

stock code : 4168



**GlycoNex Inc.**

**2023 Annual General Shareholders'  
Meeting Handbook**

**Meeting Time : Tuesday, June 20, 2023 at 9:00 am**

**Meeting place : 8th Floor, No. 97, Section 1, Xintai 5th Road,  
Xizhi District, New Taipei City  
(The Company's conference room)**

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# **GlycoNex Incorporation**

## **Procedure for the 2023 Annual Meeting of Shareholders**

1. Call the Meeting to Order
2. Chairperson Remarks
3. Management Presentation (Company Reports)
4. Ratification Items
5. Discussion Items
6. Questions and Motions
7. Adjournment

# **GlycoNex Incorporation**

## **Agenda for the 2023 Annual Meeting of Shareholders**

Time: Tuesday, June 20, 2023, 9:00 a.m.

Venue: 8F., No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City (Company meeting room)

Type: Attendance in person

1. Call the Meeting to Order (Announcement of Attending Shares)
2. Chairperson Remarks
3. Management Presentation (Company Reports)
  - (1) 2022 Business Report
  - (2) Audit Committee's Review Report on the 2022 Financial Statements
  - (3) Reports on the Implementation of Sound Business Plans
  - (4) Report on Matters Related to Raising and Issuing the Third Domestic Guaranteed Convertible Corporate Bonds
4. Ratification Items
  - (1) Adoption of the 2022 Business Report and Financial Statements
  - (2) Adoption of the Proposal for 2022 Deficit Compensation
5. Discussion Items
  - (1) Amendment to the Rules of Procedure for Shareholder Meetings
  - (2) Amendment to the Operational Procedures for Loaning of Company Funds
6. Questions and Motions
7. Adjournment

### III. Report Items

- Item 1: Proposed by the Board of Directors  
Summary : 2022 Annual Business Report  
Description : Please refer to Attachment 1 on page 6–7 for the 2022 Annual Business Report.
- Item 2: Proposed by the Board of Directors  
Summary: Audit Committee’s Review of the 2022 Final Accounting Reports and Statement  
Description: Please refer to Attachment 2 on page 8 for the Audit Committee Report.
- Item 3: Proposed by the Board of Directors  
Summary: Reports on the Implementation of Sound Business Plans  
Description: 1. In accordance with *Letter No. Financial-Supervisory-Securities-Corporate-1060023919* (on the issuance of restricted stock for employees) issued on June 27, 2017, *Letter No. FSSC-1080332870* (on the issuance of ordinary shares for cash) issued on October 31, 2019, *Letter No. FSSC-10803328701* (on the second issuance of domestic secured convertible bonds) issued on October 31, 2019, *Letter No. FSSC-1110342115* (on the issuance of ordinary shares for cash) issued on May 31, 2022, and *Letter No. FSSC-11103421151* (on the third issuance of domestic secured convertible bonds) issued on May 31, 2022 by the Financial Supervisory Commission, the Company is required to submit quarterly reports on the implementation of sound business plans to the Board of Directors for monitoring and disclose such reports at the Annual Shareholders Meeting.  
2. Please refer to Attachment 3 on page 9–10 for the Reports on the Implementation of Sound Business Plans for 2022 and the first quarter of 2023.
- Item 4: Proposed by the Board of Directors  
Summary: Report on Matters Related to Raising and Issuing the Third Domestic Guaranteed Convertible Corporate Bonds  
Description: 1. In order to implement Denosumab's research and development expenditures and enrich working capital, the company issued the third guaranteed convertible corporate bond through the resolution of the board of directors on March 17, 2022. The total amount raised was NT\$400 million. On May 31, 2022, Jinguanzhengfazi No. 11103421151 was declared effective, and the Taipei Exchange approved the third

domestic guaranteed conversion corporate bond to start trading on the OTC from June 27, 2022.

2. According to Article 246 of the Corporation Law, please refer to Appendix 4 on page 11–12 of this manual for the reasons of raising the third guaranteed convertible corporate bonds and related matters.

#### **IV. Ratification Items**

- Item 1: Proposed by the Board of Directors  
Summary : 2022 Annual Business Report and Financial Statements  
Description : 1. The Company's 2022 Annual Business Report, Standalone Financial Statements and Consolidated Financial Statements have been duly approved by the Audit Committee and resolved by the Board of Directors. The Standalone and Consolidated Financial Statements were audited and issued an unqualified opinion by Ms. Shu-Fen Yu and Mr. Yu-Fang Yen of PricewaterhouseCoopers Taiwan.  
2. Please refer to Attachment 1 on page 6–7 and Attachment 5 on page 13–35 for the aforementioned Business Report, Auditor's Report and Financial Statements.  
3. Proposed for ratification.

Resolution:

- Item 2: Proposed by the Board of Directors  
Summary : 2022 Deficit Compensation  
Description : 1. The Company's after-tax loss in 2022 is NT\$219,821,804. After adding Retained Earnings Adjustments of NT\$ 1,122,154, the aggregate accumulated deficit is NT\$ 218,699,650. The Company proposes to offset the deficit with additional paid-in capital in accordance with Article 239 of the Corporate Law.  
2. The 2022 Deficit Compensation Proposal has been duly approved by the Audit Committee and resolved by the Board of Directors. Please refer to Attachment 6 on page 36 for the Statement of Deficit Compensation.  
3. Proposed for ratification.

Resolution:

#### **V. Discussion Items**

- Item 1: Proposed by the Board of Directors  
Summary : Motion to Amend the Rules of Procedure for Shareholders' Meetings  
Description : 1. In accordance with *Letter No. Securities-TPEX-Supervision-11100543772* issued on March 11, 2022 by the Taipei Exchange, the Company proposes to partially amend its Rules of Procedure for Shareholders' Meetings.

Please refer to Attachment 7 on page 37–71 for the Comparison Table of Amended Articles: Rules of Procedure for Shareholders Meetings’.

2. Proposed for discussion.

Resolution:

Item 2: Proposed by the Board of Directors

Summary : Motion to Amend the Procedures for Lending Funds to Other Parties

- Description :
1. In accordance with the sections on short-term financing of the *FAQ Regarding the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies*, the Company proposes to partially amend its Procedures for Lending Funds to Other Parties. Please refer to Attachment 8 on page 72–73 for the Comparison Table of Amended Articles: Procedures for Lending Funds to Other Parties.
  2. Proposed for discussion.

Resolution:

## **VI. Questions and Motions**

## **VII. Adjournment**

# GlycoNex Incorporation

## 2022 Annual Business Report

### 1. Business Policies

We continue to focus on the development of new monoclonal antibody drugs, and introduce pro-antibody (Pro-antibody) and antibody-drug conjugate (Antibody-drug conjugate, ADC) to improve drug specificity and effectiveness, and have also established biosimilar drug development. The platform uses relatively low-risk biosimilar drugs to reduce the company's risk of investing in new drug development, and has established a complete and diversified business map:

1. Developing cutting edge target therapy drugs using our expansive GlycoSH™ antibody library and pro-antibody and ADC technology.
2. Developing highly marketable biosimilars and participating in international collaboration projects to attract medium-term business opportunities.
3. Completing pre-clinical trials for new drugs while carefully evaluating the risk factors involved in order to improve success rates at each stage and propel international licensing, which is the Company's long-term source of revenue.

### 2. Business Results

In the fiscal year 2022, GlycoNex had a revenue of NT\$30,085 thousand and a net loss after tax of NT\$219,822 thousand. The Company was unprofitable in the fiscal year 2022, primarily due to capital investments in the first phase of clinical trials of our new antibody drugs. The new drug GNX102 is actively being discussed for international licensing with biopharmaceutical companies around the world. For the fiscal year 2023, The company expects to make significant progress in new drug development and international cooperation: GNX102 is actively undergoing the first phase of human clinical trials. The biosimilar drug SPD has been jointly developed for the Japanese market with Japanese MGC. In addition, use the antibody drug development platform to introduce entrusted development projects, and simultaneously introduce new antibody development technologies on the existing platform. Key milestones for 2022 include:

- GNX102 clinical phase I human trial confirmed the safety and tolerable dose of the drug for cancer patients, and started to develop a strategy for precision medicine.
- Co-developed biosimilar drug SPD with Japan MGC, completed clinical trial drug preparation, PMDA consultation and clinical trial preparation.
- Completing the animal model evaluation and preliminary production development of the new pro-antibody GNX201, and formulate a development strategy.
- Participate in many exhibitions such as BIO in the United States and BioEurope in Europe, continue to communicate with global manufacturers and potential international partners, seek cooperation and explore future business opportunities.
- Completed two antibody development commissions.



### **3. Budget Execution**

#### **1. Operating Revenue**

The operating revenue for the fiscal year 2022 consists of service revenue and other operating revenue, mainly including technical service revenue and antibody research and development commission service revenue, totaling NT\$30,085 thousand.

#### **2. Operating Expenses**

The operating expenses for the fiscal year 2022 mainly include research and development expenses for new and biosimilar drugs, totaling NT\$268,722 thousand.

### **4. Profitability Analysis**

The main source of revenue for the fiscal year 2022 was research commissions and technical services provided to domestic and foreign customers, with a total revenue of NT\$30,085 thousand and a net loss after tax of NT\$219,822 thousand.

### **5. Research and Development**

The company has gradually moved from the early stage of antibody drug development to the clinical development stage. GNX102 has started the first phase of clinical trials in the United States in 2020, and will also start the clinical trials in Taiwan at the end of 2022. Simultaneously start the in-depth analysis of the drug's mechanism/efficacy/cancer type to strengthen the design of the next phase of clinical trials. In addition, the mature antibody drug development technology has also been used to expand the biosimilar drug product line to ease the risk of new drug development with biosimilar drugs with low risk. The biosimilar drug SPD8 is used for osteoporosis and is currently jointly developed with Japan's Mitsubishi Gas Chemical. The Japanese PMDA consultation meeting has been completed in 2022, and clinical trials will be launched in Japan soon. The company invests a lot of resources every year to update the existing technology platform and develop new antibodies to maintain the competitiveness of product development. Newly added precursor antibody (Pro-antibody) and antibody-drug conjugate (Antibody-drug conjugate, ADC) The plan is currently undergoing optimization and efficacy testing, and is actively looking for partners, hoping to speed up the development schedule through cooperation. At present, various product development plans are in a state of smooth progress. Looking forward to 2023, the company will do its best to achieve various licensing goals.

Chairman  
Tong-Hsuan Chang

Manager  
Mei-Chun Yang

Accounting Supervisor  
Ti-Fen Wu

## **GlycoNex Incorporation**

### **Audit Committee Report**

Having reviewed the Company's 2022 Business Report, Standalone and Independent Financial Statements, and Proposal for Deficit Compensation submitted by the Board of Directors, among which the Standalone and Independent Financial Statements were audited and issued an unqualified opinion by Ms. Shu-Fen Yu and Mr. Yu-Fang Yen of PricewaterhouseCoopers Taiwan, the Audit Committee has found no discrepancies or inconsistencies in the aforementioned statements. This report is hereby issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To:

GlycoNex Incorporation 2023 Annual Shareholders' Meeting

Audit Committee Chairman: Ling-Jun Cai

March 16 2023

## Report on the Implementation of Sound Business Plans Budget Execution Review

1. Issued in accordance with Letter No. Financial-Supervisory-Securities- Corporate-1060023919 issued on June 27 2017 and Letter No. FSSC-1080332870 and Letter No. FSSC-10803328701 issued on October 31, 2019 and Letter No. FSSC-1110342115 and Letter No. FSSC-11103421151 issued on May 31, 2022 by the Financial Supervisory Commission.

2. The variance between the Company's forecast and actual financial figures in 2022 is as follows:

Unit: Thousand NT\$

Item/Quarter	2022 Q4 (Forecast)(A)	2022 Q4 (Actual)(B)	Variance	Execution Rate (B/A)
Operating Revenue	36,200	30,085	6,115	83.11%
Operating Costs	(21,720)	(16,118)	(5,602)	74.21%
Gross Operating Profit (Loss)	14,480	13,967	513	96.461%
Operating Expenses	(312,284)	(252,911)	(59,373)	81%
Net Operating Profit (Loss)	(297,804)	(238,944)	(58,860)	80.24%
Non-Operating Revenue and Expenses	21,821	19,122	2,699	87.63%
Net Profit (Loss) Before Tax	(275,983)	(219,822)	(56,161)	79.65%

On the variance between the forecast and actual financial figures in 2022 Q4 (January–December):

The revenue from technical services in 2022 is lower than the estimated amount, and the operating gross profit of the current period is also lower than the original budget. This is because the current revenue is not as good as expected, and the operating expenses are slightly behind due to the change of the preparation filing mode of biosimilar drugs. Expenses were paid late, operating expenses were lower than the budgeted amount, and non-operating income and expenditures were lower than the budgeted amount due to higher foreign exchange losses, and the net loss before tax in the current period was lower than the budgeted amount.

