

Stock number : 4130

Genovate

Genovate Biotechnology Co., Ltd.
2025 Shareholders Meeting

Agenda Handbook

Date : 9:00 Am, May 29, 2025
Place : 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.
2025 shareholders meeting handbook
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I.Meeting Agenda

1. Call to order
2. Chairman remarks
3. Management Presentation
 - 3.1. 2024 Business Report
 - 3.2. 2024 Audit Committee's Review Report
 - 3.3. 2024 Employee Compensation and Director Remuneration Distribution
 - 3.4. 2024 Profit Distribution-Cash Dividends
 - 3.5. Report on the Formulation of the Company's "Fourth Share Repurchase and Transfer Plan for Employees"
 - 3.6. Report on the Implementation of the Company's Fourth Share Repurchase
4. Proposals
 - 4.1. Adoption of the 2024 Business Report and Financial Statement
 - 4.2. Adoption of the Proposal for Distribution of 2024 Profit
5. Discussion
 - 5.1. Executing a Capitalization of Profits through Issuance of New Shares
 - 5.2. Proposal for Amendment to the Company's Articles of Incorporation
 - 5.3. Proposal for Releasing the Directors from the Non-Competition Restrictions
6. Extraordinary Motions
7. Adjournment

II. Management Presentation

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

Subject: 2024 Business Report

Explanation: The 2024 Business Report is attached as Attachment 1.

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

Subject: 2024 Audit Committee's Review Report

Explanation: The 2024 Audit Committee's Review Report is attached as Attachment 2.

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

Subject: 2024 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 11, 2025.
2. The profit for 2024 amounted to NT\$35,294,782.
3. In 2024, approximately 10% of 2024 profit, totaling NT\$3,529,479, was allocated for employee compensation, and approximately 2% of the 2024 profit, totaling NT\$705,895, was allocated for director remuneration, both disbursed in cash.

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

Subject: 2024 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 2024 retained surplus of the Company is NTD 66,534,955. The proposed cash dividends to shareholders are NTD 11,152,013, as NTD 0.1 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.

Report No. 5 (Proposed by the board of directors)

Subject: Report on the Formulation of the Company's "Fourth Share Repurchase and Transfer Plan for Employees"

Explanation:

1. Execution of operations in accordance with the Company's "Fourth Share Repurchase and Transfer Plan for Employees," as approved by the Board of Directors on August 6, 2024, and amended on November 5, 2024.
2. The "Fourth Share Repurchase and Transfer Plan for Employees" is attached as Attachment 3.

Report No. 6 (Proposed by the board of directors)

Subject: Report on the Implementation of the Company's Fourth Share Repurchase

Explanation:

1. On August 6, 2024, the Board of Directors of the Company resolved to repurchase 1,200,000 shares of the Company from the securities firm's trading venue for transfer to employees.

2. The execution status of this share repurchase is as follows:

| | |
|---|--|
| Repurchase Batch | Fourth Batch |
| Type of Shares Repurchased | Common Stock |
| Purpose of Repurchase | Transfer shares to employees |
| Planned Number of Shares to be Repurchased | 1,200,000 Shares |
| Planned Repurchase Period | From August 7, 2024 to October 6, 2024 |
| Planned Repurchase Price Range (Per Share) | NT\$14.95 to NT\$35.85 |
| Actual Repurchase Period | From August 23, 2024 to October 4, 2024 |
| Actual Number of Shares Repurchased | 1,137,000 Shares |
| Total Amount Actually Repurchased | NT\$25,718,292 |
| Average Repurchase Price Per Share This Time | NT\$22.62 |
| Cumulative Number of Shares Held by the Company | 1,137,000 Shares |
| Percentage of Cumulative Shares Held by the Company Compared to the Total Issued Shares | 1.01% |

III. Proposals

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

Subject: Adoption of 2024 Business Report and Financial Statement

Explanation:

1. 2024 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. The 2024 Business Report and Financial Statements are attached as Attachments 1, 4, and 5.

Resolution:

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

Subject: Adoption of 2024 Profit Distribution

Explanation:

1. The Company's undistributed earnings at the beginning of fiscal year 2024 amounted to NT\$46,556,076. Adding the current period's after-tax net income of NT\$25,697,572 and the actuarial gains on defined benefit plans totaling NT\$3,268,968, and deducting NT\$4,912,948 from the disposal of equity instruments measured at fair value through other comprehensive income, NT\$2,405,359 allocated to legal reserve, and NT\$1,669,354 allocated to special reserve in accordance with legal requirements, the distributable earnings for 2024 amount to NT\$66,534,955.
2. The company plans to distribute a cash dividend of approximately NT\$0.1 per share, totaling NT\$11,152,013.
Furthermore, it is proposed to distribute a stock dividend of approximately NT\$0.2 per share, amounting to 20 shares for every thousand shares held, totaling NT\$22,304,030.
3. The 2024 Profit Distribution Table is attached as Attachment 6.

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\$22,304,030 from the distributable surplus of 2024 for a capital increase through the issuance of 2,230,403 new shares at a par value of NT\$10 per share. Shareholders recorded on the register date for the rights offering will receive approximately 20 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:

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

Subject: Proposal for Amendment to the Company's Articles of Incorporation

Explanation:

1. In line with the Company's future operational needs, improvement of corporate governance, and in compliance with Article 14, Paragraph 6 of the Securities and Exchange Act, certain provisions of the Company's Articles of Incorporation are proposed to be amended.
2. The Comparison Table of the Proposed Amendments to the Articles of Incorporation is provided in Attachment 7.

Resolution:

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

Subject: Proposal for Releasing the Directors from the Non-Competition Restrictions

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) |
|---------------------------------------|---|
| Independent Director/ Su, Lai-Shou | <ul style="list-style-type: none"> • ScinoPharm Taiwan Co., Independent Director • Locus Cell Co., Corporate Representative (Director) • TOP Pharma & Bio-Tech Co., Director • CY Biotech Co., Director |

Resolution:

V. Extraordinary Motions

VI. Attachment

VII. Appendix

Letter to Shareholders

March 11, 2025

Dear Shareholders,

1. 2024 Annual Report

(1) Implementation results of the business plan

In 2024, there were good news for Genovate Biotechnology's new drugs. We adhere to our initial principles with good harvest from diligent cultivation for years.

In terms of DBPR108, a new drug with a new dosage for diabetes, we guide six local pharmaceutical companies, starting from technology transfer and development with National Health Research Institutes to subsequent acquisition of 3-year subsidy in the amount of NT\$150 million in the name of first case of "Contributive Biotechnology", sponsored by the Executive Yuan; with the said subsidy, we carry out the Phase I study between Taiwan and US FDA. Furthermore, we signed a technology licensing and co-development agreement with CSPC Pharmaceutical Group Ltd. in China. It takes for 12 years; finally in early 2025, we obtained the drug certificate, listed in China market.

