitable donations or sponsorships, disclosing business secrets, and harming the rights and interests of stakeholders. We have implemented measures to prevent these behaviors and conducted education and training to ensure the implementation of our integrity management policy.	No difference.
(3)Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		The company engages in commercial activities based on principles of fairness, honesty, trustworthiness, and transparency. To implement a policy of ethical business practices and to prevent dishonest behavior, the company established the "Code of Conduct" on April 24, 2014, and revised it on February 24, 2015, August 8, 2017, and August 13, 2019, in accordance with the "Code of Ethics for Listed and Over-the-Counter Companies" and relevant laws and regulations in the countries and regions where the company and its subsidiaries operate. On July 20, 2017, the "Standard Operating Procedures and Behavioral Guidelines for Ethical Operations" were also established to specify the procedures and guidelines for each operation, penalties for violations, and the complaint system, and applied to the company's subsidiaries, affiliated organizations or entities that receive direct or indirect donations of more than 50% of their accumulated funds from the company, and other group companies and organizations that the	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			company has substantial control over.	
2.Ethical Management Practice (1)Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		Our company conducts business activities in a fair and transparent manner. Before engaging in any business transactions, we carefully consider the legality of agents, suppliers, customers, or other business partners and avoid conducting business with those who have a record of dishonest behavior. In the code of conduct agreement signed with our suppliers, we strictly prohibit our employees and cooperating factories from directly or indirectly providing, promising, requesting, or accepting bribes, commissions, entertainment, kickbacks, improper gifts, or any other illegitimate benefits during any business activity. To establish a good relationship, we also request that our cooperating factories do not engage in any form of bribery, commissions, kickbacks, gifts, entertainment, or other illegitimate benefits with any employee of our company. If any supplier violates the code of conduct agreement and is unable to improve their behavior in a timely manner, we reserve the right to terminate the contract.	No difference.
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year)	✓		The company's "Code of Conduct" specifies that the personnel department is responsible for revising, implementing, interpreting, providing consultation services, and recording related operations and supervising the execution of this regulation. It also requires regular reporting to the board of directors on the implementation status. On February 26, 2025, the company reported to the board	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																								
	Yes	No	Summary description																									
report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?			<div>of directors on the implementation of the Code of Conduct in 2024 as follows :</div> <table><tr><th>Item</th><th>Execution Status</th></tr><tr><td>1</td><td>Our company has established a "Code of Conduct," which is available on our official website and a network-attached storage system accessible to all employees. We have also strengthened relevant preventive measures and educational campaigns.</td></tr><tr><td>2</td><td>Newly-hired employees are required to provide a "Commitment to Integrity and Cleanliness" document, and training programs emphasize adherence to the "Labor Contract," "Employee Rules," and "Code of Conduct," with an obligation to keep company trade secrets confidential.</td></tr><tr><td>3</td><td>We have established a stakeholder area on our official website and encourage stakeholders to communicate their reasonable expectations and needs. We will respond appropriately to issues related to ethical business practices.</td></tr><tr><td>4</td><td>To prevent improper gift acceptance, all gifts given to our employees by vendors must be reported and handled by the Chairman's Office.</td></tr><tr><td>5</td><td>We require important suppliers to sign a declaration of integrity and hold them responsible for damages if they violate the agreement.</td></tr><tr><td>6</td><td>We have implemented our intellectual property policies, and there have been no incidents of infringement or leakage in the past year.</td></tr><tr><td>7</td><td>As of the end of 2024, our company has accumulated a total of 28 valid domestic and international patents and 141 domestic and international trademarks.</td></tr><tr><td>8</td><td>There have been no situations in which directors had to avoid interests at any of our four board meetings in the past year, and we have complied with all relevant laws and regulations.</td></tr><tr><td>9</td><td>We have not had any off-book accounts or secret accounts, and our audit department has carried out annual audit plans thoroughly.</td></tr><tr><td>10</td><td>In 2024, we continued to use weekly meetings or monthly motivational meetings to periodically promote and cultivate a culture of integrity and ethical business practices among all employees.</td></tr><tr><td>11</td><td>We have established a chairman's mailbox and hotline for employee communication and whistleblowing on violations of ethical business practices.</td></tr></table>	Item	Execution Status	1	Our company has established a "Code of Conduct," which is available on our official website and a network-attached storage system accessible to all employees. We have also strengthened relevant preventive measures and educational campaigns.	2	Newly-hired employees are required to provide a "Commitment to Integrity and Cleanliness" document, and training programs emphasize adherence to the "Labor Contract," "Employee Rules," and "Code of Conduct," with an obligation to keep company trade secrets confidential.	3	We have established a stakeholder area on our official website and encourage stakeholders to communicate their reasonable expectations and needs. We will respond appropriately to issues related to ethical business practices.	4	To prevent improper gift acceptance, all gifts given to our employees by vendors must be reported and handled by the Chairman's Office.	5	We require important suppliers to sign a declaration of integrity and hold them responsible for damages if they violate the agreement.	6	We have implemented our intellectual property policies, and there have been no incidents of infringement or leakage in the past year.	7	As of the end of 2024, our company has accumulated a total of 28 valid domestic and international patents and 141 domestic and international trademarks.	8	There have been no situations in which directors had to avoid interests at any of our four board meetings in the past year, and we have complied with all relevant laws and regulations.	9	We have not had any off-book accounts or secret accounts, and our audit department has carried out annual audit plans thoroughly.	10	In 2024, we continued to use weekly meetings or monthly motivational meetings to periodically promote and cultivate a culture of integrity and ethical business practices among all employees.	11	We have established a chairman's mailbox and hotline for employee communication and whistleblowing on violations of ethical business practices.	
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(3)Has the company established policies to prevent conflict of interests, provided appropriate	✓		Our company's "Integrity Management Code of Conduct" also sets forth a policy for avoiding conflicts of interest. When our company personnel encounter situations in which there is a conflict of interest with themselves or the legal	No difference.																								

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
communication and complaint channels, and properly implemented such policies?			entities they represent, or which could result in improper benefits for themselves, their spouse, parents, children, or any other stakeholders, they must proactively disclose such situations and report them to their immediate supervisor and the responsible department of our company (i.e., the human resources department) for appropriate guidance. Our company personnel may not use company resources for business activities outside the company and may not let such activities affect their job performance.	
(4)Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		To implement effective accounting and internal control systems in accordance with the principles of ethical operation, our company has established effective accounting and internal control systems for business activities with higher risks of unethical behavior. These systems are regularly reviewed as part of the risk assessment process, and there is absolutely no allowance for off-the-books accounts or secret accounts. The design and execution of these systems are constantly reviewed to ensure their continued effectiveness. The internal audit unit also includes high-risk operating items in the annual audit plan based on risk assessments, regularly checks compliance with these systems, and reports to the Audit Committee and the Board of Directors.	No difference.
(5)Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		Our company arranges annual education and training sessions, as well as seminars, related to ethical business practices for our directors and employees. These sessions include the monthly motivational meetings and weekly team meetings. For more detailed information on the relevant education and training sessions, please refer to pages 82-83.114-115. of our annual report.	No difference.
3.Implementation of Complaint Procedures (1)Has the company established specific whistle-blowing and reward procedures, set up	✓		The company has established the "Code of Conduct and Guidelines for Ethical Business Operations," which includes a whistleblowing and rewards system, providing a normal reporting channel, and designating appropriate personnel to handle reported cases. The company evaluates the effectiveness of the reported	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?			facts and provides appropriate rewards to the whistleblower.	
(2)Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		Our company has established the "Integrity Operation Procedures and Code of Conduct," which provides detailed guidelines for the investigation of reported incidents and outlines the standard operating procedures, follow-up actions to be taken after the investigation, and the relevant confidentiality mechanism.	No difference.
(3)Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		Our company has established the "Code of Conduct for Ethical Business Operations," which includes a reporting and rewards system and provides normal reporting channels. Appropriate personnel are assigned to handle reported matters, and effective measures are taken in response to the facts reported.	No difference.
4.Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		Our company's website is www.phytohealth.com.tw . We regularly disclose or update information related to our code of conduct and the progress of our integrity initiatives on our company website and the Taiwan Stock Exchange Market Observation Post (MOPS).	No difference.
5.If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation : Our company has established the "Code of Conduct for Ethical Management" and the "Operating Procedures and Behavior Guidelines for Ethical Management," and has implemented them without any violations. The content and related operations are not significantly different from the "Code of Conduct for Ethical Management" for listed and OTC companies.				
6.Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles) : A. The company adheres to the corporate culture of "Integrity, Reciprocity, and Courtesy" as a code of conduct : ① Integrity - uphold the principles of ethical corporate management and regularly report the implementation of ethical management to the board of directors. ② Reciprocity - interact with stakeholders, including employees, shareholders, upstream and downstream suppliers and customers, consumers, communities, and banks, on the basis of reciprocity and share the economic value created by the company. ③ Courtesy - place emphasis on corporate ethics internally and comply with laws and ethical standards externally. B. The company pays attention to the development of domestic and international ethical management regulations at all times and encourages directors, managers, and employees to provide suggestions for improving the company and enhancing the effectiveness of ethical management. C. All 12 directors have signed the Integrity Declaration, reaching a ratio of 100%. D. The company has signed the Integrity Management Statement with its suppliers and strictly requires its employees and all cooperation partners not to provide, promise, request or receive bribes, commissions, entertainment, kickbacks, improper gifts or any other illegitimate benefits, directly or indirectly, in any business activities. To establish a good cooperative relationship, the company also requests its cooperation partners not to engage in any form of direct or indirect form of contract, bribery, commission, kickback, gift, entertainment, or other improper benefits to any employee of the company. In case a supplier violates the ethical management policy and fails to make immediate improvement, the company may terminate the contract. As of 2024, all contracted suppliers have signed a declaration of integrity in business operations, representing 100% compliance for the entire year E. The company has established a stakeholder section on its official website, hoping that stakeholders can understand their reasonable expectations and needs through appropriate communication channels. The company will respond appropriately to important corporate social responsibility issues that stakeholders are concerned about. F. The company has implemented relevant measures regarding intellectual property rights and has not had any infringement or leakage incidents in 2024. G. The company does not have any secret external or secret accounts, and the audit unit executes the annual audit plan strictly.				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
H. The company has signed the Anti-Money Laundering and Counter-Terrorism Financing Statement with Taiwan Depository & Clearing Corporation, Fubon Securities, and other banks with whom it has business transactions.				

2.3.7 Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance :

1. The company follows the "Guidelines for Establishing Internal Control Systems for Public Companies to Handle Material Nonpublic Information," and has added the "Operating Procedures for Preventing Insider Trading Management." This system has been communicated to all employees, managers, and directors to prevent violations and occurrences of insider trading.
2. The company has established the "Corporate Governance Best Practice Guidelines," "Corporate Social Responsibility Guidelines," "Code of Ethics," "Integrity Management Guidelines," and "Operating Procedures and Conduct Guidelines for Integrity Management." These guidelines have been posted on the company's official website and communicated to all directors, managers, and employees to ensure compliance.
3. The courses attended by the managers of our company in 2024 are as follows :

(1) Financial and Accounting Supervisor/Manager : Huang Chih Yoan

Item	Institution of Continuing Education	Course title	Training hours
1	Accounting Research and Development Foundation	Impact of climate change risks on financial reporting	3
2	Accounting Research and Development Foundation	CFC related instructions	3
3	Accounting Research and Development Foundation	Cases of major corporate economic crimes and related legal responsibilities	3
4	Accounting Research and Development Foundation	Introduction to the legal responsibilities for the preparation of financial reports and the FSC's policies on sustainable finance	3

(2) Audit Manager : Yeh Li-Fong

Item	Institution of Continuing Education	Course title	Training hours
1	Securities and Futures Institute	How to Audit ESG Risks and Prepare an Effective Audit Report	6
2	The Institute of Internal Auditors-Taiwan	How to Adjust the Internal Control System to Comply with New ESG Regulations	6

(3) Audit agent : Kuo Hua-Ying

Item	Institution of Continuing Education	Course title	Training hours
1	Securities and Futures Institute	Exploration of Internal Control System Construction for Sustainable Information Management, New Challenges in Financial Risk Assessment, and AI in Risk Management.	6
2	Accounting Research and Development Foundation	How to Analyze Key Financial Information of Enterprises to Enhance Crisis Early Warning Capability.	6

In the future, we will continue to arrange for our managers and supervisors to participate in relevant training courses.

4. The courses attended by the directors of our company in 2024 are as follows :

Title	Name	Training dates	Organizer	Training Course	Training hours
Chairman	Lee Yi-Li	2024.9.27	Taiwan Corporate Governance Association	Construction Project Management and Practice	3
		2024.11.14	The Association for the Development of Chinese Finance and Economics	Global Political and Economic Analysis After the U.S. Presidential Election	3
		2024.11.22	The Association for the Development of Chinese Finance and Economics	New Trends in Circular Economy and Sustainable Management	3
Director	Tsai Ching-Chung	2024.2.23	Chinese Enterprise Management and Sustainable Development Association	Corporate Governance Regulations Insider Trading Prevention from an Internal Control Perspective Regulatory Framework and Application Issues of Dividend Policy	3
		2024.9.20	Foundation for Taiwan Securities and Futures Markets	2024 Annual Insider Trading Prevention Advocacy Seminar	3
Director	Wang Pai-Sen	2024.7.3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Wang Ming-Fu	2024.12.17	Chinese Corporate Governance Association	Disputes Over Corporate Management Rights and an Introduction to the Commercial Case Adjudication Act	3
		2024.12.17	Chinese Corporate Governance Association	Family Business Succession and Taxation Practices	3
Independent Director	Wang Der-Shan (Note)	2024.2.23	Chinese Enterprise Management and Sustainable Development Association	Corporate Governance Regulations Insider Trading Prevention from an Internal Control Perspective Regulatory Framework and Application Issues of Dividend Policy	3
		2024.7.3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	3
Independent Director	Lin Shoei-Loong	2024.2.23	Chinese Enterprise Management and Sustainable Development Association	Corporate Governance Regulations Insider Trading Prevention from an Internal Control Perspective Regulatory Framework and Application Issues of Dividend Policy	3
		2024.9.20	Foundation for Taiwan Securities and Futures Markets	2024 Annual Insider Trading Prevention Advocacy Seminar	3
Independent Director	Lai Sun-Quae	2024.6.13	Taiwan Independent Directors Association	Introduction to IFRS Sustainability Disclosure Standards and Sharing of Domestic and International Net-Zero Carbon Emission Trends	3
		2024.7.11	Co-hosted by the Chinese Financial Development Association and the Taiwan Listed Companies Association	:New Trends and Practical Applications of AI and Financial Technology	3
		2024.7.18	Taiwan Institute for Sustainable Energy Foundation	37th TCCS Board Meeting and CEO Lecture	2
Independent Director	Wu Yang-Chang	2024.11.8	Taiwan Stock Exchange	Insider Equity Trading Legal Compliance Advocacy Seminar	3
		2024.12.3	Accounting Research and Development Foundation	Sustainability Policies and Corporate Governance	3

Note : Independent Director Mr. Wang Der-Shan resigned on March 5, 2025.

5. For other information, please refer to the execution status of corporate governance-related items of our company on the "Taiwan Stock Exchange and Taipei Exchange Market Observation Post System".

2.3.8 The implementation status of internal control system.

1. A Statement on Internal Control : Please visit the " Market Observation Post System" to check the company governance/internal control section/internal control declaration announcement.

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report : Not applicable.