## Report on the Implementation of Sound Business Plans Budget Execution Review

1. Issued in accordance with Letter No. Financial-Supervisory-Securities- Corporate-1060023919 issued on June 27 2017 and Letter No. FSSC-1080332870 and Letter No. FSSC-10803328701 issued on October 31, 2019 and Letter No. FSSC-1110342115 and Letter No. FSSC-11103421151 issued on May 31, 2022 by the Financial Supervisory Commission.

2. The variance between the Company's forecast and actual financial figures in 2023 is as follows:

Unit: Thousand NT\$

Item/Quarter	2023 Q1 (Forecast)(A)	2023 Q1 (Actual)(B)	Variance	Execution Rate (B/A)
Operating Revenue	10,300	204	10,096	19.81%
Operating Costs	(6,180)	(181)	(5,999)	29.29%
Gross Operating Profit (Loss)	4,120	23	4,097	0.56%
Operating Expenses	(86,243)	(61,693)	(24,550)	71.53%
Net Operating Profit (Loss)	(82,123)	(61,670)	(20,453)	75.09%
Non-Operating Revenue and Expenses	5,000	6,525	1,525	130.50%
Net Profit (Loss) Before Tax	(77,123)	(55,145)	(21,978)	71.50%

On the variance between the forecast and actual financial figures in 2023 Q1:

The income from technical services in the first quarter of 2023 was lower than the estimated amount, and the operating gross profit of the current period was also lower than the original budget. This is because the revenue of the current period is not as good as expected, and the operating expenses are due to the change of the preparation filling mode of biosimilar drugs, etc., resulting in a slow progress. Falling behind, delayed payment of research and development expenses, operating expenses lower than the budgeted amount, non-operating income and expenditure higher than the budgeted amount, because the interest rate is higher than the estimated interest rate, and the net loss before tax in the current period is lower than the budgeted amount.

## Reasons for Issuance of the Third Domestic Guaranteed Convertible Corporate Bonds and Related Issues

Types of corporate bonds		The third installment of domestic principal-guaranteed convertible corporate bonds
Issue (processing) date		June 27, 2022
denomination		NT\$100,000
Issue price		Issued at 105.16% of par value
lump sum		NT\$400 million
interest rate		Coupon rate 0%
the term		Three-year term; maturity date: June 27, 2025
Guarantee agency		Taishin International Bank Co., Ltd.
Trustee		Hua Nan Commercial Bank, Ltd.
Underwriter		Taishin Securities Co., Ltd.
Visa Lawyer		Handsome Attorneys-at-Law ya-wen Chiu lawyer
Visa accountant		PricewaterhouseCoopers Taiwan Ms. Shu-Fen Yu · Mr. Yu-Fang Yen
Repayment method		Unless the bondholder converts into ordinary shares of the company in accordance with Article 10 of these Measures or exercises the right to sell back in accordance with Article 19 of these Measures, or the Company redeems in advance in accordance with Article 18 of these Measures or is purchased by a securities firm's business office Except for write-back and cancellation, the company will repay the convertible corporate bond in cash in one lump sum according to the face value of the bond when it matures.
Terms of redemption or early settlement		Details of the issuance and conversion methods of the converted corporate bonds °
Restrictions		Details of the issuance and conversion methods of the converted corporate bonds °
with other rights	Amount of converted (exchanged or subscribed) ordinary shares, overseas depositary receipts or other securities as of the publication	The converted amount as of April 30, 2023 is 182,100 thousand yuan

	date of the annual report	
	Issuance and conversion (exchange or subscription) method	According to the "Third Domestic Guaranteed Convertible Corporate Bond Issuance and Conversion Measures" stipulated by the company
Issuance and conversion, exchange or subscription methods, issuance conditions on possible dilution of equity and impact on existing shareholders' rights and interests	<p>The company's issued and outstanding corporate bonds are the third guaranteed convertible corporate bonds in China. As of April 30, 2023, the unconverted balance is 217,900 thousand yuan, and the latest conversion price is 27.3 yuan. Assuming that the creditors of each convertible bond All of them will be converted according to the conversion price, and 14,652,014 ordinary shares of the company (400,000,000 yuan/27.3 yuan) will be convertible. Based on the number of 101,969,810 issued and outstanding shares of the company before the start of the conversion plus the number of convertible shares, it will have a certain dilution effect on the existing shareholders' shares. Only the issuance of convertible corporate bonds will dilute the earnings per share. gradual and gentle °</p>	

**GLYCONEX INCORPORATION**  
**FINANCIAL STATEMENTS AND INDEPENDENT**  
**AUDITORS' REPORT**  
**DECEMBER 31, 2022 AND 2021**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To GlycoNex Incorporation

***Opinion***

We have audited the accompanying balance sheets of GlycoNex Incorporation (the “Company”) as at December 31, 2022 and 2021, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, 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” as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

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

***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s 2022 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the Company for the year ended December 31, 2022 are as follows:



## **Existence and occurrence of bank deposits**

### Description

Refer to Notes 4(5) and (7) for accounting policies on cash and cash equivalents and financial assets at amortised cost and Notes 6(1) and (2) for account details in the financial statements.

As at December 31, 2022, the balances of cash and cash equivalents and financial assets at amortised cost amounted to NT\$658,203 thousand, constituting 38% of total assets. As the bank deposits are high risk in nature, are material to the financial statements and the determination as to whether the bank deposits qualify as cash equivalent relies on management judgement, we considered the existence and occurrence of bank deposits a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. We sent out audit confirmations to banks and financial institutions for specific agreements and bank accounts, in order to confirm the existence, rights and obligations of the related cash and cash equivalents.
2. We checked the term of the time deposits to determine whether it meets the definition of cash equivalents.
3. For year end bank reconciliations, we compared the account balance to the general ledger, as well as the balance of the bank account to bank statements, deposit books or bank confirmations, and we checked the accuracy and reasonableness of the bank reconciliation adjustments.
4. Inspected the source documents of significant cash receipts and payments to verify whether the transactions are for business purposes.

## **Impairment of property, plant and equipment**

### Description

Refer to Note 4(13) for the accounting policy on property, plant and equipment, Note 5 for uncertainty of accounting estimates and assumptions of impairment assessment and Note 6(6) for account details in the financial statements.

As at December 31, 2022, the balance of property, plant and equipment amounted to NT\$989,919 thousand, constituting 58% of total assets. Management has estimated the abovementioned assets' recoverable amounts because the Company has not generated profit during the research and development stage and there is indication that the assets might have been impaired. The calculation of recoverable

amounts rely on subjective judgements and thus have a greater degree of uncertainty. Given the material amount of long-term assets, we considered the impairment assessment of long-term assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. We obtained the evaluation form for impairment indication from the management to examine its reasonableness.
2. We assessed whether the fair value of property, plant and equipment was properly referenced to sources such as recent public transactions of similar real estate.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 audit committee, are responsible for overseeing the Company’s financial reporting process.

***Auditors’ responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 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 auditors' 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 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 within the Company to express an opinion on the 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 financial statements of the current year 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.

For and on behalf of PricewaterhouseCoopers, Taiwan

March 16, 2023

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The accompanying 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 financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, 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.

GLYCONEX INCORPORATION  
BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 75,621	4	\$ 121,218	9
1136	Financial assets at amortised cost - current	6(2)	582,582	34	189,920	13
1170	Accounts receivable, net		46	-	350	-
1200	Other receivables		4,317	-	907	-
1220	Current income tax assets		199	-	164	-
1410	Prepayments	6(3)	29,478	2	25,526	2
1470	Other current assets		310	-	140	-
11XX	<b>Total current assets</b>		<u>692,553</u>	<u>40</u>	<u>338,225</u>	<u>24</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(4)	13,513	1	14,200	1
1550	Investments accounted for under equity method	6(5)	20,579	1	20,468	2
1600	Property, plant and equipment	6(6) and 8	989,919	58	1,021,936	73
1900	Other non-current assets		384	-	174	-
15XX	<b>Total non-current assets</b>		<u>1,024,395</u>	<u>60</u>	<u>1,056,778</u>	<u>76</u>
1XXX	<b>Total assets</b>		<u>\$ 1,716,948</u>	<u>100</u>	<u>\$ 1,395,003</u>	<u>100</u>

(Continued)

**GLYCONEX INCORPORATION**  
**BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Current borrowings	6(8) and 8	\$ 5,000	1	\$ -	-
2130	Contract liabilities - current	6(19)	76	-	76	-
2150	Notes payable		900	-	900	-
2200	Other payables	6(9)	36,996	2	24,707	2
2300	Other current liabilities		1,512	-	1,523	-
21XX	<b>Total current liabilities</b>		<u>44,484</u>	<u>3</u>	<u>27,206</u>	<u>2</u>
<b>Non-current liabilities</b>						
2500	Non-current financial liabilities at fair value through profit or loss	6(10)	274	-	-	-
2530	Corporate bonds payable	6(11) and 8	218,679	13	-	-
2600	Other non-current liabilities	6(12)(13)	7,900	-	8,864	1
25XX	<b>Total non-current liabilities</b>		<u>226,853</u>	<u>13</u>	<u>8,864</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>271,337</u>	<u>16</u>	<u>36,070</u>	<u>3</u>
<b>Equity</b>						
Share capital						
		6(15)				
3110	Common stock		1,070,980	62	974,818	70
3130	Certificates of bond-to-stock conversion		11,685	1	-	-
		6(16)	Capital Surplus			
3200	Capital surplus		587,473	34	563,634	40
		6(17)	Accumulated deficit			
3350	Accumulated deficit		( 218,700)	( 13)	( 172,645)	( 13)
		6(18)	Other equity interest			
3400	Other equity interest		( 5,827)	-	( 6,874)	-
3XXX	<b>Total equity</b>		<u>1,445,611</u>	<u>84</u>	<u>1,358,933</u>	<u>97</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the reporting period		11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,716,948</u>	<u>100</u>	<u>\$ 1,395,003</u>	<u>100</u>

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

**GLYCONEX INCORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19)	\$ 30,085	100	\$ 5,475	100
5000	Operating costs	6(24)(25)	( 16,118)	( 53)	( 2,014)	( 37)
5950	Gross profit, net		<u>13,967</u>	<u>47</u>	<u>3,461</u>	<u>63</u>
	Operating expenses	6(24)(25)				
6100	Selling expenses		( 4,425)	( 15)	( 4,532)	( 83)
6200	General and administrative expenses		( 50,772)	( 169)	( 48,846)	( 892)
6300	Research and development expenses		( 197,407)	( 656)	( 145,007)	( 2648)
6000	Total operating expenses		( 252,604)	( 840)	( 198,385)	( 3623)
6900	Operating loss		( 238,637)	( 793)	( 194,924)	( 3560)
	Non-operating income and expenses					
7100	Interest income	6(2)(20)	4,421	15	2,596	47
7010	Other income	6(7)(21)	19,672	65	20,965	383
7020	Other gains and losses	6(22)	( 773)	( 3)	( 1,184)	( 22)
7050	Finance costs	6(23)	( 4,358)	( 15)	-	-
7055	Impairment loss determined in accordance with IFRS 9		( 307)	( 1)	-	-
7070	Share of profit of associates and joint ventures accounted for under the equity method		<u>160</u>	<u>1</u>	<u>54</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>18,815</u>	<u>62</u>	<u>22,431</u>	<u>409</u>
7900	<b>Loss before income tax</b>		( 219,822)	( 731)	( 172,493)	( 3151)
7950	Income tax expense	6(26)	-	-	-	-
8200	<b>Net loss</b>		<u>(\$ 219,822)</u>	<u>( 731)</u>	<u>(\$ 172,493)</u>	<u>( 3151)</u>
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Actuarial gains (losses) on defined benefit plan	6(13)	\$ 1,122	4	(\$ 162)	( 3)
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(4)(18)	( 687)	( 2)	( 5,161)	( 94)
8300	<b>Total other comprehensive income (loss) for the year</b>		<u>\$ 435</u>	<u>2</u>	<u>(\$ 5,323)</u>	<u>( 97)</u>
8500	<b>Total comprehensive loss for the year</b>		<u>(\$ 219,387)</u>	<u>( 729)</u>	<u>(\$ 177,816)</u>	<u>( 3248)</u>
	Loss per share (in dollars)	6(28)				
9750	Basic loss per share		<u>(\$ 2.21)</u>		<u>(\$ 1.78)</u>	
9850	Diluted loss per share		<u>(\$ 2.21)</u>		<u>(\$ 1.78)</u>	

