

Stock number : 4130

*Genovate*

Genovate Biotechnology Co., Ltd.  
2024 Shareholders Meeting

# Agenda Handbook

Date : 9:00 Am, May 31, 2024  
Location : No. 1, First Industrial Rd., Hukou Township,  
Hsinchu County, Taiwan, R.O.C.  
Genovate Biotechnology Co., Ltd. Hukou Plant  
Meeting Type : Physical shareholders meeting

Genovate Biotechnology Co., Ltd.  
2024 shareholders meeting handbook  
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## I.Meeting Agenda

1. Call to order
2. Chairman remarks
3. Management Presentation
  - 3.1. 2023 Business Report
  - 3.2. 2023 Audit Committee's Review Report
  - 3.3. 2023 Employee Compensation and Director Remuneration Distribution
  - 3.4. 2023 Profit Distribution-Cash dividends
4. Proposals
  - 4.1. Adoption of the 2023 Business Report and Financial Statement
  - 4.2. Adoption of the Proposal for Distribution of 2023 Profit
5. Discussion
  - 5.1. Executing a Capitalization of Profits through Issuance of New Shares
6. Elections
  - 6.1. Election of One Additional Independent Director for the Company.
7. Other Matters
  - 7.1. Proposal of Release the Prohibition on Directors from Participation in Competitive Business
8. Extraordinary Motions
9. Adjournment

## II. Management Presentation

Report No. 1 (Proposed by the board of directors)

Subject: 2023 Business Report

Explanation: 2023 Business Report is as attached, Attachment 1.

Report No. 2 (Proposed by the board of directors)

Subject: 2023 Audit Committee's Review Report

Explanation: 2023 Audit Committee's Review Report is as attached, Attachment 2.

Report No. 3 (Proposed by the board of directors)

Subject: 2023 Employee Compensation and Director Remuneration Distribution

Explanation:

1. Pursuant to Article 28-1 of the Company's Articles of Incorporation and a resolution adopted by the Board of Directors on March 12, 2024.
2. The profit for 2023 amounted to NT\$35,028,757.
3. In 2023, approximately 10% of 2023 profit, totaling NT\$3,502,876, was allocated for employee compensation, and approximately 2% of the 2023 profit, totaling NT\$700,575, was allocated for director remuneration, both disbursed in cash.

Report No. 4 (Proposed by the board of directors)

Subject: The Status of 2023 Profit Distribution-Cash Dividends

Explanation:

1. According to Article 28 of Articles of Incorporation, the Company authorizes the distributable dividends and dividends in whole or in part may be paid in cash after a resolution has been adopted by the board of directors and in addition thereto a report of such distribution shall be submitted to the shareholders meeting.
2. The 2023 retained surplus of the Company is NTD 95,775,214. The proposed cash dividends to shareholders are NTD 16,406,378, as NTD 0.15 per share, by a resolution of the board of Directors. The cash dividend amount to each shareholder is distributed up to a dollar. Less than a dollar shall be allocated to other income of the Company. It is authorized to the chairman of the board to specify ex-dividend date, payment date and other matters.

## III. Proposals

Proposal No. 1 (Proposed by the board of directors)

Subject: Adoption of 2023 business report and financial statement

Explanation:

1. 2023 business report and financial statement were completed
2. Above financial statement has been duly audited by CPA Liu, Chien-Yu and CPA Cheng, Ya-Hui of PwC Taiwan. It has been examined and determined to be correct and accurate by the undersigned.
3. 2023 business report and financial statement are as attached, Attachment 1, 3, and 4.

Resolution:

Proposal No. 2 (Proposed by the board of directors)

Subject: Adoption of 2023 Profit Distribution

Explanation:

1. For 2023, the beginning undistributed earnings of the Company were NT\$18,735,447. The net profit after tax for the period amounted to NT\$29,334,221. Deductions from this amount included actuarial losses of NT\$1,854,922 related to defined benefit plans, disposal of equity instruments measured at fair value through other comprehensive income totaling NT\$32,719,310, and the statutory reversal of special surplus reserves amounting to NT\$82,279,778. Consequently, the distributable earnings for 2023 were NT\$95,775,214.
2. The company plans to distribute a cash dividend of approximately NT\$0.15 per share, totaling NT\$16,406,378.  
Furthermore, it is proposed to distribute a stock dividend of approximately NT\$0.3 per share, amounting to 30 shares for every thousand shares held, totaling NT\$32,812,760.
3. 2023 Profit Distribution Table is as attached, Attachment 5.

Resolution:

#### IV. Discussions

Discussion No. 1 (Proposed by the board of directors)

Subject: Proposing the Capitalization of Profits through Issuance of New Shares

Explanation:

1. To meet operational funding needs and support business development, the Company intends to allocate NT\$32,812,760 from the distributable surplus of 2023 for a capital increase through the issuance of 3,281,276 new shares at a par value of NT\$10 per share. Shareholders recorded on the register date for the rights offering will receive approximately 30 new shares for every one thousand shares held. Any fractional shares less than 1 unit can be consolidated by shareholders within five days from the suspension of share transfers, facilitated by the company's share registrar. Unconsolidated or remaining fractional shares less than 1 unit will be redeemed for cash up to the nearest dollar (amounts less than NT\$1 disregarded). The Chairman is authorized to negotiate subscriptions at par value with specific parties. Shareholders participating in the book-entry distribution of shares will have their fractional amounts used to cover associated costs.
2. Upon approval by the shareholders' meeting, the Chairman is authorized to adjust the rights offering ratio if changes in the company's share capital affect the number of outstanding shares, necessitating an adjustment.
3. The newly issued shares in this offering carry the same rights and obligations as the original shares.
4. In the event that amendments to the provisions of this capital increase plan are necessitated by legal regulations, approvals from regulatory authorities, or other required factors, it is proposed to seek authorization from the shareholders' meeting for the board of directors to handle such matters with full authority.

Resolution:

#### V. Elections

Election No. 1 (Proposed by the board of directors)

Subject: Election of One Additional Independent Director for the Company.

Explanation:

1. To enhance the effectiveness of the Company's board of directors, we aim to bring in multidimensional professionals who can contribute to our operational strategies, thereby strengthening corporate governance.
2. In accordance with the Company's Articles of Incorporation, our board of directors consists of seven to nine members. Currently, there are seven directors, including three independent directors. We plan to elect one additional independent director at the annual general meeting for this year (2024).
3. The election of independent directors operates under a candidate nomination system, with newly appointed independent directors assuming office immediately upon election. The term of office is from May 31, 2024, to May 28, 2026. Please refer to Attachment 6 of the agenda handbook for details regarding the independent director candidate approved by the Board of Directors on March 12, 2024.

Resolution:

## VI. Other Matters

No. 1 (Proposed by the board of directors)

Subject: Release the Prohibition on Directors and its Representatives from Participation in Competitive Business.

Explanation:

1. The Company has expanded the business scope gradually, it is possible the nominated directors are directors or managers in other companies with similar business scope. The above conditions are good for the Company's multi-business, and international, professional development without restrictions. The Company proposes to release the prohibition on directors and its representatives without a violation of Article 209 of the Company Act.
2. Proposal of Release the Prohibition on Directors from Participation in Competitive Business as follows:

Name/Position	Concurrent Positions (New)
Corporate Representative (Director)/ Huang, Chi-Ying	Vice Dean, School of Pharmacy, Yang Ming Chiao Tung University Director, Chang Ping-Lun Cancer and Biotherapy Research Center, Yang Ming Chiao Tung University Legal Representative (Director), Intech Biopharm Co., Ltd.
Independent Director/ Liu, Ke-Yi	Independent Director, Taiwan Cooperative Financial Holding Co., Ltd.
Independent Director/ Su, Lai-Shou	Legal Representative (Director), Taiwan Bio-Manufacturing Corporation.

Resolution:

## VII. Extraordinary Motions

## VIII. Appendices

## IX. Attachments

# Letter to Shareholders

March 12, 2024

Dear Shareholders,

## 1. 2023 Annual Report

### (1) Implementation results of the business plan

In 2023, as the pandemic gradually receded, the medical supply chain remains in flux. Genovate seized the opportunity to capitalize on this, aiming to reach new operational peaks.