2.3.9 Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report :

1. Important resolutions passed in the 2024 annual general meeting of our company are as follows :

(1) Agenda : To approve the individual financial statements, consolidated financial statements, and business report for the fiscal year 2023.

Resolution : The voting results of the shareholders present (including those exercising their voting rights electronically) show that the affirmative votes have exceeded the legally required threshold, and the proposal is passed accordingly.

The number of voting rights of attending shareholders	Number of votes in favor	Number of dissenting votes	Invalid votes	Abstain/Non-vote count
123,365,656	121,255,454	1,274,810	0	835,392
100.00%	98.28%	1.03%	0.00%	0.67%

(2) Agenda : Approval of the allocation of the 2023 deficit and the replenishment of accumulated deficit through capital surplus.

Resolution : The voting results of the shareholders present (including those exercising their voting rights electronically) show that the affirmative votes have exceeded the legally required threshold, and the proposal is passed accordingly.

The number of voting rights of attending shareholders	Number of votes in favor	Number of dissenting votes	Invalid votes	Abstain/Non-vote count
123,365,656	121,225,978	1,290,556	0	849,122
100.00%	98.26%	1.04%	0.00%	0.68%

(3) Agenda : Discuss the lifting of restrictions on competition for directors and their representatives.

Resolution : The voting results of the shareholders present (including those exercising their voting rights electronically) show that the affirmative votes have exceeded the legally required threshold, and the proposal is passed accordingly.

The number of voting rights of attending shareholders	Number of votes in favor	Number of dissenting votes	Invalid votes	Abstain/Non-vote count
123,365,656	120,957,602	1,603,879	0	804,175
100.00%	98.04%	1.30%	0.00%	0.65%

2.The important resolutions adopted by the Board of Directors during the period from the fiscal year 2024 to the date of publication of the annual report are as follows :

Date/session number	Important agenda items and decisions
2024.02.26 9th 4th	1. Request to approve the individual financial statements, consolidated financial statements and business report for the year 2023.
	2. Request to approve the deficit carried forward and to make up the deficit with capital surplus for the year 2023.
	3. Request to discuss the lifting of restrictions on competition for directors.
	4. Request to approve the physical shareholders' meeting for the year 2024.
	5. Request to approve the effectiveness assessment of the internal control system and the internal control system statement for the year 2023.
	6. Request to discuss the amendment of the "Internal Control System" and "The internal control self-assessment procedure".
	7. Request to discuss the revision of the "Board Meeting Rules and Procedures" of the company.
	8. Request to discuss the revision of the "Audit Committee Charter".
	9. Request to discuss the case of remuneration, assessment of independence, and payment to the company's signing accountant.
	10. Request to discuss the process and general policies for reconfirming the pre-approval procedure for non-assurance services provided by Ernst & Young Certified Public Accountants and its affiliated enterprises.
	The above resolutions were passed by the chairman after consulting all attending directors and receiving no objections.
2024.05.03 9th 5th	1. Request for approval of the consolidated financial statements for the first quarter of 2024.
	2. Request to approve the short-term credit line agreement with financial institutions.
	The above resolutions were passed by the chairman after consulting all attending directors and receiving no objections.
2024.08.13 9th 6th	1. Request for approval of the consolidated financial statements for the second quarter of 2024.
	2. Ratification of the Company's participation in the 2024 cash capital increase and share subscription of the TPEX-listed company AmCad BioMed Corporation.
	3. Request for approval of the waiver of non-compete restrictions for managerial officers.
	4. Request to discuss amendment to the "Regulations Governing Compensation and Remuneration for Managerial Officers."
	The above resolutions were passed by the chairman after consulting all attending directors and receiving no objections.
2024.11.01 9th 7th	1. Request for approval of the consolidated financial statements for the third quarter of 2024.
	2. Discussion of the operating plan for the year 2025.

	3. Request to discuss establishment of the Sustainable Development Committee and formulation of its organizational regulations.
	4. Request to Appointment of the first-term members of the Sustainable Development Committee.
	5. Request to discuss formulation of the “Procedures for the Preparation and Assurance of the Sustainability Report.”
	6. Request to discuss formulation of the internal control system for the “Management of Sustainability Information.”
	7. Request to discuss formulation of the “Risk Management Policy and Procedures.”
	8. Request to discuss the internal audit plan for the year 2025 of the Company.
	9. Discussion of investment in the stocks of domestic listed financial institutions.
	10. Request to discuss the year-end and performance bonus distribution plan for the year 2024 of the Company.
	11. Request to approve the short-term credit line agreement with financial institutions.
	The above resolutions were passed by the chairman after consulting all attending directors and receiving no objections.
2025.02.26 9th 8th	1. Request to approve the individual financial statements, consolidated financial statements and business report for the year 2024.
	2. Request to approve the deficit carried forward and to make up the deficit with capital surplus for the year 2024.
	3. Request to discuss amendment to the Articles of Incorporation.
	4. Request to discuss amendment to the 2020 Cash Capital Increase Plan.
	5. Request to approve the physical shareholders' meeting for the year 2025.
	6. Request to approve the effectiveness assessment of the internal control system and the internal control system statement for the year 2024.
	7. Request to discuss the amendment of the "Internal Control System".
	8. Request to discuss the case of assessment of independence, and payment to the company's signing accountant.
	9. Request to discuss reconfirmation of the pre-approval procedures and general policies for non-assurance services provided by Ernst & Young and its affiliates, as well as the list of such non-assurance services.
	The above resolutions were passed by the chairman after consulting all attending directors and receiving no objections.

3. Review of the implementation of resolutions passed at the 2024 Annual Shareholders' Meeting.

Resolution items	Execution status
1. Approve the individual financial statements, consolidated financial statements, and operating report for the year 2023.	As announced on the day of the shareholders' meeting.
2. Approved the allocation of losses and the use of capital surplus to offset accumulated losses for the fiscal year 2023.	The decision has been recorded in accordance with the resolution of the shareholders' meeting.
3. Discuss the lifting of restrictions on competition for directors and their representatives.	As announced on the day of the shareholders' meeting.

2.3.10 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof : In the latest fiscal year and up until the date of printing of the annual report, the directors of the Company have not expressed any dissenting opinions regarding the important resolutions passed by the Board of Directors.

2.4 Information on the public fees for certified public accountants for visa applications.:

2.4.1 Information on the public fees for certified public accountants for visa applications

Amount unit: NTD thousands

Accounting Firm Name	Auditor Name	Audit Period	Audit Fee	non-audit fee	Total Fee	Remarks
Ernst & Young	Yu Chien-ju Chang Chiao-Ying	January 1, 2024 to December 31, 2024	1,510	140	1,650	None

2.4.2 If the accounting firm is changed and the audit fees for the year of change are lower than the audit fees for the previous year, the amounts of audit fees before and after the change and the reasons for the change should be disclosed. However, there is no such situation.

2.4.3 If the reduction in audit fees compared to the previous year is more than 10%, the amount, percentage, and reason for the reduction should be disclosed. However, there is no such situation.

2.5 Information on changing the accounting firm, as there is no such situation.

2.6 There is no information to be disclosed regarding the Chairman, General Manager, Manager responsible for finance or accounting affairs who have worked for the accounting firm or its related enterprises within the past year, including their names, titles, and periods of employment with the accounting firm or its related enterprises, as there is no such situation.

2.7 Transfer of Stock Options and Changes in Equity Pledge of Directors, Supervisors, Managers and Shareholders Holding More Than 10% of Shares in the Latest Year and as of the Date of Printing of Annual Report:

2.7.1 Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders :

Job title	Name	2024		As of Apr. 6, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Maywufa Company Ltd.	0	0	0	0
Director	Representative : Lee Yi-Li	0	0	0	0
Director	Representative : Lai Yu-Ju	0	0	0	0
	Representative : Lee Chen-Chia	0	0	0	0
Vice Chairman / General Manager	Lee I-Lin	0	0	0	0
Director	Hua Wei Ltd.	0	0	0	0
Director	Representative : Tsai Ching-Chung	0	0	0	0
	Representative : Wang Ming-Fu	0	0	0	0
Director	Jen Yu Ltd.	0	0	0	0
Director	Representative : Wang Pai-Sen	0	0	0	0
	Representative : Huang Tse-Hung	0	0	0	0
Director	Li Ling Investment Company Ltd.	0	0	0	0
	Representative : Vacant	0	0	0	0
Independent Director	Wang Der-Shan (Resigned on March 5, 2025.)	0	0	0	0
Independent Director	Lin Shoei-Loong	0	0	0	0
Independent Director	Lai Sun-Quae	0	0	0	0
Independent Director	Wu Yang-Chang	0	0	0	0
Research Director	Wang Teng-Hsu	0	0	0	0
Plant Manager	Hu Shun-Chieh	0	0	0	0
Audit Supervisor	Yeh Li-Feng	487	0	0	0
Financial Supervisor/ Corporate Governance Management	Huang Chih-Yuan	0	0	0	0
Major Shareholder	Maywufa Company Ltd.	0	0	0	0

2.7.2 The counterparty for the transfer or pledge of stock options is a related party: None.

2.8 Information of Relationship among Top 10 Shareholders Who Are Related, Spouses, or Relatives within the Second Degree of Kinship:

April 6, 2025 (stock closing date)

Name(Note1)	Shareholding		Shareholding of spouse and minor children		Total Shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Shares	%	
Maywufa Company Ltd.	35,130,698	17.69%	0	0.00%	0	0.00%	Maywufa Company Ltd.	Chairman Of The Company	
Representative : Lee Chen-Chia	300,000	0.15%	0	0.00%	0	0.00%			
Yun Cheng Investment Corporation	1,793,584	0.90%	0	0.00%	0	0.00%	None	None	
Chen Qing-Tang	1,200,129	0.60%	0	0.00%	0	0.00%	None	None	
Zheng An-Hang	1,160,000	0.58%	0	0.00%	0	0.00%	None	None	
Wu Yu-Kun	1,060,096	0.53%	0	0.00%	0	0.00%	None	None	
Wu Li-Hua	1,008,000	0.51%	0	0.00%	0	0.00%	None	None	
Wu Zhao-Xiong	989,164	0.50%	0	0.00%	0	0.00%	None	None	
Chang Te-Jung	963,000	0.48%	0	0.00%	0	0.00%	None	None	
Lu Xue-Chang	960,711	0.48%	0	0.00%	0	0.00%	None	None	
National Defense Education Foundation Research Foundation	947,143	0.48%	0	0.00%	0	0.00%	None	None	

Note1 : All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

Note2 : The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note3 : Disclose the relationships among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2.9 Shares Held by Company, Directors, Managers of Company, and Businesses Controlled Directly or Indirectly by Company of Same Reinvestment Business and Consolidated Calculation of Comprehensive Shareholding Ratio:

March 31, 2025 Unit : Thousand shares

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	%	Shares	%	Shares	%
AmCad BioMed Corp.	22,155	34.98%	5,350	8.45%	27,505	43.43%
Broadsound Corporation	0	0%	11,804	58.48%	11,804	58.48%

Note : This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

3. Capital Overview

3.1 Capital and shares

3.1.1 Source of Capital

1. Sources of Capital

Unit: Shares; NTD

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NTD)	Shares	Amount (NTD)	Sources of capital	Capital paid in by assets other than cash	Other
11/1998	10	2,000,000	20,000,000	500,000	5,000,000	Set up capital (Note1)	None	None
05/1999	10	2,000,000	20,000,000	2,000,000	20,000,000	Cash capital increase (Note2) 15,000,000	None	None
03/2000	10	25,000,000	250,000,000	10,000,000	100,000,000	Cash capital increase (Note3) 60,000,000	Know-How Pricing 20,000,000	None
06/2000	10	25,000,000	250,000,000	25,000,000	250,000,000	Cash capital increase (Note4) 112,500,000	Know-How Pricing 37,500,000	None
12/2002	22.5	50,000,000	500,000,000	35,000,000	350,000,000	Cash capital increase (Note5) 100,000,000	None	None
01/2005	10	100,000,000	1,000,000,000	62,608,920	626,089,200	Issuance of new shares by transfer of shares of other companies (Note6)276,089,200	None	None
06/2005	10	100,000,000	1,000,000,000	64,150,000	641,500,000	Consolidate the shares of other companies and issue new shares (Note7)15,410,800	None	None
10/2005	24	100,000,000	1,000,000,000	89,150,000	891,500,000	Cash capital increase (Note8) 250,000,000	None	None
02/2006	10	100,000,000	1,000,000,000	94,195,000	941,950,000	Issuance of new shares by transfer of shares of other companies (Note9)50,450,000	None	None
12/2008	24	100,000,000	1,000,000,000	94,427,000	944,270,000	Employee stock option shares (Note10) 2,320,000	None	None
04/2009	24	100,000,000	1,000,000,000	94,457,000	944,570,000	Employee stock option shares (Note11) 300,000	None	None
07/2009	35	160,000,000	1,600,000,000	118,157,000	1,181,570,000	Cash capital increase (Note12) 237,000,000	None	None
07/2009	31.2	160,000,000	1,600,000,000	130,071,286	1,300,712,860	Private placement cash capital increase (Note13) 119,142,860	None	None
11/2009	26.8	160,000,000	1,600,000,000	130,163,786	1,301,637,860	Employee stock option shares (Note14) 925,000	None	None
12/2009	35	160,000,000	1,600,000,000	133,223,785	1,332,237,850	None	Pricing for Private Equity Expertise (Note15) 30,599,990	None
02/2010	None	160,000,000	1,600,000,000	131,625,215	1,316,252,150	Deduction of capital (Note16) 15,985,700	None	None
04/2010	26.8	160,000,000	1,600,000,000	131,708,965	1,317,089,650	Employee stock option shares (Note17) 837,500	None	None
12/2010	26.7	160,000,000	1,600,000,000	131,776,465	1,317,764,650	Employee stock option shares (Note18) 675,000	None	None
12/2010	36.1	160,000,000	1,600,000,000	132,342,965	1,323,429,650	Employee stock option shares (Note18) 5,665,000	None	None
03/2011	26.7	160,000,000	1,600,000,000	132,457,965	1,324,579,650	Employee stock option shares (Note19) 1,150,000	None	None
03/2011	36.1	160,000,000	1,600,000,000	132,673,465	1,326,734,650	Employee stock option shares (Note19) 2,155,000	None	None
08/2011	36.1	160,000,000	1,600,000,000	132,753,465	1,327,534,650	Employee stock option shares (Note20)	None	None

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NTD)	Shares	Amount (NTD)	Sources of capital	Capital paid in by assets other than cash	Other
						800,000		
08/2011	26.7	160,000,000	1,600,000,000	132,870,965	1,328,709,650	Employee stock option shares (Note21) 117,500	None	None
02/2012	36.1	160,000,000	1,600,000,000	132,965,965	1,329,659,650	Employee stock option shares (Note21) 95,000	None	None
08/2012	36.1	160,000,000	1,600,000,000	132,970,965	1,329,709,650	Employee stock option shares (Note22) 50,000	None	None
11/2012	None	160,000,000	1,600,000,000	132,552,665	1,325,526,650	Deduction of capital (Note23) 4,183,000	None	None
12/2012	40	200,000,000	2,000,000,000	162,552,665	1,625,526,650	Cash capital increase (Note24) 300,000,000	None	None
01/2013	36.1	200,000,000	2,000,000,000	162,853,665	1,628,536,650	Employee stock option shares (Note25) 3,010,000	None	None
03/2013	36.1	200,000,000	2,000,000,000	163,161,165	1,631,611,650	Employee stock option shares (Note26) 3,075,000	None	None
05/2013	36.1	200,000,000	2,000,000,000	163,694,165	1,636,941,650	Employee stock option shares (Note27) 5,330,000	None	None
08/2013	36.1	200,000,000	2,000,000,000	163,964,165	1,639,641,650	Employee stock option shares (Note28) 2,700,000	None	None
02/2014	36.1	200,000,000	2,000,000,000	164,130,665	1,641,306,650	Employee stock option shares (Note29) 1,665,000	None	None
02/2014	None	200,000,000	2,000,000,000	163,616,379	1,636,163,790	Deduction of capital (Note29) 5,142,860	None	None
12/2020	22.65	300,000,000	3,000,000,000	163,618,879	1,636,188,790	Employee stock option shares (Note30) 25,000	None	None
02/2021	20	300,000,000	3,000,000,000	198,618,879	1,986,188,790	Cash capital increase (Note31) 350,000,000	None	None

Note1 : On November 24,1998, the Construction Bureau of Taipei City Government was approved by letter No. 87349081 of Shangzi.

