

Stock Code : 4726



**Mycenax Biotech Inc.**

# **2023 Annual Shareholders' Meeting Meeting Handbook**

(Translation)

Convening Method : Physical shareholders' meeting

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

Meeting Venue : F17, No.3, Park St. Nangang Dist., City, Taiwan (R.O.C.)

(Building F, Nangang Software Park)

*(This English version handbook is the translation of the Chinese version and is for reference purposes only. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.)*

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# **I. Meeting Procedure**

- 1. Call Meeting to Order**
- 2. Chairman's Address**
- 3. Report Items**
- 4. Ratification Items**
- 5. Discussion Items**
- 6. Extempore Motions**
- 7. Meeting Adjourned**

## **II. Meeting Agenda**

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

**Meeting Venue:** F17, No.3, Park St. Nangang Dist., City, Taiwan (R.O.C.)  
(Building F, Nangang Software Park)

### **1. Chairman's Address**

### **2. Report Items**

- (1) The 2022 Business Report.
- (2) The 2022 Audit Committee's Review Report.
- (3) The implementation report for the Sound Business Plan.
- (4) The 2022 directors' compensation.
- (5) Amendment to the Company's "Regulation for the First Issuance of Employee Stock Option Certificates in 2022".

### **3. Ratification Items**

- (1) Proposal for the Company's Business Report and Financial Statements of 2022.
- (2) Proposal for 2022 Deficit Compensation.

### **4. Discussion Items**

- (1) The amendments to the Company's "Articles of Incorporation".
- (2) The issuance of new common shares for cash in a private placement.
- (3) To lift non-competition restrictions on board members.

### **5. Extempore Motions**

### **6. Meeting Adjourned**

### III. Report Items

#### **Proposal 1:**

Proposal: The 2022 Business Report.

Explanation:

The 2022 Business Report is attached herein as Attachment 1 (please refer to page 15-18).

#### **Proposal 2**

Proposal: The 2022 Audit Committee's Review Report.

Explanation:

The 2022 Audit Committee's Review Report is attached herein as Attachment 2 (please refer to page 19).

#### **Proposal 3**

Proposal: The implementation report for the Sound Business Plan.

Explanation:

- (1) Processed under the Financial Supervisory Commission's letter with reference number 1090370430, dated November 27, 2020.
- (2) The implementation report for the Sound Business is attached herein as Attachment 3 (please refer to page 20-22).

#### **Proposal 4**

Proposal: The 2022 directors' compensation.

Explanation:

- (1) The Compensations of the directors of the Company is approved by the Board of Directors and Compensation Committee in line with articles 21 and 25-1 of the Company's Articles of Incorporation.
  - A. The directors of the Company are paid allowances for participating in the board of directors and functional committees each time.
  - B. The Independent directors of the Company are responsible for corporate governance and receive fixed monthly remuneration based on their participation in the Company's business activities and

contribution value.

C. The Company still has accumulated losses in 2022 and shall not distribute to directors' remuneration.

- (2) The table of 2022 directors' compensation is attached herein as Attachment 4 (please refer to page 23-24).

### Proposal 5

Proposal: Amendment to the Company's "Regulation for the First Issuance of Employee Stock Option Certificates in 2022".

Explanation:

Attracting key talents for subsidiary companies, it is proposed to revise the eligibility requirements for Employee Stock Option Certificates, as follows:

Before the Revision	After the Revision	Explanation
3. Conditions of eligibility for subscription rights: (1) The eligibility to participate is limited to full-time employees of the Company and who are still employed before the stock subscription record date.	3. Conditions of eligibility for subscription rights: (1) The eligibility to participate is limited to full-time employees of the Company, <u>and domestic and overseas subsidiaries of the Company in which the Company directly holds more than 50% of the shares, who are still employed</u> before the stock subscription record date.	Attracting key talents for subsidiary companies.

## IV. Ratification Items

### **Proposal 1** (Proposed by the Board of Directors)

Proposal: Proposal for the Company's Business Report and Financial Statements for 2022.

Explanation:

- (1) The Company's Financial Statements for the year 2022 have been jointly audited by the CPAs, Jin-Di Wu, and Wei-Liang Tai of Full-Go & Co., CPAs. The books as well as the Business Report for the year 2022 were inspected by the Audit Committee.
- (2) The 2022 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached herein as Attachment 1 (please refer to page 15-18) and Attachment 5 (please refer to page 25-35).

Resolution:

### **Proposal 2** (Proposed by the Board of Directors)

Proposal: Proposal for 2022 Deficit Compensation.

Explanation:

- (1) The Company's accumulated deficit for the fiscal year 2022 is NT\$406,831,854, which will be offset by capital surplus. Due to the absence of distributable profits, dividends will not be distributed for the current fiscal year.
- (2) 2022 Deficit Compensation Statement is attached herein as Attachment 6 (please refer to page 36).

Resolution:

## V. Discussion Items

### **Proposal 1** (Proposed by the Board of Directors)

Proposal: The amendments to the Company's "Articles of Incorporation".

Explanation:

- (1) The amendments to the Company's "Articles of Incorporation" is made pursuant to the Financial Supervisory Commission's Order No. 1070121068 and operational needs.
- (2) The comparison table is attached herein as Attachment 7 (please refer to page 37-38).

Resolution:

### **Proposal 2** (Proposed by the Board of Directors)

Proposal: The issuance of new common shares for cash in a private placement.

Explanation:

- (1) In order to enrich working capital and have a sound financial structure, by taking into account timeless and issuance cost of fundraising, the Company plans to issue common stock for cash in private placement depending on the market conditions and the Company's capital need.
  - A. Shares issued through private placement: Up to 30,000,000 shares.
  - B. Par value per share: NT\$ 10
  - C. Total private placement amounts: Depends on the actual issue price and the actual number of shares issued.
- (2) By Article 43-6 of the Securities and Exchange Act, matters to be described as below:
  - A. The pricing basis and reasonableness of private placement:  
The reference price shall be the higher of the following two calculations:
    - (A) 1-day, 3-day, or 5-day simple average market closing price prior to the pricing date, minus dividends, plus any de-capitalization.
    - (B) 30-day simple average market closing price prior to pricing date, minus dividends, plus any de-capitalization.



The price of the private placement would be set on a basis not lower than 80% of the higher price of the methods above mentioned. The actual price for private placement shall be not less than the range decided by the Annual Shareholder's meeting. the Company's Board of Directors will be authorized to determine the price based on the laws and regulations currently and market conditions and will make an announcement within two days of setting the price.

(C) If it is necessary to issue shares below par value to respond to market changes, it is primarily based on the considerations of the Company's stable operation and financial structure security. If the issuance below par value per share results in accumulated losses for the Company, the Company will handle it by reducing capital, making up for losses from surplus or capital reserves in the future, depending on the Company's operations and market conditions. As the issue price will be determined in accordance with the relevant regulations, thus, after the realization of the benefits of the capital increase, the Company's financial structure will effectively improve, which will benefit the Company's long-term development. There shall be no adverse impact on the rights and benefits of the shareholders.

(D) As the subscription price of the Private Placement Shares will be determined with reference to the price of the Company's common shares in accordance with the Directions for Public Companies Conducting Private Placements of Securities, thus, the price should be deemed reasonable.

B. Selection method of the Specific Investors

The Company will execute the private placement with the special investors conforming to Article 43-6 of the Securities and Exchange Act, SFB June 13, 2002, Explanation of 0910003455, Article 4, paragraph 2 of Directions for Public Companies Conducting Private Placements of Securities.