With the easing of the COVID pandemic, life has returned to normal for many, but the global supply chain remains turbulent due to geopolitical rivalries, the ongoing Russia-Ukraine conflict, and recent hostilities between Israel and Palestine in the Middle East. In the domestic pharmaceutical market, while raw material prices have risen, leading to increased costs, shortages of some branded or imported drugs have provided opportunities for state-owned pharmaceutical companies. Genovate has strategically positioned itself in key emergency medicine sectors, disrupting traditional procurement frameworks of medical institutions. Through proactive drug acquisition and sustained performance in contract manufacturing, alongside the dedicated efforts of all employees, Genovate achieved a milestone in 2023, surpassing NT\$500 million in revenue, marking a new high.

On the research and development front, Genovate has completed clinical batch production of PMR, a treatment for intermittent claudication and secondary stroke prevention developed in the United States. Despite the post-pandemic surge in clinical trial costs, Genovate successfully identified a CRO that meets budgetary constraints and possesses a stellar track record verified by the US FDA audit, thereby completing pharmacokinetic trials smoothly.

In the realm of rare diseases, Genovate's medication for Antiphospholipid Syndrome (APS), GX17, is currently under an industry-academic collaboration program with Shuang-Ho Hospital. This initiative aims to explore the thrombotic properties of GX17, comparing its effectiveness in preventing secondary strokes with existing market medications. Additionally, Genovate is concurrently pursuing international patents for APS indications and crystalline forms.

After pandemic-related delays, the collaborative project between Genovate and NaviFUS, involving the innovative medical device NF02 for epilepsy treatment, officially commenced enrollment in May 2023. Genovate and the NaviFUS team traveled to the trial center in Melbourne, Australia, to provide on-site training for NaviFUS treatment. Currently, the trials are proceeding smoothly.

NaviFUS specializes in advanced medical devices for brain and central nervous system diseases, utilizing its "Transcranial Focused Ultrasound" technology platform. Emphasizing the benefits of "non-invasive, precise, safe, and convenient" products, the company's cutting-edge technology earned it the prestigious Gold Award at the 2022 Edison Awards, showcasing Taiwan's technological prowess. Operating from Taiwan, the company has been in talks for various international strategic alliances, partnering with global leaders like Brainlab and Bracco to provide vital technical support worldwide and explore product development across different indications. In 2022, the company was listed on the Emerging Stock Market. In the early stages of 2024, it received confirmation from the Industrial Development Bureau of the Ministry of Economic Affairs, recognizing its status as a technology-driven enterprise with market potential. This marks significant progress towards its IPO application.

Another key investment firm, Uni Pharma, is steadily enhancing its research and development capabilities, concentrating on cutting-edge cell therapy and eyeing the cancer screening market. Notably, its NaviRFA+DC cell therapy for liver cancer is undergoing evaluation by the Center for Drug Evaluation (CDE) pursuant to the Regulations Governing the Application or Use of Specific Medical Techniques or Examinations, or Medical Devices. Furthermore, DR-70 2.0 has

successfully developed innovative antibodies and is slated to complete license modifications in 2024, positioning itself to capture market share.

On the production front, efforts are ongoing to achieve three primary objectives: enhancing operational quality while reducing production costs, executing improvement projects compliant with PIC/S GMP requirements, and refining the quality system to meet domestic and international GMP inspection standards. These efforts include enhancing and replacing factory facilities and equipment, expanding capacity, and training on-site skilled personnel. Simultaneously, salary adjustments are made to retain talent. Guided by principles of humaneness and mutual prosperity, all factory personnel are united in their commitment to the mission of ensuring quality, overcoming challenges, and delivering historic achievements, deserving recognition.

Moreover, in anticipation of the next 30 years of growth, Genovate has initiated plans for the construction of new factory facilities, demonstrating its commitment to long-term sustainability.

(2) Budget Implementation Status

As per the “Regulations Governing the Publication of Financial Forecasts of Public Companies,” the company has not released any public financial projections for the fiscal year 2023. Therefore, this particular item is not applicable.

(3) Financial Revenue and Expenditure

In the fiscal year 2023, the consolidated operating revenue totaled NT\$529 million, reflecting an increase of NT\$89.75 million compared to the preceding year, indicating a growth of 20.5%. This increase was primarily attributed to the higher volume of pharmaceutical manufacturing and sales during the fiscal year 2023 compared to the previous year. The after-tax net profit for fiscal year 2023 amounted to NT\$29.33 million, marking a notable increase of NT\$41.66 million compared to the previous year, representing a remarkable growth of 338%. Earnings per share reached NT\$0.27, a significant increase of NT\$0.38 compared to the previous year, indicating a growth of 345%. This substantial growth was mainly driven by the increase in operating revenue during 2023, which consequently led to an overall improvement in profitability.

Financial Revenue and Expenditure:

Unit: NT\$ thousands

Item	2023	2022
Operating revenue	528,512	438,759
Operating costs	317,596	283,889
Operating margin	210,916	154,870
Operating expenses	183,909	168,760
Operating income (loss)	27,007	(13,890)
Non-operating revenue	3,818	4,889
Net income after tax (net loss)	29,334	(12,323)

Profitability:

Item	2023	2022
Return on assets (%)	1.87	(0.78)
Return on shareholders' equity (%)	2.04	(0.88)
Operating income to paid-in capital ratio (%)	2.47	(1.26)
Operating income before tax to paid-in capital ratio (%)	2.82	(0.82)
Net profit ratio (%)	5.55	(2.80)
Earnings per share	0.27	(0.11)



#### (4) Research and Development

Genovate's new drug development plan is gradually expanding internationally, leveraging the combined advantages of professionals and alliances.

##### 1. PMR Antithrombotics:

PMR's main component is Cilostazol, which has an antiplatelet and vasodilation effect and can improve the symptoms of intermittent claudication and prevent a second stroke. The primary ingredient in this product is Cilostazol, which inhibits platelet aggregation and vasodilation, and thereby alleviates symptoms of intermittent claudication and prevents a second stroke. Existing instant-release dosage forms on the market release many ingredients within a few hours, leading to side effects such as headaches and palpitations that discourage patients from taking them.

To overcome this issue, PMR utilizes a new extended-release technology that ensures the active ingredients are accessible within 24 hours, reaching a concentration level required for treatment and reducing the incidence rate and severity of side effects. This decreases the patient's fear of medication and enhances the treatment's overall efficacy.

Several clinical evaluation tasks assigned by the US FDA during the pre-NDA meeting are currently being completed. The pharmacokinetic test was conducted in 2022, after finalizing the prescription revision. In 2023, clinical batch production with dosage adjustments was completed, along with pharmacokinetic trials.

##### 2. GX17 immunomodulatory drugs:

This development item is related to the originally approved ingredient "active enantiomer," and it is a new 505(b)(2) drug with a new dosage.

Hydroxychloroquine, the active ingredient in GX17, is used to treat systemic lupus erythematosus and rheumatoid arthritis. Since this drug's structure contains a stereocenter, it generates two distinct optical isomers with distinct pharmacokinetic characteristics in vivo.

According to the results of animal testing, GX17 is anticipated to be safer for long-term medication patients. The development of GX17 is predicated on improved preparation methodology, followed by the development of new drugs for preparations and clinical design indications.

The FDA has responded to the development of the Antiphospholipid Syndrome indication (APS), deeming the design of the initial human pharmacokinetic test to be fair, and the IND submission was finalized in 2022. The US FDA has issued a "Study May Proceed Letter," and planning for clinical trials is currently underway. Additionally, multi-country patent applications for the APS utility patent and the GX17 crystal form patent are being actively crafted.

##### 3. NF02 Epilepsy Treatment Device:

The blood-brain barrier presents a major challenge for the treatment of brain disorders, as it impedes the vast majority of medications from crossing the brain's blood vessels. However, the NaviFUS® Model 101 Neuronavigation-guided focused ultrasound equipment, developed by the reinvestment business NaviFUS Corporation, has shown promising results in overcoming this obstacle. By emitting signals to blood vessels close to brain lesion tissue through the skull from outside the body, this equipment induces the formation of microbubbles within the blood vessels via its mechanical energy. As a result of the deformation and vibration that compress the blood vessel wall, the blood-brain barrier becomes temporarily permeable, enabling up to ten times more efficient drug penetration from the blood vessel into the lesion area. This breakthrough is expected to significantly enhance the efficacy of treatments for brain diseases. In addition, NaviFUS employs a surgical navigation system to accurately direct the ultrasound beam to the target area.