Note2 : On May 10,1999, the Construction Bureau of Taipei City Government was approved by letter No. 88290316 of Shangzi.

Note3 : On May 10,1999, the Construction Bureau of Taipei City Government was approved by letter No. 88290316 of On March 31, 2000, the Ministry of Economic Affairs was approved by the (089) Shangzi No. 089108924 letter

Note4 : On May 10,1999, the Construction Bureau of Taipei City Government was approved by letter No. 88290316 of On June 22, 2000, the Securities and Futures Management Committee of the Ministry of Finance (89) Tai Cai Zheng (1) No. 51187 letter approved

Note5 : On December 2, 2002, the Securities and Futures Management Committee of the Ministry of Finance (91) Taicai Zheng (1) No. 0910164142 Letter Approval

Note6 : On January 17, 2005, the Financial Supervision and Administration Commission of the Executive Yuan approved the letter No. 0930160160 (1)

Note7 : On May 10,1999, the Construction Bureau of Taipei City Government was approved by letter No. 88290316 of On June 22, 2005, the Financial Supervision and Administration Commission of the Executive Yuan approved the letter No. 0940123965 (1)

Note8 : On October 24, 2005, the Financial Supervision and Administration Commission of the Executive Yuan approved the letter No. 0940147972 (1)

Note9 : On February 21, 2006, the Financial Supervision and Administration Commission of the Executive Yuan approved the letter No. 0950104358 (1)

Note10 : On December 17, 2008, the Ministry of Economic Affairs was approved by the letter No. 09701315220 of Shangzi.

Note11 : On July 20, 2009, the Ministry of Economic Affairs was approved by the letter No. 09801159910 of Shangzi.

Note12 : On December 11, 2009, the Ministry of Economic Affairs was approved by the letter No. 09801286400 of Shangzi.

Note13 : On December 15, 2009, the Ministry of Economic Affairs was approved by the letter No. 09801284030 of

Shangzi.

- Note14 : On December 17, 2009, the Ministry of Economic Affairs was approved by the letter No. 09801284050 of Shangzi.
- Note15 : On December 30, 2009, the Ministry of Economic Affairs was approved by the letter No. 09801296840 of Shangzi.
- Note16 : On February 9, 2010, the Ministry of Economic Affairs was approved by the letter No. 09901029420 of Shangzi.
- Note17 : On April 15, 2011, the Ministry of Economic Affairs was approved by the letter No. 09901072060 of Shangzi.
- Note18 : On December 24, 2010, the Ministry of Economic Affairs was approved by the letter No. 09901286610 of Shangzi.
- Note19 : On April 13, 2011, the Ministry of Economic Affairs was approved by the letter No. 10001072860 of Shangzi.
- Note20 : On September 5, 2011, the Ministry of Economic Affairs was approved by the letter No. 10001204600 of Shangzi.
- Note21 : On July 9, 2012, the Ministry of Economic Affairs was approved by the letter No. 10101125950 of Shangzi.
- Note22 : On August 9, 2012, the Ministry of Economic Affairs was approved by the letter No. 10101160920 of Shangzi.
- Note23 : On November 13, 2012, the Ministry of Economic Affairs was approved by the letter No. 10101230650 of Shangzi.
- Note24 : On December 4, 2012, the Ministry of Economic Affairs was approved by the letter No. 10101247600 of Shangzi.
- Note25 : On January 8, 2013, the Ministry of Economic Affairs was approved by the letter No. 10201002460 of Shangzi.
- Note26 : On March 7, 2013, the Ministry of Economic Affairs was approved by the letter No. 10201041810 of Shangzi.
- Note27 : On May 7, 2013, the Ministry of Economic Affairs was approved by the letter No. 10201083670 of Shangzi.
- Note28 : On August 8, 2013, the Ministry of Economic Affairs was approved by the letter No. 10201161720 of Shangzi.
- Note29 : On February 12, 2014, the Ministry of Economic Affairs was approved by the letter No. 11001028420 of Shangzi.
- Note30 : On December 10, 2020, the Ministry of Economic Affairs was approved by the letter No. 10901225510 of Shangzi.
- Note31 : On February 26, 2021, the Ministry of Economic Affairs was approved by the letter No. 11001028420 of Shangzi.

2. Type of stock

March 30, 2024 (stock closing date) Unit: share

Type of stock	Authorized capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common stock	198,618,879	101,381,121	300,000,000	Note

Note : All of the common shares issued by our company, except for 12,861,429 shares of privately placed stocks that have not yet been publicly issued, are listed on the stock market.

3. Related information of the general declaration system: Not applicable.

3.1.2 List of Major Shareholders

April 6, 2025 (stock closing date) Unit: share

Shares Name of major shareholder	Shareholding (shares)	Shareholding (%)
Maywufa Company Ltd.	35,130,698	17.69%
Yun Cheng Investment Corporation	1,793,584	0.90%
Chen Qing-Tang	1,200,129	0.60%
Zheng An-Hang	1,160,000	0.58%
Wu Yu-Kun	1,060,096	0.53%
Wu Li-Hua	1,008,000	0.51%
Wu Zhao-Xiong	989,164	0.50%
Chang Te-Jung	963,000	0.48%
Lu Xue-Chang	960,711	0.48%
National Defense Education Foundation Research Foundation	947,143	0.48%

3.1.3 Company Dividend Policy and Implementation Status

1. The dividend policy stipulated in the company's articles of association:

Article 31 of our company's articles of association stipulates:

In the event that the company has profits for the year, after paying all taxes and fees and making up for any accumulated losses from previous years, if there is still a surplus, ten percent shall be allocated to the statutory surplus reserve in accordance with the law, and the amount of the special surplus reserve shall be adjusted. The remaining balance, along with the accumulated undistributed profits from the previous year, shall allocate at least fifty percent for distribution by the board of directors to propose a profit distribution proposal, and submit it to the shareholders' meeting for resolution.

Our company's dividend policy is formulated by the board of directors based on operating plans, investment plans, capital budgets, and internal and external environmental changes, and is distributed by resolution of the shareholders' meeting. The distribution of our company's profits is based on a balanced dividend policy, with a principle of fifty percent for cash dividends and fifty percent for stock dividends, taking into account the company's cash flow, earnings status, and the need for future expansion of the business scale. The policy may be adjusted after careful consideration.

2. The proposed dividend distribution for this shareholder meeting is as follows: After the settlement of the fiscal year ending on 31 December 2023, there are no retained earnings, and there are no profits available for distribution.

3.1.4 The impact of proposed bonus shares on the company's business performance and earnings per share is not applicable.

3.1.5 The remuneration of the employee and director:

1. The percentage or range of employee and director remuneration as stated in the company's articles of association is as follows:

Article 30 of our company's articles of association stipulates:

In the event that the company has profits for the year (defined as profit before tax, after deducting employee and director remuneration), after reserving an amount to make up for any accumulated losses, if there is still a surplus, three to six percent shall be allocated for employee remuneration and no more than four percent for director remuneration. The

resolution shall be passed by a two-thirds majority of the attending directors with more than half of the attending directors in favor, and shall be reported to the shareholders' meeting. Employee remuneration mentioned in the preceding paragraph may be paid in the form of stock or cash and may include employees of subsidiary companies who meet certain conditions.

2.The basis for estimating the amount of employee and director remuneration in this period, the basis for calculating the stock allocation of employee remuneration, and the accounting treatment in case the actual distribution amount differs from the estimated amount are not applicable.

3.Remuneration distribution approved by the Board of Directors: The board of directors has approved on February 26, 2024 that there are no profits available for distribution for the fiscal year ending on December 31, 2023. This will be submitted to the shareholders' meeting for approval on May 28, 2024.

4.The actual distribution of employee and director remuneration in the previous year: The company's 2023 shareholders' meeting has approved that there will be no surplus for distribution in 2022, so there is no distribution of employee bonuses and director remuneration.

3.1.6 Buyback of Treasury Stock: In the most recent year and up to the date of publication of the annual report, the company has not repurchased the company's shares

3.2 Corporate bonds: None.

3.3 Preferred shares: None.

3.4 Global depository receipts: None.

3.5 Employee share subscription warrants and new restricted employee shares :

3.5.1Unexpired employee stock option certificates and their impact on shareholders' rights and interests

Type of employee share subscription warrants	Employee stock option certificate issued in 2018	Employee stock option certificate issued in 2023
Issue (handling) date	January 10, 2018	July 05, 2023
Issue (processing) date	July 31, 2018	August 02, 2023
Number of units issued	50 unit	115 unit
The ratio of the number of issued subscription shares to the total number of issued shares (%)	0.03%	0.06%
Subscription Duration	7 year	5 year
Duration	July 31, 2020 ~ July 30, 2025	August 02, 2025 ~ August 02, 2028
Performance method	Issuance of new shares delivery	Issuance of new shares delivery
Vesting period and percentage (%)	(A) Two years after the expiry of the grant of the employee stock option certificate, the right to exercise the stock option is limited to 25% of the number of the employee stock option certificates granted. (B) Three years after the expiry of the grant of the employee stock option certificate, the right to exercise the stock option is limited to 35% of the number of the employee stock option certificates granted. (C) Four years after the expiry of the	(A) Two years after the expiry of the grant of the employee stock option certificate, the right to exercise the stock option is limited to 50% of the number of the employee stock option certificates granted. (B) Three years after the expiry of the grant of the employee stock option certificate, the right to exercise the stock option is limited to 75% of the number of the employee stock option certificates granted. (C) Four years after the expiry of the

	<p>employee stock option certificate granted, the stock option right can be exercised for 55% of the number of employee stock option certificates granted.</p> <p>(D) Five years after the expiry of the employee stock option certificate granted, the right to exercise the stock option is limited to 85% of the number of employee stock option certificates granted.</p> <p>(E) Six years after the expiry of the employee stock option certificate granted, the right to exercise the stock option is limited to 100% of the number of employee stock option certificates granted.</p>	employee stock option certificate granted, the stock option right can be exercised for 100% of the number of employee stock option certificates granted.
Number of shares subscribed through exercise of the warrants	2,500 shares	0 shares
Amount of the shares subscribed through exercise of the warrants (NT\$)	56,625	0
Number of unexecuted subscriptions	30,000 shares (Note1)	0 shares
Number of unexercised shares Subscription price per share of the unexercised shares(NT\$)	21.5	22.0
Ratio of the number of unexercised shares to the total number of issued shares (%)	0.02%	0.00%
The effect on shareholders' equity	If the number of shares increased by full implementation accounts for 0.02% of the current issued shares of 198,618,879 shares, it will have little impact on shareholders' equity.	If the number of shares increased by full implementation accounts for 0.06% of the current issued shares of 198,618,879 shares, it will have little impact on shareholders' equity.

Note1 : A total of 17,500 shares have been deducted from the number of invalid shares due to employee resignation.

3.5.2 Names and Acquisition and Subscription Status of Managerial Officers Who Have Acquired Employee Share Subscription Warrants and the Top Ten Employees (Ranked by the Number of Subscribable Shares) Who Have Acquired Share Subscription Warrants :

March 31, 2025 Unit: share

	Job title	Name	Number of shares subscribable from exercise of warrants granted	Ratio of the number of shares subscribable from the exercise of warrants granted to the total number of issued shares	Exercised				Unexercised			
					Number of shares	Exercise price (Note1)	Total exercise price	Ratio of the number of exercised shares to the total number of issued shares	Number of shares	Exercise price (Note2)	Total exercise price	Ratio of the number of unexercised shares to the total number of issued shares
Managerial officers	Plant Manager	Hu Shun-Chieh	15,000	0.01%	-	-	-	-	15,000	21.5	322,500	0.01%
	Research Director	Yeh Li-Feng	35,000	0.02%	-	-	-	-	35,000	22	770,000	0.02%
	Financial Supervisor	Huang Chih-Yuan										
	Audit Supervisor	Wang Teng-Hsu										
Employees	Director	Zheng Xiao-Qian	15,000	0.01%	-	-	-	-	15,000	21.5	322,500	0.01%
	Public Affairs Director	Ni Hao-Lun	80,000	0.04%	-	-	-	-	80,000	22	1,760,000	0.04%
	Executive Secretary	Guo Hua-Ying										
	Director of Pharmaceutical Marketing	He Shu-Jyuan										
	Assistant Project Manager	Tsai Yin-Meng										
	Brand Director	Chen Yun-Chu										
	Assistant Manager	Kung Li-Fen										
	Section Chief	Feng,Ching-Ting										

Note1: The price of employee stock options that have been executed shall disclose the price of the stock options at the time of execution.

Note2: The price of unexecuted employee stock options shall disclose the price of the stock options after adjustment according to the issuance method.

3.6 Restrictions on employee rights related to the issuance of new shares: Not applicable (no such restrictions exist).

3.7 Mergers or acquisitions involving the issuance of new shares to acquire or transfer the shares of other companies: Not applicable (no such transactions).

3.8 Capital Utilization Plan and Execution Status:

【 Cash capital increase and issuance of new shares in 2020】

3.8.1 Project Description:

1. Approval date and document number for the cash capital increase in November 2020: Financial Supervisory Commission, Taiwan, ROC, on November 26, 2020, document number 1090372808.
2. Total funding required for this plan: NTD 1,230,000 NT thousands.
3. Funding sources: issuing 35,000,000 common shares with a par value of NTD 10 per share and an issue price of NTD 20 per share, with a total raised amount of NTD 700,000,000 to support product development from the first quarter of 2021 to the fourth quarter of 2023. The remaining NTD 530,000,000 needed for the plan will be provided by self-owned funds or bank loans.
4. Project details and expected execution schedule.

Amount unit: NTD thousands

Project plan.		Planned completion date.	Total funding required.	Planned funding utilization schedule.															
				2021				2022				2023				2024			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Product development.	PG2 [®] cancer immunotherapy	Q4 2024	510,000	7,500	7,500	9,000	12,000	30,000	49,000	49,000	49,000	51,000	41,000	46,000	26,000	36,000	35,000	31,000	31,000
	PG2 [®] suppression of cytokine storm"	Q4 2023	320,000	7,500	7,500	7,500	22,750	56,000	56,000	56,000	56,000	28,000	22,750	-	-	-	-	-	-
	Oraphine [®] 60mg soft Capsule [®]	Q4 2024	400,000	3,750	3,750	20,000	20,000	34,000	34,000	34,000	34,000	40,000	40,000	40,000	40,000	32,000	24,500	-	-
	Total		1,230,000	18,750	18,750	36,500	54,750	120,000	139,000	139,000	139,000	119,000	103,750	86,000	66,000	68,000	59,500	31,000	31,000

3.8.2 Revised project content, progress, and expected benefits after the February 26, 2025 revision as bellow:

3.8.2 .1Revised total plan.