The said product is the first-in-class new drug with new ingredients. Its development involves dosage form and clinical expertise with Genovate's participation, coordination and execution. Persistent cultivation for years is returned with current good results, so Genovate's accumulated energy in research and development can be well applied. The successful market launch highlights the company's accumulated R&D capabilities, and the R&D team deserves high praise.

In addition, a pivotal pharmacokinetics trial for PMR, a 505b2 new drug for treatment for intermittent claudication and secondary stroke prevention, has been successfully completed during 2024 in U.S with main efficacy indicators achieved as a result of statistics, we immediately launched task related to a New Drug Application (NDA) of PMR, selected international contract research organizations with experiences in NDA, and established the NDA core team inside the company. We conducted a variety of tasks, and regular tracking in aspects such as commercialization, regulations, compliance with GMP, clinical trial, etc. in anticipation of early listing in the market to favor patients.

As for Genovate's medication for Antiphospholipid Syndrome (APS), GX17, in addition to ongoing pursuit of international patents for APS indications and crystalline forms, two thrombotic properties of GX17 and one bridging toxicology study which have to be finished prior to Phase II trial are also aggressively in progress.

On the sales front, in the post-pandemic age, due to influence of the Russia-Ukraine war and the Israel-Palestine war, along with geopolitics of big countries, global supply chain also experiences changes and adjustments; factors such as rising raw materials costs, unstable supply, soaring freight, etc. such raise product costs; Genovate is confronted with not only competition with domestic manufacturers, but ostracization from foreign big generic drug manufacturers in the generic market. Baptized by market rules for years, Genovate also gradually finds a way out. In the course of supply chain changes, we take advantage of niche products to grasp opportunities. By virtue of drug shortage phenomenon, we break through the existing purchase framework in medical institutions, and actively enlarge the sales to seize the market. Because of our complete layout in emergency and critical care drugs, Genovate would even more stabilize the market step by step. It is worthy of recognition that with resort to stable output of the factories, our sales and OEM business would both achieve targets.

In the realm of factory production, we continue to replace machines and tools, optimize operation to improve costs. Our short-term and mid-term goals are to plan the new factory blueprint, and upgrade sterile operation environment; in line with the in situ upgrading engineering of ultimate sterilization, and PMR NDA timeframe, we undergo, on a priority basis, the replacement engineering of pure water systems, which involves alternation of old and new systems, and

overcoming difficulties in restrictions of construction environment, stock preparation and planning, etc. It becomes critical challenges of the factory production team.

In respect of reinvestment, the collaborative project between Genovate and NaviFUS, involving clinical trial of anti-epileptic, conducted in Australia, is still ongoing.

NaviFUS specializes in advanced medical devices for brain and central nervous system diseases, utilizing its "Neuronavigation-guided 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 "The pride of Taiwan". The said system also obtains investigational device exemption (IDE) of US FDA with many clinical trials in cranial nerves diseases in progress. 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 the middle of 2022, the company was listed on the Emerging Stock Market; in the beginning of 2024, it received recommendation letter from the Industrial Development Bureau of the Ministry of Economic Affairs, recognizing its status as a technology-driven enterprise with market potential. In combination with biotechnology and ICT edges in Taiwan, it is shaped as a Bio-ICT benchmark enterprise. It has passed OTC's review, and has been officially listed on the TPEx on March 7, 2025.

(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 2024. Therefore, this particular item is not applicable.

(3) Financial Revenue and Expenditure

In the fiscal year 2024, the consolidated operating revenue totaled NT\$511 million, reflecting a decrease of NT\$17.66 million compared to the preceding year, indicating a decrease of 3.34%. This decrease was primarily attributed to the lower volume of pharmaceutical manufacturing and sales during the fiscal year 2024 compared to the previous year. The after-tax net profit for fiscal year 2024 amounted to NT\$25.7 million, marking a decrease of NT\$3.64 million (decrease by 12.4%) compared to the previous year, mainly due to decrease of operating revenue, which further led to simultaneous decrease of operating margin, operating expenses, and investment loss by using equity method, so non-operating income and expenses increased compared with the previous year as well as increase of income tax expense in 2024.

Earnings per share reached NT\$0.23 in 2024, a decrease of NT\$0.04 compared to the previous year, indicating a decrease of 14.81%.

Financial Revenue and Expenditure:

Unit: NT\$ thousands

| Item | 2024 | 2023 |
|---------------------------------|---------|---------|
| Operating revenue | 510,856 | 528,512 |
| Operating costs | 318,207 | 317,596 |
| Operating margin | 192,649 | 210,916 |
| Operating expenses | 169,219 | 183,909 |
| Operating income | 23,430 | 27,007 |
| Non-operating revenue | 7,630 | 3,818 |
| Net income after tax (net loss) | 25,698 | 29,334 |

Profitability:

| Item | 2024 | 2023 |
|------------------------------------|------|------|
| Return on assets (%) | 1.63 | 1.87 |
| Return on shareholders' equity (%) | 1.76 | 2.04 |

| Item | 2024 | 2023 |
|--|------|------|
| Operating income to paid-in capital ratio (%) | 2.07 | 2.47 |
| Operating income before tax to paid-in capital ratio (%) | 2.75 | 2.82 |
| Net profit ratio (%) | 5.03 | 5.55 |
| Earnings per share | 0.23 | 0.27 |

(4) Research and Development

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

1. DBPR108 (prusoglipthin), a new drug with new ingredients for diabetes treatment, is named among commodity in China “Shan Tse Ping”.

As a leader, Genovate united six local pharmaceutical companies to organize an industry alliance, which collaborate with academic research sectors such as National Health Institutions, Taipei General Veterans Hospital, etc. for development. In the initial stage of development, Phase I trial is carried out with approval respectively by Taiwan and US FDA, along with acquisition of 3-year subsidy in the total amount of NT\$150 million in the name offirst case of “Contributive Biotechnology”, sponsored by the Executive Yuan. It is the first successful case in a concrete sense.

DBPR108 is a kind of new drug for diabetes with DPP4 inhibitor. Its competition edges are:

- a. Effective oral dosage with high acceptance by patients.
- b. Novel small polymeric compound, protected by international patents, including US, ROC, Australia, Korea, China, etc.
- c. In comparison with DPP4 inhibitor in the same series, its safety is high as a result of pre-clinical animal toxicology study with low side effect. In the late stage of development, we sign a technology licensing and co-development agreement with CSPC Pharmaceutical Group Ltd. in China in terms of DBPR108 to jointly undertake matters such as research & development, registration, promotion, sales & production etc. of the said drug. It lasts 12 years; the drug certificate has been successfully issued by National Medical Products Administration (NMPA) of China with approval for listing in the market this year.

2. PMR- Intermittent claudication/Antithrombotic:

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.

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. In 2024, a pivotal pharmacokinetic study was completed, and the statistical results met the primary efficacy endpoints. An NDA Core Team has been established to initiate and regularly monitor operations related to commercialization, regulatory affairs, GMP compliance, and clinical trials.