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

GLYCONEX INCORPORATION  
STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Capital		Capital Reserves				Other Equity Interest			Total equity
		Common stock	Certificates of bond-to-stock conversion	Capital surplus	Stock warrants	Restricted stocks to employees	Others	Accumulated deficit	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation of restricted stocks to employees	
<b>2021</b>											
Balance at January 1, 2021		\$ 975,078	\$ -	\$ 719,518	\$ -	\$ 4,546	\$ 9	(\$ 159,996)	\$ 31	\$ 391	\$ 1,539,577
Net loss for the year		-	-	-	-	-	-	( 172,493 )	-	-	( 172,493 )
Other comprehensive loss for the year	6(18)	-	-	-	-	-	-	( 162 )	( 5,161 )	-	( 5,323 )
Total comprehensive loss		-	-	-	-	-	-	( 172,655 )	( 5,161 )	-	( 177,816 )
Capital reserve used to offset against accumulated deficit	6(17)	-	-	( 159,996 )	-	-	-	159,996	-	-	-
Disposal of financial assets at fair value through other comprehensive income - non-current	6(4)(18)	-	-	-	-	-	-	10	( 10 )	-	-
Vesting of restricted stocks to employees	6(14)	-	-	156	-	( 156 )	-	-	-	-	-
Retirement of restricted stocks to employees	6(14)	( 260 )	-	-	-	( 443 )	-	-	-	703	-
Compensation costs of restricted stocks to employees	6(14)	-	-	-	-	-	-	-	-	( 2,828 )	( 2,828 )
Balance at December 31, 2021		\$ 974,818	\$ -	\$ 559,678	\$ -	\$ 3,947	\$ 9	(\$ 172,645)	(\$ 5,140)	(\$ 1,734)	\$ 1,358,933
<b>2022</b>											
Balance at January 1, 2022		\$ 974,818	\$ -	\$ 559,678	\$ -	\$ 3,947	\$ 9	(\$ 172,645)	(\$ 5,140)	(\$ 1,734)	\$ 1,358,933
Net loss for the year		-	-	-	-	-	-	( 219,822 )	-	-	( 219,822 )
Other comprehensive income (loss) for the year	6(18)	-	-	-	-	-	-	1,122	( 687 )	-	435
Total comprehensive loss		-	-	-	-	-	-	( 218,700 )	( 687 )	-	( 219,387 )
Issuance of common stock for cash	6(15)	45,000	-	57,500	-	-	-	-	-	-	102,500
Compensation costs of common stock for cash	6(14)	-	-	1,835	-	-	-	-	-	-	1,835
Capital reserve used to offset against accumulated deficit	6(17)	-	-	( 172,645 )	-	-	-	172,645	-	-	-
Issuance of convertible bonds	6(11)	-	-	-	35,870	-	-	-	-	-	35,870
Conversion of convertible bonds	6(11)	51,282	11,685	116,955	( 15,570 )	-	-	-	-	-	164,352
Retirement of restricted stocks to employees	6(14)	( 120 )	-	-	-	( 106 )	-	-	-	226	-
Compensation costs of restricted stocks to employees	6(14)	-	-	-	-	-	-	-	-	1,508	1,508
Balance at December 31, 2022		\$ 1,070,980	\$ 11,685	\$ 563,323	\$ 20,300	\$ 3,841	\$ 9	(\$ 218,700)	(\$ 5,827)	\$ -	\$ 1,445,611

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



GLYCONEX INCORPORATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		( \$ 219,822 )	( \$ 172,493 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(24)	39,337	39,804
Amortization	6(24)	619	328
Share of profit of associates and joint ventures accounted for under the equity method		( 160 )	( 54 )
Interest expense	6(23)	4,358	-
Interest income	6(20)	( 4,421 )	( 2,596 )
Compensation costs of restricted stocks to employees	6(14)	1,508	( 2,828 )
Compensation costs of common stock for cash	6(14)	1,835	-
Expected credit impairment loss		307	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		304	( 334 )
Other receivables		( 3,457 )	( 777 )
Prepayments		( 3,952 )	( 5,921 )
Other current assets		( 170 )	15
Changes in operating liabilities			
Contract liabilities - current		-	( 219 )
Other payables		13,663	1,643
Other current liabilities		( 11 )	( 40 )
Other non-current liabilities		( 129 )	( 165 )
Cash outflow generated from operations		( 170,191 )	( 143,637 )
Interest received		4,043	2,618
Interest paid		( 1,643 )	-
Income taxes refund		83	106
Dividends received		49	131
Net cash flows used in operating activities		( 167,659 )	( 140,782 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
(Increase) decrease in financial assets measured at amortised cost		( 392,662 )	122,296
Acquisition of property, plant and equipment	6(6)(29)	( 8,689 )	( 6,839 )
Proceeds from disposal of financial assets at fair value through other comprehensive income – non-current	6(4)	-	617
Decrease (increase) in refundable deposits (shown as other non-current assets)		35	( 35 )
Increase in other non-current assets		( 864 )	( 218 )
Net cash flows (used in) provided by investing activities		( 402,180 )	115,821
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Issuance of common stock for cash	6(15)	103,500	-
Cost of issuance of common stock for cash (shown as deduction of capital reserve)		( 1,000 )	-
Increase in short-term loans	6(30)	66,000	-
Decrease in short-term loans	6(30)	( 61,000 )	-
Increase (decrease) in deposits received (shown as other non-current liabilities)		287	( 27 )
Issuance of convertible bonds	6(11)	420,630	-
Cost of issuance of convertible bonds	6(11)	( 4,175 )	-
Net cash flows provided by (used in) financing activities		524,242	( 27 )
Net decrease in cash and cash equivalents		( 45,597 )	( 24,988 )
Cash and cash equivalents at beginning of year		121,218	146,206
Cash and cash equivalents at end of year		<u>\$ 75,621</u>	<u>\$ 121,218</u>

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

**GLYCONEX INCORPORATION AND  
SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2022 AND 2021**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To GlycoNex Incorporation

***Opinion***

We have audited the accompanying consolidated balance sheets of GlycoNex Incorporation and its subsidiary (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in 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 2022 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 matters of the Group for the year ended December 31, 2022 are as follows:

### **Existence and occurrence of bank deposits**

#### Description

Refer to Notes 4(6) and (8) for accounting policies on cash and cash equivalents and financial assets at amortised cost and Notes 6(1) and (2) for account details in the consolidated financial statements.

As at December 31, 2022, the balances of cash and cash equivalents and financial assets at amortised cost amounted to NT\$678,769 thousand, constituting 40% of consolidated total assets. As the bank deposits are high risk in nature, are material to the financial statements and the determination as to whether the bank deposits qualify as cash equivalent relies on management judgement, we considered the existence and occurrence of bank deposits a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. We sent out audit confirmations to banks and financial institutions for specific agreements and bank accounts, in order to confirm the existence, rights and obligations of the related cash and cash equivalents.
2. We checked the term of the time deposits to determine whether it meets the definition of cash equivalents.
3. For year end bank reconciliations, we compared the account balance to the general ledger, as well as the balance of the bank account to bank statements, deposit books or bank confirmations, and we checked the accuracy and reasonableness of the bank reconciliation adjustments.
4. Inspected the source documents of significant cash receipts and payments to verify whether the transactions are for business purposes.

### **Impairment assessment of property, plant and equipment**

#### Description

Refer to Note 4(13) for the accounting policy on property, plant and equipment, Note 5 for uncertainty of accounting estimates and assumptions of impairment assessment and Note 6(5) for account details in the consolidated financial statements.

As at December 31, 2022, the balance of property, plant and equipment amounted to NT\$989,919 thousand, constituting 57% of consolidated total assets. Management has estimated the abovementioned

assets' recoverable amounts because the Company has not generated profit during the research and development stage and there is indication that the assets might have been impaired. The calculations of recoverable amounts rely on subjective judgements and thus have a greater degree of uncertainty. Given the material amount of long-term assets, we considered the impairment assessment of long-term assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. We obtained the evaluation form for impairment assessment from the management to examine its reasonableness.
2. We ascertained whether the fair value of property, plant and equipment was properly referenced to sources such as recent public transactions of similar real estate.

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

We have audited and expressed an unqualified opinion on the parent company only financial statements of GlycoNex Incorporation as at and for the years ended December 31, 2022 and 2021.

***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 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 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 auditors' 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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.



For and on behalf of PricewaterhouseCoopers, Taiwan  
March 16, 2023

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

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



GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 82,187	5	\$ 125,067	9
1136	Financial assets at amortised cost - current	6(2)	596,582	35	206,526	15
1170	Accounts receivable, net		46	-	350	-
1200	Other receivables		4,325	-	911	-
1220	Current income tax assets		199	-	168	-
1410	Prepayments	6(3)	29,478	2	25,526	2
1470	Other current assets		310	-	140	-
11XX	<b>Total current assets</b>		<u>713,127</u>	<u>42</u>	<u>358,688</u>	<u>26</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(4)	13,518	1	14,205	1
1600	Property, plant and equipment	6(5) and 8	989,919	57	1,021,936	73
1900	Other non-current assets		384	-	174	-
15XX	<b>Total non-current assets</b>		<u>1,003,821</u>	<u>58</u>	<u>1,036,315</u>	<u>74</u>
1XXX	<b>Total assets</b>		<u>\$ 1,716,948</u>	<u>100</u>	<u>\$ 1,395,003</u>	<u>100</u>

(Continued)

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Current borrowings	6(7) and 8	\$ 5,000	1	\$ -	-
2130	Contract liabilities - current	6(18)	76	-	76	-
2150	Notes payable		900	-	900	-
2200	Other payables	6(8)	36,996	2	24,707	2
2300	Other current liabilities		1,512	-	1,523	-
21XX	<b>Total current liabilities</b>		<u>44,484</u>	<u>3</u>	<u>27,206</u>	<u>2</u>
<b>Non-current liabilities</b>						
2500	Non-current financial liabilities at fair value through profit or loss	6(9)	274	-	-	-
2530	Corporate bonds payable	6(10) and 8	218,679	13	-	-
2600	Other non-current liabilities	6(11)(12)	7,900	-	8,864	1
25XX	<b>Total non-current liabilities</b>		<u>226,853</u>	<u>13</u>	<u>8,864</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>271,337</u>	<u>16</u>	<u>36,070</u>	<u>3</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(14)	1,070,980	62	974,818	70
3130	Certificate of entitlement to new shares from convertible bonds		11,685	1	-	-
Capital surplus						
3200	Capital surplus	6(15)	587,473	34	563,634	40
Accumulated deficit						
3350	Accumulated deficit	6(16)	( 218,700)	( 13)	( 172,645)	( 13)
Other equity interest						
3400	Other equity interest	6(17)	( 5,827)	-	( 6,874)	-
3XXX	<b>Total equity</b>		<u>1,445,611</u>	<u>84</u>	<u>1,358,933</u>	<u>97</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the reporting period						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,716,948</u>	<u>100</u>	<u>\$ 1,395,003</u>	<u>100</u>

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

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(18)	\$ 30,085	100	\$ 5,475	100
5000 Operating costs	6(23)(24)	( 16,118)	( 53)	( 2,014)	( 37)
5950 Gross profit		<u>13,967</u>	<u>47</u>	<u>3,461</u>	<u>63</u>
Operating expenses	6(23)(24)				
6100 Selling expenses		( 4,425)	( 15)	( 4,532)	( 83)
6200 General and administrative expenses		( 50,776)	( 169)	( 48,850)	( 892)
6300 Research and development expenses		( 197,407)	( 656)	( 145,007)	( 2649)
6000 Total operating expenses		( 252,608)	( 840)	( 198,389)	( 3624)
6900 Operating loss		( 238,641)	( 793)	( 194,928)	( 3561)
Non-operating income and expenses					
7100 Interest income	6(2)(19)	4,590	15	2,735	50
7010 Other income	6(6)(20)	19,612	65	20,905	382
7020 Other gains and losses	6(21)	( 718)	( 2)	( 1,205)	( 22)
7050 Finance costs	6(22)	( 4,358)	( 15)	-	-
7055 Impairment loss determined in accordance with IFRS 9		( 307)	( 1)	-	-
7000 Total non-operating income and expenses		<u>18,819</u>	<u>62</u>	<u>22,435</u>	<u>410</u>
7900 <b>Loss before income tax</b>		( 219,822)	( 731)	( 172,493)	( 3151)
7950 Income tax expense	6(25)	-	-	-	-
8200 <b>Net loss</b>		<u>(\$ 219,822)</u>	<u>( 731)</u>	<u>(\$ 172,493)</u>	<u>( 3151)</u>
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311 Gains (losses) on remeasurements of defined benefit plans	6(12)	\$ 1,122	4	(\$ 162)	( 3)
8316 Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(4)(17)	( 687)	( 2)	( 5,161)	( 94)
8300 <b>Total other comprehensive income (loss) for the year</b>		<u>\$ 435</u>	<u>2</u>	<u>(\$ 5,323)</u>	<u>( 97)</u>
8500 <b>Total comprehensive loss for the year</b>		<u>(\$ 219,387)</u>	<u>( 729)</u>	<u>(\$ 177,816)</u>	<u>( 3248)</u>
Loss attributable to:					
8610 Owners of the parent		<u>(\$ 219,822)</u>	<u>( 731)</u>	<u>(\$ 172,493)</u>	<u>( 3151)</u>
Comprehensive loss attributable to:					
8710 Owners of the parent		<u>(\$ 219,387)</u>	<u>( 729)</u>	<u>(\$ 177,816)</u>	<u>( 3248)</u>
Loss per share (in dollars)	6(27)				
9750 Basic loss per share		<u>(\$ 2.21)</u>		<u>(\$ 1.78)</u>	
9850 Diluted loss per share		<u>(\$ 2.21)</u>		<u>(\$ 1.78)</u>	