Unit: NT\$ thousand

Project Items		Total Required Funding	Actual Fund Utilization				Planned Fund Utilization Schedule				
			Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029
Product development.	PG2 [®] cancer immunotherapy	510,000	6,829	13,857	23,102	27,081	50,000	80,000	100,000	100,000	109,131
	PG2 [®] suppression of cytokine storm"	40,516	5,369	7,156	13,481	14,510	-	-	-	-	-
	Oraphine [®] 60mg soft Capsule [®]	400,000	7,421	9,601	18,025	23,298	32,500	50,000	60,000	100,000	99,155
Health Supplement Project		279,484	-	-	-	-	5,784	42,100	74,000	81,000	76,600
Total		1,230,000	19,619	30,614	54,608	64,889	88,284	172,100	234,000	281,000	284,886

3.8.2 .2Revised total Fund Utilization Schedulplan

Unit: NT\$ thousand

Project Items		Expected Completion Date	Total Required Funding Amount	Planned Fund Utilization Schedule																				
				Before Fiscal Year 2024	Year 2025				Year 2026				Year 2027				Year 2028				Year 2029			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Product development.	PG2 [®] cancer immunotherapy	Q4 2029	510,000	70,869	4,500	10,500	20,000	15,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	27,000	32,131
	PG2 [®] suppression of cytokine storm"	Q4 2024	40,516	40,516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Oraphine [®] 60mg soft Capsule [®]	Q4 2029	400,000	58,345	3,500	4,000	10,000	15,000	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	24,155
Health Supplement Project		Q4 2029	279,484	-	-	2,000	2,000	1,784	8,000	8,000	10,000	15,100	15,000	17,000	20,000	22,000	20,000	20,000	20,000	21,000	14,600	20,000	20,000	22,000
Total			1,230,000	169,730	8,000	16,500	32,000	31,784	38,000	39,000	45,000	50,100	55,000	57,000	60,000	62,000	70,000	70,000	70,000	71,000	64,600	70,000	72,000	78,286

3.8.2 .3Expected potential benefits

(1) Product Development

New drug development project.	Current research and development progress.	Planned capital increase project and expected research and development progress after funding injection.	Planned clinical trials.	Expected start time.	Expected completion time of current funding utilization.	Completion time point of research and development progress.
PG2 Lyo. Injection 500mg (PG2®) cancer immunotherapy	Extension of drug license completion.	New indication NDA application	cancer immunotherapy Phase III clinical trials	January 2021.	Q4 2029	Q4 2029
Oraphine®60mg soft Capsule	Obtaining Taiwan drug license for market launch.	new drug launch in the United States, Japan, Australia, and other countries	Registration Purpose Bridging Clinical Trials	January 2021.	Q4 2029	Q4 2029
Health Supplement Project	Discussing Efficacy Clinical Trials with CRO Company	Efficacy Validation and Market Launch Planning	PG2 Lyo. Injection 500mg Raw Material Efficacy Clinical Trial for related conditions	Q2 2025	Q4 2029	Q4 2029

Note1 : The execution of the "Cancer Immunotherapy Combination Treatment" new indication for PG2 Lyo. Injection 500mg will involve multi-center Phase III clinical trials in the United States, China, and Taiwan. A total of 300 patients are expected to be enrolled, and the fundraising plan is planned to be executed until the fourth quarter of 2029. The clinical trial report (CSR) will be submitted to the drug regulatory authorities in the United States, China, and Taiwan for review to complete the new drug inspection and registration application (NDA).

Note2 : In order to expand international market opportunities, the company plans to seek new drug approvals for Oraphine®60mg soft Capsule in the United States, Japan, and Australia. Local clinical trials for regulatory approval will be conducted, and a total of 500 patients are expected to be enrolled. The fundraising plan is expected to be executed until the fourth quarter of 2029, with Australia, Japan and the United States expected to obtain new drug approval (fourth quarter of 2029).

Note3 : The company will execute a new efficacy project for PG2 Lyo. Injection 500mg as a health supplement raw material, engaging with reputable domestic and international CRO companies to design clinical trials. Additionally, the company will conduct strategic collaborations and discussions with potential clients regarding market launch plans.

(2)Benefits of new drug development

Due to the longer-than-expected R&D timeline, the clinical trials and regulatory approval for PG2 Lyo. Injection 500mg (Cancer Immunotherapy Combination Treatment) and Oraphine® 60mg Soft Capsule are now expected to be completed by 2029. The company estimates that, assuming market conditions remain stable, the projected benefits will be deferred to 2030 and beyond, while the expected financial benefits remain unchanged.

A. Technology licensing fee

Amount unit: NTD thousands

Item	Nature of the revenue	Territory	2030	2031	2032	2033	Total
PG2 Lyo. Injection 500mg (PG2 [®]) cancer immunotherapy	technology licensing fee	USA	135,000	135,000	-	180,000	450,000
Oraphine [®] 60mg soft Capsule	technology licensing fee	USA	90,000	120,000	90,000	-	300,000

B. Sales revenue

(A) 「PG2 Lyo. Injection 500mg」 (Cancer immunotherapy)

Unit: bottle ; Amount unit: NTD thousands

Year	Production volume	Sales volume	Sales value	Gross profit	Net profit
2030	36,000	36,000	225,000	108,000	63,000
2031	108,000	108,000	675,000	324,000	189,000
2032	108,000	108,000	675,000	324,000	189,000
Total	252,000	252,000	1,575,000	756,000	441,000

(B) 「Oraphine[®] 60mg soft Capsule」

Unit: bottle ; Amount unit: NTD thousands

Year	Production volume	Sales volume	Sales value	Gross profit	Net profit
2030	5,000	5,000	225,000	75,000	30,000
2031	10,000	10,000	450,000	150,000	60,000
2032	30,000	30,000	1,350,000	450,000	180,000
Total	45,000	45,000	2,025,000	675,000	270,000

(C) Health Supplement Project

Unit: bottle ; Amount unit: NTD thousands

Year	Production volume	Sales volume	Sales value	Gross profit	Net profit
2026	1,500	1,500	45,000	20,250	3,550
2027	6,000	6,000	180,000	81,000	53,200
2028	10,000	10,000	300,000	135,000	124,600
2029	10,000	10,000	300,000	135,000	123,480
Total	27,500	27,500	825,000	371,250	304,830

3.8.3 Fund execution status

Unit: NTD thousands

Project Items	Execution status.		(Q1) of 2025	umulative until the end of Q1 2025	Reasons for ahead or behind schedule and improvement plan.
PG2 Lyo. Injection 500mg (PG2 [®]) cancer immunotherapy combination treatment	Disbursement amount	Scheduled	45,000	75,369	PG2 Lyo. Injection 500mg (PG2 [®]) - Cancer Immunotherapy Combination Treatment: Currently conducting a small pilot trial in China to evaluate the clinical study of immune cell regulation after patients receive PG2. The pilot trial is being accepted simultaneously at the National Taiwan University Hospital, the National Taiwan University Cancer Hospital, and the Taipei Veterans General Hospital, and is expected to be completed in the fourth quarter of 2025.
		Actual	4,709	75,578	
	progress (%)	Scheduled	0.88	14.78	
		Actual	0.92	14.82	
PG2 Lyo. Injection 500mg (PG2 [®]) Injection (Cytokine Storm Inhibition)	Disbursement amount	Scheduled	0	40,516	PG2 Lyo. Injection 500mg- Suppression of Cytokine Storm: In February 2025, the board of directors decided to change the plan and Converted to health care raw material project.
		Actual	0	40,516	
	progress (%)	Scheduled	0	100.00	
		Actual	0	100.00	
Oraphine [®] 60mg soft Capsule	Disbursement amount	Scheduled	3,500	61,845	Oraphine [®] 60mg soft Capsule: In order to improve market promotion efficiency and reduce the cost of business promotion Phytohealth has changed its overseas market promotion strategy to cooperate with overseas manufacturers. However, the time spent on discussing cooperation methods with the overseas manufacturers has caused some delays in the implementation of the project funds. We are currently negotiating with German exhibition partners and evaluating follow-up clinical trial development strategies. In addition, in response to market and patent protection considerations, we have prioritized the preparation of new patents for the continuation of the target market. We have completed the ASEAN exhibition target countries before the fourth quarter of 2025. Patent layout application (Singapore, Malaysia, Philippines, Vietnam, Thailand and other 5 countries) and European patent EP application.
		Actual	3,444	61,789	
	progress (%)	Scheduled	0.88	15.46	
		Actual	0.86	15.45	
Health Supplement Project	Disbursement amount	Scheduled	0	0	Health care raw materials project: In response to the strategic needs of potential partners, the company is currently negotiating with reputable CRO companies at home and abroad to design and research clinical trials. It plans to conduct clinical development in Taiwan and Europe simultaneously, and negotiate strategic cooperation and market planning with potential customers. In addition, the company invested in process optimization/analysis projects in the first quarter of 2025 to prepare for clinical trials.
		Actual	3,123	3,123	
	progress (%)	Scheduled	0	0	
		Actual	1.12	1.12	
Total Product Development	Disbursement amount	Scheduled	8,000	177,730	
		Actual	11,276	181,006	
	progress (%)	Scheduled	0.65	14.45	
		Actual	0.92	14.72	

As of the end of the first quarter of 2025, the new drug development projects have not been

completed yet. There is no the technology licensing income for PG2 Lyo. Injection 500mg and Oraphine[®] 60mg soft Capsule. And the PG2 Lyo. Injection 500mg for cancer immunotherapy combination treatment, the achievement of " Oraphine[®] 60mg soft Capsule " , and Health Supplement Project sales revenue have not been assessed yet.

4. Operational overview

4.1 Business activities

4.1.1 Business scope

1. Main Business Content

The Company is primarily engaged in the research, production, and manufacturing of new drugs. Its registered business items include the sales of Western medicine, Chinese medicinal materials, cosmetics, Class II proprietary Chinese medicines, and related products.

2. Business Proportion

The consolidated revenue of the Company for 2022 was NT\$135,465 thousand dollars, mainly from the sales of prescription drugs and health supplements approved by the Ministry of Health and Welfare.

3. Current Product (Service) Items of the Company

(1) New Drug Products and Technology

A. PG2 Lyo. Injection 500mg(PG2[®])

a. Obtained the first drug license issued by TFDA, used to treat cancer-related fatigue syndrome.

b. Officially included in the National Health Insurance reimbursement from March 2021.

B. Oraphine[®] 60mg soft Capsule: Obtained drug license approval from the Ministry of Health and Welfare in March 2020, used for moderate to severe pain relief in oral dosage form.

C. PHN033(Diabetic nephropathy): Promotes the clearance of advanced glycation end products (AGEs) that cause vascular complications in diabetic patients and is used to treat diabetic nephropathy.

D. PHN031(Osteoporosis prevention): Used to prevent and treat osteoporosis.

(2) Nutritional supplement

A. ReyeasCleanse[®]: Health food approved by the Ministry of Health and Welfare with registration number A000006, which helps to lower total cholesterol in the blood.

B. Energy Bean[®]: Health food approved by the Ministry of Health and Welfare with registration number A00092, which helps to lower total cholesterol, low-density lipoprotein cholesterol in the serum, and reduce risk factors for cerebrovascular and cardiovascular diseases.

C. PhytoHealth EnerCharge[®] Capsule[®]: Health food approved by the Ministry of Health and Welfare with registration number A00319, classified as an "anti-fatigue" health food, which has been proven to relieve post-exercise fatigue through animal testing.

D. AmazPower[®]: Made from the raw materials used in PG2 Lyo. Injection 500mg (PG2[®]) and special carbohydrates, it is a health food that can improve energy and relieve the side effects of cancer treatment, improving the quality of life of cancer patients undergoing treatment. AmazPower[®] has been granted patents in Taiwan, Germany, and Japan.

E. PhytoHealth EnerCharge[®] Drink: A delicious drink made from concentrated extracts of Phytohealth Da Astragalus[®] Astragalus and Siberian Ginseng, as well as concentrated jujube extract. It replenishes energy, strengthens the body, and is known as the "vegetarian chicken essence".

F. Other Customized Qi-Boosting Beverages: Carefully selected premium-quality Astragalus and unique extraction techniques are used to continuously develop exclusive upgraded versions of Astragalus-based health products.

4.1.2 Industry Overview:

1.Current Status and Development of the Industry

(1) Industry Overview and Development

Following the impact of the COVID-19 pandemic from 2020 to 2023, global pharmaceutical spending is projected to reach USD 2.3 trillion by 2028, growing at an annual rate of 5–8%.

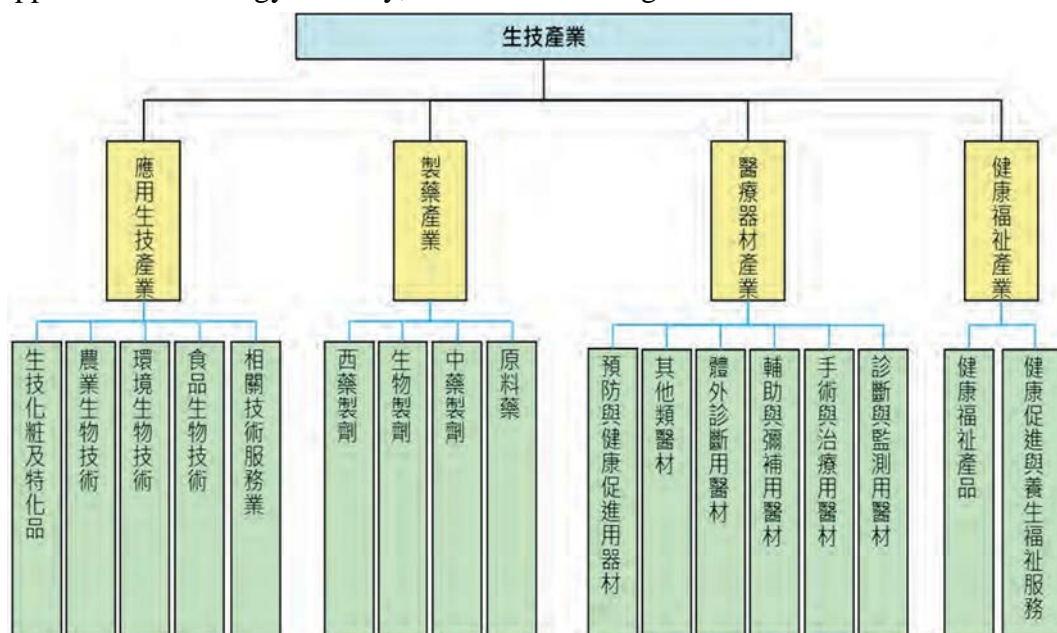
Among all therapeutic areas, oncology accounts for the largest share of expenditures, having grown by 21% over the past five years, with an average annual growth rate of 3.9%. This growth exceeds the rate of population increase, indicating improvements in cancer treatment rates and longer treatment durations

(2) Current Status of the Global Nutritional and Health Supplements Market.

In 2023, the global nutritional and health supplements market was valued at USD 443.1 billion. It is estimated to reach USD 684.2 billion by 2031, with a projected compound annual growth rate (CAGR) of 5.58% during the forecast period from 2024 to 2031.