Genovate and NaviFUS established a holding company in another country to invest in Australia and launch a research and development venture there. The goal was to take advantage of Melbourne's neuromedical research and development center, as well as the favorable local tax and regulatory environment, to plan Alzheimer's disease trials using an Academic-Industry approach. The Human Research Ethics Committees of the Australia Therapeutic Goods Administration approved the clinical study application in August 2020, but the start of the project was delayed due to the epidemic. After reassessing priorities in 2022, it was decided to discontinue the Alzheimer's Project and participate in a multinational, multi-center clinical trial

jointly established by Stanford and Harvard BWH, with epilepsy as the target indication. The assembly and validation of the system instruments have been completed, and the epilepsy trial protocol has successfully passed the review of the ethics committee of the testing hospital. Enrollment officially commenced in May 2023, and the trials are currently progressing smoothly.

## **2. 2024 Business Plan**

### **(1) Operating principle**

1. Invest in factory software and hardware, accelerate the installation of automated machinery and tools, enhance PIC/S GMP production quality, expand production capacity, pursue high-profit OEM products via foreign certification (e.g., US FDA, Japan PMDA), and expand the regional market while evaluating the viability of a new plant.
2. Diversify into other areas of the biomedical industry, such as innovative medical devices, pet cancer screening, and cytotherapy, through reinvestment and strategic alliances.
3. Implement the innovative R&D model “Co-Investment, Joint Development” to develop “Niche-in-Class drugs” and “505(b)(2) innovative dosage forms” for new drugs. By employing the strategy of “vertical integration, each excelling in its strengths,” we aim to maximize the value of new pharmaceuticals.
4. Deepen the reinvestment business by leveraging Genovate's advantages and experience to support other reinvestment firms, strengthen strategic partnerships, and create mutually beneficial outcomes.
5. Pursue a conglomerate organizational architecture with niche products and strategic partners in the US and Japan for cooperative investments and product development. Additionally, explore international markets.
6. Improve our IR/PR to increase the confidence of professional institutions in investing in the biotechnology industry and enhance our company's public image

### **(2) Business Objective—projected sales volume and its basis**

The business objective for 2024 will be raised gradually in accordance with the target approved by the board of directors. All business plans are realistically implemented and based on historical production and sales data, device lifecycles, and anticipated external environmental change.

### **(3) Production and Marketing Policies**

1. Establish a flexible procurement system and conduct an exhaustive search for raw material suppliers in order to reduce or equalize raw material procurement expenses.
2. Invest in new automated machinery and tools with larger batch sizes to enhance the production process with automation. This will increase productivity, reduce total product costs, and maximize product profits.
3. Prepare for the PIC/S GMP follow-up inspection, enhance production technology, and explore opportunities with domestic and international pharmaceutical OEMs to expand production capacity.
4. Develop or acquire products that can complement Genovate's own products in the short term, enhance product lines in professional fields, remove sales barriers, and increase revenue.
5. Continue expanding the market for own-brand new drugs such as Mycocep. Use the original manufacturer's model to connect with groups such as patient and medical associations, and develop large-scale marketing plans for hospitals in order to achieve breakthroughs and drug listing.
6. Integrate internal and external R&D efforts, implement project management, shorten product launch times, and demonstrate competitive advantages.

## **3. Future Development Strategy**

- (1) To achieve the highest quality in PIC/S GMP manufacturing capabilities, offer OEM/ODM services for regional markets, increase production efficiency, and pave the way for international product sales, it is crucial to continuously improve production software and hardware. Additionally, the feasibility of constructing an additional plant must be evaluated.

- (2)By combining the development of 505(b)(2) new drugs (PMR and GX17) in the United States with a regional alliance of Niche-in-class new drugs (DBPR108), as well as the clinical development of the innovative medical device NaviFUS in Australia, we can strengthen our research and development capabilities and establish our brand.
- (3)Collaborating with reinvestment strategic alliance partners (NaviFUS, Unipharm, etc.), we can actively promote the development of new drugs, innovative medical devices, and cell therapy, intersect with precision medicine, and enhance Genovate's global competitiveness.
- (4)Strengthening corporate governance, promoting ESG (Environmental, Social, and Governance) initiatives, energy conservation, carbon reduction, environmental friendliness, enhancing corporate systems, and giving back to society, fulfill corporate social responsibility, and ensure sustainable operations.

#### **4. The effects of the external competitive, regulatory, and overall business environment**

The COVID-19 pandemic has profoundly impacted human life and health. Yet, it has also catalyzed innovation in the biopharmaceutical industry, responding to the present circumstances. To expedite vaccine and drug development, there has been continuous refinement in pharmaceutical research and development technology. Progress has expanded beyond the realm of COVID-19 to the development of treatments for major diseases, integrating across interdisciplinary fields such as AI, big data, and the internet. The concept of healthcare is evolving from traditional diagnosis and treatment towards personalized medicine that prioritizes prevention and health promotion. This has positioned "precision health" as a pivotal initiative in the advancement of the biotechnology and medical sectors in various advanced nations.

Biomedical healthcare stands as one of Taiwan's actively promoted emerging industries. The recently amended "Act for the Development of Biotech and Pharmaceutical Industry" integrates new domains such as novel dosage formulations, regenerative medicine, digital healthcare, and innovative technological platforms. Leveraging Taiwan's strengths in medical and information technology, the aim is to cultivate biomedical products that offer greater precision in treatment, diagnosis, and prevention. Furthermore, the inclusion of Contract Development and Manufacturing Organization (CDMO) companies in the regulatory framework is anticipated to bolster Taiwan's biomedical manufacturing capabilities and expand the industry's scale.

As of July 2023, a total of 193 companies and 492 products have been granted qualifications under the abovementioned act, encompassing biomedical new drug companies and biomedical new drug items. Among these, 81 products have been launched in domestic and international markets. The act offers tax incentives for investment deductions in research and development, machinery and equipment, and shareholder investments. Moreover, it incorporates low-tax incentives such as rewards for top-tier personnel and stock options for technical personnel, fostering an environment conducive to investment.

In Taiwan, many Western pharmaceutical manufacturers predominantly focus on the development of generic drugs, primarily targeting the National Health Insurance pharmaceutical market. Other medications cater to over-the-counter use, not requiring a physician's prescription. The domestic pharmaceutical market in Taiwan is relatively small compared to international markets. Furthermore, the development of new drugs within the country is limited, leading to a dependency on imported medications from overseas. However, due to constraints imposed by NHI reimbursement limitations, domestically produced generic drugs face stiff competition and limited profitability. They either operate within the confines of NHI reimbursement or struggle to thrive in a fiercely competitive market environment. To realize the vision of the biotechnology sector becoming another internationally renowned industry akin to IT and semiconductors, pharmaceutical companies must innovate by developing niche products, leveraging the advantages of the entire supply chain, and collaborating with government resources and private investment to break through barriers and expand internationally.

Furthermore, the COVID-19 pandemic has affected the entire world, posing a risk to the biotechnology industry's supply chain. Experts in various digital technology fields must collaborate to

treat, prevent, and predict diseases. The pandemic has also presented a formidable challenge: how to generate the energy necessary for drug production.

Having rooted itself in the local market for 30 years, Genovate has borne witness to the development and growth of Taiwan's biotechnology and pharmaceutical industry. Understanding that focusing on core competencies, innovating in research and development, and implementing practical solutions are essential for survival, Genovate adheres to the philosophy of "developing new drugs for the well-being of the Taiwanese people." By establishing a balanced product line to mitigate risks and ensure stable operations, the Company has positioned itself for steady growth. With a solid foundation in place, Genovate is now poised to leverage its strengths and expand its reach internationally. Embracing a strategy of diversified investments and forming strategic alliances across various industries, the Company is venturing into innovative medical devices, macromolecular drugs, and cell therapies. Adopting a collaborative development approach, Genovate is targeting diseases related to cardiovascular health, metabolism, central nervous system disorders, and immune modulation. With agile and astute operations, the Company is seeking regulatory or tax advantages internationally, participating in large-scale global research projects, fulfilling ESG visions, promoting energy efficiency and carbon reduction, and strengthening corporate governance. By synchronizing with the global landscape, broadening its perspective, and deploying a global strategy, Genovate aims to enhance its corporate value, generate profits, and share dividends with shareholders, thereby achieving sustainable development and becoming an exemplary benchmark enterprise.

Best wishes to Genovate and Taiwan's biotechnology and pharmaceutical industries!

We hope that all shareholders will continue to support and encourage Genovate and provide guidance and supervision. Here's wishing all shareholders good health and all the best in everything they do.

Sincerely,

Chen, Jen

Chairman

Genovate Biotechnology CO., LTD.