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Equity attributable to owners of the parent								Total equity	
		Capital		Capital Reserves				Other Equity Interest			
		Common stock	Certificate of entitlement to new shares from convertible bonds	Additional paid in capital	Stock warrants	Restricted stocks to employees	Others	Accumulated deficit	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		Unearned compensation of restricted stocks to employees
<b>2021</b>											
Balance at January 1, 2021		\$ 975,078	\$ -	\$ 719,518	\$ -	\$ 4,546	\$ 9	(\$ 159,996)	\$ 31	\$ 391	\$ 1,539,577
Net loss for the year		-	-	-	-	-	-	( 172,493 )	-	-	( 172,493 )
Other comprehensive loss for the year	6(17)	-	-	-	-	-	-	( 162 )	( 5,161 )	-	( 5,323 )
Total comprehensive loss		-	-	-	-	-	-	( 172,655 )	( 5,161 )	-	( 177,816 )
Capital reserve used to offset against accumulated deficit	6(16)	-	-	( 159,996 )	-	-	-	159,996	-	-	-
Disposal of financial assets at fair value through other comprehensive income - non-current	6(4)(17)	-	-	-	-	-	-	10	( 10 )	-	-
Vesting of restricted stocks to employees	6(13)	-	-	156	-	( 156 )	-	-	-	-	-
Retirement of restricted stocks to employees	6(13)	( 260 )	-	-	-	( 443 )	-	-	-	703	-
Compensation costs of restricted stocks to employees	6(13)	-	-	-	-	-	-	-	-	( 2,828 )	( 2,828 )
Balance at December 31, 2021		\$ 974,818	\$ -	\$ 559,678	\$ -	\$ 3,947	\$ 9	(\$ 172,645)	(\$ 5,140)	(\$ 1,734)	\$ 1,358,933
<b>2022</b>											
Balance at January 1, 2022		\$ 974,818	\$ -	\$ 559,678	\$ -	\$ 3,947	\$ 9	(\$ 172,645)	(\$ 5,140)	(\$ 1,734)	\$ 1,358,933
Net loss for the year		-	-	-	-	-	-	( 219,822 )	-	-	( 219,822 )
Other comprehensive income (loss) for the year	6(17)	-	-	-	-	-	-	1,122	( 687 )	-	435
Total comprehensive loss		-	-	-	-	-	-	( 218,700 )	( 687 )	-	( 219,387 )
Issuance of common stock for cash	6(14)	45,000	-	57,500	-	-	-	-	-	-	102,500
Compensation costs of common stock for cash	6(13)	-	-	1,835	-	-	-	-	-	-	1,835
Capital reserve used to offset against accumulated deficit	6(16)	-	-	( 172,645 )	-	-	-	172,645	-	-	-
Issuance of convertible bonds	6(10)	-	-	-	35,870	-	-	-	-	-	35,870
Conversion of convertible bonds	6(10)	51,282	11,685	116,955	( 15,570 )	-	-	-	-	-	164,352
Retirement of restricted stocks to employees	6(13)	( 120 )	-	-	-	( 106 )	-	-	-	226	-
Compensation costs of restricted stocks to employees	6(13)	-	-	-	-	-	-	-	-	1,508	-
Balance at December 31, 2022		\$ 1,070,980	\$ 11,685	\$ 563,323	\$ 20,300	\$ 3,841	\$ 9	(\$ 218,700)	(\$ 5,827)	\$ -	\$ 1,445,611

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		( \$ 219,822 )	( \$ 172,493 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(23)	39,337	39,804
Amortisation	6(23)	619	328
Interest expense	6(22)	4,358	-
Interest income	6(19)	( 4,590 )	( 2,735 )
Compensation costs of restricted stocks to employees	6(13)	1,508	( 2,828 )
Compensation costs of common stock for cash	6(13)	1,835	-
Expected credit impairment loss		307	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		304	( 334 )
Other receivables		( 3,457 )	( 777 )
Prepayments		( 3,952 )	( 5,921 )
Other current assets		( 170 )	15
Changes in operating liabilities			
Contract liabilities - current		-	( 219 )
Other payables		13,663	1,643
Other current liabilities		( 11 )	( 40 )
Other non-current liabilities		( 129 )	( 165 )
Cash outflow generated from operations		( 170,200 )	( 143,722 )
Interest received		4,208	2,755
Interest paid		( 1,643 )	-
Income taxes refund		87	106
Net cash flows used in operating activities		( 167,548 )	( 140,861 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
(Increase) decrease in financial assets measured at amortised cost		( 390,056 )	119,690
Proceeds from disposal of financial assets at fair value through other comprehensive income - non-current	6(4)	-	617
Acquisition of property, plant and equipment	6(5)(28)	( 8,689 )	( 6,839 )
Decrease (increase) in refundable deposits (shown as other non-current assets)		35	( 35 )
Increase in other non-current assets		( 864 )	( 218 )
Net cash flows (used in) provided by investing activities		( 399,574 )	113,215
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Issuance of common stock for cash	6(14)	103,500	-
Cost on issuance of common stock for cash (shown as deduction of capital reserve)		( 1,000 )	-
Increase in short-term loans	6(29)	66,000	-
Decrease in short-term loans	6(29)	( 61,000 )	-
Increase (decrease) in deposits received (shown as other non-current liabilities)		287	( 27 )
Issuance of convertible bonds	6(10)	420,630	-
Cost on issuance of convertible bonds	6(10)	( 4,175 )	-
Net cash flows provided by (used in) financing activities		524,242	( 27 )
Net decrease in cash and cash equivalents		( 42,880 )	( 27,673 )
Cash and cash equivalents at beginning of year		125,067	152,740
Cash and cash equivalents at end of year		<u>\$ 82,187</u>	<u>\$ 125,067</u>

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

**GlycoNex Incorporation**  
Statement of Deficit Compensation  
2022

Unit : NT\$

Item	
Unappropriated Accumulated Deficit	0
2022 Adjustment for Retained Earnings*	1,122,154
2022 Net Loss	<u>(219,821,804)</u>
Aggregated Accumulated Deficit	<u>(218,699,650)</u>
Compensation of Deficit	
Add: Additional Paid-in Capital	218,699,650
Accumulated Deficit at the End of 2022	<u>0</u>

\* It is the adjusted retained surplus due to the actuarial profit and loss of the defined benefit plan in 2022.

Chairman  
Tong-Hsuan Chang

Manager  
Mei-Chun Yang

Accounting Supervisor  
Ti-Fen Wu

## GlycoNex Incorporation

### Comparison Table of Amended Articles: Rules of Procedure for Shareholders Meetings

After Amendment	Before Amendment	Reason for Amendment
<p>Article 3</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.</p> <p><b><u>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.</u></b></p> <p><b><u>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.</u></b></p>	<p>Article 3</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. <del>If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board of Directors. When the Chairman is on leave or for any reason unable to exercise the powers of chairman, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of directors.</del></p> <p><del>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.</del></p> <p><del>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a</del></p>	<p>1. To ensure that shareholders are aware of changes in the way shareholder meetings are held, such changes should be resolved by the Board of Directors and communicated to shareholders no later than the issuance of the shareholder meeting notice. Paragraph 2 is hence added.</p> <p>2. In light of the fact that public companies are now able to hold shareholder meetings through video conferencing, the Company may hold both physical shareholder meetings and virtual shareholder meetings through video conferencing. To ensure that shareholders can access the shareholder meeting minutes and supplementary materials on the day of the meeting, whether they participate in the physical or virtual shareholder meeting, paragraph 2 is amended and paragraph 4 is added.</p> <p>3. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</p>

<p><u>or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the 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.</u></p> <p><u>This Corporate 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:</u></p> <ol style="list-style-type: none"> <li><u>1. For physical shareholders' meetings, to be distributed on-site at the meeting.</u></li> <li><u>2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></li> <li><u>3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u></li> </ol> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With</p>	<p><del>shareholders' meeting in a non-voting capacity.</del></p> <p><del>The Company shall prepare the shareholders' meeting agenda handbook and notify each shareholder no later than 30 days before the date of a regular shareholders' meeting. Such notices may be given in the form of an announcement made on the Market Observation Post System (MOPS) no later than 30 days before the date of a regular shareholders' meeting for shareholders who own less than 1,000 registered shares. The Company shall notify each shareholder no later than 15 days before the date of a special shareholders' meeting. Such notices may be given in the form of an announcement made on the MOPS no later than 15 days before the date of a special shareholders' meeting for shareholders who own less than 1,000 registered shares.</del></p> <p>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, 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</p>	
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<p>the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, or Article 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 extemporary motion.</p> <p>Where re-election of all directors 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 extemporary motion or otherwise in the same meeting.</p> <p>A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for</p>	<p>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, Article 26-1 and 43-6 of the Securities and Exchange Act, or Article 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 extemporary motion.</p> <p>Where re-election of all directors 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 extemporary motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written 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. <del>A shareholder may propose a proposal urging the Company to promote public interests or fulfill its social responsibilities. The number of items so proposed are also</del></p>	
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<p>discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and proposals containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. <b><u>A shareholder may propose a proposal urging the Company to promote public interests or fulfill its social responsibilities. The number of items so proposed are also limited to one only, and no proposal containing more than one item will be included in the meeting agenda, as decided in compliance with Article 172-1 of the Company Act.</u></b></p> <p>Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals <b><u>in writing or electronically</u></b>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and <b><u>proposals containing more than 300 words shall not</u></b> be included in the meeting agenda. The shareholder making the proposal shall be present in person or by</p>	<p><del>limited to one only, and no proposal containing more than one item will be included in the meeting agenda, as decided in compliance with Article 172-1 of the Company Act.</del> In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals <b><u>in writing</u></b>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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.</p> <p>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</p>	
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<p>proxy at the regular shareholders' meeting and take part in discussion of the proposal.</p> <p>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.</p>	<p>exclusion of any shareholder proposals not included in the agenda.</p>	
<p>Article 4</p> <p>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.</p> <p>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 no later than 5 days before the date of the shareholders' meeting. When multiple proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person <b><u>or to exercise voting rights by correspondence or</u></b></p>	<p>Article 4</p> <p><del>The venue for a shareholders' meeting shall be within the city/county where Company's headquarters is located, 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.</del></p> <p>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.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the</p>	<ol style="list-style-type: none"> <li>1. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</li> <li>2. Where a shareholder appoints a proxy to attend the meeting on their behalf, after a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting virtually, a written notice of proxy cancellation shall be submitted to the Company no later than 2 days before the meeting date. Paragraph 4 is hence added.</li> </ol>

<p><b><u>electronically</u></b>, a written notice of proxy cancellation shall be submitted to the Company no later than 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><b><u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting virtually, a written notice of proxy cancellation shall be submitted to the Company no later than 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></b></p>	<p>proxy form to the Company no later than 5 days before the date of the shareholders' meeting. When multiple proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to the Company no later than 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	
<p>Article 5</p> <p><b><u>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.</u></b></p> <p><b><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.</u></b></p>	<p>Article 5</p> <p><del><b><u>Attendance at shareholders' meetings shall be calculated based on numbers of shares. The Company shall furnish an attendance book for attending shareholders and proxies attending on behalf of shareholders (collectively "shareholders") to sign, or attending shareholders or their proxies may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or electronically if the Company adopts electronic transmission along with voting</u></b></del></p>	<p>1. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</p> <p>2. Paragraph 2 is added, specifying that the restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.</p>

	<p><del>by correspondence as one of the methods for exercising voting rights.</del></p>	
<p>Article 6</p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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</u></p>	<p>Article 6</p> <p><del>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.</del></p> <p><del>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.</del></p>	<ol style="list-style-type: none"> <li>1. Paragraph 2 is amended to specify the time and procedures of attendance registrations for virtually-attending shareholders.</li> <li>2. Paragraph 3 is amended in conjunction with paragraph 2.</li> <li>3. In the event of a virtual shareholders’ meeting, shareholders wishing to attend the meeting online shall register with the Company 2 days before the meeting date. Paragraph 6 is hence added.</li> <li>4. To allow shareholders who attend shareholder meetings virtually to access relevant materials such as meeting agendas and annual reports, the Company should upload the virtual meeting platform of the shareholders’ meeting. Paragraph 7 is hence added.</li> <li>5. Amended in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” with minor adjustments.</li> </ol>