3. GX17 immunomodulatory drugs:

GX17, S-enantiomer of the marketed Hydroxychloroquine (HCQ), is a new 505(b)(2) drug with a new dosage.

HCQ has been used to treat systemic lupus erythematosus and rheumatoid arthritis. Since this drug's structure contains a stereocenter (S and R), 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 drug for preparations and clinical design indications.

The FDA has responded to the development of GX17 with 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 pursued.

4. 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 our sister company 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 expansion of microbubbles within the blood vessels via its mechanical energy. As a result of the vibration that compresses the blood vessel wall, the blood-brain barrier becomes temporarily permeable, enabling up to many times more efficient drug penetration from the blood vessel into the lesion area. This breakthrough is expected to significantly increase delivery of drugs to the brain and 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 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 on going.

2. 2025 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 sister 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

2025 business objective will be implemented in accordance with the objectives 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

For recent years, accompanied with technology innovation and importation, the biotechnology industry also boasts of diversified development and application. Among others, intervention of generative AI accelerates subversion of global pharmaceutical areas. In the expectable future, we will move towards a super-speedy new drug development age. Nowadays, globally-popular GLP-1 and ADC which can precisely defeat tumors will expand exploration of unsatisfied medical demands, expedite furtherance of processes of regenerative medicine, digital medicine, and precision medicine. The traditional medical model will be broken, and drug development will tend to be in a sophisticated situation wherein each manufacturer competes with each other.

In order to promote innovation of biomedicine industry, and use biomedicine to drive growth of the next-generation industry in Taiwan, effective 2017, our country enforced a “Biomedicine Industry Innovation and Promotion Project” for the purpose of driving innovation and transformation of our biomedicine industry, and building long-standing competitiveness. With the change of population structure, elderly population is increasing. Each country’s medical policy goes from disease diagnosis & treatment to “precision health” of prevention, healthcare, testing, therapy, prognosis, and care.

Under such a tendency, it will enjoy more opportunities and niche market value by cut-in of health & medicine industry.

In 2024, there were 16 new drug certificates and unblinding of 12 mid-phase and late-phase trials in Taiwan, covering generic drug, biopharmaceuticals, new drug in traditional Chinese medicine, and antibiotics, which represent a diversified development trend in Taiwan.

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.

In addition, in face of global living and medical technology development in a trend from disease treatment to disease prevention & prediction, and interdisciplinary cooperation of digital technology, risks in the supply chain of biotechnology industry are increased in consideration of the international impact made by the Russia-Ukraine and Israel-Palestine wars. How to establish critical medicine momentum is also a strict issue of ours.

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 2024. 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 11, 2025

| | | | |
|-----------------|--|----------------|-------------------|
| Genovate | Genovate Biotechnology Co., LTD. | No. | GO-1028 |
| | Fourth Share Repurchase and Transfer Plan for Employees | Version | 1 |
| | | Date | 2024.11.05 |

I. Purpose

In order to motivate employees and enhance their sense of belonging, the Company hereby establishes these Regulations for the Transfer of Treasury Shares to Employees pursuant to Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” promulgated by the Financial Supervisory Commission. All matters regarding the transfer of treasury shares to employees shall be handled in accordance with relevant laws and these Regulations.

II. Type of Shares to be Transferred, Rights, and Restrictions

The shares to be transferred to employees are common shares. Unless otherwise stipulated by applicable laws or these Regulations, the rights and obligations of the transferred shares shall be the same as those of other outstanding common shares.

III. Transfer Period

Shares repurchased under this program may be transferred to employees in whole or in part within five years from the date of repurchase, in accordance with these Regulations.

IV. Eligibility of Recipients

Employees of the Company and its subsidiaries who are on duty as of the record date and have demonstrated outstanding performance or contributed to the Company’s future development shall be eligible to subscribe for treasury shares.

The term “subsidiaries” refers to domestic or overseas companies in which the Company directly or indirectly holds more than 50% of the voting shares.

V. Number of Shares Available for Employee Subscription

The Company shall consider factors such as employees’ job levels, years of service, special contributions, and development potential in determining the number of shares to be allocated. Consideration shall also be given to the total number of treasury shares held by the Company on the record date and the subscription limits per individual employee. The actual eligibility and number of shares available for subscription shall be resolved by the Board of Directors and may not be delegated to the Chairman. The following review procedures shall apply:

- (1) For employees who are managers or directors of the Company, approval must first be obtained from the Compensation Committee before being submitted to the Board of Directors for resolution.
- (2) For other employees of the Company or its subsidiaries, approval must first be obtained from the Audit Committee before being submitted to the Board of Directors for resolution.

VI. Operational Procedures for Transfer of Treasury Shares to Employees :

1. In accordance with the Board resolution and relevant laws, the Company shall announce, report, and execute the repurchase of shares within the execution period.
2. The Board of Directors shall determine the record date for employee subscription, the allocation standards, subscription and payment period, rights, and restrictions in accordance with these Regulations.
3. Employees who fail to complete the subscription and payment within the specified period shall be deemed to have waived their rights.
4. The Company shall tally the actual number of subscribed and paid shares and handle the procedures for share transfer and registration of ownership.

VII. Agreed Transfer Price per Share

The transfer price per share shall be the average actual repurchase price. However, prior to the transfer, if the number of issued common shares of the Company changes, the transfer price may be adjusted based on the ratio of such change. The adjusted transfer price shall not be lower than the par value.

Adjustment Formula:

$$\text{Transfer Price} = \text{Average Repurchase Price} \times \frac{\text{Total Number of Issued Common Shares at the Time of Repurchase Announcement}}{\text{Total Number of Issued Common Shares Prior to Employee Transfer}}$$

VIII. Rights and Obligations after Transfer

Once the repurchased shares have been transferred to employees and ownership registration completed, and unless otherwise stipulated, the rights and obligations shall be identical to those of the original shares.

IX. Audit of Treasury Share Transfer Operations

During the transfer process, internal auditors shall verify that the transfer date, price, employee qualifications, and the full receipt of payments are in compliance with relevant laws and these Regulations.

X. These Regulations shall take effect upon approval by the Board of Directors. Any amendments shall also be approved by the Board of Directors.

XI. These Regulations, and any subsequent amendments, shall be reported to the Shareholders' Meeting.

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, 2024 and 2023, 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 material 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of 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 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2024 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(20) 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 unmodified opinion on the parent company only financial statements of Genovate Biotechnology Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

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.