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

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Genovate Biotechnology Co., LTD. Business Report, Consolidated Financial Statements and Dividend Distribution proposal in Year 2023. The Consolidated Financial Statements have been duly audited by Certified Public Accountants of PwC Taiwan. The above Business Report, Consolidated Financial Statements and Dividend Distribution proposal have been examined and determined to be correct and accurate by the undersigned. This Report is duly submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Genovate Biotechnology Co., LTD

The Audit Committee Convener Liu, Ke-Yi

March 12, 2024

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Genovate Biotechnology Co., Ltd.

***Opinion***

We have audited the accompanying consolidated balance sheets of Genovate Biotechnology Co., Ltd. and the subsidiary (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2023 consolidated financial statements is stated as follows:

#### **Recognition of sales revenue**

##### **Description**

Given the sales revenue has a high degree of inherent risk and is material to the financial statements, we consider the recognition of sales revenue as a key audit matter. Refer to Note 4(27) for accounting policies on operating revenue recognition, and Note 6(21) for details of operating revenue.

##### **How our audit addressed the matter**

Our audit procedures in relation to the above key audit matter included:

1. Tested the design and implementation effectiveness of the internal control system of sales transactions.
2. Evaluated the reasonableness of the trade terms and credit line to the customers.
3. Confirmed the existence of the revenue and the accuracy of revenue recognition by performing substantive tests on sales transactions, selecting and verifying the transaction documents in relation to order information and shipping records, and

related vouchers in relation to sales returns and discounts occurring subsequent to the reporting period.

***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Genovate Biotechnology Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.



### ***Auditors' responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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Liu, Chien-Yu

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Cheng, Ya-Huei

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	180,032	11	\$	194,165	13
1110	Financial assets at fair value through profit or loss - current	6(2)		35,247	2		20,000	1
1136	Current financial assets at amortised cost	6(4)		324,025	20		282,880	18
1150	Notes receivable, net	6(5)		15,480	1		10,625	1
1170	Accounts receivable, net	6(5)		69,596	5		83,880	5
1180	Accounts receivable - related parties	6(5) and 7		2,794	-		1,621	-
1200	Other receivables	7		1,283	-		27,768	2
130X	Inventories	6(6)		139,642	9		145,861	9
1410	Prepayments	7		3,673	-		15,077	1
11XX	Total current assets			771,772	48		781,877	50
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)		384,376	24		334,861	22
1550	Investments accounted for using equity method	6(7)		12,901	1		16,735	1
1600	Property, plant and equipment	6(8)		391,530	25		401,542	26
1755	Right-of-use assets	6(9)		591	-		1,746	-
1760	Investment property, net	6(11)		21,662	1		21,662	1
1780	Intangible assets	6(12)		4,663	-		796	-
1900	Other non-current assets			12,961	1		5,209	-
15XX	Total non-current assets			828,684	52		782,551	50
1XXX	Total assets		\$	1,600,456	100	\$	1,564,428	100

(Continued)

**GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity			December 31, 2023		December 31, 2022					
			Notes	AMOUNT	%	AMOUNT	%			
Current liabilities										
2130	Contract liabilities - current	6(21) and 7	\$	4,899	-	\$	4,734	1		
2150	Notes payable			-	-		111	-		
2170	Accounts payable	6(13)		32,867	2		45,798	3		
2200	Other payables	6(14)		51,711	3		55,125	4		
2220	Other payables - related parties	6(14) and 7		-	-		1,898	-		
2230	Current income tax liabilities			1,371	-		3,271	-		
2280	Lease liabilities - current			665	-		1,253	-		
2399	Other current liabilities, others			26,213	2		19,651	1		
21XX	Total current liabilities			117,726	7		131,841	9		
Non-current liabilities										
2580	Non-current lease liabilities			18	-		585	-		
2600	Other non-current liabilities	6(15)		13,942	1		21,175	1		
25XX	Total non-current liabilities			13,960	1		21,760	1		
2XXX	Total Liabilities			131,686	8		153,601	10		
Equity attributable to owners of parent										
	Share capital	6(17)								
3110	Common stock			1,093,758	69		1,093,758	70		
	Capital surplus	6(18)								
3200	Capital surplus			210,556	13		210,512	13		
	Retained earnings	6(19)								
3310	Legal reserve			68,679	4		61,483	4		
3320	Special reserve			95,617	6		35,043	2		
3350	Unappropriated retained earnings			13,498	1		105,649	7		
	Other equity interest	6(20)								
3400	Other equity interest		(	13,338)	(	1)	(	95,618)	(	6)
31XX	Equity attributable to owners of the parent			1,468,770	92		1,410,827	90		
3XXX	Total equity			1,468,770	92		1,410,827	90		
	Significant contingent liabilities and unrecognised contract commitments	9								
	Significant events after the balance sheet date	11								
3X2X	Total liabilities and equity		\$	1,600,456	100	\$	1,564,428	100		

The accompanying notes are an integral part of these consolidated financial statements.

**GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31			
Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 528,512	100	\$ 438,759	100
5000 Operating costs	6(6)(12)(22)(23)	( 317,596)	( 60)	( 283,889)	( 65)
5900 Net operating margin		210,916	40	154,870	35
Operating expenses	6(5)(8)(12)(15)(22)(23) and 7				
6100 Selling expenses		( 63,127)	( 12)	( 64,319)	( 14)
6200 General and administrative expenses		( 47,183)	( 9)	( 42,566)	( 10)
6300 Research and development expenses		( 73,613)	( 14)	( 61,878)	( 14)
6450 Expected credit gain	12(2)	14	-	3	-
6000 Total operating expenses		( 183,909)	( 35)	( 168,760)	( 38)
6900 Operating profit (loss)		27,007	5	( 13,890)	( 3)
Non-operating income and expenses					
7100 Interest income	6(24)	5,018	1	2,673	1
7010 Other income	6(10)(11)(25)	2,294	1	1,653	-
7020 Other gains and losses	6(26)	653	-	558	-
7050 Finance costs	6(27)	( 267)	-	( 281)	-
7060 Share of (loss) profit of associates and joint ventures accounted for using equity method	6(7)	( 3,880)	( 1)	286	-
7000 Total non-operating income and expenses		3,818	1	4,889	1
7900 <b>Profit (loss) before income tax</b>		30,825	6	( 9,001)	( 2)
7950 Income tax expense	6(28)	( 1,491)	-	( 3,322)	( 1)
8200 <b>Profit (loss) for the year</b>		\$ 29,334	6	( \$ 12,323)	( 3)
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Loss on remeasurements of defined benefit plans	6(15)	( \$ 1,855)	-	( \$ 2,324)	( 1)
8316 Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	49,515	9	33,467	8
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations	6(20)	46	-	256	-
8300 <b>Other comprehensive income for the year</b>		\$ 47,706	9	\$ 31,399	7
8500 <b>Total comprehensive income for the year</b>		\$ 77,040	15	\$ 19,076	4
Profit attributable to:					
8610 Owners of the parent		\$ 29,334	6	( \$ 12,323)	( 3)
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 77,040	15	\$ 19,076	4
Earnings (losses) per share	6(29)				
9750 Basic		\$ 0.27		( \$ 0.11)	
9850 Diluted		\$ 0.27		( \$ 0.11)	

The accompanying notes are an integral part of these consolidated financial statements.

**GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Equity attributable to owners of the parent							Treasury stocks	Total equity
		Retained Earnings			Other equity interest					
		Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
<u>For the year ended December 31, 2022</u>										
Balance at January 1, 2022		\$ 1,100,038	\$ 208,929	\$ 56,748	\$ -	\$ 111,226	(\$ 319 )	(\$ 34,724 )	(\$ 63,032 )	\$ 1,378,866
Loss for the year		-	-	-	-	( 12,323 )	-	-	-	( 12,323 )
Other comprehensive (loss) income for the year	6(3)(20)	-	-	-	-	( 2,324 )	256	33,467	-	31,399
Total comprehensive (loss) income	6(9)	-	-	-	-	( 14,647 )	256	33,467	-	19,076
Distribution of 2021 earnings:										
Legal reserve		-	-	4,735	-	( 4,735 )	-	-	-	-
Special reserve		-	-	-	35,043	( 35,043 )	-	-	-	-
Cash dividends		-	-	-	-	( 37,757 )	-	-	-	( 37,757 )
Retirement of treasury shares	6(17)(18)	( 6,280 )	( 10,055 )	-	-	( 7,693 )	-	-	24,028	-
Transferred treasury stock to employees	6(17)(18)	-	( 121 )	-	-	-	-	-	39,004	38,883
Share-based payment compensation cost	6(16)	-	11,700	-	-	-	-	-	-	11,700
Disposal of equity investment at fair value through other comprehensive income	6(3)(20)	-	-	-	-	-	-	-	-	-
Overdue unclaimed dividends to shareholders	6(18)	-	59	-	-	94,298	-	( 94,298 )	-	-
Balance at December 31, 2022		\$ 1,093,758	\$ 210,512	\$ 61,483	\$ 35,043	\$ 105,649	(\$ 63 )	(\$ 95,555 )	\$ -	\$ 1,410,827
<u>For the year ended December 31, 2023</u>										
Balance at January 1, 2023		\$ 1,093,758	\$ 210,512	\$ 61,483	\$ 35,043	\$ 105,649	(\$ 63 )	(\$ 95,555 )	\$ -	\$ 1,410,827
Loss for the year		-	-	-	-	29,334	-	-	-	29,334
Other comprehensive (loss) income for the year	6(3)(20)	-	-	-	-	( 1,855 )	46	49,515	-	47,706
Total comprehensive income		-	-	-	-	27,479	46	49,515	-	77,040
Distribution of 2022 earnings:										
Legal reserve		-	-	7,196	-	( 7,196 )	-	-	-	-
Special reserve		-	-	-	60,574	( 60,574 )	-	-	-	-
Cash dividends		-	-	-	-	( 19,141 )	-	-	-	( 19,141 )
Disposal of equity investment at fair value through other comprehensive income	6(3)(20)	-	-	-	-	( 32,719 )	-	32,719	-	-
Overdue unclaimed dividends to shareholders	6(18)	-	44	-	-	-	-	-	-	44
Balance at December 31, 2023		\$ 1,093,758	\$ 210,556	\$ 68,679	\$ 95,617	\$ 13,498	(\$ 17 )	(\$ 13,321 )	\$ -	\$ 1,468,770

The accompanying notes are an integral part of these consolidated financial statements.

GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit (loss) before tax		\$ 30,825	(\$ 9,001 )
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit gain	6(5) and 12(2)	( 14 )	( 3 )
Depreciation	6(8)(9)(22)	35,047	34,927
Amortization	6(12)(22)	1,501	1,161
Net gain on financial assets at fair value through profit or loss	6(26)	( 451 )	( 66 )
Interest expense	6(27)	267	281
Interest income	6(24)	( 5,018 )	( 2,673 )
Share of gain of associates accounted for using the equity method	6(7)	3,880	( 286 )
Gain on lease modification	6(26)	11	( 51 )
Share-based payment	6(16)	-	11,700
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 14,796 )	( 6,934 )
Notes receivable		( 4,855 )	( 1,973 )
Accounts receivable		14,298	405
Accounts receivable - related parties		( 1,173 )	( 167 )
Other receivables		26,934	( 26,595 )
Inventories		6,219	( 5,918 )
Prepayments		11,404	( 4,673 )
Changes in operating liabilities			
Contract liabilities		165	708
Notes payable		( 111 )	( 8 )
Accounts payable		( 12,931 )	10,917
Other payables		( 2,787 )	6,299
Other payables - related parties		( 1,898 )	1,898
Other current liabilities		6,562	108
Accrued pension liabilities		( 9,208 )	( 7,091 )
Cash inflow generated from operations		83,871	2,965
Interest received		4,567	2,273
Interest paid		( 265 )	( 279 )
Income tax paid		( 3,391 )	( 3,449 )
Net cash flows from operating activities		84,782	1,510

(Continued)



GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost -			
current		( \$ 41,145 )	( \$ 104,900 )
Proceeds from disposal of financial assets at fair			
value through other comprehensive income		-	121,933
Acquisition of property, plant and equipment	6(30)	( 23,448 )	( 22,578 )
Increase in prepayments for equipment		( 4,527 )	( 970 )
Acquisition of intangible assets	6(12)	( 5,368 )	( 466 )
Increase in guarantee deposits paid		( 4,795 )	( 1,168 )
Decrease in guarantee deposits paid		600	2,402
Net cash flows used in investing activities		( 78,683 )	( 5,747 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in guarantee deposits	6(31)	120	-
Repayment of principal portion of lease liabilities	6(9)(31)	( 1,255 )	( 1,224 )
Overdue unclaimed dividends to shareholders	6(18)	44	59
Cash dividends paid	6(19)(31)	( 19,141 )	( 37,757 )
Transferred treasury stock to employees	6(16)	-	38,883
Net cash flows used in financing activities		( 20,232 )	( 39 )
Net decrease in cash and cash equivalents		( 14,133 )	( 4,276 )
Cash and cash equivalents at beginning of year	6(1)	194,165	198,441
Cash and cash equivalents at end of year	6(1)	<u>\$ 180,032</u>	<u>\$ 194,165</u>

The accompanying notes are an integral part of these consolidated financial statements.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Genovate Biotechnology Co., Ltd.

***Opinion***

We have audited the accompanying parent company only balance sheets of Genovate Biotechnology Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers. ”

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Company's 2023 parent company only financial statements is as follows:

#### **Recognition of sales revenue**

##### **Description**

Given the sales revenue has a high degree of inherent risk and is material to the parent company only financial statements, we consider the recognition of sales revenue as a key audit matter. Refer to Note 4(26) for accounting policies on operating revenue recognition, and Note 6(21) for details of operating revenue.

##### **How our audit addressed the matter**

Our audit procedures in relation to the above key audit matter included:

1. Tested the design and implementation effectiveness of the internal control system of sales transactions.
2. Evaluated the reasonableness of the trade terms and credit line to the customers.
3. Confirmed the existence of the revenue and the accuracy of revenue recognition by performing substantive tests on sales transactions, selecting and verifying the transaction documents in relation to order information and shipping records, and related vouchers in relation to sales returns and discounts occurring subsequent to the reporting period.

***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the ☐M ☐ting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

***Auditors' responsibilities for the audit of the parent company only financial statements***

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company

only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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Liu, Chien-Yu

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Cheng, Ya-Huei

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

GENOVATE BIOTECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	179,830	11	\$	189,255	12
1110	Financial assets at fair value through profit or loss - current	6(2)		35,247	2		20,000	1
1136	Current financial assets at amortised cost	6(4)		319,310	20		282,880	18
1150	Notes receivable, net	6(5)		15,480	1		10,625	1
1170	Accounts receivable, net	6(5)		69,596	5		83,880	6
1180	Accounts receivable - related parties	6(5) and 7		2,794	-		1,621	-
1200	Other receivables	7		1,250	-		27,768	2
130X	Inventories	6(6)		139,642	9		145,861	9
1410	Prepayments	7		3,673	-		15,077	1
11XX	Total current assets			766,822	48		776,967	50
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)		377,099	24		324,488	21
1550	Investments accounted for using equity method	6(7)		25,128	2		32,018	2
1600	Property, plant and equipment	6(8)		391,530	24		401,542	26
1755	Right-of-use assets	6(9)		591	-		1,746	-
1760	Investment property, net	6(11)		21,662	1		21,662	1
1780	Intangible assets	6(12)		4,663	-		796	-
1900	Other non-current assets			12,961	1		5,209	-
15XX	Total non-current assets			833,634	52		787,461	50
1XXX	Total assets		\$	1,600,456	100	\$	1,564,428	100

(Continued)



GENOVATE BIOTECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022					
			AMOUNT	%	AMOUNT	%				
Current liabilities										
2130	Contract liabilities - current	6(21) and 7	\$	4,899	-	\$	4,734	1		
2150	Notes payable			-	-		111	-		
2170	Accounts payable	6(13)		32,867	2		45,798	3		
2200	Other payables	6(14)		51,711	3		55,125	4		
2220	Other payables - related parties	6(14) and 7		-	-		1,898	-		
2230	Current income tax liabilities			1,371	-		3,271	-		
2280	Lease liabilities - current			665	-		1,253	-		
2399	Other current liabilities, others			26,213	2		19,651	1		
21XX	Total current liabilities			117,726	7		131,841	9		
Non-current liabilities										
2580	Non-current lease liabilities			18	-		585	-		
2600	Other non-current liabilities	6(15)		13,942	1		21,175	1		
25XX	Total non-current liabilities			13,960	1		21,760	1		
2XXX	Total Liabilities			131,686	8		153,601	10		
Equity										
	Share capital	6(17)								
3110	Common stock			1,093,758	69		1,093,758	70		
	Capital surplus	6(18)								
3200	Capital surplus			210,556	13		210,512	13		
	Retained earnings	6(19)								
3310	Legal reserve			68,679	4		61,483	4		
3320	Special reserve			95,617	6		35,043	2		
3350	Unappropriated retained earnings			13,498	1		105,649	7		
	Other equity interest	6(20)								
3400	Other equity interest		(	13,338)	(	1)	(	95,618)	(	6)
3XXX	Total equity			1,468,770	92		1,410,827	90		
	Significant contingent liabilities and unrecognised contract commitments	9								
	Significant events after the balance sheet date	11								
3X2X	Total liabilities and equity		\$	1,600,456	100	\$	1,564,428	100		

The accompanying notes are an integral part of these parent company only financial statements.