<p><u>documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company 2 days before the meeting date.</u></p> <p><u>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</u></p>	<p><del>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.</del></p> <p><del>The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</del></p> <p><del>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance; Solicitors soliciting proxy forms shall also bring identification documents for verification.</del></p> <p><del>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.</del></p>	
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<p><b><u>before the meeting starts, and keep this information disclosed until the end of the meeting.</u></b></p>		
<p>Article 6-1</p> <p><b><u>To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:</u></b></p> <p><b><u>1. How shareholders attend the virtual meeting and exercise their rights.</u></b></p> <p><b><u>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:</u></b></p> <p><b><u>(1) 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.</u></b></p> <p><b><u>(2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.</u></b></p> <p><b><u>(3) 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,</u></b></p>		<p>1. This article is newly added.</p> <p>2. To ensure that shareholders are aware of their rights and the limitations of participating in shareholder meetings, the shareholders' meeting notice should include the method in which shareholders may participate in the virtual meeting and exercise relevant rights, as well as the handling of any disruptions caused by natural disasters, accidents or other force majeure events. The notice should at least include the date to which the meeting is postponed or on which the meeting will resume and to what time the meeting will be postponed in the event of such disruptions, the provisions of paragraphs 1, 2, 4, and 5 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, actions to be taken if the outcome of all proposals have been announced and extemporary motion has not been carried out, etc. The Company should also specify appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online when convening virtual-only shareholders' meetings.</p>

<p><u>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.</u></p> <p><u>(4) Actions to be taken if the outcome of all proposals has been announced and extemporary motion has not been carried out.</u></p> <p><u>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.</u></p>		
<p>Article 7</p> <p>If a shareholders' meeting is convened by the board of directors, <u>the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the</u></p>	<p>Article 7</p> <p>If a shareholders' meeting is convened by the board of directors, <del>the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extemporary 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</del></p>	<p>Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</p>



<p><u>powers of vice chairperson, the chairman 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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the</u></p>	<p><del>changed without a resolution of the shareholders' meeting.</del></p> <p><del>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.</del></p> <p><del>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders' meeting.</del></p> <p><del>After the meeting is adjourned, shareholders may not elect another chairperson to continue the meeting at the original location or another location.</del></p> <p><del>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.</del></p> <p><del>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extemporary motions put forward by shareholders; when the chair is of the opinion that a proposal</del></p>	
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<p><u>meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</u></p> <p><u>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.</u></p>	<p><del>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.</del></p>	
<p>Article 8</p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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 record, without interruption, the audio and video of the proceedings of the virtual meeting from beginning to end.</u></p>	<p>Article 8</p> <p><del>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</del></p> <p><del>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.</del></p> <p><del>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.</del></p> <p><del>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and</del></p>	<p>1. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</p> <p>2. Amended in accordance with Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The company is required to keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and should continuously record, without interruption, the audio and video of the proceedings of the virtual meeting from beginning to end. Such information and recordings should be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording should be provided to and kept by the party appointed to handle matters of the virtual meeting. Paragraphs 3 and 4 are hence added.</p> <p>3. In order to preserve the relevant information of the video conference, in addition to the</p>

<p><b><u>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.</u></b></p> <p><b><u>In case of a virtual shareholders' meeting, it is advisable for the Company to audio and video record the back-end operation interface of the virtual meeting platform.</u></b></p>	<p><del>obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</del></p> <p><del>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.</del></p>	<p>continuous audio and video recordings of specified in paragraph 3, it is also advisable for the Company to audio and video record the back-end operation interface of the virtual meeting platform. Because the simultaneous recording of the interface requires more advanced equipment and higher security, the Company may determine if such is feasible based on its own conditions in its Rules of Procedure for Shareholders' Meetings. Paragraph 5 is hence added.</p>
<p>Article 9</p> <p><b><u>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.</u></b></p> <p><b><u>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.</u></b></p> <p><b><u>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may</u></b></p>	<p>Article 9</p> <p><del>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.</del></p> <p><del>If the shareholder's speech violates the rules referred to in the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.</del></p> <p><del>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</del></p>	<ol style="list-style-type: none"> <li>1. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</li> <li>2. When virtual shareholders' meetings are held, calculation of the number of shares in attendance should include shares checked in on the virtual meeting platform. Paragraph 1 is hence amended.</li> <li>3. When virtual shareholders' meetings are held, if the meeting is adjourned, the Company shall also declare the meeting adjourned on the virtual meeting platform to inform shareholders timely of the adjournment. Paragraph 3 is hence amended.</li> <li>4. When a shareholders' meeting is convened through a tentative resolution, shareholders intending to attend the meeting online shall re-register with the Company. Paragraph 4 is hence amended.</li> </ol>

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 on 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 with 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

<p><u>shareholders’ meeting pursuant to Article 174 of the Company Act.</u></p>		
<p>Article 10</p> <p><u>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 extemporary 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.</u></p> <p><u>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.</u></p> <p><u>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporary 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</u></p>	<p>Article 10</p> <p><del>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.</del></p>	<p>Amended in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” with minor adjustments.</p>

<p><u>shareholders, and then continue the meeting.</u></p> <p><u>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extemporary 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.</u></p>		
<p>Article 11</p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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</u></p>	<p>Article 11</p> <p><del>When the chair is of the opinion that a proposal or amendment or extemporary motion put forward by a shareholder 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.</del></p>	<p>1. Amended in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” with minor adjustments.</p> <p>2. Paragraph 7 is added to specify the ways, procedures, and restrictions for shareholders virtually participating in shareholders’ meetings.</p> <p>3. In order to help shareholders understanding the content of the questions raised by other shareholders, the Company, in addition to screening out questions that are not related to the subject, it is advisable the questions be disclosed to the public on the virtual meeting platform. Paragraph 8 is hence added.</p>

<p><u>item, the chair may terminate the speech.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</u></p> <p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing on 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.</u></p> <p><u>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</u></p>		
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<u>disclosed to the public on the virtual meeting platform.</u>		
<p>Article 12</p> <p>Voting at a shareholders’ meeting shall be calculated based the number of shares.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</p>	<p>Article 12</p> <p>Voting at a shareholders’ meeting shall be calculated based the number of shares. <del>Except as otherwise provided by law, a shareholder shall be entitled to one vote for each share held.</del></p> <p>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.</p> <p>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.</p> <p>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.</p> <p><del>When the Company holds a shareholder meeting, it may adopt voting by correspondence or voting by means of electronic transmission as methods for exercising voting rights. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders’ meeting notice. A</del></p>	<p>Amended in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” with minor adjustments.</p>



~~shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extemporaneous motions and amendments to original proposals of that meeting.~~

~~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 no later than 2 days before the date of the shareholders' meeting. When multiple 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, 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, no later than 2 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.~~

~~A shareholder may appoint a proxy to attend a shareholders' meeting on their behalf.~~ With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

~~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. When voting, a proposal is considered passed if no objections are raised upon inquiry by the chairperson. The validity of such shall be identical to that having been voted on. If an objection is raised, the proposal shall be brought to a vote according to~~

	<p><del>the preceding paragraph. Proposals other than such included in the agenda or amendments or alternatives to original proposals must be seconded by other shareholders.</del></p> <p><del>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.</del></p>	
<p>Article 13</p> <p><u>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.</u></p> <p><u>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</u></p>	<p>Article 13</p> <p><del>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 this Corporation. Vote counting shall be conducted in public at the place of the shareholders meeting. The results of the voting shall be announced on-site at the meeting and recorded.</del></p>	<ol style="list-style-type: none"> <li>1. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</li> <li>2. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting online, a written declaration of intent to retract the voting rights already exercised shall be made known to the Company by the same means by which the voting rights were exercised. Paragraph 4 is hence amended.</li> <li>3. When virtual shareholders' meetings are held, to ensure shareholders participating virtually have sufficient voting time, after the chair calls the</li> </ol>

<p><u>meeting in person, but to have waived his/her rights with respect to the extemporary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extemporary motions and amendments to original proposals.</u></p> <p><u>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 before 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.</u></p> <p><u>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</u></p>		<p>meeting to order, shareholders may cast votes on proposals and elections on the virtual meeting platform before the chair announces the end of the voting session. Votes must be counted in one go to accommodate the voting time of shareholders participating virtually. Paragraphs 9 and 10 are hence added.</p> <p>4. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance decide to attend the physical shareholders' meeting in person, they shall revoke their registration 2 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. Paragraph 11 is hence added.</p> <p>5. In accordance with Letter Ref. Jing Shang Zi No.10102404740 dated February 24, 2012 and Decree Ref. Jing Shang Zi No. 10102414350 dated May 3, 2012 issued by the Ministry of Economic Affairs, shareholders who have exercised their voting rights through electronic means and have not revoked their intention cannot propose amendments to or vote on the proposal in question. However, the shareholder can still attend the shareholders' meeting and propose and vote on extemporary motions. Considering that both voting by correspondence and</p>
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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

voting through electronic means are ways for shareholders to exercise their rights, based on the principle of fair treatment, voting by correspondence should also follow the principles of electronic voting to protect the rights of shareholders. Therefore, when shareholders exercise their right to vote by correspondence or electronic means and have not revoked their intention, while they may still register to participate virtually in shareholders' meetings and propose and vote on extemporary motions, they cannot vote on the original motion or its amendment, nor can they propose amendments to the original motion. Paragraph 12 is hence amended.

<p><u>other proposals will then be deemed rejected, and no further voting shall be required.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>When the Company convenes a virtual shareholders' meeting, after the chair calls the meeting to order, 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.</u></p> <p><u>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.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, if shareholders who have</u></p>		
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<p><u>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 2 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.</u></p> <p><u>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 extemporaneous 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.</u></p>		
<p>Article 14</p> <p>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, <u>including the names of those elected as directors and supervisors and the numbers of votes with which they were elected</u>, and the names of directors and supervisors not elected and number of votes they received.</p>	<p>Article 14</p> <p>The election of directors at a shareholders’ meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the <del>names of those elected as directors and the</del> voting results <del>indicating the numbers of votes with which they were elected</del> shall be announced on-site immediately.–</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring</p>	<p>Amended in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” with minor adjustments.</p>

<p>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.</p>	<p>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.</p>	
<p>Article 15</p> <p>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. <b><u>The meeting minutes may be produced and distributed in electronic form.</u></b></p> <p><b><u>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</u></b></p> <p><b><u>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</u></b></p>	<p>Article 15</p> <p>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.</p> <p>The recording and distribution of meeting minutes <del>as mentioned in the preceding paragraph shall be in accordance with Article 183 of the Company Act.</del></p>	<ol style="list-style-type: none"> <li>1. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</li> <li>2. To enable shareholders to understand the results of the virtual conference, establish alternative measures for shareholders with difficulties in attending virtual-only shareholders' meetings online, and establish methods for handling disruption, when the Company is taking meeting minutes of shareholders' meetings, in addition to the items specified in paragraph 3, the Company should also include 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. Paragraph 4 is hence added.</li> </ol>



<p><u>be retained for the duration of the existence of the Company.</u></p> <p><u>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.</u></p> <p><u>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</u></p>		<p>3. When convening a virtual-only shareholder meeting, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online. Paragraph 5 is hence added.</p>
<p>Article 16</p> <p><u>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</u></p>	<p>Article 16</p> <p><del>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</del></p>	<p>1. Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</p> <p>2. To allow shareholders to be informed of the number of shares solicited and the number of shares represented by proxies, as well as the number of shares attending by correspondence or electronic means, the Company</p>

<p><u>correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders’ meeting. In the event 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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p>	<p><del>each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</del></p> <p><del>With respect to the resolution method in the preceding paragraph, if no objection is raised upon inquiry by the chairperson, “The proposal was passed unanimously upon inquiry by the chair” shall be recorded. If an objection is raised, the adoption of the method of voting and the number and percentage of votes with which the proposal was passed shall be recorded.</del></p>	<p>should make an express disclosure of such within the shareholder meeting. If the meeting is held through video conference, the information should be uploaded to the virtual meeting platform. Paragraph 1 is hence amended.</p> <p>3. In order to allow shareholders participating virtually to be promptly aware of whether the number of shareholders attending has met the quorum, the Company should disclose the total number of shares represented at the meeting when the meeting is called to order and disclose the information on the virtual meeting platform. If there is further statistical information on the number of attending and voting shares, such should also be disclosed on the virtual meeting platform. Paragraph 2 is hence added.</p>
<p>Article 17</p> <p><u>Staff handling administrative affairs of a shareholders’ meeting shall wear identification cards or arm bands.</u></p>	<p>Article 17</p> <p><del>Shareholders’ meetings shall be recorded in their entirety by video or audio recording equipment, and such records shall be kept on file for one year following each such</del></p>	<p>Amended in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” with minor adjustments.</p>

<p><u>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."</u></p> <p><u>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 so doing.</u></p> <p><u>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.</u></p>	<p><del>meeting. 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.</del></p> <p><del>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</del></p> <p><del>If matters put to a resolution at a shareholders' meeting constitute material information under regulations by the Taiwan Stock Exchange Corporation or Taipei Exchange, or other applicable laws and regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</del></p>	
<p>Article 18</p> <p><u>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.</u></p>	<p>Article 18</p> <p><del>Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.</del></p> <p><del>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</del></p>	<p>Amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" with minor adjustments.</p>