Liu, Chien-Yu

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

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 SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| Assets | | Notes | December 31, 2024 | | December 31, 2023 | |
|--------------------|---|------------|-------------------|-----|-------------------|-----|
| | | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 221,602 | 14 | \$ 180,032 | 11 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 40,199 | 3 | 35,247 | 2 |
| 1136 | Current financial assets at amortised cost | 6(4) | 259,666 | 16 | 324,025 | 20 |
| 1150 | Notes receivable, net | 6(5) | 13,724 | 1 | 15,480 | 1 |
| 1170 | Accounts receivable, net | 6(5) | 73,611 | 5 | 69,596 | 5 |
| 1180 | Accounts receivable - related parties | 6(5) and 7 | 1,728 | - | 2,794 | - |
| 1200 | Other receivables | | 1,395 | - | 1,283 | - |
| 130X | Inventories | 6(6) | 145,872 | 9 | 139,642 | 9 |
| 1410 | Prepayments | | 7,655 | - | 3,673 | - |
| 11XX | Total current assets | | 765,452 | 48 | 771,772 | 48 |
| Non-current assets | | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 6(3) | 386,845 | 24 | 384,376 | 24 |
| 1550 | Investments accounted for using equity method | 6(7) | 11,700 | 1 | 12,901 | 1 |
| 1600 | Property, plant and equipment | 6(8) | 391,561 | 25 | 391,530 | 25 |
| 1755 | Right-of-use assets | 6(9) | 2,390 | - | 591 | - |
| 1760 | Investment property, net | 6(11) | 21,662 | 1 | 21,662 | 1 |
| 1780 | Intangible assets | 6(12) | 3,106 | - | 4,663 | - |
| 1900 | Other non-current assets | | 7,498 | 1 | 12,961 | 1 |
| 15XX | Total non-current assets | | 824,762 | 52 | 828,684 | 52 |
| 1XXX | Total assets | | \$ 1,590,214 | 100 | \$ 1,600,456 | 100 |

(Continued)

GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | | Notes | December 31, 2024 | | December 31, 2023 | |
|---|--|-------|-------------------|-------|-------------------|-------|
| | | | AMOUNT | % | AMOUNT | % |
| Current liabilities | | | | | | |
| 2130 | Contract liabilities - current | 6(20) | \$ 1,960 | - | \$ 4,899 | - |
| 2170 | Accounts payable | 6(13) | 40,282 | 3 | 32,867 | 2 |
| 2200 | Other payables | 6(14) | 62,541 | 4 | 51,711 | 3 |
| 2230 | Current income tax liabilities | | 4,389 | - | 1,371 | - |
| 2280 | Lease liabilities - current | | 855 | - | 665 | - |
| 2399 | Other current liabilities, others | | 26,453 | 2 | 26,213 | 2 |
| 21XX | Total current liabilities | | 136,480 | 9 | 117,726 | 7 |
| Non-current liabilities | | | | | | |
| 2580 | Non-current lease liabilities | | 1,728 | - | 18 | - |
| 2600 | Other non-current liabilities | 6(15) | 2,868 | - | 13,942 | 1 |
| 25XX | Total non-current liabilities | | 4,596 | - | 13,960 | 1 |
| 2XXX | Total Liabilities | | 141,076 | 9 | 131,686 | 8 |
| Equity attributable to owners of parent | | | | | | |
| | Share capital | 6(16) | | | | |
| 3110 | Common stock | | 1,126,571 | 71 | 1,093,758 | 69 |
| | Capital surplus | | | | | |
| 3200 | Capital surplus | 6(17) | 210,664 | 13 | 210,556 | 13 |
| | Retained earnings | 6(18) | | | | |
| 3310 | Legal reserve | | 68,679 | 4 | 68,679 | 4 |
| 3320 | Special reserve | | 13,337 | 1 | 95,617 | 6 |
| 3350 | Unappropriated retained earnings | | 70,613 | 5 | 13,498 | 1 |
| | Other equity interest | 6(19) | | | | |
| 3400 | Other equity interest | | (15,008) | (1) | (13,338) | (1) |
| 3500 | Treasury stocks | 6(16) | (25,718) | (2) | - | - |
| 31XX | Equity attributable to owners of the parent | | 1,449,138 | 91 | 1,468,770 | 92 |
| 3XXX | Total equity | | 1,449,138 | 91 | 1,468,770 | 92 |
| | Significant contingent liabilities and unrecognised contract commitments | 9 | | | | |
| | Significant events after the balance sheet date | 11 | | | | |
| 3X2X | Total liabilities and equity | | \$ 1,590,214 | 100 | \$ 1,600,456 | 100 |

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

GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| | | Year ended December 31 | | | |
|---|-------------------------------|------------------------|-----------|------------------|-----------|
| Items | Notes | 2024 | | 2023 | |
| | | AMOUNT | % | AMOUNT | % |
| 4000 Operating revenue | 6(20) and 7 | \$ 510,856 | 100 | \$ 528,512 | 100 |
| 5000 Operating costs | 6(6)(12)(21)(22) | (318,207) | (62) | (317,596) | (60) |
| 5900 Net operating margin | | <u>192,649</u> | <u>38</u> | <u>210,916</u> | <u>40</u> |
| Operating expenses | 6(5)(8)(12)(15)(21)(22) and 7 | | | | |
| 6100 Selling expenses | | (63,472) | (12) | (63,127) | (12) |
| 6200 General and administrative expenses | | (46,263) | (9) | (47,183) | (9) |
| 6300 Research and development expenses | | (59,488) | (12) | (73,613) | (14) |
| 6450 Expected credit gain | 12(2) | <u>4</u> | <u>-</u> | <u>14</u> | <u>-</u> |
| 6000 Total operating expenses | | (169,219) | (33) | (183,909) | (35) |
| 6900 Operating profit | | <u>23,430</u> | <u>5</u> | <u>27,007</u> | <u>5</u> |
| Non-operating income and expenses | | | | | |
| 7100 Interest income | 6(23) | 6,501 | 1 | 5,018 | 1 |
| 7010 Other income | 6(10)(11)(24) and 7 | 1,708 | - | 2,294 | 1 |
| 7020 Other gains and losses | 6(25) | 898 | - | 653 | - |
| 7050 Finance costs | 6(26) | (519) | - | (267) | - |
| 7060 Share of loss of associates and joint ventures accounted for using equity method | 6(7) | (958) | - | (3,880) | (1) |
| 7000 Total non-operating income and expenses | | <u>7,630</u> | <u>1</u> | <u>3,818</u> | <u>1</u> |
| 7900 Profit before income tax | | <u>31,060</u> | <u>6</u> | <u>30,825</u> | <u>6</u> |
| 7950 Income tax expense | 6(27) | (5,362) | (1) | (1,491) | - |
| 8200 Profit for the year | | <u>\$ 25,698</u> | <u>5</u> | <u>\$ 29,334</u> | <u>6</u> |
| Other comprehensive income | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8311 Gain (loss) on remeasurements of defined benefit plans | 6(15) | \$ 3,269 | - | \$ 1,855 | - |
| 8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income | 6(3)(19) | (6,340) | (1) | 49,515 | 9 |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 Financial statements translation differences of foreign operations | 6(19) | (243) | - | 46 | - |
| 8300 Other comprehensive (loss) income for the year | | (\$ 3,314) | (1) | \$ 47,706 | 9 |
| 8500 Total comprehensive income for the year | | <u>\$ 22,384</u> | <u>4</u> | <u>\$ 77,040</u> | <u>15</u> |
| Profit attributable to: | | | | | |
| 8610 Owners of the parent | | <u>\$ 25,698</u> | <u>5</u> | <u>\$ 29,334</u> | <u>6</u> |
| Comprehensive income attributable to: | | | | | |
| 8710 Owners of the parent | | <u>\$ 22,384</u> | <u>4</u> | <u>\$ 77,040</u> | <u>15</u> |
| Earnings per share | 6(28) | | | | |
| 9750 Basic | | <u>\$ 0.23</u> | | <u>\$ 0.26</u> | |
| 9850 Diluted | | <u>\$ 0.23</u> | | <u>\$ 0.26</u> | |