(A) The specific investors would be the Company insiders.

Due to insiders are familiar with the Company's business, the Company's insiders shall be included as offerees to increase the

feasibility of this private placement of marketable securities.

The following table lists the insiders:

	Placee	Relationship with the Company
1	Center Laboratories, Inc.	Director
2	JCR Pharmaceuticals Co., Ltd.	Director
3	Nien Hsing International Investment Co., Ltd.	Director
4	Jason Technology Co., Ltd.	Director
5	China Investment and Development Co., LTD.	Director
6	Pei-Jiun Chen	Director, Representative of Center Laboratories, Inc., Chairman, and CEO
7	Chun-Hong Chen	Director, Representative of Center Laboratories, Inc.
8	Yoh Ito	Director, Representative of JCR Pharmaceuticals Co., Ltd.
9	En-Tzn Liu	Director, Representative of Nien Hsing International Investment Co., Ltd.
10	Chia-Ling Lin	Director, Representative of Jason Technology Co., Ltd.
11	Hsiu-Yuan Lee	Director, Representative of China Investment and Development Co., LTD.
12	Chih-Yung Lin	Managerial officer
13	Wei-I Chou	Managerial officer
14	Chin-Hao Liang	Managerial officer
15	Yu-Ching Chang	Managerial officer
16	Teh-Chu Sun	Managerial officer

If the placee is a Corporate/Juristic Person, its major shareholders are as below:

The Placee is a Corporate/Juristic Person	Major shareholders (Shareholding percentage (%))	Relationship with the Company
Center Laboratories, Inc.	LeJean Biotech Co., Ltd. (8.77%)	None
	Royal Foods Co., Ltd. (6.04%)	None
	Jason Technology Co., Ltd. (2.39%)	Mycenax's Director
	Yu Te Investment Co., Ltd. (1.67%)	None

The Placée is a Corporate/Juristic Person	Major shareholders (Shareholding percentage (%))	Relationship with the Company
	Farglory Life Insurance Co., Ltd. (1.64%)	None
	BioEngine Technology Development Inc. (1.15%)	None
	MasterLink Securities Corporation (1.08%)	Its chairman is Mycenax's legal representative director.
	Yong Lien Corp. (1.04%)	None
	Mu Mao Tzu Investment Co., Ltd (1.04%)	None
	Chase Managed Vanguard Group Emerging Market Fund Investment Account (0.89%)	None
JCR Pharmaceuticals Co., Ltd.	MEDIPAL HOLDINGS CORPORATION (23.28%)	None
	The Master Trust Bank of Japan, Ltd. (Trust account) (11.22%)	None
	Kissei Pharmaceutical Co., Ltd. (7.84%)	None
	Future Brain Co., Ltd. (6.96%)	None
	Custody Bank of Japan, Ltd. (Trust account) (6.02%)	None
	The Nomura Trust and Banking Co., Ltd. (Trust account: A) (5.20%)	None
	Sumitomo Pharma Co., Ltd. (2.71%)	None
	Mochida Pharmaceutical Co., Ltd. (1.75%)	None
	Employee Shareholding Association of JCR Pharmaceuticals Co., Ltd. (0.89%)	None
SSBTC CLIENT OMNIBUS ACCOUNT (0.86%)	None	
Nien Hsing International Investment Co., Ltd.	Nien Hsing Textile Co., Ltd. (100%)	None
Jason Technology Co., Ltd.	Hung-Hsuan, Lin (35.83%)	None
	Chia-Ling Lin (25.97%)	Mycenax's legal

The Placee is a Corporate/Juristic Person	Major shareholders (Shareholding percentage (%))	Relationship with the Company
		representative director.
	Wei-Hsuan, Lin (25.69%)	None
	Li-Chu, Ou (12.25%)	None
	Jung-Chin Lin (0.26%)	None
China Investment and Development Co., LTD.	Global Investment Holdings Co., Ltd. (37.76%)	None
	Central Investment Holding Co. Ltd. (31.97%)	None
	YFY Inc. (12.93%)	None
	Mega International Commercial Bank Co., Ltd. (2.09%)	None
	YFY Paradigm Investment Co., Ltd. (1.6%)	None
	Tasco Chemical Corporation (1.6%)	None
	Earle Ho and Sons, Ltd. (1.6%)	None
	Tai Lung Capital Inc. (1.6%)	None
	He-Xin Investment Co., Ltd. (1.55%)	None
	Tung Mung Development Co., Ltd. (1.31%)	None

(B) Strategic investors

I. Method and purpose:

The placees who can assist the Company's management and financial resources required for its operation, provide their business management skills, strengthen financial cost management, expand CDMO services, and add the future value of the Company.

II. Necessity and Expected benefits:

Due to the business growth of CDMO services, the Company's need for plant capacity expansion and pharmaceutical process development, it is indeed necessary to introduce strategic investors who can provide the Company with the necessary resources for its operation. Suitable strategic investors can assist the expansion of CDMO services and business, which will benefit

the Company's long-term business development.

The Company has not yet identified any specific investors. The matters related to the identification of specific investors will be proposed to the shareholders' meeting for authorization to fully delegate to the board of directors.

C. The necessity of private placement

- (A) Reasons for conducting non-public offerings: After considering factors such as capital market conditions, timeliness, feasibility, issuance cost of fundraising for private placement, and restrictions that private shares can't be freely transferred within three years, etc. Private placement can ensure and strengthen strategic partnerships in a long-term relationship. Therefore, the Company chose private placement instead of the public offering.
  - (B) Total amount of the private placement: the Company's Board of Directors will be authorized not to exceed 30,000,000 shares and execute the private placement once or twice after the Annual Shareholders' Meeting.
  - (C) Use of the funds raised in the private placement: To increase working capital to meet the Company's long-term development needs.
  - (D) Expected benefits of conducting private placement: This plan can intensify the competitiveness of the Company, improve the operating efficiency, have a sound financial structure, and may have a positive impact on shareholders' interests.
- (3) The impact of this private placement case on the Company's operating rights:
- As of February 28, 2022, the total number of issued shares of the Company is 205,330,000 shares (including 24,000 shares of common stock issued through the exercise of employee stock options that have not yet been registered for transfer). The Company intends to conduct a private placement of up to 30,000,000 shares of common stock. If all of the shares are issued and subscribed to by persons who are not insiders of the

Company, in accordance with the Directions for Public Companies Conducting Private Placements of Securities, the Company should engage a securities underwriter to provide an assessment of the necessity and reasonableness of conducting the private placement of common shares. The assessment is attached herein as Attachment 8 (Please refer to page 39-46) As the Company's ownership structure is stable, the private placement is not expected to have a significant impact on the Company's ownership structure.

- (4) The rights and obligations of the ordinary shares in this private placement are the same as those of the ordinary shares already issued by the Company, except for the limitation under Article 43-8 of the Securities and Exchange Act which regulates that except under some circumstances the privately placed shares may not resell within 3 years since delivery date. For the Company, three years after the delivery date of privately placed securities, in accordance with relevant regulations, it will apply to the competent authority for retroactive handling of public issuance procedures and TPEX listing for trading.
- (5) Details of the private placement, excluding the price determination ratio, are proposed to authorize the Company's board of directors to determine actual issue shares and price, issue terms and conditions, project items, use of fund and progress, expected benefits, and any other items related to plan based on the market condition. It is also proposed to authorize the Company's board of directors to make modification in response to orders from the competent authority, business assessment or environment changes from subjective points of views.
- (6) To complete the fundraising, the Chairman or the Chairman's designee is authorized, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with the issuance of the private placement shares.
- (7) All matters not explicitly addressed herein shall be fully authorized to be handled by the board of directors in accordance with the law.