GENOVATE BIOTECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Year ended December 31			
		Notes	2023		2022		
Items			AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 528,512	100	\$ 438,759	100	
5000	Operating costs	6(6)(12)(22)(23)	( 317,596)	( 60)	( 283,889)	( 65)	
5900	Net operating margin		210,916	40	154,870	35	
	Operating expenses	6(5)(8)(12)(15)(22)(23) and 7					
6100	Selling expenses		( 63,127)	( 12)	( 64,319)	( 14)	
6200	General and administrative expenses		( 47,183)	( 9)	( 42,566)	( 10)	
6300	Research and development expenses		( 73,613)	( 14)	( 61,878)	( 14)	
6450	Expected credit gain	12(2)	14	-	3	-	
6000	Total operating expenses		( 183,909)	( 35)	( 168,760)	( 38)	
6900	Operating profit (loss)		27,007	5	13,890	3	
	Non-operating income and expenses						
7100	Interest income	6(24)	4,965	1	2,670	1	
7010	Other income	6(10)(11)(25)	2,294	1	1,653	-	
7020	Other gains and losses	6(26)	666	-	73	-	
7050	Finance costs	6(27)	( 267)	-	( 281)	-	
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(7)	( 3,840)	( 1)	774	-	
7000	Total non-operating income and expenses		3,818	1	4,889	1	
7900	<b>Profit (loss) before income tax</b>		30,825	6	( 9,001)	( 2)	
7950	Income tax expense	6(28)	( 1,491)	-	( 3,322)	( 1)	
8200	<b>Profit (loss) for the year</b>		\$ 29,334	6	( \$ 12,323)	( 3)	
	<b>Other comprehensive income</b>						
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Loss on remeasurements of defined benefit plans	6(15)	( \$ 1,855)	-	( \$ 2,324)	( 1)	
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	52,611	10	29,010	7	
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)(20)	( 3,096)	( 1)	4,457	1	
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	6(20)	46	-	256	-	
8300	<b>Other comprehensive income for the year</b>		\$ 47,706	9	\$ 31,399	7	
8500	<b>Total comprehensive income for the year</b>		\$ 77,040	15	\$ 19,076	4	
	Earnings (losses) per share	6(29)					
9750	Basic		\$ 0.27	( \$ 0.11)			
9850	Diluted		\$ 0.27	( \$ 0.11)			

The accompanying notes are an integral part of these parent company only financial statements.

**GENOVATE BIOTECHNOLOGY CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings			Other equity interest			Treasury stocks	Total equity
		Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
For the year ended December 31, 2022									
Balance at January 1, 2022		\$ 1,100,038	\$ 208,929	\$ 56,748	\$ -	\$ 111,226	(\$ 319)	(\$ 34,724)	\$ 1,378,866
Loss for the year		-	-	-	-	( 12,323 )	-	-	( 12,323 )
Other comprehensive (loss) income for the year	6(3)(15)(20)	-	-	-	-	( 2,324 )	256	33,467	31,399
Total comprehensive (loss) income		-	-	-	-	( 14,647 )	256	33,467	19,076
Distribution of 2021 earnings:	6(19)								
Legal reserve		-	-	4,735	-	( 4,735 )	-	-	-
Special reserve		-	-	-	35,043	( 35,043 )	-	-	-
Cash dividends		-	-	-	-	( 37,757 )	-	-	( 37,757 )
Retirement of treasury shares	6(17)(18)	( 6,280 )	( 10,055 )	-	-	( 7,693 )	-	-	-
Transferred treasury stock to employees	6(17)(18)	-	( 121 )	-	-	-	-	-	24,028
Share-based payment compensation cost	6(16)	-	11,700	-	-	-	-	-	39,004
Disposal of equity investment at fair value through other comprehensive income	6(3)(20)	-	-	-	-	-	-	-	-
Overdue unclaimed dividends to shareholders	6(18)	-	59	-	-	94,298	-	( 94,298 )	-
Balance at December 31, 2022		\$ 1,093,758	\$ 210,512	\$ 61,483	\$ 35,043	\$ 105,649	(\$ 63)	(\$ 95,555)	\$ 1,410,827
For the year ended December 31, 2023									
Balance at January 1, 2023		\$ 1,093,758	\$ 210,512	\$ 61,483	\$ 35,043	\$ 105,649	(\$ 63)	(\$ 95,555)	\$ 1,410,827
Loss for the year		-	-	-	-	29,334	-	-	29,334
Other comprehensive (loss) income for the year	6(3)(20)	-	-	-	-	( 1,855 )	46	49,515	47,706
Total comprehensive income		-	-	-	-	27,479	46	49,515	77,040
Distribution of 2022 earnings:	6(19)								
Legal reserve		-	-	7,196	-	( 7,196 )	-	-	-
Special reserve		-	-	-	60,574	( 60,574 )	-	-	-
Cash dividends		-	-	-	-	( 19,141 )	-	-	( 19,141 )
Disposal of equity investment at fair value through other comprehensive income	6(3)(20)	-	-	-	-	( 32,719 )	-	32,719	-
Overdue unclaimed dividends to shareholders	6(18)	-	44	-	-	-	-	-	44
Balance at December 31, 2023		\$ 1,093,758	\$ 210,556	\$ 68,679	\$ 95,617	\$ 13,498	(\$ 17)	(\$ 13,321)	\$ 1,468,770

The accompanying notes are an integral part of these parent company only financial statements.

GENOVATE BIOTECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit (loss) before tax		\$ 30,825	(\$ 9,001 )
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit gain	6(5) and 12(2)	( 14 )	( 3 )
Depreciation	6(8)(9)(22)	35,047	34,927
Amortization	6(12)(22)	1,501	1,161
Net gain on financial assets at fair value through profit or loss	6(26)	( 451 )	( 66 )
Interest expense	6(27)	267	281
Interest income	6(24)	( 4,965 )	( 2,670 )
Share of gain on associates accounted for using equity method	6(7)	3,840	( 774 )
Gain on lease modification	6(26)	11	( 51 )
Share-based payment	6(16)	-	11,700
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 14,796 )	( 6,934 )
Notes receivable		( 4,855 )	( 1,973 )
Accounts receivable		14,298	405
Accounts receivable - related parties		( 1,173 )	( 167 )
Other receivables		26,967	( 26,595 )
Inventories		6,219	( 5,918 )
Prepayments		11,404	( 4,673 )
Changes in operating liabilities			
Contract liabilities		165	708
Notes payable		( 111 )	( 8 )
Accounts payable		( 12,931 )	10,917
Other payables		( 2,787 )	6,299
Other payables - related parties		( 1,898 )	1,898
Other current liabilities		6,562	108
Accrued pension liabilities		( 9,208 )	( 7,091 )
Cash inflow generated from operations		83,917	2,480
Interest received		4,514	2,270
Interest paid		( 265 )	( 279 )
Income tax paid		( 3,391 )	( 3,449 )
Net cash flows from operating activities		84,775	1,022

(Continued)

GENOVATE BIOTECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost -			
current		( \$ 36,430 )	( \$ 104,900 )
Proceeds from disposal of financial assets at fair			
value through other comprehensive income		-	121,933
Acquisition of property, plant and equipment	6(30)	( 23,448 )	( 22,578 )
Increase in prepayments for equipment		( 4,527 )	( 970 )
Acquisition of intangible assets	6(12)	( 5,368 )	( 466 )
Increase in guarantee deposits paid		( 4,795 )	( 1,168 )
Decrease in guarantee deposits paid		600	2,402
Net cash flows used in investing activities		( 73,968 )	( 5,747 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in guarantee deposits	6(31)	120	-
Repayment of principal portion of lease liabilities	6(9)(31)	( 1,255 )	( 1,224 )
Overdue unclaimed dividends to shareholders	6(18)	44	59
Cash dividends paid	6(19)(31)	( 19,141 )	( 37,757 )
Transferred treasury stock to employees	6(16)	-	38,883
Net cash flows used in financing activities		( 20,232 )	( 39 )
Net decrease in cash and cash equivalents		( 9,425 )	( 4,764 )
Cash and cash equivalents at beginning of year	6(1)	189,255	194,019
Cash and cash equivalents at end of year	6(1)	\$ 179,830	\$ 189,255

The accompanying notes are an integral part of these parent company only financial statements.