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

GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Equity attributable to owners of the parent | | | | | | | Treasury stocks | Total equity |
|--|----------|---|---|---------------|-----------------------|----------------------------------|---|---|-----------------|--------------|
| | | Retained earnings | | | Other equity interest | | | | | |
| | | Share capital - common stock | Capital surplus, additional paid-in capital | Legal reserve | Special reserve | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | | |
| <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 |
| Profit for the year | | - | - | - | - | 29,334 | - | - | - | 29,334 |
| Other comprehensive (loss) income for the year | 6(3)(19) | - | - | - | - | (1,855) | 46 | 49,515 | - | 47,706 |
| Total comprehensive income | | - | - | - | - | 27,479 | 46 | 49,515 | - | 77,040 |
| Distribution of 2022 earnings: | | | | | | | | | | |
| Legal reserve | 6(18) | - | - | 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)(19) | - | - | - | - | (32,719) | - | 32,719 | - | - |
| Overdue unclaimed dividends to shareholders | 6(17) | - | 44 | - | - | - | - | - | - | 44 |
| Balance at December 31, 2023 | | \$ 1,093,758 | \$ 210,556 | \$ 68,679 | \$ 95,617 | \$ 13,498 | \$ 17 | \$ 13,321 | \$ - | \$ 1,468,770 |
| <u>For the year ended December 31, 2024</u> | | | | | | | | | | |
| Balance at January 1, 2024 | | \$ 1,093,758 | \$ 210,556 | \$ 68,679 | \$ 95,617 | \$ 13,498 | \$ 17 | \$ 13,321 | \$ - | \$ 1,468,770 |
| Profit for the year | | - | - | - | - | 25,698 | - | - | - | 25,698 |
| Other comprehensive (loss) income for the year | 6(3)(19) | - | - | - | - | 3,269 | (243) | (6,340) | - | (3,314) |
| Total comprehensive income (loss) | | - | - | - | - | 28,967 | (243) | (6,340) | - | 22,384 |
| Distribution of 2023 earnings: | | | | | | | | | | |
| Cash dividends | 6(18) | - | - | - | - | (16,406) | - | - | - | (16,406) |
| Stock dividends | | 32,813 | - | - | - | (32,813) | - | - | - | - |
| Reversal of special reserve | | - | - | - | (82,280) | 82,280 | - | - | - | - |
| Disposal of equity investment at fair value through other comprehensive income | 6(3)(19) | - | - | - | - | (4,913) | - | 4,913 | - | - |
| Overdue unclaimed dividends to shareholders | 6(17) | - | 108 | - | - | - | - | - | - | 108 |
| Purchase of treasury shares | 6(16) | - | - | - | - | - | - | - | - | - |
| Balance at December 31, 2024 | | \$ 1,126,571 | \$ 210,664 | \$ 68,679 | \$ 13,337 | \$ 70,613 | \$ 260 | \$ 14,748 | (25,718) | \$ 1,449,138 |

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

GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | | Year ended December 31 | |
|---|----------------|------------------------|------------|
| | Notes | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 31,060 | \$ 30,825 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Expected credit gain | 6(5) and 12(2) | (4) | (14) |
| Depreciation | 6(8)(9)(21) | 35,683 | 35,047 |
| Amortization | 6(12)(21) | 2,152 | 1,501 |
| Net gain on financial assets at fair value through profit or loss | 6(25) | (468) | (451) |
| Interest expense | 6(26) | 519 | 267 |
| Interest income | 6(23) | (6,501) | (5,018) |
| Share of gain of associates accounted for using the equity method | 6(7) | 958 | 3,880 |
| Loss on lease modification | 6(25) | - | 11 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss | | (4,484) | (14,796) |
| Notes receivable | | 1,756 | (4,855) |
| Accounts receivable | | (4,011) | 14,298 |
| Accounts receivable - related parties | | 1,066 | (1,173) |
| Other receivables | | 29 | 26,934 |
| Inventories | | (6,230) | 6,219 |
| Prepayments | | (3,982) | 11,404 |
| Changes in operating liabilities | | | |
| Contract liabilities | | (2,939) | 165 |
| Notes payable | | - | (111) |
| Accounts payable | | 7,415 | (12,931) |
| Other payables | | 7,041 | (2,787) |
| Other payables - related parties | | - | (1,898) |
| Other current liabilities | | 240 | 6,562 |
| Accrued pension liabilities | | (7,685) | (9,208) |
| Cash inflow generated from operations | | 51,615 | 83,871 |
| Interest received | | 6,358 | 4,567 |
| Interest paid | | (517) | (265) |
| Income tax paid | | (2,344) | (3,391) |
| Net cash flows from operating activities | | 55,112 | 84,782 |

(Continued)

GENOVATE BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | | Year ended December 31 | |
|---|-----------|------------------------|--------------|
| | Notes | 2024 | 2023 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Decrease (increase) in financial assets at amortised cost - current | | \$ 64,359 | (\$ 41,145) |
| Acquisition of financial assets at fair value through other comprehensive income | 7 | (20,952) | - |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 12,143 | - |
| Acquisition of property, plant and equipment | 6(29) | (30,777) | (23,448) |
| Decrease (increase) in prepayments for equipment | | 3,999 | (4,527) |
| Acquisition of intangible assets | 6(12) | (595) | (5,368) |
| Increase in guarantee deposits paid | | (595) | (4,795) |
| Decrease in guarantee deposits paid | | 2,059 | 600 |
| Net cash flows from (used in) investing activities | | 29,641 | (78,683) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| (Decrease) increase in guarantee deposits | 6(30) | (120) | 120 |
| Repayment of principal portion of lease liabilities | 6(9)(30) | (1,047) | (1,255) |
| Overdue unclaimed dividends to shareholders | 6(17) | 108 | 44 |
| Cash dividends paid | 6(18)(30) | (16,406) | (19,141) |
| Purchase of treasury shares | 6(16) | (25,718) | - |
| Net cash flows used in financing activities | | (43,183) | (20,232) |
| Net increase (decrease) in cash and cash equivalents | | 41,570 | (14,133) |
| Cash and cash equivalents at beginning of year | 6(1) | 180,032 | 194,165 |
| Cash and cash equivalents at end of year | 6(1) | \$ 221,602 | \$ 180,032 |

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, 2024 and 2023, 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 material 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of 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 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Company's 2024 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 going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including 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.