Resolution:

**Proposal 3** (Proposed by the Board of Directors)

Proposal: To lift non-competition restrictions on board members.

Explanation:

- (1) In accordance with Article 209 of the Company Act, a director or its representatives, who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) List of non-competition restrictions proposed to be lifted in the shareholders' meeting, please refer to Attachment 9 (page 47).

Resolution:

## **VI. Extempore Motions**

## **VII.Meeting Adjourned**

## VIII. Attachment



## **Attachment 1.**

### **Mycenax Biotech Inc. 2022 Business Report**

In 2022, Covid-19 pandemic still affected people's lives around the world. As the pandemic varies and COVID-19 vaccines have been developed and manufactured, the bioindustry develops more elaborate cooperation. Notably, Mycenax has been aiming to stand first in Asia-Pacific biologics CDMO (Contract Development Manufacturing Organization) market, making all-out effort. On the basis of a lot of experience in process development and GMP production for biologics, we not only have continuously won customer loyalty to stably increase CDMO sales but also earned recognition from JCR Pharmaceuticals (hereinafter referred to as JCR) in 2022. JCR has become the largest shareholder of Mycenax. In the future, JCR and Center Laboratories, Inc. will be important pillars of Mycenax for the next stage of growth.

In 2022, Mycenax proposed a brand positioning of CDMO, "Big D and Medium M". It means that Mycenax uses the business mode of "innovative development ability (D) and adequate manufacturing capacity (M)" to present our specificity in service. This brand positioning is created in the light of incredibly rapid biologics development and emerging products, such as gene and cell therapy, antibody-drug conjugates (hereinafter referred to as ADC), RNA, and virus vector, which have the characteristics of complicated process and the usage of lower doses as compared to traditional therapeutic antibodies. Mycenax aims to be the best partner for our clients in the development of emerging biologics, assisting clients with the conversion of scientific thinking into a process that strikes a balance between benefit and quality at the early stage (Big D), and providing cost-effective GMP production capacity (Medium M) to promote the development of emerging biologics. At the current stage, Mycenax takes proactive action in developing cell therapy and ADC platforms. In terms of cell therapy, we have assembled a team and set up a laboratory; moreover, we also plan to establish a GMP pilot plant that is for the exclusive use of cell therapy in Hsinchu Biomedical Science Park. In addition, we have built a laboratory for ADC in Zhubei and cooperated with Industrial Technology Research Institute (ITRI) for process development and screening platform of ADC. Meanwhile, Mycenax invests in KriSan Biotech Co., Ltd. (hereinafter referred to as KriSan), which makes a concentrated effort in small molecule drug CDMO service, to offer one-step service from process development to GMP production for ADC.

As Mycenax keeps achieving innovative technology competence and enhancing production capacity, we obtain JCR's investment through a private placement. In the past years, JCR has cooperated with Mycenax for numerous CDMO cases, establishing an excellent cooperation mode. JCR and Mycenax have common goals in optimizing the process development of biologics and quality control of GMP production. Therefore, this cooperation will improve Mycenax's development capability by creating more commissions for developing and manufacturing products, making a win-win situation for JCR and Mycenax through the synergy of strategies.

We look forward to building a more prosperous future, creating win-win-win situations for shareholders, clients, and employees. We report our financial status in 2022 and a summary of the operational plan for 2023 below.

## 1. 2022 Operating results

### 1.1 2022 Implementation status

Unit: NT\$ thousands

Item	2022	2021	YoY
Operating revenue	732,276	774,270	(5%)
Gross Profit (Loss)	(113,672)	137,609	(183%)
Operating Profit (Loss)	(444,995)	(85,331)	421%
Net cash flows used in operating activities	(150,185)	(146,234)	3%
Non-operating income (expenses)	(17,846)	(2,187)	716%
Net profit (Loss)	(453,631)	(89,858)	405%
Net Value per Share (NT\$)	15.13	12.43	22%

- (1) CDMO business is the major revenue source for Mycenax. Although COVID-19 pandemic has affected most industries, CDMO revenue in 2022 increased slightly than that in 2021. Nevertheless, overall revenue decreased due to a reduction in milestone payment for LusiNEX. Even though we already have Taiwanese and Japanese clients that generate 80 percent of CDMO revenue, we still strive to exploit new CDMO business. Moreover, following the trend for mass production of biologics, validation for GMP plant 2 and pilot production has been completed in 2022. Mass production is expected to start in the first half of 2023.
- (2) To cultivate more new fields, we not only set up laboratories for ADC and cell therapy but also build strategic alliances by cooperating flexibly with the companies that have innovative drug development platforms and process development, including:
  - Mycenax has signed a memorandum of understanding (MoU) with ITRI, introducing ADC screening platform to accelerate the production and application of next-generation antibodies.
  - Mycenax has signed an MoU with KriSan, taking care of the design, process development, and scale-up of ADC. On the other hand, KriSan is in charge of the design, process development, and scale-up of small molecule drugs and GMP production of ADC. To cultivate cooperation between Mycenax and KriSan, Mycenax invested in KriSan in December 2022, owning 19.15 percent of shares and becoming one of the major shareholders.

These partnerships will increase abilities in developing novel biotechnological products and manufacturing process technology, establishing a complete service chain from DNA to GMP manufacturing of new drugs. Our goal is to be a prospective CDMO company that possesses technique and production capacity.

### 1.2 2022 Budget implementation status

It is not applicable since the financial forecast of Mycenax in 2022 is not disclosed.

### 1.3 Financial revenue and expenditure and profit analysis.

Item	2022	2021
Current ratio	303.09%	166.17%
Ratio of debts to assets	30.26%	39.26%
Return on equity	(18.10%)	(5.76%)
Profit margin	(61.95%)	(11.61%)
Earnings (Loss) Per Share (NT\$)	(2.74)	(0.61)

1.4 To build up a one-stop service platform for the development and process of biologics and to adapt to the rapid growth of biologics and techniques, Mycenax keeps integrating the existing key techniques and advancing the technology chain of development in biologics, promoting the process development platform for emerging products to the clients with the needs.

- We have set up a laboratory specific for cell therapy in Taipei in 2022 and conducted more comprehensive research on the process development of allogeneic cell therapy products. At present, we have succeeded in testing 50-L culture of adipose-derived stem cells. In the future, we will perform research on immune and mesenchymal stem cell-related processes and techniques to fulfill customers' demands and provide more advanced production strategies.
- We have set up a laboratory specific for the process development of ADC to assist clients in developing the manufacturing process of small-scale ADC products at the early stage. Now, we have approached domestic and foreign customers and discussed the production of gram-scale product for early research and development.
- As for microbial process development, we establish production platforms for the future development of DNA-related products to meet the increasing demands of plasmid DNA process development, which results from the rising popularity of DNA vaccines and CAR-T cell therapy.
- In terms of innovative manufacturing technologies, we keep promoting continuous manufacturing process to provide clients with a process that is in line with the global trend.
- Regarding the critical CDMO service for late-phase development of biologics, including process characterization and process validation, we prepare a series of documents and establish experiment design modules to assist customers in late-stage submission. In the future, we will constantly offer one-stop services from process development, GMP production to regulatory documents. In this way, we can further strengthen our service capacity.