Genovate Biotechnology Co., Ltd.  
Profit Distribution Table  
Year 2023

Unit: NTD

<b>Beginning retained earnings</b>	<b>18,735,447</b>
Add : Net profit after tax for the fiscal year 2023	29,334,221
Less : Retained earnings adjustment in Year 2023 (defined benefit plan an actuarial loss )	(1,854,922)
Less : Dispose equity at fair value through other comprehensive profit and loss in 2023	(32,719,310)
Less : 10% legal reserve	0
Add : Special surplus reserve conversion (Issue No. Financial Supervisory Securities Corporate 1090150022)	<u>82,279,778</u>
<b>Distributable net profit</b>	<b>95,775,214</b>
distributable items : Stock dividend (approximately NT\$0.3 per share) distributed at a rate of 30 shares per one thousand shares	(32,812,760)
distributable items : cash dividend ( NTD 0.15 per share )	<u>(16,406,378)</u>
<b>Year End Unappropriated retained earnings</b>	<b><u>46,556,076</u></b>

Note: Dividend Payout Ratio is temporary according to outstanding shares 109,375,851 dated Jan 31, 2024.

Representative : Chen, Jen      Manager : Chu, Chia-Chen      Accounting Supervisor : Lin, Hui-Ling

# Genovate Biotechnology Co., Ltd.

## Information on independent director candidates

account number	Name	Shareholding	Education/Experience	Position held in the Company or other companies	Remarks
-	Su, Lai-Shou	0	<ul style="list-style-type: none"> <li>• M.B.A. of University of North Texas, U.S.A.</li> <li>• Executive Secretary of National Development Fund</li> <li>• Board Director of Oversea-Chinese Banking Corporation</li> <li>• Board Director of HanTech Venture Capital Corporation</li> <li>• Board Director of Taiwan Aerospace Corporation</li> <li>• Supervisor of Kaohsiung Rapid Transit Corporation</li> <li>• Supervisor of Powerchip Semiconductor Corporation</li> <li>• Supervisor of Mirle Automation Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Board Director of Vanguard International Semiconductor Corporation</li> <li>• Board Director of Taiwan Bio-Manufacturing Corporation</li> </ul>	

## Articles of Incorporation of Genovate Biotechnology Co., Ltd.

### Chapter 1 General Provisions

Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 健亞生物科技股份有限公司 in mandarin; its name shall be Genovate Biotechnology Co.,Ltd. in English.

Article 2: The scope of business of The Company:

1. Research, develop, manufacture and retail any kinds of western pharmaceuticals, biologics, active pharmaceutical ingredients and its intermediates.
2. Research, develop, produce and retail controlled released western pharmaceuticals.
3. Above products consulting service; export and import.
4. Manufacture and retail any kinds of western medicine, biologics and food.
5. Sales, import and export products on any kinds of western pharmaceuticals, active pharmaceutical ingredients, antibiotics, serum, vaccine, medical equipment.
6. Clinical trial service on any kind of medicine.
7. General trade and resale products.
8. C802100 cosmetic manufacturing industry. (added)

Article 2-1: The Company may act as a guarantor.

Article 3: The headquarters of the Company is set in Hsinchu City and may set up a branch domestically or overseas with approval from the Board of Directors in a resolution and from the government authorities.

Article 4: (Deleted)

### Chapter 2 Shares

Article 5: The total capital stock of the Company is NTD 1.5 billion divided into 150 million ordinary shares of NTD 10 per share. The Board of Directors is authorized to issue these shares separately. Among these shares, 15 million shares are reserved for stock warrants, preferred shares with warrants, or corporate bonds with warrants.

Article 6: The Company's shares shall be registered and numbered and shall bear the signatures or personal seals by the director representing the Company, and be issued upon approvals from relevant competent authorities in accordance with the law. The Company not printing its share certificate in accordance with the provision of the preceding paragraph shall register the issued shares with a centralized securities depositary enterprise and follow the regulations of that enterprise.

Article 7: For other affairs related to stocks, it shall be governed by Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 8: Assignment/transfer of shares shall not be set up as a defense against the issuing company, unless name/title and residence/domicile of the assignee/transferee have been recorded in the shareholders' roster.

Article 9: The entries in The Company's shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders meeting, or within 30 days prior to the convening date of a special shareholders meeting, or 5 days before the base day scheduled by the Company for distributing dividends, dividends, or other benefits.



### Chapter 3 Shareholders Meeting

Article 10: The shareholders meeting shall be two kinds

1. The regular meeting of shareholders shall be convened within six months after close of each fiscal year.
2. Special meeting of shareholders shall be held when necessary and referred to the competent authority.

A shareholders meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority.

The condition, operation procedure and other relative regulation of visual communication network shall be in comply with Financial Supervisory Commission if any.

Article 11: When the shareholders meeting was convened by the Board of Directors, the shareholders meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or is unable to exercise the duties for certain reasons, the Chairman may designate the managing director to act on his/her behalf, if there is no managing director, one of the directors may be designated to act on his/her behalf. Where the Chairman does not designate a proxy, the managing director or directors may elect a person among themselves to act on behalf of the Chairman. When the shareholders meeting was convened by other persons who have the convening right, the shareholders meeting shall be presided by the convener.

Article 12: A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case a public company intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.

Article 13: A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating there in the scope of power authorized to the proxy. However, the Company shall comply with Article 177 of the Company Act, otherwise stipulated by the competent authority in charge of securities affairs.

Article 14: Except in the circumstances otherwise provided for in this Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

The shares shall have no voting power under any of the circumstances referring to Article 179 of the Company Act.

Article 15: Unless otherwise provided by the competent authorities, a resolution of a shareholders' meeting shall be adopted with a consent of the shareholders representing a majority of the voting rights at the meeting attended by shareholders holding a majority of the total issued shares. However, the following circumstances shall be approved by the majority of the total issued shares with a consent of shareholders representing two-third of the voting rights.

1. Acquisition or merging other domestic and foreign companies.
2. Canceled or invalidated, splitted by the central competent authority

Article 15-1: The proposal to withdraw public offering shall resolve on shareholders meeting and cannot adjust during the procedure of the over-the counter market or public offering

market.

#### Chapter 4: Directors, Board of Directors, Functional Committees and Managers

Article 16: The Company shall have seven to nine Directors, who shall be elected from legally competent persons at the shareholders meeting and hold office for three years; re-elected Directors may serve consecutive terms. The manner of nomination and other related matters shall comply with the Company Act and Security and Exchange Act. There shall be at least two independent Directors among the number of Directors to be elected referred to in the preceding paragraph, and the independent Directors shall represent at least one-fifth of the Board. The independent Directors shall be elected at the shareholders meeting using the candidate nomination system and from among a list of candidates. The restrictions on professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the independent Directors, and other related matters shall comply with applicable laws and regulations prescribed by the competent authority. Total shares holding percentage of all directors shall comply with the competent authorities.

Article 16-1: The Company shall set up an Audit Committee, Remuneration Committee, and other functional committees. The Audit Committee is composed of all Independent Directors. The exercise of the duty by members of the Audit Committee, Articles of the Committee, responsibilities and other regulations are in compliance with the regulations of the competent authority of securities and the Company regulations. Remuneration matters shall authorize the Board of Directors to be in charge.

Article 17: The Board of Directors are organized by Directors. Except duties complied with the Company Act, the duties in following circumstances shall not exercise without two-thirds of the directors' approval.

1. The contract price over a certain amount (authorize the Board of Directors to decide)
2. Essential non-approval capital expenditure budget over a certain amount (authorize the Board of Directors to decide). The expenditure shall not be splitted or separated into details for the same purpose.
3. Branches established or dissolved
4. Invest outside the business, acquire, or merge other business
5. All or partial important assets disposal for pawn, resale, rent, pledge or other disposal exercise.
6. Transaction over a certain amount (authorize the Board of Directors to decide) between relative companies, shareholders who have exceeding 10% of total shares, directors, supervisors and their first-degree relatives.
7. Appoint or dismiss a general manager
8. Surplus distribution or deficit makeup review and approval
9. Budge and final account approval
10. A plan on capital increase or decrease
11. Amendment on Articles of Incorporation of the Company
12. Approval on operation plan, new factory set-up, original factory expansion

Article 18: In case a company has no managing directors, the Board of Directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board.