Liu, Chien-Yu

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| Assets | | Notes | December 31, 2024 | | December 31, 2023 | |
|--------------------|---|------------|-------------------|-----|-------------------|-----|
| | | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 221,267 | 14 | \$ 179,830 | 11 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 40,199 | 3 | 35,247 | 2 |
| 1136 | Current financial assets at amortised cost | 6(4) | 254,600 | 16 | 319,310 | 20 |
| 1150 | Notes receivable, net | 6(5) | 13,724 | 1 | 15,480 | 1 |
| 1170 | Accounts receivable, net | 6(5) | 73,611 | 5 | 69,596 | 5 |
| 1180 | Accounts receivable - related parties | 6(5) and 7 | 1,728 | - | 2,794 | - |
| 1200 | Other receivables | | 1,376 | - | 1,250 | - |
| 130X | Inventories | 6(6) | 145,872 | 9 | 139,642 | 9 |
| 1410 | Prepayments | | 7,655 | - | 3,673 | - |
| 11XX | Total current assets | | 760,032 | 48 | 766,822 | 48 |
| Non-current assets | | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 6(3) | 382,066 | 24 | 377,099 | 24 |
| 1550 | Investments accounted for using equity method | 6(7) | 21,899 | 1 | 25,128 | 2 |
| 1600 | Property, plant and equipment | 6(8) | 391,561 | 25 | 391,530 | 24 |
| 1755 | Right-of-use assets | 6(9) | 2,390 | - | 591 | - |
| 1760 | Investment property, net | 6(11) | 21,662 | 1 | 21,662 | 1 |
| 1780 | Intangible assets | 6(12) | 3,106 | - | 4,663 | - |
| 1900 | Other non-current assets | | 7,498 | 1 | 12,961 | 1 |
| 15XX | Total non-current assets | | 830,182 | 52 | 833,634 | 52 |
| 1XXX | Total assets | | \$ 1,590,214 | 100 | \$ 1,600,456 | 100 |

(Continued)

GENOVATE BIOTECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | | | Notes | December 31, 2024 | | December 31, 2023 | | | | |
|-------------------------|-----------------------------------|-------|-------|-------------------|-----|-------------------|-----------|---------|---|----|
| | | | | AMOUNT | % | AMOUNT | % | | | |
| Current liabilities | | | | | | | | | | |
| 2130 | Contract liabilities - current | 6(20) | \$ | 1,960 | - | \$ | 4,899 | - | | |
| 2170 | Accounts payable | 6(13) | | 40,282 | 3 | | 32,867 | 2 | | |
| 2200 | Other payables | 6(14) | | 62,541 | 4 | | 51,711 | 3 | | |
| 2230 | Current income tax liabilities | | | 4,389 | - | | 1,371 | - | | |
| 2280 | Lease liabilities - current | | | 855 | - | | 665 | - | | |
| 2399 | Other current liabilities, others | | | 26,453 | 2 | | 26,213 | 2 | | |
| 21XX | Total current liabilities | | | 136,480 | 9 | | 117,726 | 7 | | |
| Non-current liabilities | | | | | | | | | | |
| 2580 | Non-current lease liabilities | | | 1,728 | - | | 18 | - | | |
| 2600 | Other non-current liabilities | 6(15) | | 2,868 | - | | 13,942 | 1 | | |
| 25XX | Total non-current liabilities | | | 4,596 | - | | 13,960 | 1 | | |
| 2XXX | Total Liabilities | | | 141,076 | 9 | | 131,686 | 8 | | |
| Equity | | | | | | | | | | |
| | Share capital | 6(16) | | | | | | | | |
| 3110 | Common stock | | | 1,126,571 | 71 | | 1,093,758 | 69 | | |
| | Capital surplus | 6(17) | | | | | | | | |
| 3200 | Capital surplus | | | 210,664 | 13 | | 210,556 | 13 | | |
| | Retained earnings | 6(18) | | | | | | | | |
| 3310 | Legal reserve | | | 68,679 | 4 | | 68,679 | 4 | | |
| 3320 | Special reserve | | | 13,337 | 1 | | 95,617 | 6 | | |
| 3350 | Unappropriated retained earnings | | | 70,613 | 5 | | 13,498 | 1 | | |
| | Other equity interest | 6(19) | | | | | | | | |
| 3400 | Other equity interest | | (| 15,008) | (| 1) | (| 13,338) | (| 1) |
| 3500 | Treasury stocks | 6(16) | (| 25,718) | (| 2) | | - | | - |
| 3XXX | Total equity | | | 1,449,138 | 91 | | 1,468,770 | 92 | | |
| 3X2X | Total liabilities and equity | | \$ | 1,590,214 | 100 | \$ | 1,600,456 | 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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| | | | | Year ended December 31 | | | |
|---|-------------------------------|----|----|------------------------|-------|--------|----------|
| | | | | 2024 | | 2023 | |
| Items | Notes | | | AMOUNT | % | AMOUNT | % |
| 4000 Operating revenue | 6(20) and 7 | | \$ | 510,856 | 100 | \$ | 528,512 |
| 5000 Operating costs | 6(6)(12)(21)(22) | (| | 318,207) | (62) | (| 317,596) |
| 5900 Net operating margin | | | | 192,649 | 38 | | 210,916 |
| Operating expenses | 6(5)(8)(12)(15)(21)(22) and 7 | | | | | | 40 |
| 6100 Selling expenses | | (| | 63,472) | (12) | (| 63,127) |
| 6200 General and administrative expenses | | (| | 46,263) | (9) | (| 47,183) |
| 6300 Research and development expenses | | (| | 59,488) | (12) | (| 73,613) |
| 6450 Expected credit gain | 12(2) | | | 4 | - | | 14 |
| 6000 Total operating expenses | | (| | 169,219) | (33) | (| 183,909) |
| 6900 Operating profit | | | | 23,430 | 5 | | 27,007 |
| Non-operating income and expenses | | | | | | | |
| 7100 Interest income | 6(23) | | | 6,399 | 1 | | 4,965 |
| 7010 Other income | 6(10)(11)(24) | | | 1,708 | - | | 2,294 |
| 7020 Other gains and losses | 6(25) | | | 530 | - | | 666 |
| 7050 Finance costs | 6(26) | (| | 519) | - | (| 267) |
| 7070 Share of loss of associates and joint ventures accounted for using equity method | 6(7) | (| | 488) | - | (| 3,840) |
| 7000 Total non-operating income and expenses | | | | 7,630 | 1 | | 3,818 |
| 7900 Profit before income tax | | | | 31,060 | 6 | | 30,825 |
| 7950 Income tax expense | 6(27) | (| | 5,362) | (1) | (| 1,491) |
| 8200 Profit for the year | | | \$ | 25,698 | 5 | \$ | 29,334 |
| Other comprehensive income | | | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | | | |
| 8311 Gain (loss) on remeasurements of defined benefit plans | 6(15) | \$ | | 3,269 | 1 | (\$ | 1,855) |
| 8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income | 6(3)(19) | (| | 3,842) | (1) | | 52,611 |
| 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)(19) | (| | 2,498) | (1) | (| 3,096) |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | | | |
| 8361 Financial statements translation differences of foreign operations | 6(19) | (| | 243) | - | | 46 |
| 8300 Other comprehensive (loss) income for the year | | (| | 3,314) | (1) | \$ | 47,706 |
| 8500 Total comprehensive income for the year | | | \$ | 22,384 | 4 | \$ | 77,040 |
| Earnings per share | 6(28) | | | | | | |
| 9750 Basic | | | \$ | 0.23 | | \$ | 0.26 |
| 9850 Diluted | | | \$ | 0.23 | | \$ | 0.26 |