<p><b><u>If the meeting venue is no longer available for continued use and not all of the items (including extemporary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.</u></b></p> <p><b><u>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.</u></b></p>	<p><del>identification card or armband bearing the word "Proctor."</del></p> <p><del>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 so doing.</del></p> <p><del>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.</del></p>	
<p>Article 19</p> <p><b><u>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.</u></b></p>	<p>Article 19</p> <p><del>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.</del></p> <p><del>If the meeting venue is no longer available for continued use and not all of the items (including extemporary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.</del></p> <p><del>A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance</del></p>	<p>To allow shareholders participating in the video conference of the shareholders' meeting to be promptly informed of the voting results of proposals and elections and ensure that the information is disclosed for a sufficient amount of time, this article is added.</p>

	<b>with Article 182 of the Company Act.</b>	
<p>Article 20</p> <p><b><u>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.</u></b></p>	<p>Article 20</p> <p><del>These Rules were reviewed by the Audit Committee, approved by the Board of Directors, and shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.</del></p>	<p>When the Company convenes a virtual-only shareholders' meeting and there is no physical meeting venue, both the chair and secretary shall be in the same domestic location, and the chair should declare the address of their location when the meeting is called to order to inform shareholder of their location. This article is hence added.</p>
<p>Article 21</p> <p><b><u>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.</u></b></p> <p><b><u>In the event of a virtual shareholders' meeting, when calling the meeting to order, 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</u></b></p>	<p>Article 21</p> <p><del>Record of amendments—</del></p> <p><del>These Rules were established on June 15, 2011.—</del></p> <p><del>The 1st amendment was made on May 25, 2012.—</del></p> <p><del>The 2nd amendment was made on June 17, 2020.—</del></p> <p><del>The 3rd amendment was made on July 9, 2021.</del></p>	<ol style="list-style-type: none"> <li>1. This article adds.</li> <li>2. In the event of a virtual shareholders' meeting, when calling the meeting to order, the chair shall also declare that 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. Paragraph 1 is hence added. Instances where individuals or entities such as the Company, the virtual meeting platform, shareholders, solicitors, or proxies intentionally or negligently cause the inability to hold or participate in the video conference are not within the scope of this provision.</li> <li>3. For hybrid shareholders' meetings, shareholders</li> </ol>

**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 postponed 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 or lists of elected directors have been announced.**

participating physically may continue to participate physically in the postponed or resumed meeting.

4. When the Company postpones or resumes the meeting according to paragraph 1, in accordance with Article 44-20, paragraph 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the attending shares and executed voting rights of the shareholders (including solicitors and proxies) who registered to participate in the original shareholders' meeting virtually and completed their registration but did not participate in the postponed or resumed meeting should be counted into the total number of attending shares and voting rights. Paragraph 3 is hence added.

5. With respect to meetings that are postponed or resumed due to problems in video communication, proposals for which votes have been cast and counted and results or lists of elected directors have been announced are deemed resolved and do not require further discussion or resolution to reduce the cost and time of resuming meetings. Paragraph 4 is hence added.

6. Considering that the video-assisted shareholders' meeting has both physical meetings and video conferences at the same time, if there is an obstacle to the video conference platform or participation in video conference due to force majeure, because

<p><b><u>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.</u></b></p> <p><b><u>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.</u></b></p> <p><b><u>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.</u></b></p>		<p>there is still a physical shareholders' meeting, if the attendance shares of the video conference are deducted After counting, if the total number of shares present still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue and there is no need to postpone or continue the meeting in accordance with the provisions of Paragraph 1. Paragraph 3 shall be stipulated.</p> <p>7. In the event that the company should continue the meeting in item 1 without adjourning or resuming the meeting, it shall participate in the shareholders' meeting by videoconference in accordance with Article 44-25 of the Standards for the Handling of Stock Affairs of Companies Offering Shares. Shareholders (including solicitors and entrusted agents), the number of shares attended shall be included in the total number of shares of shareholders present, but they shall be deemed to have abstained from voting on all proposals at the shareholders meeting. The sixth item is added.</p> <p>8. Considering that a meeting that is postponed or resumed due to problems in video communication as mentioned above is an extension of the original shareholders' meeting, there is no need to redo the preparatory work provided in Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder</p>
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<p><b><u>For dates or period set forth under the second half of Article 12 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.</u></b></p>		<p>Services of Public Companies. Set up the sixth item.</p>
<p>Article 22</p> <p><b><u>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.</u></b></p>		<ol style="list-style-type: none"> <li>1. This article is newly added.</li> <li>2. When convening a virtual-only shareholders' meeting, as virtual participation may be difficult to some shareholders affected by digital divide, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online such as voting by correspondence or lending shareholders the equipment necessary to participate in the meeting.</li> </ol>
<p>Article 23</p> <p>These Rules were reviewed by the Audit Committee, approved by the Board of Directors, and shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.</p>		<p>Current article 20, adjusted in conjunction with this amendment.</p>



<p>Article 24</p> <p>Record of amendments</p> <p>These Rules were established on June 15, 2011.</p> <p>The 1st amendment was made on May 25, 2012.</p> <p>The 2nd amendment was made on June 17, 2020.</p> <p>The 3rd amendment was made on July 9, 2021.</p> <p><b><u>The 4th amendment was made on June 20, 2023.</u></b></p>		<ol style="list-style-type: none"> <li>1. Current article 21, adjusted in conjunction with this amendment.</li> <li>2. Record of latest amendment added.</li> </ol>
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## GlycoNex Incorporation

### Comparison Table of Amended Articles: Procedures for Lending Funds to Other Parties

After Amendment	Before Amendment	Reason for Amendment
<p>Article 6 Financing Period: The financing period for short-term financing shall not exceed 1 year. <b><u>Before the term is due, the borrowing party shall be notified to repay the principal and interest on the due date. When the borrower repays the loan on the due date, the interest payable should be calculated before being repaid along with the principal.</u></b></p>	<p>Article 6 Financing Period: <b>The financing period for short-term financing shall not exceed 1 year.</b> <del>However, if the term needs to be extended due to business considerations, the borrowing party may apply for extension during the time in which it has business dealings with the Company and no later than 1 month before the maturity date.</del></p>	<p>Amended in accordance with the “FAQ Regarding the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” with minor adjustments.</p>
<p>Article 10 Follow-up Control Measures and Overdue Loan Processing Procedures:</p> <p>1. Bookkeeping: After the procedures for delivering the proceeds are completed for each loan, the Finance Department shall produce a list detailing the collateral provided by the borrowing party and make entries of such in the memorandum book for the Company’s fund-lending activities.</p> <p>2. Repayment: (1) The Company shall give notice to the borrowing party to repay the loan at least 1 month prior to the maturity date. [The rest is omitted]</p>	<p>Article 10 Follow-up Control Measures and Overdue Loan Processing Procedures:</p> <p>1. Bookkeeping: After the procedures for delivering the proceeds are completed for each loan, the Finance Department shall produce a list detailing the collateral provided by the borrowing party and make entries of such in the memorandum book for the Company’s fund-lending activities.</p> <p>2. Repayment: (1) The Company shall give notice to the borrowing party to repay the loan <del>or apply for extension of the term of the loan</del> at least 1 month prior to the maturity date. [The rest is omitted]</p>	<p>Amended in accordance with the “FAQ Regarding the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” with minor adjustments.</p>
<p>Article 14 Record of Amendments:</p>	<p>Article 14 Record of Amendments:</p>	<p>Record of latest amendment added.</p>

<p>[...]</p> <p>The 4th amendment was made on June 23, 2022.</p> <p><b><u>The 5th amendment was made on June X, 2023.</u></b></p>	<p>[...]</p> <p>The 4th amendment was made on June 23, 2022.</p>	
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# GlycoNex Incorporation

## Articles of Incorporation

### Chapter 1 General Provisions

- Article 1 The Company is incorporated under the Company Act by the name of 台灣醣聯生技醫藥股份有限公司 in the Chinese language and GlycoNex Incorporation in the English language.
- Article 2 The business scope of the Company covers the following:
1. A401020 Raising of Livestock and Poultry
  2. A401040 Livestock Service
  3. A401990 Other Livestock
  4. C801030 Precision Chemical Material Manufacturing
  5. C802041 Manufacture of Drugs and Medicines
  6. CF01011 Medical Devices Manufacturing
  7. F102170 Wholesale of Foods and Groceries
  8. F107200 Wholesale of Chemical Feedstock
  9. F108021 Wholesale of Western Pharmaceutical
  10. F113030 Wholesale of Precision Instruments
  11. F207200 Retail Sale of Chemical Feedstock
  12. F213040 Retail Sale of Precision Instruments
  13. F401010 International Trade
  14. F601010 Intellectual Property Rights
  15. I101090 Food Consulting
  16. I103060 Management Consulting
  17. I199990 Other Consulting Service
  18. JE01010 Rental and Leasing
  19. IC01010 Medicine Inspection
  20. IG01010 Biotechnology Services
  21. IG02010 Research and Development Service
  22. IZ99990 Other Industrial and Commercial Services
  23. J304010 Book Publishing
  24. ZZ99999 All business items that are not prohibited or restricted by laws and regulations, except for those subject to special approval.
- Article 3 The Company may act as an endorser or guarantor for business and investment purposes. Such acts shall be carried out in accordance with the Company's Procedures for Endorsements and Guarantees.
- Except as provided in Article 15 of the Company Act, the Company may not lend its funds to its shareholders or any other person.
- Article 4 The Company may reinvest its funds for business purposes and act as a shareholder of limited liability in other companies upon adoption of a resolution by the Board of Directors. The total amount of such investments shall not be subject to the limit of 40% of the Company's paid-in capital as provided in Article 13 of the Company Act.
- Article 5 The Company is headquartered in New Taipei City and may, where necessary, set up domestic and foreign branch offices upon approval by the Board of Directors.
- Article 6 The Company's public announcements shall be made in accordance with Article 28 of the Company Act.

## Chapter 2 Shares

- Article 7 The authorized capital of the Company is NT\$ 2,000,000,000, divided into 200,000,000 shares at a par value of NT\$ 10. The Board of Directors may be authorized to issue the unissued shares on an installment basis.
- An amount of NT\$40,000,000 from the authorized capital above is reserved for the issuance of employee stock options and divided into 4,000,000 shares at a par value of NT\$10. The Board of Directors may be authorized to issue such stock options according to law.
- Article 7-1 Treasury stock purchased by the Company may be transferred to the employees of controlling or subordinate companies which meet certain requirements. Such requirements and related procedures shall be determined by the Board of Directors.
- Stock warrants of the Company may be issued to the employees of controlling or subordinate companies which meet certain requirements. Such requirements and related procedures shall be determined by the Board of Directors.
- New shares issued by the Company may be subscribed by the employees of controlling or subordinate companies which meet certain requirements. Such requirements and related procedures shall be determined by the Board of Directors.
- Restricted stock for employees issued by the Company may be subscribed by the employees of controlling or subordinate companies which meet certain requirements. Such requirements and related procedures shall be determined by the Board of Directors
- Article 8 The issuance of employee stock options with a subscription price lower than the market price must be approved by at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares.
- The transference of employee stock options to an employee at a price lower than the average price of the shares that were bought back must be approved by at least two-thirds of the voting rights represented at the most recent shareholders' meeting attended by shareholders representing a majority of the total issued shares.
- Article 9 The conversion of the Company's status from a public company to a private company must be approved by at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares. This Article shall not be modified as long as the Company is registered on the Emerging Stock Board or an OTC/listed company.
- Article 10 All of the Company's shares shall be inscribed shares signed or sealed by the director representing the company and duly certified by the competent authority or a certifying institution approved by such authority.
- The Company may be exempted from printing share certificates when issuing shares, but shall register its shares with a Centralized Securities Depository Enterprise. The same applies to the issuance of other marketable securities.
- Article 11 Entries in the Company's shareholders' roster shall not be altered within the period stipulated by Article 165 of the Company Act.
- Matters pertaining to the Company's shares shall be handled in compliance with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies established by the competent authority.

### **Chapter 3 Shareholders' Meetings**

Article 12 The Company's shareholders' meetings include regular shareholders' meetings and special shareholders' meetings. Regular shareholders' meetings shall be convened annually by the Board of Directors within six months after the end of each fiscal year. Special shareholders' meetings shall be convened according to law whenever deemed necessary.

The Company's shareholders' meetings may be held through video conferencing or other methods promulgated by the Ministry of Economic Affairs.

Article 13 The Company shall announce and notify each shareholder of the date, venue, and subject(s) of each shareholder's meeting no later than 30 days prior to the scheduled meeting date for general shareholder's meetings and no later than 15 days prior to the scheduled meeting date for special shareholders' meetings. Such notices may be given by means of electronic transmission after obtaining prior consent from the recipient.

The notice set forth in the preceding paragraph to shareholders who own less than 1,000 registered shares may be given in the form of a public announcement.

Article 14 Shareholders unable to attend a shareholders' meeting in person may appoint a proxy to attend the meeting on their behalf by executing by signature or seal a proxy form issued by the Company and stating therein the scope of power authorized to the proxy in accordance with Article 177 of the Company Act.

In addition to the provision in the preceding paragraph, the appointment of a proxy for attendance by shareholders shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies established by the competent authority.

Article 15 Unless otherwise provided in the Company Act, each share of stock shall be entitled to 1 vote.