Mycenax continues developing manufacturing processes and pioneering techniques, extending technique value chain, and enhancing technical innovation and optimization ability in biologics development. We will significantly increase the quality and speed of biologics development and lower costs, becoming a more competitive biologics CDMO company and the best partner for clients.

## 2. Summary of 2023 operational plan

1.1 Implementation of the business mode of “Big D and Medium M” to accomplish the brand positioning of “innovative development ability (D) and adequate manufacturing capacity (M)”.

- (1) We aim to consolidate process development and production capacity for traditional biologics. The first priority for Mycenax in 2023 is to pass PMDA audit for conforming to the schedule of Korean customer’s drug launch and become a production base of listed drugs.
- (2) Through self-built mode, strategic alliances, investment, and so on, we build complete one-stop services for emerging drugs, such as cell therapy and ADC. With one-stop service platform, we provide more options for drug development to clients, enriching the value chain of CDMO for biologics.

1.2 The major revenue of Mycenax comes from CDMO cases. In addition to satisfying the demands of Taiwan biopharmaceutical companies for process development and manufacturing, we constantly exploit the foreign market. Mycenax has devoted time and effort to Japanese market for many years and built brand effect. We have succeeded in expanding into Asian markets, signing critical contracts with customers in Korea and Singapore. In the future, we will continue dedicating efforts to Asian markets, including Japan, Korea, Taiwan, and Singapore. In 2023, we will expand into Europe, the United States, etc. At present, we have set up a subsidiary in the United States to act as the base for expanding the United States business. Meanwhile, we will actively participate in exhibitions in Europe and the United States to create a brand reputation and expand our customer base, devoting all our time and energy to being a global CDMO company specializing in biologics CMC development and GMP manufacturing.

### 3. Future development strategy.

To follow the global trend, Mycenax regards traditional biologics as the cornerstone of biologics development and aims to be proficient in emerging biologics, persevering in expanding CDMO markets. We use innovative development ability and adequate manufacturing capacity - the mode of “Big D and Medium M” to grow the uniqueness of service. In striking a balance between benefit and innovative development, we utilize 20 years of experience in traditional biologics development to satisfy customers’ demands from pre-clinical development to GMP manufacturing. Looking forward to future prospects, based on our foothold in the Asian market, we will expand our business into the world and be a world-class company with leading technology and superior customized service.

### 4. Impact caused by outer competition, regulation, and overall business environment.

Since rapid changes in global economy and COVID-19 pandemic result in a sluggish economic environment, more difficult challenges are predicted. In 2023, business expansion and control of cost-effectiveness are still our priorities. We are dedicated to developing competitive platforms to raise revenue from CDMO services. Furthermore, we are proactive in controlling the budget to maximize shareholders’ equity.

Thanks for your support and trust. Our management team will keep strengthening our advantages, improving techniques, quality, and customer service. We look forward to working with you to create a prosperous future.

## **Attachment 2.**

### **Mycenax Biotech Inc. Audit Committee's Review Report**

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Deficit Compensation for the year of 2022. Jin-Di Wu and Wei-Liang Tai, Certified Public Accountants of Full-Go & Co., have audited the Financial Statements.

The 2022 Business Report, Financial Statements, and Deficit Compensation have been reviewed and determined to be correct and accurate by the Audit Committee of Mycenax Biotech Inc. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

Mycenax Biotech Inc. 2023 Annual Shareholders' Meeting

Convener of the Audit Committee:

Kuo-Pin Kao

March 15, 2023

### Attachment 3.

## Mycenax Biotech Inc. The Implementation Report for the Sound Business Plan of Capital Increase by Issuing New Shares in 2020

1. Implementation progress of the issuance of new shares for capital increase in 2020.

The registration for the issuance of new shares has become effective since November 27, 2020, when Mycenax received Letter No. 1090370430 from the Financial Supervisory Commission. The registration for extending the fundraising deadline to May 27, 2021, has become effective and has been recorded in Letter No. Financial-Supervisory-Securities-Corporate-1090378664 issued on December 23, 2020. It turned out that Mycenax issued 25,000,000 shares at NT\$ 30.5 per share for capital increase and completed the fundraising with NT\$ 762,500 thousand in March 2021.

2. Implementation progress of the sound business plan

Unit: NT\$ thousands

Item	Year 2022		
	Actual (A)	Budget (B)	Difference (A-B)
Operating Revenue	732,276	912,733	(180,457)
Operating Costs	845,948	888,300	(42,352)
Gross Profit (Loss)	(113,672)	24,433	(138,105)
Operating Expenses	331,323	264,916	66,407
Operating Loss	(444,995)	(240,482)	(204,513)
Non-operating Income and Expenses	(17,846)	(17,330)	(516)
Loss before income tax	(462,841)	(257,812)	(205,029)

The source of revenue in 2022 was contributed from CDMO business and the milestone payments recognition from the sale of LusiNEX. The revenue in 2022 was NT\$ 732,276 thousand and the achievement rate was 80.23%. The revenue in CDMO shall be recognized upon the satisfaction of those obligations. The revenue in 2022 was lower than the budget due to the adjustment and postponement of development schedule made by some clients.

The gross profit in 2022 was below expectation, the revenue was still unable to fully cover the fixed expenditures due to the lower capacity utilization. In addition, the gross profit of some projects is lower, resulting in lower-than-budgeted operating gross profit and gross profit rate. The operating expenses in 2022 were NT\$ 331,323 thousand, an increase of NT\$ 66,407 thousand over the budget. The increase in operating expenses mainly stemmed from developing technical platform, such as antibody-drug conjugates (ADC) and cell therapy, which has led to increased research and development expenses, including manpower and materials. The pre-tax loss increased by NT\$ 205,029 thousand as compared to the budget.

3. Countermeasures for losses

It was still impacted by the COVID-19 pandemic in 2022. As the epidemic evolved and COVID-19 vaccines were developed and produced, more professional services and collaborative

relationships have emerged in the biotech industry. Mycenax remains steadfast in the mission to become the leading company in CDMO industry in the Asia-Pacific region and continues to move forward steadily. Based on the solid foundation of expertise in biologics process development and GMP production, Mycenax not only continuously gains the trust and favor of clients but also experiences modest growth in our CDMO business despite the challenges posed by the pandemic in 2022.

Considering the situation of existing CDMO projects and the demand for commercial manufacturing of services in the future orders, we will implement three strategies are proposed to continuously deepen the niche:

### 3.1 Broaden the market share and

Besides continuously providing process development and manufacturing services for domestic biologics companies, Mycenax will keep exploiting overseas markets. Having dedicated to Asian market for years, Mycenax created its brand effect and won important contracts from clients in markets such as Japan, South Korea, and Singapore. In the future, Mycenax will be continuously committed to Asian market and expand its business to the European and American markets. A subsidiary in the United States has already been established as a base for expanding US business. Moreover, Mycenax actively participates in exhibitions in Europe and the United States to establish our brand awareness and expand our customer base. Mycenax is committed to becoming a global CDMO company specializing in CMC biologics development and GMP manufacturing.

### 3.2 Brand positioning for “Big D and Medium M”

“Innovative development ability (D) and adequate manufacturing capacity (M)” is defined as Mycenax’s distinctive business model. Mycenax looks forward to being clients’ best partner for the development of emerging biologics. In the early stage, Mycenax assists clients in converting their scientific ideas into efficient and high-quality manufacturing processes (Big D) and provides cost-compliant GMP production capacity (Medium M), promoting the development of emerging biologics.