(3) Current status of biotech industry development in Taiwan

The biotechnology industry in Taiwan covers mainly the pharmaceutical industry, medical equipment industry, applied biotechnology industry, and health and welfare industry. The related technical service industry is classified under the applied biotechnology industry, as shown in the figure below.



The biotechnology industry in our country belongs to the scope of manufacturing and related technical service industries.

Source: Industrial Development Bureau, Ministry of Economic Affairs, 2023.

In the first half of 2024, Taiwan's biomedical industry demonstrated steady growth, with total revenue reaching NT\$158.99 billion, representing a 7.3% increase compared to the same period of the previous year.

The pharmaceutical manufacturing and medical device sectors continued to maintain their dominant positions within the industry, while emerging fields such as agricultural biotechnology and cell therapy showed significant growth potential.

(4) Current Status of the Development of Taiwan's Traditional Chinese Medicine/Botanical New Drug Industry.

With the joint efforts of the government, industry, and academia, several new

traditional Chinese medicines and botanical new drugs have been successfully approved for market launch.

2. The interdependence between upstream, midstream, and downstream sectors.

(1) upstream

Upstream refers to the raw materials used to prepare drugs. The raw materials for Western medicine include natural substances and general chemicals, which are mainly synthesized by chemical or semi-synthetic methods. The upstream for Chinese medicine mainly uses plants and a small portion of animals and minerals as raw materials. In recent years, the upstream plants for new plant-based drugs have become more homogeneous and controllable due to genetic transformation, tissue culture, and Good Agricultural Practice (GAP).

(2) midstream

The pharmaceutical industry primarily includes the production of bulk drugs and the processing of Chinese medicinal materials. The vast majority of bulk drug production is based on organic chemical processes and varies depending on the source of the material. The processing of Chinese medicinal materials mainly involves processing and decocting medicinal plants. In the middle stage of new plant-based drug development, the preparation process of bulk drugs is often customized due to the complexity of natural substances and the need for customized extraction, separation, and purification techniques.

(3) downstream

The downstream is the formulation industry, which mainly involves adding excipients such as binders, disintegrants, adhesives, lubricants, and emulsifiers to bulk drugs to process them into convenient dosage forms. The formulation of new plant-based drugs is no different from that of Western medicines.

3. Product Development Trends and Competitive Landscape

Since obtaining TFDA approval for the treatment of cancer-related fatigue in cancer patients, our company's PG2 Lyo. Injection 500mg has been used in 115 medical centers and healthcare institutions across Taiwan, with prescriptions issued by over 680 oncologists, benefiting over 18,000 cancer patients. As of March 1, 2021, the injection has been officially included in the National Health Insurance (NHI) reimbursement list. Our company is actively conducting clinical trials to explore new indications for PG2 Lyo. Injection 500mg in combination with chemotherapy for breast cancer, esophageal cancer, lung cancer, and other types of cancer, establishing core competencies in the field of new plant-based drugs, and becoming a benchmark enterprise in Taiwan's biopharmaceutical industry.

4.1.3 Technology and R&D Overview

1. R&D expenses incurred in the most recent fiscal year and up until the date of printing of the annual report.

Unit: New Taiwan Dollars (NTD) in thousands.

Item \ Year	2024	As of March 31, 2025 (Note 1)
Revenue (A)	153,562	-
R&D Expenses (B)	128,507	-
R&D Expense Ratio B/A	84%	-

Note 1: As of the date of printing of the annual report, the financial statements for the first quarter of the fiscal year 2024 have not yet been reviewed by the CPA

2. Successful Technologies or Products Developed

(1) New Drug Development

Our company has developed " PG2 Lyo. Injection 500mg (PG2[®])" which is extracted, isolated, and highly purified from the Chinese medicinal herb Astragalus

membranaceus. It has mild properties and high safety, and has been approved by Taiwan's TFDA for sale. " Oraphine[®] 60mg Soft Capsules" obtained TFDA approval for listing in March 2020 and has been actively promoted in domestic medical centers. In addition, three new indications for " PHN031(Osteoporosis prevention) [®]," " PHN033(Diabetic nephropathy) [®]," and " PG2 Lyo. Injection 500mg (PG2[®])" have been approved for phase II clinical trials by the US FDA, and we will continue to aim for FDA approval in the future.

" PG2 Lyo. Injection 500mg (PG2[®])" was officially included in the National Health Insurance coverage in March 2021, benefiting more cancer patients and reducing the pain and suffering after chemotherapy and radiation therapy.

(2) Health food products (including TFDA health food registration products)

A. "Energy Bean[®] ": The development of Vital Soybean[®] capsule is based on the selection of non-genetically modified soybean raw materials without pollution, which is made into a biotechnology product containing high-activity Nattokinase, and added with red yeast rice compound. Energy Bean[®] has obtained multiple quality certifications, including GQP certification from the Health Food Association of the Republic of China and the Center for Drug Evaluation, as well as the National Quality Mark and the National Biomedical Quality Award, and obtained the TFDA health food registration certification for "regulating blood lipids" in 2007 (registration number: TFDA health food letter A00092).

B. "PhytoHealth EnerCharge[®] Capsule": Our company has mastered the advantage of effective ingredient extraction technology from Astragalus membranaceus, and after special patented processes and animal tests have shown to help relieve the production of fatigue after exercise. The PhytoHealth EnerCharge[®] Capsule has been granted the TFDA health food registration certification (registration number: TFDA health food letter A00319), and has also won the National Quality Mark and the Bronze Award of the National Biomedical Quality Award in 2015.

C. " PhytoHealth EnerCharge[®] Drink ": Our company continues to develop the Astragalus series of health products by using the highest quality Astragalus raw materials and extraction technology. This product has successively obtained the 2016 SNQ National Quality Mark certification and the Nutrition and Health Food First Prize of the 2017 National Biomedical Quality Award.

D. AmazPower[®]: Made from the early raw materials of PG2 Lyo. Injection 500mg (PG2[®]) to alleviate the side effects of cancer patients undergoing chemotherapy and improve their quality of life, this product can be considered a medical-grade health food product. This product has obtained the 2020 SNQ National Quality Mark certification.

E. Other Customized Products: The Company carefully selects the highest quality Astragalus raw materials and applies its proprietary extraction technology to continuously develop an exclusive upgraded line of Astragalus-based health products. Incorporating the traditional Chinese medicine concept of the "Five Elements," this formula offers a more comprehensive approach to energy replenishment. With improved packaging and convenient usage, it provides consumers across various distribution channels with a wider range of choices—aiming to support a fatigue-free, more relaxed body condition.

4.1.4 Long-term and short-term business development plans.

1. Short-term business development plans:

- (1) " PG2 Lyo. Injection 500mg (PG2[®])" has been approved by the Ministry of Health and Welfare and has been officially included in the National Health Insurance reimbursement list since March 2021, contributing significantly to

revenue.

- (2)The world's first oral nabuphine new drug, "Oraphine® Soft Capsule," developed by PhytoHealth, was approved by the Ministry of Health and Welfare in March 2020 and officially launched for sale through domestic medical channels in 2023. Meanwhile, efforts are underway to seek sales partners in the European Union and Southeast Asia.
 - (3)Domestic and international marketing of health/functional foods, in collaboration with major international companies to develop high-performance functional ingredients and post-illness recovery health supplements.
2. Long-term business development plans:
- (1)Continuously expanding/developing other indications for " PG2 Lyo. Injection 500mg (PG2®)"
 - (2)Collaborated with international companies to develop new products related to oncology and neurology, and introduced them to the Taiwan market.
 - (3)By leveraging our core strengths in clinical development, we aim to deepen collaboration across the value chain and seize opportunities in the botanical health supplement market.

4.2 Market and Sales Overview

4.2.1Market Analysis

1.Sales Regions of Main Products/Services

Unit:NTD1000

Sales Area \ Year	2024	2023
	Sales Amount	Sales Amount
Domestic	117,190	116,267
Foreign	36,372	46,222
Total	153,562	162,489

2. Market share

New Drug Development

"Our products, " PG2 Lyo. Injection 500mg (PG2®)" and "Oraphine®60mg soft Capsule" were approved by the Ministry of Health and Welfare for new drug inspection and registration on April 6, 2010, and March 27, 2020, respectively. Since the official National Health Insurance reimbursement of " PG2 Lyo. Injection 500mg (PG2®)" in March 2021, its market share has gradually increased through domestic marketing promotions."

3. Market supply and demand situation and growth prospects for the future.

(1) New Drug Development

A.PG2 Lyo. Injection 500mg (PG2®) :

PG2 Lyo. Injection 500mg (PG2®) has the potential to improve the quality of life for cancer patients suffering from severe fatigue, for which there is currently no effective treatment available. As there are no similar drugs on the market,

PG2 Lyo. Injection 500mg (PG2®) will expand its applications to different types and stages of cancer, as well as in combination with other cancer treatments. A clinical study plan for adjuvant chemotherapy in breast cancer is underway, and the potential for future applications is immense. Ongoing research and development is being conducted on the immune modulation mechanism and new indications for PG2 Lyo. Injection 500mg (PG2®). It was officially included in the National Health Insurance coverage on March 1, 2021.

B. PHN031(Osteoporosis prevention):

Osteoporosis has been increasing year by year with the global trend of aging population, and the market value of osteoporosis drugs worldwide has reached \$7 billion. Our company's research and development product, " PHN031(Osteoporosis prevention)", has been confirmed by preclinical tests and Phase II clinical trials to have a dual effect of increasing bone formation indicators and inhibiting bone loss indicators, without the common side effects of existing osteoporosis drugs. Once successfully developed, it is expected to break through the bottleneck of Western medicine treatment for osteoporosis and provide osteoporosis patients with a safe and effective new option.

C. Oraphine® 60mg soft Capsule :

According to the market research report by Global Information, Inc., the global analgesics market is expected to grow to \$75.2 billion by 2026. Oraphine® 60mg soft Capsule is a novel oral analgesic with low addiction potential, low side effects, easy administration, and high safety, which can occupy a place in the analgesic market. Oraphine® 60mg soft Capsule have been granted a drug license (Ministry of Health and Welfare Drug Production Letter No. 060459) by the Taiwan FDA on March 27, 2020, and the company is actively planning for domestic market launch as well as discussing technology licensing and product sales agency rights with foreign companies.

D. PHN033(Diabetic nephropathy) :

According to the latest research report from global market research firm TrendForce, the global diabetic population is rapidly increasing, with an estimated 580 million people expected to be affected by 2030, and related healthcare spending exceeding \$770 billion. The World Health Organization also predicts that by 2040, there will be over 640 million people worldwide with diabetes. PHN033(Diabetic nephropathy) can promote the clearance of advanced glycation end products (AGEs) in diabetic patients, which can cause vascular complications, and can be used to treat or prevent diabetic nephropathy. The mechanism of action of this new drug is still in the research and development stage and has not yet been launched on the market. PHN033(Diabetic nephropathy) brings hope for the prevention and treatment of diabetic nephropathy in the future.

(2) Health supplements

According to Euromonitor research, the global health and wellness food market reached a size of 869.7 billion U.S. dollars in 2022, with a compound annual growth rate (CAGR) of 5.5%. The market is expected to surpass 1 trillion U.S. dollars by 2026.

A. Energy Bean® :

The development of Energy Bean® capsules is aimed at helping to lower total cholesterol and low-density lipoprotein cholesterol in the blood, which can help reduce the incidence of cardiovascular and cerebrovascular diseases in the population, playing an important role in modern preventive medicine. The capsules are developed using carefully selected, non-genetically modified soybean ingredients free from contamination, and contain high-activity Nattokinase and a complex of red yeast rice. The product has obtained the certification of "Blood Lipid Regulation" and "Health Food" from the Ministry of Health and Welfare in 2007, with permit number "DOH Health Food A00092".

B. PhytoHealth EnerCharge® Capsule :

Taiwan's population structure has already entered an aging society, and the elderly often feel mentally and physically exhausted. The cause of fatigue is mostly due to the traditional Chinese medicine theory of "qi deficiency". Therefore, our company carefully selects high-quality astragalus, Acanthopanax, and Ganoderma lucidum fruiting bodies as "Tonifying qi" ingredients. We use advanced extraction,

separation, and purification technologies, and verify their effectiveness through scientific experiments to develop nutritional supplements that can enhance physical strength and nourish the body.

C. PhytoHealth EnerCharge® Drink :

According to statistics from a well-known market research center, the top three health concerns for office workers are easily getting tired, aging of bodily functions, and physical decline. Based on scientific literature and research conducted by the company, Astragalus membranaceus has been shown to have an improving effect on fatigue, physical decline, and aging.

Taking advantage of the complete control over the Astragalus raw material and unique extraction technology, the company has developed Astragalus functional drink -, PhytoHealth EnerCharge® Drink, which has won the SNQ National Quality Mark for two consecutive years (in 2016 and 2017). In December 2017, it further won the first prize in the nutrition and health food category of the National Biotechnology Medical Quality Award.

D. "AmazPower®" :

Cancer treatments often cause many side effects, and 90% of patients experience fatigue. Cancer patients often rely on nutritional supplements to alleviate the side effects and maintain their physical and mental health, appetite, and quality of life. Currently, there is a large body of research showing that if traditional Chinese medicine ingredients are used to supplement regular cancer treatments, it can greatly alleviate the discomfort caused by the side effects and increase the chances of successful treatment.

Our company has successfully developed "AmazPower®" by using the early-stage ingredients of PG2 Lyo. Injection 500mg (PG2®) combined with special saccharides. This product can enhance vitality, relieve the side effects of cancer treatments, and improve the quality of life for cancer patients undergoing treatment.

4. Competitive Advantages

- (1) Professional Management Team: New drug development is a typical knowledge-based industry, and the company's management team has professional biomedical backgrounds and rich experience in the biotechnology industry, with many holding master's or PhD degrees.
- (2) A comprehensive and diverse product line: The company has a rich pipeline of research and development products, with development progress distributed across various stages and indications, and continues to evaluate plans for introducing new products.
- (3) Sound Strategy Planning: New drug development timelines are lengthy and costs are high, so Phytohealth Corporation uses licensing to introduce new drugs/products that have completed preclinical trials as a starting point to reduce the risk of new drug development failures. After completing clinical trials, the company adopts a stage transfer strategy for technology licensing.
- (4) Excellent Partnerships: The company integrates excellent partners in manufacturing, sales, research, and technology development through an integrated management model to invest in new drug research and development in the most efficient way possible.
- (5) High-Quality Healthcare/Nutritional Supplements: The company uses scientific methods for new drug research to ensure the safety and functionality of healthcare/nutritional supplements developed.

5. Positive and Negative Factors and Response Strategies for Development Vision

(1) Positive factors: :

- A. Since the COVID-19 pandemic, there has been a growing emphasis on and acceptance of the development of botanical drugs and plant-based health products in clinical practice.
- B. High-growth product targets: Cancer mortality rates are increasing year by year, but there are still no effective treatment drugs. Therefore, there is a huge demand for anticancer drugs in terms of quality and quantity. In addition, the problem of global aging is becoming increasingly serious, and the number of elderly diseases is increasing year by year, including stroke, osteoporosis, diabetes, kidney disease, and rheumatoid arthritis, all of which require a large amount of drug treatment, and have unlimited market potential in the future.
- C. Positive prospects for biotechnology: The 21st century is a new era of biochemistry technology. Humans continue to pursue higher quality of life, so the demand for drugs and health supplements will continue to increase.
- D. Strong government support: The government policy vigorously promotes the development of the medical biotechnology industry. PG2 Lyo. Injection 500mg and Oraphine® 60mg soft Capsule have obtained drug licenses, and PG2 Lyo. Injection 500mg has also been reimbursed by the National Health Insurance. The future performance growth is promising.
- E. Government policies encourage investment: After the implementation of the Biotech New Drug Act, it has a positive impact on the company's technology acquisition, tax deduction, and talent attraction.