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Retained earnings | | | Other equity interest | | | Treasury stocks | Total equity |
|--|----------|------------------------------|---|---------------|-----------------------|----------------------------------|---|---|--------------|
| | | Share capital - common stock | Capital surplus, additional paid-in capital | Legal reserve | Special reserve | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | |
| 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 |
| Profit for the year | | - | - | - | - | 29,334 | - | - | 29,334 |
| Other comprehensive (loss) income for the year | 6(3)(19) | - | - | - | - | (1,855) | 46 | 49,515 | 47,706 |
| Total comprehensive income | | - | - | - | - | 27,479 | 46 | 49,515 | 77,040 |
| Distribution of 2022 earnings: | 6(18) | | | | | | | | |
| 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)(19) | - | - | - | - | (32,719) | - | 32,719 | - |
| Overdue unclaimed dividends to shareholders | 6(19) | - | 44 | - | - | - | - | - | 44 |
| Balance at December 31, 2023 | | \$ 1,093,758 | \$ 210,556 | \$ 68,679 | \$ 95,617 | \$ 13,498 | (\$ 17) | (\$ 13,321) | \$ 1,468,770 |
| For the year ended December 31, 2024 | | | | | | | | | |
| Balance at January 1, 2024 | | \$ 1,093,758 | \$ 210,556 | \$ 68,679 | \$ 95,617 | \$ 13,498 | (\$ 17) | (\$ 13,321) | \$ 1,468,770 |
| Profit for the year | | - | - | - | - | 25,698 | - | - | 25,698 |
| Other comprehensive (loss) income for the year | 6(3)(19) | - | - | - | - | 3,269 | 243 | (6,340) | (3,314) |
| Total comprehensive income (loss) | | - | - | - | - | 28,967 | 243 | (6,340) | 22,384 |
| Distribution of 2023 earnings: | 6(18) | | | | | | | | |
| Cash dividends | | - | - | - | - | (16,406) | - | - | (16,406) |
| Stock dividends | | 32,813 | - | - | - | (32,813) | - | - | - |
| Reversal of special reserve | | - | - | - | (82,280) | 82,280 | - | - | - |
| Disposal of equity investment at fair value through other comprehensive income | 6(3)(19) | - | - | - | - | (4,913) | - | 4,913 | - |
| Overdue unclaimed dividends to shareholders | 6(19) | - | 108 | - | - | - | - | - | 108 |
| Purchase of treasury shares | 6(16) | - | - | - | - | - | - | - | - |
| Balance at December 31, 2024 | | \$ 1,126,571 | \$ 210,664 | \$ 68,679 | \$ 13,337 | \$ 70,613 | (\$ 260) | (\$ 14,748) | \$ 1,449,138 |

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | | Year ended December 31 | |
|---|----------------|------------------------|------------|
| | Notes | 2024 | 2023 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 31,060 | \$ 30,825 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Expected credit gain | 6(5) and 12(2) | (4) | (14) |
| Depreciation | 6(8)(9)(21) | 35,683 | 35,047 |
| Amortization | 6(12)(21) | 2,152 | 1,501 |
| Net gain on financial assets at fair value through profit or loss | 6(25) | (468) | (451) |
| Interest expense | 6(26) | 519 | 267 |
| Interest income | 6(23) | (6,399) | (4,965) |
| Share of gain on associates accounted for using equity method | 6(7) | 488 | 3,840 |
| Loss on lease modification | 6(25) | - | 11 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss | | (4,484) | (14,796) |
| Notes receivable | | 1,756 | (4,855) |
| Accounts receivable | | (4,011) | 14,298 |
| Accounts receivable - related parties | | 1,066 | (1,173) |
| Other receivables | | 15 | 26,967 |
| Inventories | | (6,230) | 6,219 |
| Prepayments | | (3,982) | 11,404 |
| Changes in operating liabilities | | | |
| Contract liabilities | | (2,939) | 165 |
| Notes payable | | - | (111) |
| Accounts payable | | 7,415 | (12,931) |
| Other payables | | 7,041 | (2,787) |
| Other payables - related parties | | - | (1,898) |
| Other current liabilities | | 240 | 6,562 |
| Accrued pension liabilities | | (7,685) | (9,208) |
| Cash inflow generated from operations | | 51,233 | 83,917 |
| Interest received | | 6,256 | 4,514 |
| Interest paid | | (517) | (265) |
| Income tax paid | | (2,344) | (3,391) |
| Net cash flows from operating activities | | 54,628 | 84,775 |

(Continued)

GENOVATE BIOTECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | | Year ended December 31 | |
|---|-----------|------------------------|--------------|
| | Notes | 2024 | 2023 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Decrease (increase) in financial assets at amortised cost - current | | \$ 64,710 | (\$ 36,430) |
| Acquisition of financial assets at fair value through other comprehensive income | 7 | (20,952) | - |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 12,143 | - |
| Acquisition of property, plant and equipment | 6(29) | (30,777) | (23,448) |
| Decrease (increase) in prepayments for equipment | | 3,999 | (4,527) |
| Acquisition of intangible assets | 6(12) | (595) | (5,368) |
| Increase in guarantee deposits paid | | (595) | (4,795) |
| Decrease in guarantee deposits paid | | 2,059 | 600 |
| Net cash flows from (used in) investing activities | | 29,992 | (73,968) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| (Decrease) increase in guarantee deposits | 6(30) | (120) | 120 |
| Repayment of principal portion of lease liabilities | 6(9)(30) | (1,047) | (1,255) |
| Overdue unclaimed dividends to shareholders | 6(17) | 108 | 44 |
| Cash dividends paid | 6(18)(30) | (16,406) | (19,141) |
| Purchase of treasury shares | 6(16) | (25,718) | - |
| Net cash flows used in financing activities | | (43,183) | (20,232) |
| Net increase (decrease) in cash and cash equivalents | | 41,437 | (9,425) |
| Cash and cash equivalents at beginning of year | 6(1) | 179,830 | 189,255 |
| Cash and cash equivalents at end of year | 6(1) | \$ 221,267 | \$ 179,830 |