### 3.3 Expansion of technological capabilities in innovative areas through strategic cooperation

- (1) Mycenax has successfully invited the strategic investor JCR Pharmaceuticals Co., Ltd. to invest in Mycenax through private placement. Mycenax and JCR have collaborated on multiple CDMO projects and established a smooth cooperation model. Both parties are on the same page regarding the optimization of biologics process development and the operations and quality control of GMP production. This partnership shall facilitate more product development, contracted manufacturing, and technical exchanges. Furthermore, the strategic cooperation will improve Mycenax’s development capabilities, creating a win-win situation.
- (2) Mycenax actively tapped into the field of allogeneic cell therapy and antibody-drug conjugate (ADC). Besides establishing exclusive laboratories for cell therapy and ADC, Mycenax has initiated strategic cooperation with companies that possess novel drug design platform and process development.
  - Mycenax has signed a memorandum of understanding with Industrial Technology Research Institute, introducing an ADC screening platform to accelerate the expansion of next-generation antibody production and application.
  - Mycenax has partnered with KriSan Biotech and is responsible for the drug design, process development, and subsequent scale-up of ADC. On the other hand, KriSan Biotech is responsible for the drug design and process development of small molecule

drug and the GMP production of ADC. To strengthen the cooperation, Mycenax has invested in KriSan Biotech and become a main shareholder (19.15%) in December 2022.

#### 4. Conclusion

As CDMO industry is booming, Mycenax will continue to brand our market share, not only the Asian market, but also tapping into the European and American markets. Furthermore, Mycenax will strengthen to control the capital expenditure and expense, perform the strategies mentioned above, to improve the implementation of business plan.



Attachment 4.

The table of 2022 directors' compensation

Unit: NT\$ thousands

Title	Name	Director's Remuneration								(A+B+C+D) as a % of Net Income		Compensation Earned by a Director Who is an Employee of the Company or Consolidated Entities								(A+B+C+D+E+F+G) as a % of Net Income (%)		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company					
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Director (C) (Proposed number)		Allowances (D)				Salaries, bonus, and special allowance(E)		Severance Pay and Pensions (F)		Employees' Profit-Sharing Bonus (G)											
		the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company (%)	From All Consolidated Entities (%)	the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company		From All Consolidated Entities			the Company (%)	From All Consolidated Entities (%)			
																		Cash	Shares	Cash	Shares						
Chairman	Center Laboratories, Inc.	0	0	0	0	0	0	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0%	0	0%	None		
	Center Laboratories, Inc./ Representative: Jung Chin Lin (Note1)	200	200	0	0	0	0	55	55	255	255	(0.056%)	255	255	(0.056%)	0	0	0	0	0	0	255	255	(0.056%)	(0.056%)	None	
	Center Laboratories, Inc./ Representative: Pei-Jiun Chen (Note1)	0	0	0	0	0	0	20	20	20	20	(0.004%)	20	20	(0.004%)	1,650	1,650	13	13	0	0	0	0	1,683	1,683	(0.371%)	(0.371%)
Director	Center Laboratories, Inc./ Representative: Chun-Hong Chen	0	0	0	0	0	0	70	70	70	70	(0.015%)	70	70	(0.015%)	0	0	0	0	0	0	70	70	(0.015%)	(0.015%)	None	
Director	JCR Pharmaceuticals Co., Ltd (Note 2)	0	0	0	0	0	0	5	5	5	5	(0.001%)	5	5	(0.001%)	0	0	0	0	0	0	5	5	(0.001%)	(0.001%)	None	
	JCR Pharmaceuticals Co., Ltd/ Representative: Yoh Ito (Note 2)	0	0	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0	0	0	0	0	0	0	0%	0%	None	
Director	Nien Hsing International Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0	0	0	0	0	0	0	0%	0%	None	
	Nien Hsing International Investment Co., Ltd./ Representative: En-Tzn Liu	0	0	0	0	0	0	75	75	75	75	(0.016%)	75	75	(0.016%)	0	0	0	0	0	0	75	75	(0.016%)	(0.016%)	None	
Director	China Investment and Development Co., LTD.	0	0	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0	0	0	0	0	0	0	0%	0%	None	
	China Investment and Development Co., LTD. / Representative: Hsiu-Yuan Lee	0	0	0	0	0	0	75	75	75	75	(0.016%)	75	75	(0.016%)	0	0	0	0	0	0	75	75	(0.016%)	(0.016%)	None	
Director	Jason Technology Co., Ltd.	0	0	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0	0	0	0	0	0	0	0%	0%	None	

Title	Name	Director's Remuneration								(A+B+C+D) as a % of Net Income		Compensation Earned by a Director Who is an Employee of the Company or Consolidated Entities								(A+B+C+D+E+F+G) as a % of Net Income (%)		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company			
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Director (C) (Proposed number)		Allowances (D)				Salaries, bonus, and special allowance(E)		Severance Pay and Pensions (F)		Employees' Profit-Sharing Bonus (G)									
		the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company (%)	From All Consolidated Entities (%)	the Company	From All Consolidated Entities	the Company	From All Consolidated Entities	the Company		From All Consolidated Entities		the Company (%)	From All Consolidated Entities (%)				
															Cash	Shares	Cash	Shares							
Director	Jason Technology Co., Ltd. / Representative: Chia-Ling Lin	0	0	0	0	0	0	75	75	75 (0.016%)	75 (0.016%)	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	Royal Foods Co., Ltd. (Note 3)	0	0	0	0	0	0	45	45	45 (0.010%)	45 (0.010%)	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Royal Foods Co., Ltd. / Representative: Su-Chi Wang (Note 3)	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	Yong Lien Corp. (Note 4)	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Yong Lien Corp. Representative: Wann-Lai Cheng (Note 4)	0	0	0	0	0	0	15	15	15 (0.003%)	15 (0.003%)	0	0	0	0	0	0	0	0	15 (0.003%)	15 (0.003%)	15 (0.003%)	15 (0.003%)	None	
Independent Director	Kuo-Pin Kao	240	240	0	0	0	0	165	165	405 (0.089%)	405 (0.089%)	0	0	0	0	0	0	0	0	405 (0.089%)	405 (0.089%)	405 (0.089%)	405 (0.089%)	None	
Independent Director	Yu-Sheng Tsai	240	240	0	0	0	0	150	150	390 (0.085%)	390 (0.085%)	0	0	0	0	0	0	0	0	390 (0.085%)	390 (0.085%)	390 (0.085%)	390 (0.085%)	None	
Independent Director	Allen Y. Chao (Note 5)	141	141	0	0	0	0	105	105	246 (0.054%)	246 (0.054%)	0	0	0	0	0	0	0	0	246 (0.054%)	246 (0.054%)	246 (0.054%)	246 (0.054%)	None	
Independent Director	M. Sherry Ku (Note 4)	100	100	0	0	0	0	55	55	155 (0.034%)	155 (0.034%)	0	0	0	0	0	0	0	0	155 (0.034%)	155 (0.034%)	155 (0.034%)	155 (0.034%)	None	

1. Please state the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration, responsibilities, risks, time invested and other factors:  
The remuneration of independent directors of the Company is comprehensively considered based on industry characteristics, peer payment practices, the contribution of independent directors to business operations, and the degree of risk they bear. After evaluation and discussion by the Compensation Committee, it is submitted to the Board of Directors for resolution. Currently, independent directors of the Company receive fixed compensation on a monthly basis and are reimbursed for transportation expenses when attending board meetings and functional committees.