Article 19: Except as otherwise stated in the Security Exchange Act or in the Company Act or other laws, the Board of Directors meeting shall be convened by the chairman. A resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors except not complied with the Company Act or regulations in Article 17 in this paragraph.

Article 20: In case the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the Board of Directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his behalf. The proceeding proxy is for one director. The meeting is held via visual communication network, directors participate via visual communication network as attending in person.

Article 21: (Deleted)

Article 22: The directors are remunerated regularly, authorizing the Board of Directors to agree on the level of their participation in the Company's operations and the value of their contributions, and with reference to the standard of the same trade concerned. The Board of Directors determine Directors' transportation allowance. The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 23: The Company may have one general manager and the appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Act. General manager shall exercise as the resolution of the Board of Directors. The Company may have several vice general managers to assist the general manager for the operation. The appointment and discharge and the remuneration of vice general managers are applied via the general manager and in accordance with Article 29 of the Company Act.

Article 24: When the number of vacancies in the Board of Directors of a company equals to one third of the total number of directors, the Board of Directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies.

#### Chapter 5 Accountant

Article 25: The Company's fiscal year starts from January 1 to December 31 of the same year.

Article 26: At the end of each fiscal year, The Board of Directors shall prepare the following documents in accordance with Article 228 of the Company Act, and submit the documents to routine shareholders meeting to be recognized.

1. Business report
2. Financial statements
3. Proposals for distribution of earnings or makeup for the deficit.

Article 27: The distribution of the dividends shall be effected in proportion to the number of shares held by each shareholder accordingly. The Company shall not pay dividends, unless its losses shall have been covered and a legal reserve shall have been set aside.

Article 28: The Company, when allocating its surplus profits shall follow the distributions

1. Pay all taxes and dues
2. Make up the deficit
3. Set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Where the Competent Authority deems necessary, it may set aside a certain proportion of its earnings as special reserve.
4. If there is a surplus still, the Board of Directors will propose the surplus distribution case with the unpaid profits accumulation of undistributed surplus last year to the shareholders meeting for resolution.

The Company authorizes the distributable dividends and dividends in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders meeting. It may not adopt the resolution of the shareholders meeting in this provision.

Article 28-1: Once the Company has made profits in a year, then no less than 10% of the profits should be allocated to employee compensation and no more than 2% of the profits should be allocated for Directors/Supervisors compensation. However, the Company shall make up the deficit when accumulated losses still. The said employee compensation can be paid in the form of stock or cash, and the recipient of the payment include employees of subordinate companies qualifying the conditions set by certain conditions. The profits in the preceding paragraph indicate the before-tax profit deduct employee compensation and Directors/ Supervisors compensation. The compensation distribution shall be approved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders meeting.

Article 28-2: Legal surplus reserve and paid-in capital in accordance with Article 241 of the Company Act in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders meeting.

Article 29: The dividend policy of the Company shall meet business strategy, short-long-term investment plan, capital budget, internal and external environments and profit condition in the current fiscal year. The Board of Directors may purpose surplus distribution and submit the shareholders meeting to resolve. The distribution shall be reasonable and fair to no less than 50% of distributable surplus as dividend. Among the dividends, the dividend paid in cash shall be no less than 10%.

Article 30: The roster of shareholders for distribution of Shareholders' dividend shall be on the basis of 5 days prior to the resolution of the distribution.

Article 31: The investment amount of the Company for outside companies may exceed forty percent of paid-in capital.

Chapter 6: Others

Article 32: The Company's organization regulation and handbook shall be set additionally.

Article 33: Matters not specified in this Articles of Incorporation shall be governed by the Company Act.

Article 34: The original Articles of Incorporation were adopted on Feb 14, 1993. 1st Amended thereafter on Aug 17, 1993, 2nd Amended on Aug 28, 1995, 3rd Amended on June 24, 1996, 4th Amended on June 5, 1997, 5th Amended on Nov 20, 1997, 6th Amended on June, 7, 1999, 7th Amended on May 5, 2000, 8th Amended on May 25, 2001, 9th Amended on June 27, 2002, 10th Amended on June 17, 2005, 11th Amended on June 28, 2006, 12th Amended on June 22, 2007, 13th Amended on June 18, 2009, 14th Amended on June 22, 2010, 15th Amended on June 24, 2013, 16th Amended on May 31, 2016, 17th Amended on June 23, 2017, 18th Amended on May 30, 2019, 19th Amended on May 29, 2020. 20th Amended on May 29, 2023

Genovate Biotechnology Co., Ltd.  
Representative: Chen, Jen

<i>Genovate</i>	<b>Genovate Biotechnology Co., LTD.</b>	<b>No.</b>	<b>GO-2002</b>
	<b>The Ordinance Of Shareholders Meetings</b>	<b>Version</b>	<b>6</b>
		<b>Date</b>	<b>2023.05.29</b>

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, The Company's shareholders meetings shall be convened by the Board of Directors.

Changes to how The Company convenes its shareholders meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. The Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at The Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

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

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting.

None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to The Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, The Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to The Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to The Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to The Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to The Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to The Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of The Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier

than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when The Company convenes a virtual-only shareholders meeting.

Article 6: (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts.

Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with The Company two days before the meeting date.

In the event of a virtual shareholders meeting, The Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1: To convene a virtual shareholders meeting, The Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by



shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7: (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

It is advisable that shareholders meetings convened by the Board of Directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 8: (Documentation of a shareholders meeting by audio or video)

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

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

Where a shareholders meeting is held online, The Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by The Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by

The Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, The Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, The Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to The Company in accordance with Article 6.

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

Article 10: (Discussion of proposals)

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

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

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

#### Article 11: (Shareholder speech)

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

#### Article 12: (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based on the number of shares.

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

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

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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

When The Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or

electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that The Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to The Company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

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

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

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

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

When The Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When The Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in

the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14: (Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by The Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

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

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of The Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, The Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16: (Public disclosure)

On the day of a shareholders meeting, The Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting.

In the event of a virtual shareholders meeting, The Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this

information disclosed until the end of the meeting.

During The Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 17: (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by The Company, the chair may prevent the shareholder from doing so.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: (Recess and resumption of a shareholders meeting)

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

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

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

Article 19: In the event of a virtual shareholders meeting, The Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20: When The Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21: In the event of a virtual shareholders meeting, The Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before

the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When The Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, The Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, Paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, The Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

**Article 22: (Handling of digital divide)**

When convening a virtual-only shareholders meeting, The Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

**Article 23: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.**

<i>Genovate</i>	<b>Genovate Biotechnology Co., LTD.</b>	<b>No.</b>	<b>GO-2003</b>
	<b>Procedure of Election of Directors</b>	<b>Version</b>	<b>4</b>
		<b>Date</b>	<b>2023.05.29</b>

Article 1: To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4: (delete)

Article 5: The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 6: Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in Articles of Incorporation of the Company, The Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the provision of Article



14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 8: The Board of Directors or any person having convening rights shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9: The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors or people who have a convening right and publicly checked by the vote monitoring personnel before voting commences.

Article 11: A voter must enter the candidate's name or account name in the "candidate" column of the ballot. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 12: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.
6. The ballot was written for two or more candidates.

Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 14: The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 15: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

## Shareholding of Directors

1. The Minimum required shareholding and shareholding on the shareholders' roster of all directors

Position	Required shareholding	Current shareholding
Directors	8,000,000	29,554,321

Note 1: Book closure date: April 02, 2024

Note 2: The Company has elected two or more independent directors, the share ownership figures calculated at the rates set forth by the law for all directors and supervisors other than the independent directors and shall be decreased by 20 percent under Article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Note 3: The Company has set up an audit committee, the provisions on the minimum percentage requirements for the shareholding of supervisors shall not apply.

2. The number of shares and shareholding ratio (%) of all directors

Position	Name	Shares	Shareholding ratio (%)
Directors	Chen, Jen	223,113	0.20%
Directors	National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui 、Huang, Chi-Ying	29,221,785	26.72%
Directors	Chu, Chia-Chen	109,423	0.10%
Independent Director	Lee, Shih-Jen	0	0%
Independent Director	Liu, Ke-Yi	0	0%
Independent Director	Chang, Chin-Ming	0	0%
	Total	29,554,321	27.02%

Note : Book closure date: April 02, 2024