(2) Disadvantages and Response Strategies:

- A. The long timeline for product launch and high risk before the product is launched. Response strategy: Use a strategy to enter the market midway to shorten development time and reduce risks.
- B. Large international pharmaceutical companies have strong funding and research teams, becoming our biggest competitors. Response strategy: Use a resource integration strategy to collaborate with domestic and foreign partners to jointly develop new drugs. Further cooperation with large international pharmaceutical companies is also possible.
- C. It is difficult to recruit and train professional talents. Response strategy: Actively recruit overseas professionals with expertise in response to government policies, and participate in high-level talent training programs and industry-university cooperation programs to cultivate professional talents from the university level.

4.2.2 Important uses and production processes

Product Name	Use	Production Process
PG2 Lyo. Injection 500mg	It has been approved by TFDA for the treatment of cancer-related severe fatigue.	It is an active ingredient extracted, isolated, and highly purified from Astragalus membranaceus, a traditional Chinese medicine used for tonifying Qi, which contains Astragalus polysaccharides.
PHN031(Osteoporosis prevention)	It is used for the prevention of osteoporosis.	The active ingredients extracted, isolated, and highly purified from Taiwan's native medicinal herbs using patented processes are mild in nature.
PHN033(Diabetic nephropathy)	It is used for the treatment of diabetic nephropathy.	The active ingredients extracted, isolated, and highly purified from Taiwan's native medicinal herbs using patented processes are mild in nature.
Oraphine®60mg soft Capsule	It is an oral medication for the relief of moderate to severe pain.	The active ingredient is an already marketed injectable anesthesia and analgesic agent, developed for a new oral administration route.
Energy Bean®	It helps to reduce total cholesterol and low-density lipoprotein cholesterol in the blood and reduce the risk factors of cardiovascular disease.	Selected non-GMO soybeans free from contamination are used as raw materials to produce a biotechnology product with high-activity nattokinase using a unique patented enzyme cultivation technology. Red yeast rice complex (DOH Health Food No. A00092) is also added to the product
Minyi Tablets® (PHN141)	It is used for the treatment of type 2 diabetes combined with insulin resistance syndrome.	It is a traditional Chinese medicine formula that has been modified and concentrated by scientific extraction to produce a Chinese medicine product. It is based on an inherent TCM formula and has obtained an export certificate issued by the Chinese Medicine and Pharmacy Committee.
PhytoHealth EnerCharge ®Capsule	It is used for anti-fatigue purposes.	This product is derived from " PG2 Lyo. Injection 500mg " and is an orally-administered capsule food that contains a combination of several traditional Chinese medicines used for tonifying Qi. It is developed using techniques such as extraction and isolation.
PhytoHealth EnerCharge® Drink	It helps to supplement Qi, boost energy, and invigorate the spirit.	It is a derivative product of PG2 Lyo. Injection 500mg, developed from a combination of several traditional Chinese medicine Qi-supplementing herbs through extraction, isolation, and other technologies into a delicate oral drink. It emphasizes no added preservatives, artificial flavors, or artificial colors, making it more suitable for cancer patients who have difficulty swallowing.
AmazPower®	It helps to regulate bodily functions and replenish Qi.	This is an Astragalus Polysaccharide (APS) purified from Astragalus membranaceus, a traditional Chinese medicine used for tonifying Qi and replenishing deficiency, extracted using innovative patented extraction techniques.

4.2.3 Supply Status of Raw Materials

Our company directly purchases standardized Astragalus granules from the production site in mainland China to meet the production needs for the current year and the next 1-2 years.

Our product, " Oraphine®60mg soft Capsule " which has been developed for many years, received approval from the Ministry of Health and Welfare for new drug inspection registration on March 27, 2020 and plan to launch from 2023, We will continue to import raw materials from major suppliers to meet the production demand.

4.2.4 In either of the past two years, the names of customers whose purchase(s) or sale(s) accounted for more than 10% of the total sales or purchases, along with their respective amounts and ratios, and an explanation for the reasons for any changes in such amounts or ratios.

1. Information on the main suppliers for the past two years

Unit: NTD thousands

Item	2023				2024				As of the end of the first quarter of 2025 (Note2)			
	Name	Amount	The percentage of the amount in relation to the net sales for the entire year.	Relationship with the issuer	Name	Amount	The percentage of the amount in relation to the net sales for the entire year.	Relationship with the issuer	Name	Amount	The percentage of the amount in relation to the net sales for the entire year.	Relationship with the issuer
1	A Supplier	17,346	44%	None	A Supplier	19,446	42%	None	-	-	-	-
2	Other (Note 1)	21,753	56%	None	Other (Note 1)	26,484	58%	None	-	-	-	-
	Purchase net amount.	39,099	100%		Purchase net amount.	45,930	100%		-	-	-	-

Note 1: If the net purchases from a single customer is less than 10% of the total net purchases for the year, it will not be disclosed.

Note 2: As of the date of printing of the annual report, the financial statements for the first quarter of 2025 have not been reviewed by the CPA.

2. Information on the main customers for the past two years

Unit: NTD thousands

Item	2023				2024				As of the end of the first quarter of 2025 (Note2)			
	Name	Amount	The percentage of the amount in relation to the net sales for the entire year.	Relationship with the issuer	Name	Amount	The percentage of the amount in relation to the net sales for the entire year.	Relationship with the issuer	Name	Amount	Percentage of purchases net amount as of the end of the first quarter of the year.	Relationship with the issuer
1	A customer	96,859	60%		A customer	98,941	64%		-	-	-	-
2	Others (Note1)	65,630	40%	None	Others (Note1)	54,621	36%	None	-	-	-	-
	Net sales	162,489	100%		Net sales	153,562	100%		-	-	-	-

Note 1: Sales to a single customer that does not exceed 10% of the annual net sales are not disclosed.

Note 2 As of the date of printing of the annual report, the financial statements for the first quarter of 2025 have not been reviewed by the CPA.

4.3 Information on employees for the past two years and up to the date of publication of the annual report.

Unit: people.

Year		2023	2024	As at Mar.31, 2025
Number of employees	Technical staff	48	46	46
	R&D and technical staff.	71	71	76
	Marketing and sales staff.	10	9	9
	Total	129	126	131
Average age		47.36	47.94	47.6
Average length of service		8.38	9.01	8.77
Distribution ratio of educational background	PHD	13.95	14.29	14.5
	Master degree	35.66	33.33	34.35
	Bachelor's degree	44.96	46.83	45.8
	High school diploma	5.43	5.55	5.35
	Secondary Education or Lower	0	0	0

4.4 Environmental Expenditure Information

4.4.1 Amounts of losses and disposal due to environmental pollution in the current and previous fiscal year up to the date of printing this annual report: None.

4.4.2 Future strategies and potential expenditures:

1.Improvement plans:

- (1)The industrial park has a wastewater treatment facility, and the Company has applied for approval to discharge wastewater. The Company conducts self-inspection twice a year and the discharge flow meter is calibrated once a year in accordance with the regulations of the industrial park sewage plant.
- (2) For minor pollution, the Company has purchased a pre-treatment equipment to improve the treatment capacity and wastewater volume.
- (3) All general industrial waste is declared in accordance with regulations and entrusted to legal service providers for transportation and disposal, and the Company is committed to strengthening waste reduction efforts.

2.Expected environmental expenditures for the next three years :

	2025	2026	2027
(1)The content of the equipment or expenditure for pollution control purposes that is planned to be purchased.	Maintenance fee and chemical cost for pre-treatment equipment for wastewater.	"	"
(2)Expected improvement.	Reduce the level of wastewater pollution emissions.	"	"
(3)Waste disposal fee.	Waste Reduction	"	"
(4)Amount.	NTD 865,000	NTD 882,000	NTD 900,000

4.5 Labor-Management Relations

4.5.1 The Company's employee welfare measures, continuing education, training, retirement system, implementation status, agreements between labor and management, and measures to safeguard employee rights: :

1. Employee welfare measures: :

- (1) Establishment of the Employee Welfare Committee, responsible for handling various employee welfare measures.
- (2) Gifts, travel, and birthday bonuses for Dragon Boat Festival, Mid-Autumn Festival, and other occasions.
- (3) Labor insurance, health insurance, and group accident insurance: The Company provides labor insurance and health insurance for employees in accordance with regulations, and the parents, spouses, and children of employees can also be insured under the Company's policy.
- (4) Others: The Company also provides employees with wedding and funeral subsidies and emergency relief funds to demonstrate the Company's care for its colleagues.

Item	Male/Number	Female/Number	Total
Actual number of employees who applied for parental leave in 2024.	0	0	0
Expected number of employees returning to work after parental leave in 2024.	0	0	0
Actual number of employees who returned to work after taking parental leave in 2024.	0	0	0
Actual number of employees who returned to work after taking parental leave in the 2023.	0	0	0
Number of employees who remained employed 12 months after returning to work from parental leave in the 2023.	0	0	0
Return-to-work rate	0%	0%	0%
Retention rate	0%	0%	0%

2. Education and Training :

The Company values employee education and training and has established the "Education and Training Management Measures." The HR department conducts pre-job training for new employees every quarter, and each department regularly holds internal education and training sessions to enhance research and development capabilities and improve production technology. In addition, the Company holds a manager's inspirational meeting every month to cultivate the ability of managers to analyze and solve problems. Furthermore, the Company also sends employees to attend external seminars on relevant business topics as needed to enhance their professional and competitive abilities.

The employee training and courses attended during 2024 are as follows :

Type of course		Number of trainees	Training hours	Expenditure
Internal Training	General Education and New Employee Training	163	704	27,800
External Training	Professional Skills and Regulatory Updates, Safety and Health, General Education, Management Training and Development	52	405	104,010

Note: There will be three human rights-related training sessions for new employees during the year 2024, with a total of 9 attendees and 6 hours of training. In the future, we will continue to focus on human rights issues, promote relevant education and training, and raise awareness of human rights

protection to reduce the potential risks associated with it.

3. Retirement system and implementation

The Company's employee retirement policy is in accordance with Article 56 of the Labor Standards Act and the Employee Management Rules, and reserves for retirement benefits according to the law. The "Labor Retirement Reserve Fund Supervision and Management Committee" is established to supervise and manage the retirement account. The retirement benefit standards for employees are as follows

- (1) For employees who retain the old system's seniority, two base salaries are given for every year of service, but for those who have worked for more than fifteen years, one base salary is given for every year of service, with a maximum total of forty-five base salaries. Those who have worked for less than half a year will be calculated as half a year, and those who have worked for more than half a year will be calculated as one year. For employees who are forced to retire according to regulations, if they suffer from mental or physical disabilities due to work duties, they will be given an additional 20% in accordance with the above regulations.
- (2) For employees who are under the new retirement system, the Company withholds 6% of the employee's monthly salary and transfers it to the employee's personal retirement account. For those who voluntarily contribute to the retirement fund, the Company will deduct the amount based on the voluntary contribution rate from the employee's monthly salary and transfer it to the individual retirement account of the Bureau of Labor Insurance.
- (3) The Company applies the provisions of the Labor Retirement Pension Act as follows:

A. Voluntary Retirement:

Laborers who meet the following conditions may voluntarily retire: (Those who choose to apply the Labor Retirement Pension Act shall handle it in accordance with the same regulations)

- (A) Employees who are over 55 years old and have worked for more than 15 years.
- (B) Employees who have worked for more than 25 years.
- (C) Employees who are over 60 years old and have worked for more than 10 years.

B. Mandatory Retirement:

The Company may not force employees to retire unless they meet one of the following conditions:

- (A) Employees who are over 65 years old.
- (B) Employees who are mentally or physically disabled and cannot perform their work duties.

For employees who are engaged in special types of work that are hazardous or require strong physical abilities, the Company may apply to the competent authority for approval to adjust the age requirement mentioned in the preceding paragraph. However, it may not be less than 55 years old.

C. Retirement Benefit Standards:

- (A) For those who apply the Labor Standards Act before or after and choose to continue to apply the "Labor Standards Act" retirement benefit regulations or retain the seniority before applying the Labor Retirement Pension Act, their retirement benefit standards are calculated according to Article 84-2 and Article 55 of the Labor Standards Act.
- (B) For employees who are forced to retire in accordance with the provisions of the second item of Article 35, Paragraph 1, and who suffer from mental or physical disabilities due to work duties, an additional 20% will be given in accordance with the provisions of Article 55, Paragraph 1, Item 2 of the Labor Standards Act.

(C) For employees whose retirement benefits are governed by the Labor Retirement Pension Act regulations, the Company shall deposit 6% of their salary into the employee's personal retirement account each month.

D. Payment of Retirement Benefits:

The Company shall pay the employee's retirement benefits within 30 days from the date of the employee's retirement.

4. Labor-Management Agreement :

The Company values employee opinions and has established a labor-management meeting, which is composed of representatives appointed by both labor and management. Through this channel, both parties can discuss labor-management issues. In addition, there is a Chairman's mailbox, and employee opinions can also be communicated and coordinated through email, maintaining a good labor-management relationship without disputes.

4.5.2 The Company's management regulations are implemented in accordance with the Labor Standards Act, and labor-management relations are harmonious. There have been no illegal disputes or litigation events related to labor-management issues that resulted in losses to the Company in the current and previous fiscal years up to the date of this annual report. Therefore, there is no estimated amount or corresponding measures to disclose.

4.5.3 Employee ethical behavior assessment.

Our company has established a "Code of Conduct" and "Code of Ethics" and has clearly stipulated the following service standards in the "Employee Handbook" that has been filed and approved:

1. Employees shall be diligent in their duties, comply with all company regulations, obey reasonable commands from their superiors, and shall not have any behavior of negligence, evasion, or disobedience. Superiors shall provide kind guidance to their subordinates.
2. Employees shall work conscientiously, respect the dignity of their colleagues, cherish public property, reduce losses, improve quality and efficiency, shall not deliberately waste machinery, equipment, tools, raw materials, products, or any other company property, nor shall they disclose any technical or business secrets of the company. Unauthorized reading of documents, books, records, data, and showing them to others is not allowed.
3. Staff members designated for work shall wear identification badges and swipe cards to enter and exit the office according to regulations. The identification badge is the property of the company, and should be returned to the company when exchanged or leaving the job. If lost, employees shall immediately report to the company's personnel department and apply for a replacement. The cost of replacing the identification card shall be borne by the employee.
4. Employees shall arrive and leave work according to schedule. If unable to come to work, they may follow the company's leave regulations to handle the leave procedures, otherwise, they will be considered absent without leave. The same applies to employees who arrive late or leave early.
5. Employees shall not leave their work positions without prior approval during working hours, otherwise they will be considered absent without leave.
6. Employees shall not bring their family or visitors into the company or factory offices without permission.
7. Staff members shall not use the company's name without prior approval, nor shall they use their authority to benefit themselves or others. Without the consent of the company, staff members shall not hold any positions outside the company or participate in any organizations that may conflict with the interests of the company, make any investments, or have any relationship with them.