2. Other than the disclosures in the table above, the remuneration received by the Company's directors for their services provided (such as serving as non-employee consultants of the parent company/all of the companies listed in the financial reports/reinvested enterprises, etc.) in the most recent year: None.

Note 1: Center Laboratories, Inc. has reassigned its representative to Pei-Jiun Chen, who will take over the position from Jung Chin Lin, and has been elected as the Chairman of the Board by the board of directors on October 6, 2022. Chairman Pei-Jiun Chen's compensation for the fiscal year 2022 includes business execution expenses during her tenure as Chairman from October 6, 2022, to December 31, 2022, as well as relevant salaries during her concurrent role as General Manager from October 6, 2022, to December 31, 2022.

Note 2: JCR Pharmaceuticals Co., Ltd. was elected as a director in the shareholder meeting on December 27, 2022.

Note 3: Royal Foods Co., Ltd. was elected as a director in the shareholder meeting on May 30, 2022, and resigned on October 26, 2022.

Note 4: The term of office expired on May 30, 2022.

Note 5: He was elected as an independent director in the shareholder meeting on May 30, 2022.

## **Attachment 5.**

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of Mycenax Biotech Inc.

#### **Opinion**

We have audited the balance sheets of Mycenax Biotech Inc. (the "Company") as of December 31, 2022 and 2021, and the 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, based on our audits and the reports of the other auditors, (please refer to the Other Matter paragraph), the financial statements present fairly, in all material respects, the financial position of the Company as of 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" and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other auditors, 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

## **Revenue Recognition**

Please refer to Note 4.12 for accounting policy related to revenue recognition and Note 6.15 for disclosure information about revenue recognition of the financial statements.

### **Description**

The main revenue of Mycenax Biotech Inc. is the provision of biopharmaceutical contract development and manufacturing services. The Company's management team determines the timing of revenue recognition based on the contractual terms and conditions. Consequently, revenue recognition constitutes is one of the key audit matters for the current year.

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

The main audit procedures for this key audit matter included understanding the Company's revenue recognition procedure and transaction process and assessed the Company's revenue recognition policy to meet the international financial reporting standard No.15, testing the effectiveness of the design and the implementation of internal control of sale and collection. We compared the detailed service revenue information and the general ledger, and we selected samples to exam service contract and transaction evidences, to assess the sale had been recognition in the percentage of completion for the contract. Furthermore, the auditors selected a sample of account receivable that had not yet been collected on the balance sheet date and performed a confirmation request to the third party and examination of subsequent collection.

## **Deferred income tax assets recognition**

Please refer to Note 4.16 for accounting policy related to deferred income tax assets recognition and Note 6.19 for disclosure information of the financial statements.

### **Description**

Mycenax Biotech Inc. recognized deferred income tax assets, which included tax loss carryforward and investment tax credits. The recognition and measurement of deferred income tax asset are based on management's subjective judgment of the assumptions of future profitability and the realizability of deferred income tax assets. Therefore, the assessment of the recognition of deferred income tax asset is one of the key audit matters for this year.

### How the matter was addressed in our audit

The main audit procedures for this key audit matter include evaluating the reasonableness of management's recognition of deferred income tax asset, checking the related assumptions of future operating forecasts, and the financial budget that made by management, evaluating the assumptions of growth rates made by management, and assessing the prior-year taxable income and the quality of budget estimates. Additionally, the auditor also evaluates whether Mycenax Biotech Inc. has made appropriate disclosures regarding deferred income tax assets.

### **Other matter**

For the aforesaid invested company accounted for using the equity method disclosed in the financial statements of 2022, the financial statement of KRISAN BIOTECH CO., LTD. were audited by another auditor whose reports have been thereon furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statement, is based solely on the audit reports of other auditors. The account balance of the above company, accounted for using the equity method as of December 31, 2022 were NT\$199,245 thousand, accounting for 4.46% of the total asset; for the year ended December 31, 2022, the share of loss from subsidiaries and associates under equity method amounted to NT\$755 thousand, accounting for 0.16% of net loss before tax.

### **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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 the 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 Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 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 financial statements for the year ended December 31, 2022 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.

The engagement partners on the audits resulting in this independent auditors' report are WU, JIN-DI and DAI, WEI-LIANG

Ful-Fill & Co., CPAs  
Taipei, Taiwan  
Republic of China  
March 13, 2023

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**Notice to Readers**

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Mycenax Biotech Inc.  
BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Account Co.	Assets	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	<b>Current assets</b>					
1100	Cash and cash equivalents	4, 6(1)	\$ 1,323,365	30	\$ 286,927	9
1136	Financial assets at amortized cost	4, 6(3), 8	17,316	—	8,500	—
1140	Contract assets	4, 6(15)	158,387	4	190,572	6
1170	Accounts receivable, net	4, 6(4)	58,731	1	122,390	4
1180	Accounts receivable, net-related parties	7	10,637	—	7,875	—
1200	Other receivables	7	3,087	—	11,331	—
130X	Inventories	4, 6(5)	246,721	6	173,302	6
1410	Prepayments	7	103,219	2	89,277	3
1470	Other current assets	8	2,318	—	7,234	—
11XX	<b>Total current assets</b>		<b>1,923,781</b>	<b>43</b>	<b>897,408</b>	<b>28</b>
	<b>Non-current assets</b>					
1517	Financial assets at fair value through other comprehensive income	4, 6(2)	268	—	109,586	4
1550	Investments accounted for using the equity method	4, 6(6)	199,245	5	—	—
1600	Property, plant and equipment, net	4, 6(7), 8	1,886,916	42	1,146,975	37
1755	Right-of-use assets	4, 6(8)	91,302	2	203,850	6
1780	Intangible assets	4, 6(9)	49,844	1	57,626	2
1840	Deferred income tax assets	4, 6(19)	89,715	2	81,110	3
1915	Prepayments for business facilities	6(7), 8	201,127	5	633,067	20
1920	Refundable deposits		7,958	—	6,821	—
1975	Net defined benefit assets	4, 6(12)	2,842	—	2,569	—
15XX	<b>Total non-current assets</b>		<b>2,529,217</b>	<b>57</b>	<b>2,241,604</b>	<b>72</b>
1XXX	<b>Total assets</b>		<b>\$ 4,452,998</b>	<b>100</b>	<b>\$ 3,139,012</b>	<b>100</b>

(Continued)



Mycenax Biotech Inc.  
BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Account Co.	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
21XX	<b>Current liabilities</b>					
2100	Short-term loans	4, 6(10), 8	\$ 100,000	2	\$ 50,000	2
2130	Contract liability	6(15), 7	142,275	3	152,116	5
2170	Accounts payable		52,521	1	54,675	2
2200	Other payables	6(11), 7, 12	195,378	5	237,868	7
2280	Lease liabilities	4, 6(8)	37,282	1	28,587	1
2320	Long-term liabilities, current portion	6(10)	105,880	2	15,600	—
2399	Other current liabilities		1,397	—	1,221	—
21XX	<b>Total current liabilities</b>		<b>634,733</b>	<b>14</b>	<b>540,067</b>	<b>17</b>
25XX	<b>Non-current liabilities</b>					
2541	Long-term borrowings	6(10).8	656,320	15	474,400	15
2570	Deferred income tax liabilities	4.6(19)	—	—	3,751	—
2580	Non-current lease liabilities	4.6(8)	56,370	1	176,057	6
2610	Others long-term accounts payable	12	—	—	38,072	1
25XX	<b>Total non-current liabilities</b>		<b>712,690</b>	<b>16</b>	<b>692,280</b>	<b>22</b>
2XXX	<b>Total liabilities</b>		<b>1,347,423</b>	<b>30</b>	<b>1,232,347</b>	<b>39</b>
31XX	<b>Equity</b>	6(13)				
3110	Common stock		2,053,060	46	1,533,337	49
3140	Advance receipts for ordinary share		193	—	—	—
3200	Capital surplus		1,468,143	33	576,948	18
3350	Accumulated deficit		(406,832)	(9)	(254,336)	(8)
3400	Other equity interest		(8,989)	—	50,716	2
3XXX	<b>Total equity</b>		<b>3,105,575</b>	<b>70</b>	<b>1,906,665</b>	<b>61</b>
3X2X	<b>Total liabilities and equity</b>		<b>4,452,998</b>	<b>100</b>	<b>3,139,012</b>	<b>100</b>