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

Genovate Biotechnology Co., Ltd.
Profit Distribution Table
Year 2024

Unit: NTD

| | |
|--|--------------------------|
| Beginning retained earnings | 46,556,076 |
| Add : Net profit after tax for the fiscal year 2024 | 25,697,572 |
| Add : Retained earnings adjustment in Year 2024 (Actuarial gain on defined benefit plan) | 3,268,968 |
| Less : Disposal of equity instruments measured at fair value through other comprehensive profit and loss in 2024 | (4,912,948) |
| Less : 10% legal reserve | (2,405,359) |
| Less : Special reserve (Pursuant to Issue No. Financial Supervisory Securities Corporate 1090150022) | <u>(1,669,354)</u> |
| Distributable net profit | 66,534,955 |
| distributable items : Stock dividend (approximately NT\$0.2 per share) distributed at a rate of 20 shares per one thousand shares | (22,304,030) |
| distributable items : cash dividend (NTD 0.10 per share) | <u>(11,152,013)</u> |
| Year End Unappropriated retained earnings | <u>33,078,912</u> |

Note: The dividend payout ratio is provisionally calculated based on 111,520,127 outstanding shares dated January 31, 2025.
(Total 112,657,127 issued shares, deduct 1,137,000 of treasury shares.)

Chairman : Chen, Jen

General Manager : Chu, Chia-Chen

CFO : Lin, Hui-Ling

Genovate Biotechnology Co., LTD.**The Comparison Table of Amendments of Proposed Articles of Incorporation**

| Current Articles (May 29, 2023) | Proposed Articles (May 29, 2025) | Explanatory note |
|--|--|---|
| <p>Chapter 2: Shares</p> <p>Article 5: The total capital stock of the Company is NTD <u>1.5 billion</u> divided into <u>150 million</u> 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.</p> | <p>Chapter 2: Shares</p> <p>Article 5: The total capital stock of the Company is NTD <u>2.5 billion</u> divided into <u>250 million</u> ordinary shares of NTD 10 per share. The Board of Directors is authorized to issue these shares separately. Among these shares, <u>25 million</u> shares are reserved for stock warrants, preferred shares with warrants, or corporate bonds with warrants.</p> | <p><u>To align with future operational needs.</u></p> |
| <p>Chapter 4: Directors, Board of Directors, Functional Committees and Managers</p> <p>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 <u>one-fifth</u> 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.</p> | <p>Chapter 4: Directors, Board of Directors, Functional Committees and Managers</p> <p>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 <u>one-third</u> 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.</p> | <p><u>To enhance corporate governance.</u></p> |
| <p>Chapter 5 Accountant</p> <p>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.</p> | <p>Chapter 5 Accountant</p> <p>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.</p> | <p><u>Amended in accordance with Article 14 of the Securities and Exchange Act.</u></p> |

| Current Articles (May 29, 2023) | Proposed Articles (May 29, 2025) | Explanatory note |
|---|---|-----------------------------------|
| <p>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.</p> <p><u>The profits in the preceding paragraph indicate the before-tax profit, deduct employee compensation and Directors/Supervisors compensation.</u></p> <p>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.</p> | <p><u>No less than 30% of the employee compensation allocated pursuant to the preceding paragraph shall be distributed to grassroots employees.</u></p> <p><u>The profits in paragraph 2 indicate the before-tax profit, before deducting compensation and Directors/Supervisors compensation.</u></p> <p>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.</p> <p>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.</p> | |
| <p>Article 34:</p> <p>The original Articles of Incorporation were adopted on Feb 14, 1993. 1st Amended thereafter on Aug 17, 1993,</p> <p>2nd Amended on Aug 28, 1995,</p> <p>3rd Amended on June 24, 1996,</p> <p>4th Amended on June 5, 1997,</p> <p>5th Amended on Nov 20, 1997,</p> <p>6th Amended on June 7, 1999,</p> <p>7th Amended on May 5, 2000,</p> <p>8th Amended on May 25, 2001,</p> <p>9th Amended on June 27, 2002,</p> <p>10th Amended on June 17, 2005,</p> <p>11th Amended on June 28, 2006,</p> <p>12th Amended on June 22, 2007,</p> <p>13th Amended on June 18, 2009,</p> <p>14th Amended on June 22, 2010,</p> <p>15th Amended on June 24, 2013,</p> <p>16th Amended on May 31, 2016,</p> <p>17th Amended on June 23, 2017,</p> <p>18th Amended on May 30, 2019.</p> <p>19th Amended on May 29, 2020.</p> <p>20th Amended on March 10, 2023.</p> | <p>Article 34:</p> <p>The original Articles of Incorporation were adopted on Feb 14, 1993. 1st Amended thereafter on Aug 17, 1993,</p> <p>2nd Amended on Aug 28, 1995,</p> <p>3rd Amended on June 24, 1996,</p> <p>4th Amended on June 5, 1997,</p> <p>5th Amended on Nov 20, 1997,</p> <p>6th Amended on June 7, 1999,</p> <p>7th Amended on May 5, 2000,</p> <p>8th Amended on May 25, 2001,</p> <p>9th Amended on June 27, 2002,</p> <p>10th Amended on June 17, 2005,</p> <p>11th Amended on June 28, 2006,</p> <p>12th Amended on June 22, 2007,</p> <p>13th Amended on June 18, 2009,</p> <p>14th Amended on June 22, 2010,</p> <p>15th Amended on June 24, 2013,</p> <p>16th Amended on May 31, 2016,</p> <p>17th Amended on June 23, 2017,</p> <p>18th Amended on May 30, 2019,</p> <p>19th Amended on May 29, 2020.</p> <p>20th Amended on May 29, 2023.</p> <p><u>21th Amended on May 29, 2025.</u></p> | <p><u>Update revised date</u></p> |

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

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

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.

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 | 30,440,949 |

Note 1: Book closure date: March 31, 2025

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 | 229,806 | 0.20% |
| Directors | National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui 、Huang, Chi-Ying | 30,098,438 | 26.72% |
| Directors | Chu, Chia-Chen | 112,705 | 0.10% |
| Independent Director | Lee, Shih-Jen | 0 | 0% |
| Independent Director | Liu, Ke-Yi | 0 | 0% |
| Independent Director | Chang, Chin-Ming | 0 | 0% |
| Independent Director | Su, Lai-Shou | 0 | 0% |
| | Total | 30,440,949 | 27.02% |

Note : Book closure date: March 31, 2025