Article 16 Unless otherwise provided in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent a majority of the total number of voting shares.

Article 17 Resolutions of shareholders' meetings shall be recorded in the meeting minutes and signed or sealed by the Chair. The minutes should include the date and place of the meeting, the name of the chair, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results of the meeting. The minutes shall be distributed to all shareholders within 20 days after the meeting and retained within the Company for the duration of the Company's existence.

### **Chapter 4 Directors and Audit Committee**

Article 18 The Company shall have 5 to 9 directors, among which the number of independent directors shall be no less than 3 and no less than one-fifth of the total number of directors. The number of independent directors to be elected shall be pursuant to resolutions adopted by the Board of Directors. The Company's election of directors adopts a nomination system in accordance with Article 192-1 of the Company Act. Directors shall be elected from a list of nominated candidates for a 3-year term, and may be eligible for re-election.

The Company's election of directors adopts the single-candidate cumulative voting system. The number of votes exercisable for each share shall be the same as the number of directors to be elected. The votes on each share may be either directed towards a

single candidate or distributed to several candidates. Candidates receiving a prevailing number of votes shall be elected director of the Company.

The professional qualifications, shareholding, restrictions on concurrent positions, and other matters of compliance of independent directors shall be handled in accordance with the relevant laws and regulations established by the competent authority.

The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all of the Company's independent directors, with one convener and at least one member with expertise in accounting or finance. The Audit Committee and its members shall be responsible for exercising the powers of company supervisor in accordance with the Company Act, the Securities and Exchange Act, and other applicable laws and regulations.

Article 19 The total number of the Company's registered shares owned by its directors shall be subject to the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the competent authority.

The Company may take out liability insurance for its directors with respect to liabilities resulting from exercising their duties during their terms of occupancy.

Article 20 The Board of Directors shall consist of the Company's directors, and the Chairman of the Board of Directors shall be elected by a majority vote of directors at a meeting attended by at least two-thirds of the total number of directors. A vice chairman may be elected in the same manner when necessary. The Chairman shall represent the Company externally.

Article 21 The Chairman shall be the chairperson of meetings of the Board of Directors. In cases where the Chairman is absent or cannot exercise their authority, the Acting Chairperson shall be determined in accordance with Article 208 of the Company Act. Directors may in each instance appoint another director to attend a meeting of the Board of Directors on their behalf through a written proxy with the scope of authorization stated therein. Each director may only be appointed to act on behalf of one other director.

Article 22 Directors shall be notified of the calling and reason of each meeting of the Board of Directors no later than 7 days prior to the scheduled meeting date. In emergency circumstances, however, a meeting may be called on shorter notice. Notices to call a meeting of the Board of Directors may be given in writing or by means of e-mail or fax.

Meetings of the Board of Directors may be held through video conferencing. Directors participating through video conferencing shall be deemed to have attended the meeting in person.

Article 23 Unless otherwise provided in the Company Act, meetings of the Board of Directors shall be convened by the Chairman.

Unless otherwise provided in the Company Act or the Company's Articles of Incorporation, resolutions of the Board of Directors shall be adopted by a majority vote of directors at a meeting attended by a majority of directors.

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

When the number of independent directors falls below the required number due to the termination of an independent director for any reason (including resignation, dismissal,

expiration of the term of office, etc.), the Company shall elect a succeeding independent director at the following shareholders' meeting; When all independent directors have been terminated, the Company shall convene a special shareholders' meeting to elect the succeeding independent directors within 60 days from the date on which the situation arose.

Article 25 The Company may remunerate its directors for the performance of their duties regardless of whether the Company is making a profit. The remuneration of the Chairman, Vice Chairman, and the Company's directors shall be determined based on their involvement in the Company's business operation and their contributions to the Company while referring to the typical pay levels adopted by domestic and foreign peer companies of the same industry by the Remuneration Committee and approved by the Board of Directors.

### **Chapter 5 Managerial Personnel**

Article 26 The Company may appoint managerial personnel. The appointment, discharge, and remuneration of managerial personnel shall be made in accordance with Article 29 of the Company Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

### **Chapter 6 Accounting**

Article 27 At the end of each fiscal year, the following statements and reports shall be prepared by the Board of Directors and submitted to the General Shareholders' Meeting for ratification:

- (1) Business report;
- (2) Financial statements;
- (3) Proposal of surplus distribution or loss appropriation.

Article 28 When there is annual profit, the Company shall allocate no less than 5% of the profit made for employees' compensation and no more than 3% of the profit made for the remuneration of directors. However, priority shall be given to the reservation of funds to compensate accumulated losses, if any.

When distributed in the form of shares or cash, the aforementioned employees' compensation may be distributed to the employees of controlling or subordinate companies which meet certain requirements. Such requirements shall be determined by the Board of Directors.

Article 28-1 If there is a surplus in the Company's annual accounts, after paying taxes and compensating accumulated loss, 10% of earnings shall be set aside as legal reserve, unless the Company's legal reserve has already amounted to the Company's paid-up capital. An additional amount shall be set aside or reversed as special reserve in accordance with applicable laws and regulations established by the competent authority when necessary. The remaining surplus, along with accumulated unappropriated earnings, shall be distributed after such is proposed by the Board of Directors and approved at a shareholders' meeting.

The Company may pay its distributable dividends and bonuses or legal and special reserves partially or entirely in cash if approved by a majority of directors at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors. Such shall be reported at a shareholders' meeting.

The Company's business operations are currently at a stage of growth. In order to face the challenges of a highly competitive environment and accommodate the Company's



long-term budget plans to meet future capital needs, a policy of low cash dividends and additional dividends is being adopted. The profits distributed shall be no less than 10% of the distributable profit for the current fiscal year. However, if distributable profit is less than 1% of the Company's paid-in capital, the Company may resolve to transfer the entire amount to retained earnings. To meet the interests of its shareholders, when distributing profits, the cash dividends distributed shall be no less than 10% of the total cash and stock dividends distributed for the current year. However, if the amount of cash dividends per share is less than NT\$1, the entire amount may be distributed in the form of stock dividends.

### **Chapter 7 Supplementary Provisions**

- Article 29 Matters not covered in these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 33 These Articles of Incorporation were established on January 11, 2001.  
The 1st amendment was made on May 21, 2003.  
The 2nd amendment was made on June 25, 2004.  
The 3rd amendment was made on June 24, 2005.  
The 4th amendment was made on November 18, 2005.  
The 5th amendment was made on June 27, 2008.  
The 6th amendment was made on February 5, 2010.  
The 7th amendment was made on June 15, 2011.  
The 8th amendment was made on September 1, 2011.  
The 9th amendment was made on May 25, 2012.  
The 10th amendment was made on June 10, 2013.  
The 11th amendment was made on June 25, 2014.  
The 12th amendment was made on June 29, 2016.  
The 13th amendment was made on June 22, 2017.  
The 14th amendment was made on June 24, 2019.  
The 15th amendment was made on July 9, 2021.  
The 16th amendment was made on June 23, 2022.

## **GlycoNex Incorporation**

### **Rules of Procedure for Shareholders' Meetings (Before Amendment)**

- 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 Company's articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board of Directors. When the Chairman is on leave or for any reason unable to exercise the powers of chairman, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of directors.

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

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

The Company shall prepare the shareholders' meeting agenda handbook and notify each shareholder no later than 30 days before the date of a regular shareholders' meeting. Such notices may be given in the form of an announcement made on the Market Observation Post System (MOPS) no later than 30 days before the date of a regular shareholders' meeting for shareholders who own less than 1,000 registered shares. The Company shall notify each shareholder no later than 15 days before the date of a special shareholders' meeting. Such notices may be given in the form of an announcement made on the MOPS no later than 15 days before the date of a special shareholders' meeting for shareholders who own less than 1,000 registered shares.

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, 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, Article 26-1 and 43-6 of the Securities and Exchange Act, or Article 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 extemporary motion.

Where re-election of all directors 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 extemporary motion or otherwise in the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a 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. A shareholder may propose a proposal urging the Company to promote public interests or fulfill its social responsibilities. The number of items so proposed are also limited to one only, and no proposal containing more than one item will be included in the meeting agenda, as decided in compliance with Article 172-1 of the Company Act. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. 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, 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

The venue for a shareholders' meeting shall be within the city/county where Company's headquarters is located, 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.

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 no later than 5 days before the date of the shareholders' meeting. When multiple 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, a written notice of proxy cancellation shall be submitted to the Company no later than 2 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

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The Company shall furnish an attendance book for attending shareholders and proxies attending on behalf of shareholders (collectively "shareholders") to sign, or attending shareholders or their proxies may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by

the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or electronically if the Company adopts electronic transmission along with voting by correspondence as one of the methods for exercising voting rights.

Article 6

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.

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.

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.

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

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance; Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

Article 7

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extemporaneous 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 extemporaneous motions), except by a resolution of the shareholders' meeting.

After the meeting is adjourned, shareholders may not elect another chairperson to continue the meeting at the original location or another location.

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 extemporary motions put forward by 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 8 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their 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.

Article 9 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 referred to in the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.

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

Article 10 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.

Article 11 When the chair is of the opinion that a proposal or amendment or extemporary motion put forward by a shareholder 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 12 Voting at a shareholders' meeting shall be calculated based the number of shares. Except as otherwise provided by law, a shareholder shall be entitled to one vote for each share held.

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.

When the Company holds a shareholder meeting, it may adopt voting by correspondence or voting by means of electronic transmission as methods for exercising voting rights. 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 their rights with respect to the extemporary motions and amendments to original proposals of that meeting.

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 no later than 2 days before the date of the shareholders' meeting. When multiple 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, 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, no later than 2 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.

A shareholder may appoint a proxy to attend a shareholders' meeting on their behalf. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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. When voting, a proposal is considered passed if no objections are raised upon inquiry by the chairperson. The validity of such shall be identical to that having been voted on. If an objection is raised, the proposal shall be brought to a vote according to the preceding paragraph. Proposals other than such included in the agenda or amendments or alternatives to original proposals must be seconded by other shareholders.

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.

#### Article 13

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

this Corporation. Vote counting shall be conducted in public at the place of the shareholders meeting. The results of the voting shall be announced on-site at the meeting and recorded.

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the names of those elected as directors and the voting results indicating the numbers of votes with which they were elected shall be announced on-site immediately.

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 recording and distribution of meeting minutes as mentioned in the preceding paragraph shall be in accordance with Article 183 of the Company Act.

Article 16 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 this Corporation.

With respect to the resolution method in the preceding paragraph, if no objection is raised upon inquiry by the chairperson, "The proposal was passed unanimously upon inquiry by the chair" shall be recorded. If an objection is raised, the adoption of the method of voting and the number and percentage of votes with which the proposal was passed shall be recorded.

Article 17 Shareholders' meetings shall be recorded in their entirety by video or audio recording equipment, and such records shall be kept on file for one year following each such meeting. 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.

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

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

Article 18 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 so doing.

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 19 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 extemporary 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 20 These Rules were reviewed by the Audit Committee, approved by the Board of Directors, and shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

Article 21 Record of amendments

These Rules were established on June 15, 2011.

The 1st amendment was made on May 25, 2012.

The 2nd amendment was made on June 17, 2020.

The 3rd amendment was made on July 9, 2021.



## **GlycoNex Incorporation**

### **Procedures for Lending Funds to Other Parties (Before Amendment)**

- Article 1      Purpose:  
To protect the Company’s assets, reduce the risk of loss, and ensure the proper handling of the company's lending of funds, these Procedures are hereby established.
- Article 2      Legal Basis:  
These Procedures are established pursuant to the Securities and Exchange Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” established by the competent authority.
- Article 3      Parties to Whom the Company may Lend its Funds:  
In accordance with Article 15 of the Company Act, the Company shall not lend its funds to shareholders or any other person except the following:
1. Corporations or sole proprietorships/partnerships that have a business relationship with the Company.
  2. Corporations or sole proprietorships/partnerships that require short-term financing from the Company, provided that the amount financed does not exceed 40% of the Company’s net worth.
- The term “short-term” in the preceding paragraph refers to either 1 year or 1 business cycle of the Company, whichever is longer. The term “amount financed” refers to the accumulated amount of outstanding short-term loans the Company has provided.
- Article 4      The Reason for and Necessity of Loans:  
The Company shall lend its funds to corporations or sole proprietorships/partnerships that have business dealings with the Company in accordance with Article 5, paragraph 2 of these Rules. The circumstances under which the Company may lend its funds to corporations or sole proprietorships/partnerships that require short-term financing are limited to the following:
1. Where an affiliated company in which the Company owns shares has a need for short-term financing.
  2. Where other corporations or sole proprietorships/partnerships require short-term financing due to the purchase of materials or business turnover.
  3. Where the financing of other parties has been approved by the Company’s board of directors.
- Article 5      The Total Amount of Loans Permitted and the Maximum Amount Loanable to Each Borrower:
1. The total amount of financing shall not exceed 40% of the Company’s net worth as shown on the Company’s latest financial statements, and the amount financed with respect to a single party shall not exceed 20% of the Company’s net worth as shown on the Company’s latest financial statements.
  2. Where financing is provided to parties that have a business relationship with the Company, the amount financed shall not exceed the total amount of business transactions between the Company and the borrowing party in the recent year or 10% of the Company’s net worth as shown the Company’s latest financial

statements, whichever is lower. The term “total amount of business transactions” refers to the amount of purchase or sales of goods between the Company and the borrowing party, whichever is higher.