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

Mycenax Biotech Inc.  
STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Account Co.	Item	Notes	For the Year Ended December 31			
			2022		2021	
			Amount	%	Amount	%
4000	Operating Revenue	4, 6(15), 7	\$ 732,276	100	\$ 774,270	100
5000	Operating Costs		845,948	116	636,661	82
5900	Gross Profit (Loss)		(113,672)	(16)	137,609	18
	Operating Expenses	6(16), 7				
6100	Sales and marketing expenses		43,507	6	55,759	7
6200	General and administrative expenses		112,657	15	78,204	10
6300	Research and development expenses		144,001	20	96,134	13
6450	Expected credit impairment loss (gain)		31,158	4	(7,157)	(1)
6000	Total operating expenses		331,323	45	222,940	29
6900	Operating Profit (Loss)		(444,995)	(61)	(85,331)	(11)
7000	Non-operating Income and Expenses					
7050	Finance costs	4, 6(17)	(19,194)	(3)	(2,530)	—
7020	Other gains and losses	6(7)	(20,569)	(3)	(645)	—
7100	Interest income		3,795	1	307	—
7190	Other income	6(17), 7	5,586	1	2,028	—
7230	Net foreign exchange gain (loss)		13,291	2	(1,347)	—
7070	Share of profit of associates and joint ventures accounted for using equity method		(755)	—	—	—
7000	Total non-operating income and expenses		(17,846)	(2)	(2,187)	—
7900	<b>Loss before income tax</b>		(462,841)	(63)	(87,518)	(11)
7950	Income tax benefit (or expense)	4, 6(19)	9,210	1	(2,340)	—
8200	<b>Net Loss</b>		(453,631)	(62)	(89,858)	(11)
	Other Comprehensive Income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss	6(18)				
8311	Remeasurement of defined benefit obligation		453	—	(123)	—
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(7,516)	(1)	7,748	1
8349	Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	6(19)	3,146	—	2,935	—
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		(3,917)	(1)	10,560	1
8500	<b>Total Comprehensive Loss</b>		\$ (457,548)	(63)	\$ (79,298)	(10)
	EARNINGS PER SHARE					
9750	Basic earnings per share	6(20)	\$ (2.74)		\$ (0.61)	
9850	Diluted earnings per share	6(20)	\$ (2.74)		\$ (0.61)	

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

Mycenax Biotech Inc.  
STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Item	Share Capital		Capital Reserves				Accumulated deficit	Other equity interest		Total equity
	Common stock	Advance Receipts for Common Stock	Addition paid-in capital	Employee stock options	Restricted stock to employees	Others		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	
Balance on January 1,2021	\$ 1,282,377	\$ 499	\$ 11,157	\$ 41,956	\$ –	\$ –	\$ (207,233)	\$ 82,911	\$ –	\$ 1,211,667
Issuance of shares	250,000	–	513,019	(2,919)	–	493	–	–	–	760,593
Employee stock option exercised	960	(499)	3,424	(1,365)	–	–	–	–	–	2,520
Employee stock options expired	–	–	–	(12,744)	–	12,744	–	–	–	–
Disposal of equity instruments measured at fair value through other comprehensive income	–	–	–	–	–	–	42,853	(42,853)	–	–
Income (Loss) for 2021	–	–	–	–	–	–	(89,858)	–	–	(89,858)
Other comprehensive income (loss)	–	–	–	–	–	–	(98)	10,658	–	10,560
Total comprehensive income (loss)	–	–	–	–	–	–	(89,956)	10,658	–	(79,298)
Compensation costs of employee stock options	–	–	–	11,183	–	–	–	–	–	11,183
Balance on December 31,2021	\$ 1,533,337	\$ –	\$ 527,600	\$ 36,111	\$ –	\$ 13,237	\$ (254,336)	\$ 50,716	\$ –	\$ 1,906,665
Issuance of shares-private	500,000	–	1,125,000	–	–	–	–	–	–	1,625,000
Capital reserves for cover accumulated deficits	–	–	(254,336)	–	–	–	254,336	–	–	–
Employee stock option exercised	9,723	193	18,851	(7,116)	–	–	–	–	–	21,651
Employee stock options expired	–	–	–	(1,529)	–	1,529	–	–	–	–
Disposal of equity instruments measured at fair value through other comprehensive income	–	–	–	–	–	–	46,437	(46,437)	–	–
Issuance of employee restricted stocks	10,000	–	–	–	886	–	–	–	(10,886)	–
Income (Loss) for 2022	–	–	–	–	–	–	(453,631)	–	–	(453,631)
Other comprehensive income (loss)	–	–	–	–	–	–	362	(4,279)	–	(3,917)
Total comprehensive income (loss)	–	–	–	–	–	–	(453,269)	(4,279)	–	(457,548)
Compensation costs of employee share based payment	–	–	–	7,910	–	–	–	–	1,897	9,807
Balance on December 31,2022	\$ 2,053,060	\$ 193	\$ 1,417,115	\$ 35,376	\$ 886	\$ 14,766	\$ (406,832)	\$ –	\$ (8,989)	\$ 3,105,575

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

Mycenax Biotech Inc.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Item	For the Year Ended December 31	
	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss before tax	\$ (462,841)	\$ (87,518)
Adjustments for:		
<b>Adjustments to reconcile profit(loss)</b>		
Depreciation	254,909	145,860
Amortization	27,644	21,961
Expected credit impairment losses(income)	31,158	(7,157)
Compensation costs of employee stock options	9,807	11,183
Interest expense	19,194	2,530
Interest income	(3,795)	(307)
Dividend income	(4)	–
Shares of profit from associates under equity method	755	–
Gain on lease modification	(1,131)	–
Loss (Gain) on disposals of property, plant and equipment	20,106	(131)
Write-down (reversal) of inventories	16,090	(10,080)
<b>Changes in operating assets and liabilities</b>		
Current contract assets	32,185	(88,793)
Accounts receivable, net	32,501	(48,325)
Accounts receivable, net-related parties	(2,762)	(7,570)
Other receivables	8,968	(5,780)
Inventories	(89,509)	(78,370)
Prepayments	(17,170)	(44,017)
Other current assets	6,378	(5,778)
Decrease (increase) in net defined benefit asset	180	(26)
Accounts payable	(2,154)	14,361
Other payables	2,282	43,315
Current contract liabilities	(9,841)	26,212
Other current liabilities	176	(44)
<b>Cash outflow generated from operations</b>	<u>(126,874)</u>	<u>(118,474)</u>
Interest paid	(23,042)	(27,473)
Income tax received	–	358
Income tax paid	(269)	(645)
<b>Net cash flows used in operating activities</b>	<u>(150,185)</u>	<u>(146,234)</u>