8. Staff members shall be honest and clean in their words and deeds during workdays, and shall not engage in behaviors that could damage the company's reputation, such as extravagance, luxury, revelry, gambling, etc. They shall not bring ammunition, weapons, dangerous goods, contraband, or items unrelated to production and work into the workplace.
9. Employees shall not take company property out of the company without authorization. If there is a need to take company property out of the company in the course of their duties, they shall obtain the consent of their supervisor in advance.
10. Employees shall not engage in activities that are contrary to the interests of the company or engage in behavior that has a negative impact on the company's image or business. Employees shall not resell or sell product samples for profit.
11. Maintaining the confidentiality of company information is the responsibility of every employee. Employees should strictly comply with the company's security and confidentiality measures or regulations. Confidential documents should be personally delivered and a receipt should be obtained. If it is necessary to send confidential documents, they must be sealed in an envelope with clear indication of the recipient and sender's name, department and extension number before being sent. If an employee needs to temporarily leave their workstation, such as for lunch, after work, for a meeting, or to visit a client, they should store confidential information in a locked filing cabinet.
12. All employees must strictly maintain the confidentiality of the company's technical, financial, business, or personnel information and must comply with the company's relevant confidentiality regulations. Employees should avoid discussing the company's confidential information outside the company's office. Unless necessary to perform their duties and with the prior consent of their supervisor, employees may not disclose or use the company's confidential information for their own or third-party interests, or with the purpose of damaging the company. If unsure whether information is confidential, employees should seek guidance from their supervisor and legal counsel.
13. Any information related to the company's product manufacturing methods, formulas, manufacturing cost analysis, sales prices, research and development results, customer lists, and purchasing quantities and prices should be regarded as the company's confidential information. Door codes, personal computer passwords, and personnel salary information are all confidential matters that should not be disclosed or discussed either internally or externally.
14. If employees are invited to give speeches or write articles and the content may involve the company's confidential information, they should first inform their supervisor and obtain approval before publishing externally. Except for designated spokespersons, other employees may not accept media interviews on behalf of the company without the approval of the general manager.
15. Items obtained by employees from the company or purchased with the company's funds should be considered as the company's property. Employees should use and take care of the company's property, and return it to the company when leaving the job.
16. During their employment with the company, employees should focus on performing their duties for the company. Without the company's prior written consent, they may not engage in self-employment or take on other profitable business positions during working hours or after work. They may not provide any form of service or consultation for companies operating the same or similar business as the company that may affect the performance of their labor contract.
17. During their employment with the company, employees may not serve as shareholders, directors, managers, partners, or consultants of any companies that operate the same or

similar business as the company without the company's prior written consent.

18. During their employment with the company, employees may not participate in or prepare to organize any profit-making business that competes with the company's business for their own or third-party interests.
19. When performing their duties, employees should prioritize the company's best interests and treat the company's suppliers, customers, or any other businesses that have or intend to have business dealings with the company fairly and reasonably.
20. Employees may not directly or indirectly receive or attempt to obtain any rewards, payments, gifts, entertainment, or other forms of benefits from any businesses that have or intend to have business dealings with the company, or other businesses that have a competitive relationship with the company. However, social gifts that comply with social norms or customs are not limited by this rule.
21. Employees shall not directly or indirectly hold any significant financial interests, such as investments or money loans, in businesses that have or intend to have business dealings with the Company or are in competition with the Company, unless prior written disclosure has been made to and approved by the Company.
22. If an employee's spouse, parents, parents-in-law, siblings, or siblings-in-law have such financial interests, the employee shall promptly report it to the Company in writing.
23. Employees shall not engage in business transactions between the Company and businesses owned or operated by their spouses, children, parents, parents-in-law, siblings, or siblings-in-law, unless prior written disclosure has been made to and approved by the Company.
24. Sales personnel promoting the Company's products shall be truthful and comply with all laws and ethical standards, and shall not exaggerate the effectiveness of the products, misrepresent their effects, or deceive consumers.
25. Without prior written consent from the Company, employees shall not transfer, offset, withhold, or pledge any of the compensation or benefits received from the Company.
26. In addition to their assigned duties, employees shall assist other departments when necessary, following the instructions of their superiors and avoiding any delay or excuse.
27. Employees shall maintain order in the workplace, avoiding loud or disruptive behavior that may interfere with others' work or cause disturbance.
28. Employees shall cooperate with each other, avoid cliques and conflicts, and refrain from causing disturbances or fighting that may disrupt order and interfere with public affairs.
29. Employees should complete daily tasks on time. If they cannot finish or need to collaborate on other matters, they should still complete them even if it goes beyond office hours. In the event of an emergency, regardless of whether it's outside of office hours, if the supervisor requests, the employee should go to the company to assist in the work.

Job applicants should conduct necessary credit checks with their previous employers before being hired after passing the interview to ensure that their previous work experience is without moral defects. After reporting for duty, they should sign the labor contract and agree to abide by the following company code:

(1) Loyalty:

Both parties cooperate in good faith, with the company providing a good working environment and education and training opportunities. Employees should have a good work attitude and a learning mindset to jointly improve the enterprise and individual level. Employees agree not to have a part-time job without the company's permission. Otherwise, they will be liable for compensation to the company.

(2) Confidentiality:

Business secrets include: non-public business information, technical information, proprietary technology, and confidential information that employees develop or acquire for the company, such as (but not limited to) all confidential information belonging to the company, including organizational, personnel, financial, employee job content, employee salaries, research and development, production, procurement, marketing, customer sales data, customer lists, etc. Employees agree to:

- ① Only use business secrets for company work.
- ② Take responsibility for keeping the secrets confidential.
- ③ During employment, the disclosure and the manner of business secrets must be permitted by the company and will not be disclosed to unauthorized persons in any way. The same applies after leaving the company.
- ④ Employees may not use business secret information for competition against the company after leaving. If the employee intentionally or negligently discloses confidential business information that causes the company to suffer losses, the employee should compensate the company with a punitive breach of contract of one million New Taiwan dollars. The same applies after leaving or being dismissed from the company. If the employee claims that the breach of contract was not due to their intentional or negligent act, they have the burden of proof.
- ⑤ Sign the "Personal Information Provision and Confidentiality Agreement".

(3) Non-competition:

The employee agrees to:

- ① Respect the confidentiality of any information obtained through previous employment relationships or opportunities prior to joining the company, and not bring such information into the company without the consent of the previous employer or provider. If the employee violates this provision and causes damage to the company, the employee shall be liable for compensation.
- ② During the term of employment, not engage in self-employment, joint venture or business for others that is similar or competitive with the company, for his/her own or a third party's benefit.
- ③ Within the term of employment and two years after leaving the company, not introduce other employees to work for companies or businesses similar or competitive with the company, whether they are others or self-established, to avoid interference or harm to the company's business or operations.
- ④ For employees holding managerial positions at or above department manager level, they are not allowed to engage in similar business work as the company within two years after leaving the company. If an employee violates this provision, he/she agrees to compensate the company for 24 months of full salary at the time of resignation as a punitive breach of contract penalty.
Furthermore, the employee is required to provide two HR guarantors, and employees holding important positions are required to purchase honesty insurance to ensure the company's interests.

4.5.4 Employee working environment and personal safety

1. For the protection of employee health and safety :

The company has hired personnel who possess qualifications in labor safety and health management. They are responsible for drafting, planning, supervising, and promoting work related to labor safety and health management. The labor safety and health management personnel attend various training courses as required by regulations and regularly assign specialized personnel to participate in training related to labor safety and health prevention and disaster relief. The workspaces are all properly planned and the main regulations are as follows:

- (1) The ceilings and walls of the factory are made of smooth and non-dusty materials, and the floors are made of epoxy resin, which are easy to disinfect and clean. All workspaces have good lighting and ventilation equipment and have appropriate temperature, humidity, and cleanliness regulation equipment. The drainage outlets have facilities to prevent sewage backflow.
- (2) The company has purchased handwashing equipment and washing or disinfecting sterilization equipment for working clothes, hats, masks, gloves, and shoes. Regular health checks are also carried out. Hands must be washed or disinfected upon entering the workspace. Wearing accessories, eating, smoking, or engaging in other behaviors that may harm hygiene is not allowed in the manufacturing area.
- (3) A dedicated area for storing alcohol is set up, and both the storage area and the alcohol use room are equipped with explosion-proof devices. The electrical outlets and switches used are explosion-proof specifications. Alcohol vapor concentration detectors are installed in the storage area and alcohol use room, and the concentration is monitored at all times. Alarm limit values and forced power-off values are set to ensure safety.
- (4) Any experiment must clearly specify the operating procedures, operating conditions, and safety and health precautions.
- (5) Hazardous chemicals should be labeled according to hazard communication regulations or relevant environmental protection laws and regulations.
- (6) Chemical substances should be placed in a conspicuous place on site with chemical substance information sheets and emergency leak handling equipment.
- (7) After using chemical drugs, they should be returned to their original location. Food and drinks are not allowed to be placed in refrigerators or freezers for storing chemical drugs and samples.
- (8) Flammable and explosive chemical drugs or substances should not be placed near heating equipment such as ovens and distillers.
- (9) The storage area for flammable or toxic gases should maintain good ventilation, avoid direct sunlight, and flammable, combustible or other dangerous substances should not be placed within two meters around.
- (10) When entering the laboratory for experiments, necessary personal protective equipment should be worn if necessary, such as safety glasses, safety shoes, protective gloves, and gas masks.

2. Fire Safety and Health Management :

The company has appointed qualified fire safety managers in compliance with fire safety regulations. In addition to submitting regular reports on fire safety inspections to the fire department in accordance with regulations, the managers are responsible for developing workplace protection plans, organizing self-defense fire brigades, and conducting two fire drills per year. The company also invites the fire department to provide guidance during the drills.

3. Injury and Medical Assistance

To reduce the medical burden on employees in the event of accidents, the company provides group insurance for all employees, with premiums fully covered by the company.

4.6 Cyber security management

4.6.1 Cyber security management:

The IT department is responsible for coordinating the implementation of information security policies, risk management and ensuring compliance with internal information security guidelines, procedures, and regulations.

4.6.2 Security policies :

1. Purpose

To maintain the confidentiality, integrity, availability, and legality of information assets, the secure operation of information systems, equipment, and networks, and to prevent deliberate or accidental threats, destruction, and theft from internal and external sources, and to ensure that the company's data, systems, equipment, and other information services can support the company's operations.

2. Scope:

All employees, customers, outsourced or cooperative vendors, third-party personnel, and the security management of all related information assets in the company shall be handled in accordance with the information security policy.

3. Collection and Use of Personal Information:

Personal information will be handled in accordance with the Personal Information Protection Act and related regulations and will not be disclosed to other third parties without authorization.

4. Information Security Responsibilities and Education and Training

- (1) Based on roles and functions, information security education and promotion will be conducted for different levels of staff as necessary to raise employees' awareness of information security, potential security risks, and compliance with information security regulations.
- (2) For personnel who are separated (retired, suspended), the processing procedures for personnel separation (retirement, suspension) will be followed, and all system logins and access rights will be immediately cancelled.

5. Information Security Operations and Protection

- (1) Establish operating procedures for handling information security incidents and assign relevant personnel with necessary responsibilities to quickly and effectively handle information security incidents.
- (2) Establish a change management notification mechanism for information facilities and systems to avoid vulnerabilities in system security.
- (3) Handle and protect personal information with prudence in accordance with the relevant provisions of the Computer-Processed Personal Data Protection Act.
- (4) Establish system backup facilities and regularly perform necessary data and software backups and backup operations to quickly restore normal operations in the event of disasters or storage media failures.

6. Network Security Management

- (1) Establish a firewall to control data transmission and resource access between external and internal networks at network points connected to the outside world, and perform rigorous identity verification operations.
- (2) Confidential and sensitive data or documents should not be stored in publicly accessible cloud systems, and highly confidential documents should not be sent via email .
- (3) Conduct regular audits of internal network information security facilities and antivirus measures, update virus codes for antivirus systems, and implement various security measures.

7. System Access Control Management

- (1) Password issuance and change procedures and records will be established based on operating system and security management requirements.

- (2) Logins to each operating system will be reviewed, and access rights will be granted based on job responsibilities and the principle of least privilege.

8.Improving the company's information security level:

Training of information security management personnel should be strengthened to enhance the company's information security management capability.

9.Management of Sustainable Business Operations Plan:

Evaluate the impact of various human and natural disasters on normal business operations, develop emergency response and recovery procedures for ERP, BI systems, and adjust and update plans as necessary.

4.6.3 Concrete management program and Resources invested for cyber security management :

1. Network Security :

Use network firewalls to control network connectivity security and stability, prevent and monitor malicious intrusion behavior.

2. Device Security :

Install antivirus software on all computers, continuously update virus codes, and use sandbox technology to prevent unknown viruses and ransomware from running.

3. Data Security :

Prevent data leakage of confidential information through document access control and encryption technology, and regularly review the appropriateness of access settings; regularly back up files, take snapshots, and store them offsite to ensure file availability.

4. Backup security and Remote Disaster Recovery :

Ensure system high availability and disaster recovery capability through remote system backup.

In the event of a failure, disaster, or other issues at the main office, it can quickly switch to the remote backup system in factory to ensure business continuity. Utilize measures such as regular file backup, snapshots, and offsite storage, combined with regular disaster recovery drills to ensure continuous system operation without interruption.

5. Information security education training and publicity :

Regularly organize information security awareness and case studies to enhance employees' awareness of preventive measures against files and website links from unknown sources.

6. Regularly review various information security vulnerability announcements :

For example, the National Communications Security Commission of the Executive Yuan assesses the scope of information security vulnerabilities, proposes and implements corresponding system correction measures based on the system change management mechanism.

7. Notification of information security incidents :

When a significant information security incident occurs, it should be reported to the Information Department of the General Administration Department immediately, and a cross-departmental team composed of personnel assigned by the General Administration Department leader should be responsible for handling information security and antivirus emergency response teams and reporting according to regulations of the supervising authority.

4.6.4 Resources invested for cyber security management:

- 1. Evaluate the impact of major information security vulnerability announcements and implement vulnerability patching.
- 2. Conduct information security awareness training once a quarter for all new employees .
- 3. Conduct information security awareness training once a year for all employees .

4. Conduct a full company information system disaster recovery drill once a year.
 5. Install antivirus software on all computers and keep virus code updates online at all times.
 6. Continuously update firewalls and intrusion defense systems.
- 4.6.5 Major cyber security incidents:
- Up to the date of the annual report printing in the latest year, the company has not had any significant information security incidents

4.7 Important Contract

Nature	Party involved	Contract start and end date	Main content	Restrictive clauses
Technology transfer and licensing agreement	National Defense Education and Research Foundation"	97/3/7~119/10/28	Subject matter: "Nalbuphine novel oral formulation" Oraphine [®] 60mg soft Capsule new drug. Licensing territory: Global exclusive license	none
Product sales agreement.	Maywufa Company	103/1/1~ Automatic extension	Target: Phytohealth's Products Licensing sales territory: Taiwan	none
National Health Insurance medication reimbursement agreement	National Health Insurance Administration, Ministry of Health and Welfare	114/3/1~116/2/28	Target: PG2 Lyo. Injection 500mg	none

5. Review and analysis of financial condition and financial performance, as well as risk factors.

5.1 Financial condition

Unit: NTD thousands

Item \ Year	2024	2023	Difference	
			A m o u n t	%
Current assets	1,306,393	1,499,456	(193,063)	(12.88)
Property, plant, and equipment	196,941	220,788	(23,847)	(10.80)
Investment property	0	0	0	0
Right-of-use assets	16,142	25,502	(9,360)	(36.70)
Intangible assets	66,481	73,933	(7,452)	(10.08)
Other assets	853,713	530,832	322,881	60.83
Total assets	2,439,670	2,350,511	89,159	3.79
Current liabilities	54,396	57,378	(2,982)	(5.20)
Non-current liabilities	16,894	22,471	(5,577)	(24.82)
Total liabilities	71,290	79,849	(8,559)	(10.72)
Share capital	1,986,189	1,986,189	0	0.00
Capital surplus	5,853	1,161	4,692	404.13
Retained earnings	(264,607)	(191,106)	(73,501)	38.46
Other equity	173,925	130,862	43,063	32.91
Non-controlling interests	467,020	343,556	123,464	35.94
Total shareholders' equity	2,368,380	2,270,662	97,718	4.30

(1) Major reasons for significant changes in assets, liabilities, and shareholders' equity over the past two years:

The decrease in right-of-use assets was primarily due to amortization. The increase in other assets was mainly attributable to a rise in the valuation of financial assets.