3. Where financing occurs between the Company and foreign companies with 100% of its voting shares owned directly or indirectly by the Company, or foreign companies which own directly or indirectly 100% of the Company’s voting shares, the total amount financed shall not exceed 40% of the lending party’s net worth, and the amount financed with respect to a single party shall not exceed 20% of the lending party’s net worth. The financing period of such may not exceed 1 year or 1 business cycle.

The term “net worth” used herein refers to the equity attributable to shareholders of the parent company in the balance sheet stipulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### Article 6 Financing Period

The financing period for short-term financing shall not exceed 1 year. However, if the term needs to be extended due to business considerations, the borrowing party may apply for extension during the time in which it has business dealings with the Company and no later than 1 month before the maturity date.

#### Article 7 Calculation of Interest Rates:

The interest rate on loans made by the Company shall not be lower than the highest interest rate on funds borrowed from financial institutions at the time the loan is made. Adjustments to the interest rate shall be made after decided upon by the Finance Department and approved by the President.

1. Interest calculation on a daily basis: The sum of the daily balance of outstanding loans is multiplied by an annual interest rate before divided by 360 as the amount of interest.

2. Interest Payment: Unless otherwise stipulated, the payment of interest on loans shall be made on a monthly basis. The borrowing party may be notified to pay interest on time one week within the agreed interest payment date. If the payment is overdue, interest will be calculated based on the number of overdue days and a default penalty will be charged.

#### Article 8 Procedures for Financing

1. Application: Borrowing parties intending to apply for a loan from the Company shall fill in an application form for borrowing funds. The Company’s finance personnel shall investigate the purpose of the loan and the borrowing party’s financial situation, and prepare a detailed assessment report. The report should contain a detailed review process, including:

- (1) The necessity of and reasonableness of extending the loan.
- (2) The Credit and risk assessment of the borrowing party.
- (3) The impact on the company's operational risks, financial situation, and shareholder equity.
- (4) Whether collateral should be obtained and appraisal of the value thereof.

2. Credit Evaluation:

(1) The Company’s president may appoint a designated unit when necessary to handle matters related to credit evaluation.

(2) The borrowing party should provide basic and financial-related information for the designated unit to carry out credit evaluation.

(3) The designated unit should regularly collect, analyze and assess the credibility and operational status of lending institutions, and provide such information to the Board of Directors for reference in evaluating risks.

### 3. Scope of Authorization:

Any lending of the Company's funds shall be evaluated by the Finance Department, then submitted to the President for their review and then presented to the Board of Directors for its approval. Any lending between the Company and its parents or subsidiaries or between the Company's subsidiaries shall be approved by the lending party's board of directors by way of a resolution, in which the chairman of the lending party's board of directors may be authorized to deliver within a designated amount the loan proceeds in installments or make a revolving credit line available for the borrowing party to draw on within 1 year.

With respect to a single borrowing party, the designated amount in the preceding paragraph shall not exceed 10% of the lending party's net worth as shown on the lending party's latest financial statements.

In determining whether to approve a loan, the Board of Directors shall take into full consideration the opinion of each independent director. Opinions of independent directors specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the meeting of the board of directors. Applications of loans that need to be submitted to the Board of Directors for discussion must first be approved by a majority of members of the entire Audit Committee. Applications that failed to gain the approval of a majority of members of the entire Audit Committee may be approved by more than two-thirds of the entire Board of Directors, and the Audit Committee's decision should be recorded in the minutes of the board meeting. The "entire audit committee" and "entire board of directors" refer to those who are actually in office.

### 4. Approval of Loans:

(1) After credit evaluation, if the borrowing party has a poor credit or is in a poor operational and financial situation, or if the purpose of the loan is inappropriate, and the designated unit plans to reject the application, the designated unit should explain the reasons for rejection, and after the approval of the President, the borrowing party shall be promptly notified of the result and the reason thereof.

(2) After credit evaluation, if the borrowing party has good credit and good business conditions, and the purpose of the loan is justified and meets the Company's requirements for lending, the personnel in charge should fill in the credit report, draft the terms of the loan, and submit them to each level of management for approval and to the board of directors to be resolved.

(3) The content of written loan agreements shall be consistent with the approved terms of loans. If there is a joint guarantor, the joint guarantor should also sign or affix their seal on the written loan agreement along with the borrowing party. The personnel in charge shall then proceed to complete the process for verification of the guarantor.

### 5. Notifying the Borrowing Party:

Upon the approval of loans by the Board of Directors, the personnel in charge shall notify the borrowing party as soon as possible by mail or phone of the terms of the

loan, including the amount, term, interest rate, required collateral, and guarantor(s), and shall require a written agreement to be signed by the borrowing party within the specified time limit. The loan proceeds shall not be delivered by the Company until the mortgage on the collateral has been perfected and the process for verification of the guarantor has been completed.

6. Collateral:

If collateral should be provided according to the terms of the loan, the borrowing party should provide collateral and handle the procedures for setting up a pledge or mortgage to reduce the Company's risk of lending.

7. Insurance:

All collateral, except land and securities, shall be covered by property damage insurance. For vehicles, comprehensive insurance shall be procured. The insured amount shall, in principle, be not less than the amount of the mortgage thereon. The Company shall be named as the beneficiary of the insurance. The personnel in charge shall notify the borrower to renew the insurance before it expires.

8. Delivery of Proceeds:

Loan proceeds may be delivered after the loan has been approved and the loan agreement has been signed between the personnel in charge and the borrowing party, and procedures such as guarantor verification, the issuance of promissory notes, mortgage registration, and insurance have been completed and confirmed to be free of errors.

Article 9 Filing and Disclosure:

1. The Company shall file and publicly disclose the loans made and outstanding loans of it and its subsidiaries as of the end of the previous month by the 10th day of each month.

2. When any of the following situations occurs, the Company shall publicly disclose the relevant information on the information reporting website designated by the competent authority within 2 days from the date of occurrence (date of occurrence included). The term "date of occurrence" used herein refers to the date of the execution of an agreement, the date of the delivery of proceeds, the date of the resolution of the Board of Directors, or any other date on which the borrowing party and the amount of the loan can be ascertained, whichever is earlier:

(1) The aggregate amount of loans lent by the Company and its subsidiaries reaches 20% or more of the net worth of the Company as shown on its latest financial statements.

(2) The aggregate balance of loans lent by the Company and its subsidiaries to a single entity reaches 10% or more of the net worth of the Company as shown on its latest financial statement.

(3) The amount of new loans made by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the net worth of the Company as shown on its latest financial statement.

3. If the situation in subparagraph 3 of the preceding paragraph arises with respect to a subsidiary which is not a public company in Taiwan, the Company shall publicly disclose the relevant information on its behalf.

Article 10 Follow-up Control Measures and Overdue Loan Processing Procedures:

1. Bookkeeping:

After the procedures for delivering the proceeds are completed for each loan, the Finance Department shall produce a list detailing the collateral provided by the borrowing party and make entries of such in the memorandum book for the Company's fund-lending activities.

## 2. Repayment:

(1) The Company shall give notice to the borrowing party to repay the loan or apply for extension of the term of the loan at least 1 month prior to the maturity date.

(2) The borrowing party shall be required to repay loans in full together with interest accrued thereon when due on or prior to the applicable maturity date. Documents such as promissory notes and loan agreements may only be voided and returned to borrowers upon the full repayment of such.

## 3. Cancellation of Mortgage

Upon receipt of a request for cancellation of mortgage, the Company shall verify if all mortgage debts have been fully repaid in order to determine whether to accept such a request.

## 4. Document Control and Management

After delivering the proceeds, the personnel in charge of the loan shall preserve the written loan agreement and receipt, the promissory note, documentation related to the collateral, insurance policies, and correspondence relating to the loan in order.

## 5. Assessment and Follow-up:

(1) During the term of a loan, the Finance Department shall periodically monitor the financial condition, operation status and credit of the borrower and the guarantor (if any) and the value of collateral (if any) across time. In case any material adverse change is found, the Finance Department shall report to the Chairman and take proper actions per the Chairman's instructions.

(2) Borrowers shall be required to repay loans in full together with interest accrued thereon on the applicable maturity date. The maturity date for a loan may be extended for 3 months each time with the prior approval of the Board of Directors and on more than two times. Failure to repay loans in full together with interest accrued thereon when due may result in foreclosure of collateral and/or recourse to guarantors.

(3) The Finance Department should prepare memorandum books for the Company's fund-lending activities monthly, and internal auditors should regularly inspect and make written records of the evaluation of such.

## Article 11 Internal Control:

1. The Company shall establish and maintain a memorandum book for its fund-lending activities and truthfully record the identification of borrowers, loan amounts, dates of the Board of Directors' approvals, dates of the delivery of funds, and matters that require careful evaluation.

2. The Company's internal auditors shall perform auditing on the Company's lending profile at least once every quarter and produce written reports. Should there be any major violation found, the Audit Committee should be notified in writing. The Company's managerial personnel and other persons in charge violating these Procedures or the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" established by the competent authority shall be sanctioned subject to the Company's disciplinary rules.

3. Where the borrowing party no longer meets the requirements set out in these Procedures or the Company's outstanding loans exceeds the limit due to changes in circumstances, an improvement plan should be established and submitted to the Audit Committee, and the improvements stated therein should be carried out according to the schedule of the plan.

Article 12 Procedures for Controlling and Managing Loans of Funds Granted by Subsidiaries and Other Matters:

1. Where a subsidiary of the Company plans to grant loans to other parties, the Company shall urge the subsidiary to formulate its own Operating Procedures for Granting Loans and adhere to the procedures established. Subsidiaries of the Company that have granted loans to other parties shall regularly provide relevant information for review by the Company.

2. The Company shall evaluate the status of its fund-lending activities and create an adequate allowance for doubtful accounts, disclose the relevant information in its financial reports, and provide its auditors with the relevant information to perform the audit procedures necessary and to issue appropriate audit reports.

3. Any matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations.

Article 13 Implementation and Amendments:

These Procedures were reviewed by the Audit Committee, approved by the Board of Directors, and shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner. If a director expresses objection through a written statement or records of such an objection exists, the Company shall submit the objection to the Audit Committee and to the shareholders' meeting for discussion. The same applies to the subsequent amendments.

Provided that the Company has independent directors, when the Procedures are submitted to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and opinions of independent directors specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the meeting of the board of directors.

Decisions made by the Audit Committee must be approved by a majority of members of the entire Audit Committee. Decisions that failed to gain the approval of a majority of members of the entire Audit Committee may be approved by more than two-thirds of the entire Board of Directors, and the Audit Committee's decision should be recorded in the minutes of the board meeting. The "entire audit committee" and "entire board of directors" refer to those who are actually in office.

Article 14 Record of Amendments:

These Procedures were established on June 15, 2011.  
The 1st amendment was made on September 1, 2011.  
The 2nd amendment was made on May 25, 2012.  
The 3rd amendment was made on June 10, 2013.  
The 4th amendment was made on June 23, 2022.

## GlycoNex Incorporation

### Shareholding of Directors

1. The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The powers of supervisor are exercised by all of its independent directors.
2. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if 2 or more independent directors are elected, the minimum percentage of registered shares that should be held by all directors except for independent directors shall be reduced to 80%. The minimum number of shares that should be held by all directors except for independent directors of the Company is 8,555,890 shares.
3. As of the book closure date of the 2023 Annual Shareholders' Meeting (April 22, 2023), the total number of shares issued by the Company is 108,640,133 shares. The following is the shareholding of Directors based on the Shareholders' Roster.

Title	Name	Shares Held	Shareholding Percentage
Chairman	Tong-Hsuan Chang	4,309,092	3.97%
Director	Xiu-E Su	2,204,489	2.03%
Director	Cai-Qing Hong	1,326,485	1.22%
Director	Gao-Zhong Cai	423,133	0.39%
Independent Director	Ling-Jun Cai	0	0.00%
Independent Director	Zong-Zheng Wu	292,691	0.27%
Independent Director	Jiong-Sen Lin	0	0.00%
<b>Number of shares held by all directors except for independent directors</b>		<b>8,263,199</b>	<b>7.61%</b>

4. The number of shares held by all directors except for independent directors of the Company meets the legal requirement.

## **GlycoNex Incorporation**

### Other Notices

On the handling of shareholder proposals:

1. According to article 172-1 of the Company Act, shareholders holding 1% or more of the total number of outstanding shares of a company may propose in writing a proposal for discussion at a regular shareholders' meeting. The acceptance period for this shareholders' meeting was from April 11, 2023 to April 21, 2023, and was duly announced on the Market Observation Post System.
2. As of the end of the acceptance period, the Company has not received any proposals from its shareholders.