The decrease in retained earnings was due to a loss incurred during the period, while the increase in other equity resulted from a recovery in the market value of financial assets.

(2) Impact of financial condition changes over the past two years:

There was no significant impact on the Company's financial condition.

(3) Future response plan:

The Company will continue to advance new drug development and actively promote the sales of pharmaceuticals and health supplements to increase revenue and profitability.

5.2 Financial performance

Financial performance comparative analysis

Unit: NTD thousands

Item \ Year	2024	2023	Increase (Decrease) amount	Change %
Operating Revenue	153,562	162,489	(8,927)	(5.49)
Operating Costs	(89,555)	(94,846)	(5,291)	(5.58)
Gross Profit	64,007	67,643	(3,636)	(5.38)
Operating Expenses	(224,190)	(189,320)	(34,870)	(18.42)
Operating Loss	(160,183)	(121,677)	(38,506)	(31.65)
Non-Operating Income and Expenses	51,649	47,530	4,119	8.67
Profit Before Tax	(108,534)	(74,147)	(34,387)	(46.38)
Income Tax Expense	0	0	0	0
Net Loss for the Year	(108,534)	(74,147)	(34,387)	(46.38)
Other Comprehensive Income	46,388	65,211	(18,823)	(28.86)
Total Comprehensive Income	(62,146)	(8,936)	(53,210)	(595.46)

5.2.1 The main reasons and impacts for significant changes in operating revenue, operating profit, and pre-tax profit over the past two years are not provided :

In 2024, the Company continued to expand its business operations. Although revenue slightly declined compared to the previous year, research and development expenses increased accordingly due to active investment in various clinical projects aimed at accelerating business development..

5.2.2 Expected sales volume and its basis, as well as their potential impacts on the company's future financial operations and response plan, are as follows :

According to statistics from the Ministry of Health and Welfare, cancer has ranked first in the top ten causes of death in all countries for many years; "PG2 Lyo. Injection 500mg" is the first "therapeutic" prescription new drug for which there is currently no medicine to treat cancer-related fatigue. After being included in the health insurance benefits on March 1, 2010, the company's performance has grown significantly. With the addition of revenue from health care products such as " AmazPower[®]" and " PhytoHealth EnerCharge[®] Drink ", revenue is expected to gradually grow.

5.3 Cash flow

5.3.1 Analysis and explanation of changes in cash flow over the past year are as follows

Unit: NTD thousands

Beginning cash balance	Net cash flow from operating activities for the full year	Net cash flow from investing and financing activities for the full year	Cash surplus (deficit)	Expected cash deficit	
62,756	(50,134)	10,101	22,723	Financing plan	Financial plan
				N/A.	N/A.
<p>1、Analysis of Changes in Cash Flows for the Current Year:</p> <p>The net cash outflow from operating activities was 50,134 thousand, which was mainly expenditure during the operating period;</p> <p>The net cash inflow from investment and fundraising activities of 10,101 thousand mainly represents the repayment of financial assets measured at amortized cost upon maturity.</p> <p>2、Remedial measures for expected cash shortfall: N/A.</p>					

5.3.2 Liquidity improvement plan

Improvement plan for insufficient liquidity: It is expected to support the funding needs of operations by planning cash flows and disposing of financial assets.

5.3.3 Analysis of cash flow liquidity for the upcoming year

Unit: NTD thousands

Beginning cash balance	Net cash flow from operating activities for the full year	Net cash flow from investing and financing activities for the full year	Cash surplus deficit	Expected cash deficit	
22,723	(50,000)	75,000	47,723	Financing plan	Financial plan
				N/A.	N/A.
<p>1. Analysis of Changes in Cash Flows for the Current Year:</p> <p>This year's net cash flow comes from the net outflow of operating activities of 50,000 thousand, which is mainly the net cash outflow from operating activities in the current period. This table does not include the fixed deposit amount.</p> <p>2. Remedial measures for expected cash shortfall: N/A</p>					

5.4 Impact of significant capital expenditures on financial operations in the recent year: None.

5.5 The investment policy of the latest year、the main reason of the operating result and the improvement plans and the investment plans for the coming year.

The company's investment policy focuses on investing in the biotech and medical industries, as well as introducing strategic alliance partners. As for non-core business external investments, the company will dispose of them as opportunities arise. The operating status of the investment companies for the year 2024 is still relatively good.

The investment plan for the coming year will continue to prioritize investments in the biotech and medical industries, and will be evaluated carefully based on the overall industry situation and the company's business development needs, and processed according to the company's "Asset Acquisition or Disposition Procedure."

5.6 Risk Analysis and Assessment During the Most Recent Fiscal Year and as they Stood on the Date of Publication of the Annual Report

5.6.1 Changes to interest rates, currency exchange fluctuations, and inflation and how these may impact The Company's gain or loss, as well as future response measures:

1. Changes to interest rates:

The company currently has sufficient working capital and does not need to pay for loans, so changes in interest rates have no major impact on the company.

2.Changes to currency exchange fluctuations:

Unit: NTD thousands

Item	2024	2023
Net (loss) gain from foreign exchange(A)	106	204
Net operating revenue (B)	153,562	162,489
Percentage of operating revenue%(A/B)	0.07	0.13

The foreign exchange net gain (loss) of the Company in the past two years accounted for 0.07% and 0.13% of the operating revenue respectively. The proportion is not high, and the impact on the Company's profit is limited. Besides, the Company's products mainly focus on the domestic market, so the exchange rate fluctuations have no significant impact on the Company.

3.The impact of inflation on the company's profit and loss and future response measures are as follows

Historically, inflation has had little impact on drug prices, and according to the consumer price index released by the Directorate-General of Budget, Accounting and Statistics in December 2024, the average inflation rate for the year was 2.18%, showing a gradual increase. Therefore, inflation has a minimal impact on the company's profit and loss. In the future, we will continue to closely monitor changes in the consumer price index and adjust product prices and inventory levels in response to cost increases, thereby mitigating the pressure of inflation on the company.

5.6.2 Policies, main reasons for gains or losses, and future coping measures for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and trading in derivative products

- 1.In order to prudently manage financial risks, our company has not engaged in high-risk, high-leverage investments, lending funds to others, endorsement guarantees, or trading in derivative products during the 2024 fiscal year and up to the date of this annual report, and there has been no impact on our company's profit and loss.
- 2.As a new drug development company, our company does not engage in high-risk, high-leverage investments. In addition, lending funds to others, endorsement guarantees, and trading in derivative products are all subject to the operational procedures of "Funds Lending and Endorsement Guarantee Operating Procedures" and "Acquisition or Disposition of Assets Processing Procedures" established in accordance with regulatory requirements, and are carefully managed in accordance with our company's internal control procedures.
- 3.If the company engages in derivative trading, the following risk management measures must be implemented :
 - (1) Credit risk management:

Based on the volatility of the market due to various factors, there is a risk of operating derivative financial instruments. Therefore, the following principles are followed in market risk management:

Counterparties: Mainly well-known domestic and foreign financial institutions.

Trading products: Limited to products offered by well-known domestic and foreign

financial institutions.

(2) Market risk management:

The focus is on the open foreign exchange trading market provided by banks, and futures markets are not currently considered.

(3) Liquidity risk management:

To ensure market liquidity, financial products with higher liquidity (i.e. can be easily sold in the market at any time) are preferred when selecting financial products. The entrusted financial institution must have sufficient information and the ability to trade at any market.

(4) Cash flow risk management:

To ensure the stability of the company's operating funds, the source of funds for derivative financial instrument trading is limited to its own funds, and the amount of operations should consider the future three-month cash flow forecast.

(5) Operational risk management:

Authorization limits and operation processes must be strictly followed, and internal audit must be included to avoid operational risks. Trading personnel and confirmation and delivery personnel who engage in risk assessment, supervision, and control must not be allowed to concurrently serve in the same positions. The personnel responsible for risk assessment, supervision, and control must belong to different departments, and they must report to the board of directors or senior management personnel who are not responsible for trading or position decision-making.

(6) Commodity risk management:

Internal trading personnel must possess complete and correct professional knowledge of financial products and require banks to fully disclose risks to avoid the risk of misusing financial products.

(7) Legal risk management:

Documents signed with financial institutions must be examined by foreign exchange, legal, or legal advisors before they can be officially signed to avoid legal risks.

5.6.3 Future R&D plans and expected R&D expenditures

The company plans to invest approximately NT\$100-200 million in research and development expenses for projects such as the " PG2 Lyo. Injection 500mg (PG2[®]) Cancer Immunotherapy Combination Treatment" and "Cytokine Storm Inhibition" in conjunction with the implementation of the current capital increase plan.

5.6.4 Impact of domestic and international policy and legal changes on the company's financial business and response measures.

The biotechnology industry is one of the 5+2 strategic industries vigorously promoted by the government, and relevant government agencies have adopted encouraging policies for the development of the biotechnology industry. Various government agencies provide funding subsidies for research and development, such as the A+ Industry-Academia Collaboration Program and Small Business Innovation Research (SBIR) from the Ministry of Economic Affairs, and the Leading New Product Development Plan from the Industrial Development Bureau. The R&D projects of the company's PG2 Lyo. Injection 500mg (PG2[®]), PH3, and PDC748 R&D alliances have all applied for subsidies from the relevant government agencies to reduce the outflow of R&D funds, which has greatly benefited the company. The company will continue to make good use of various national incentive

programs.

- 5.6.5 The impact of technological changes (including information security risks) and industry developments on the company's financial business, as well as the corresponding measures are as follows:

The company places great emphasis on the trend of information security risks and is committed to the application of information technology, integrating group data and information. Actively and effectively utilizing manpower and information technology to enhance corporate competitiveness.

The biotechnology industry is a sector actively promoted by the government, which has high entry barriers, long research and development cycles, high professional and technical requirements, and high added value. It is less likely to undergo significant changes in the short term. Moreover, the company possesses intellectual property rights and professional R&D capabilities for its products. Therefore, technological changes and industrial changes do not have too much impact on the company's financial business.

- 5.6.6 The impact of corporate image changes on the company's crisis management and corresponding measures

Our company has always conducted business in accordance with the law and has maintained a good corporate image. In the past year and up to the date of this annual report, there have been no incidents where changes in the company's image have had any impact on our crisis management.

- 5.6.7 Expected benefits, potential risks, and response measures for the merger and acquisition.

There have been no mergers or acquisitions of other companies by our company in the recent years up to the date of printing this annual report. Therefore, there are no expected benefits, possible risks, or corresponding measures related to such mergers or acquisitions.

- 5.6.8 Expected benefits, possible risks, and response measures of expanding the factory:

1. Expected benefits of expanding the plant

The company's refining plant passed the PIC/S GMP certification by the TFDA of the Ministry of Health and Welfare in September 2016, and is currently producing "Wheaton[®] Cryogenic Injection" to fully supply the market for sales and clinical trial needs.

2. Possible risks and corresponding measures may include

Based on regulatory requirements, raw material manufacturers who have already passed the PIC/S GMP certification must still undergo regular audits and approvals before they can produce and sell their products. Failure to pass these audits may result in the risk of shutdowns. Therefore, it is necessary to strengthen employee training, comply with the PIC/S GMP regulatory requirements, ensure the accuracy of process documents and management, and be prepared to respond to audits by the Taiwan Food and Drug Administration.

- 5.6.9 Risks and Countermeasures Related to Concentration of Purchasing or Sales

As some of the raw materials for our plant-based drugs and health supplements come from Mainland China, the source and quality control of these materials are in the hands of farmers and suppliers, which may lead to supply problems. Therefore, we need to diversify our procurement sources to reduce the risk of raw material monopolies and stockouts.

5.6.10 There has been no significant transfer or replacement of the shares of the directors, supervisors, or shareholders holding more than ten percent of the company's shares, and there are no associated risks or contingency measures.

5.6.11 Impact, risks, and response measures of changes in the management rights:

There have been no changes in the management rights of the Company in recent years and up to the date of printing of this annual report, so there are no impacts, risks, or response measures to be addressed.

5.6.12 Litigation or Non-Litigation Events :

1. The company has no significant litigation, non-litigation, or administrative disputes that have been determined by judgment or are pending and may have a significant impact on shareholder equity or securities prices as of the date of the annual report.

2. As of the date of the annual report, there were no significant litigation, non-litigation, or administrative disputes that have been determined by judgment or are pending and may have a significant impact on shareholder equity or securities prices involving the directors, supervisors, general manager, substantial shareholders holding more than 10% of shares, and subsidiary companies of the company.

5.6.13 Other significant risks and countermeasures :

The company has a strict risk management approach and has not experienced any major risks. The control is still good.

In terms of risk management for information security, the company follows the backup 3-2-1 principle, which requires at least three backups, two backup methods, and one offline backup. For high-risk data, an additional mechanism of offsite storage is added to ensure compliance with data security requirements.

To ensure the safe operation of the information system and to minimize possible losses and risks in the event of system damage, the company performs a complete backup of the mainframe every week and conducts a disaster recovery drill every year.

Only specific computers are allowed to connect to the company's mainframe for management settings to prevent hacker intrusions and reduce the risk of exposure of the mainframe to information security risks.

5.7 Other significant matters. :

KPIs for each stage of human clinical trials:

IND application approval time: 1 year

Phase I trial duration: 1.5 years

Phase II trial duration: 2.5 years

Phase III trial duration: 3.5 years

NDA registration and approval time: 1.5 years

6.Special Notes

6.1 Related Company Information

6.1.1 Report on Business Combination with Related Companies:

Please visit the new version of the Market Observation Post System and navigate to: “Single Company” > “Download Electronic Documents” > “Affiliated Enterprises Disclosure Section,” then enter the company code or abbreviation to search.

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.1.2 Financial Statements for Related-Party Business Merger:

Please visit the new version of the Market Observation Post System and navigate to: “Single Company” > “Download Electronic Documents” > “Affiliated Enterprises Disclosure Section,” then enter the company code or abbreviation to search.

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.1.3 Statement of Relationships: N/A

6.2 The situation regarding private placement of securities up to and including the date of printing of the latest annual report: None.

6.3 The holding or disposition of the company's stocks by subsidiaries up to and including the date of printing of the latest annual report: None.

6.4 Additional necessary explanatory items: None.

7 、 Any significant events as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that have had a significant impact on shareholder equity or securities prices, up to and including the date of printing of the latest annual report: None.