(Continued)

Item	For the Year Ended December 31	
	2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Disposal (Acquisition) of financial assets at amortized cost	(8,816)	(7,300)
Acquisition of financial assets at fair value through other comprehensive income	(268)	–
Disposal of financial assets at fair value through other comprehensive income	102,070	(89,972)
Acquisition of investment accounted for using the equity method	(200,000)	–
Decrease (Increase) in restricted assets	(1,193)	(851)
Acquisition of property, plant and equipment	(626,936)	(1,098,098)
Disposal of property, plant and equipment	–	275
Decrease (Increase) in refundable deposits	(1,137)	(809)
Acquisition of intangible assets	(12,038)	(14,978)
Interest received	3,071	306
Dividend received	4	–
<b>Net cash flows used in investing activities</b>	<b>(745,243)</b>	<b>(1,031,483)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Repayment of the principal of lease liabilities	(36,985)	(29,610)
Proceeds (Repayments) from short-term borrowings	50,000	(50,000)
Proceeds (Repayments) from long-term borrowings	272,200	490,000
Issuance of common stocks	1,625,000	760,593
Employee stock options exercised	21,651	2,520
<b>Net cash flows from financing activities</b>	<b>1,931,866</b>	<b>1,173,503</b>
Net increase in cash and cash equivalents	1,036,438	(4,214)
Cash and Cash equivalents at beginning of year	286,927	291,141
Cash and cash equivalents at end of year	<b>\$ 1,323,365</b>	<b>\$ 286,927</b>

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

**Attachment 6.****Mycenax Biotech Inc.  
2022 Deficit Compensation Statement**

Unit: NT\$

<b>Items</b>	<b>Total</b>
Undistributed earnings at the beginning of the year	0
Remeasurement of defined benefit plans	362,020
Disposal of equity instruments measured at fair value through other comprehensive income	46,437,609
Adjusted undistributed earnings	46,799,629
Add:	
2022 net loss after tax	(453,631,483)
Deficit yet to be compensated – at the end of 2022	(406,831,854)
Items for compensating deficit:	
Additional paid-in capital	406,831,854
Deficit yet to be compensated at the end of the year	0

**Attachment 7.**

**Mycenax Biotech Inc.**

**Comparison Table for the Articles of Incorporation**

After the Revision	Before the Revision	After the Revision
<p><b>Article 17</b></p> <p>The Company shall have 7-9 directors and the number of directors authorized by the board of directors. Elections of the Company's directors shall be conducted per the candidate nomination system. The shareholders' meeting shall elect the directors from the nominees listed in the roster of director candidates. The term of office of each director is three (3) years, and all directors are eligible for re-election. The percentage of aggregate shareholding of all directors shall comply with the Company Act and regulations prescribed by the supervisory authority of securities.</p> <p>The independent directors shall be no less than three (3) and no less than one-fifth of the total directors. The independent directors shall be nominated at the shareholders' meeting from the list of candidates. The professional qualifications, restrictions on both shareholding and concurrent positions held determination of independence, method of nomination, and other compliance requirements concerning the independent directors shall be outlined under the Company Act and other related laws and regulations by the competent securities authority.</p> <p>With a resolution adopted by the board of directors, the Company may take out liability insurance for directors.</p>	<p><b>Article 17</b></p> <p>The Company shall have 7-<del>9</del> <u>11</u> directors and the number of directors authorized by the board of directors. Elections of the Company's directors shall be conducted per the candidate nomination system. The shareholders' meeting shall elect the directors from the nominees listed in the roster of director candidates. The term of office of each director is three (3) years, and all directors are eligible for re-election. The percentage of aggregate shareholding of all directors shall comply with the Company Act and regulations prescribed by the supervisory authority of securities.</p> <p>The independent directors shall be no less than three (3) and no less than one-fifth of the total directors. The independent directors shall be nominated at the shareholders' meeting from the list of candidates. The professional qualifications, restrictions on both shareholding and concurrent positions held determination of independence, method of nomination, and other compliance requirements concerning the independent directors shall be outlined under the Company Act and other related laws and regulations by the competent securities authority.</p> <p>With a resolution adopted by the board of directors, the Company may take out liability insurance for directors.</p>	<p>To comply with the Company's operation needs</p>
<p><b>Article 25-1</b></p> <p>The Company shall allocate 10% to 12% as employee compensation, which shall be distributed in stock or cash according to the Company earnings of the current</p>	<p><b><u>Article 25-1</u></b></p> <p>The Company shall allocate 10% to 12% as employee compensation, which shall be distributed in stock or cash according to the Company earnings of the current</p>	<p>In accordance with operational development needs and</p>

After the Revision	Before the Revision	After the Revision
<p>year by the board of directors' resolution. The distribution objects include employees of subsidiary companies who meet certain conditions. The board of directors can withdraw no more than 2% of the profit amount to distribute the director's remuneration. Employee and directors' remuneration distribution shall be reported to the shareholders' meeting.</p> <p>However, profits must first be taken to offset cumulative losses, if any. Then the Company shall allocate employee compensation and directors' remuneration in proportion to the preceding paragraph.</p>	<p>year by the board of directors' resolution. The distribution objects include employees of <u>parents or</u> subsidiary companies who meet certain conditions. The board of directors can withdraw no more than 2% of the profit amount to distribute the director's remuneration. Employee and directors' remuneration distribution shall be reported to the shareholders' meeting.</p> <p>However, profits must first be taken to offset cumulative losses, if any. Then the Company shall allocate employee compensation and directors' remuneration in proportion to the preceding paragraph.</p> <p><u>The issuance or transfer objects shall include employees of parents or subsidiaries who match conditions approved by the Board of Directors for the Company issuing employee stock option certificate, issuance of new restricted employee shares, issuing new stocks to employees, or repurchasing stocks and transferring to employees in accordance with the law.</u></p>	<p>Financial Supervisory Commission Letter No. 1070121068</p>
<p><b>Article 27</b></p> <p>This Articles of Incorporation was established on September 12, 2001.</p> <p>...</p> <p>The 21st amendment was made on May 30, 2022.</p>	<p><b>Article 27</b></p> <p>This Articles of Incorporation was established on September 12, 2001.</p> <p>...</p> <p>The 21st amendment was made on May 30, 2022.</p> <p><u>The 22nd amendment was made on June 20, 2023.</u></p>	<p>To add the amendment date</p>



## **Attachment 8.**

### **Mycenax Biotech Inc. Opinion on the Necessity and Reasonableness of the Private Placement**

Opinion appointor: Mycenax Biotech Inc.

Opinion recipient: Mycenax Biotech Inc.

Designated purpose of the opinion: Restricted to 2023 Mycenax 's issuance of common shares in the private placement.

Report type: Opinion on the necessity and reasonableness

Assessor: MasterLink Securities Corporation

Representative: Ching-Fa Chang

March 10, 2023

## Mycenax Biotech Inc.

### Assessment of the Necessity and Reasonableness of Conducting Private Placement of Common Shares in 2023 - Securities Underwriter's Opinion

In order to enrich operating capital, improve the financial structure, and grasp the timeliness and convenience of fundraising, Mycenax Biotech Inc. (hereinafter referred to as Mycenax or the Company) plans to discuss the matters related to the private placement of securities under Article 43-6 of the Securities and Exchange Act at the Board Meeting on March 13, 2023, in accordance with the Securities and Exchange Act and Directions for Public Companies Conducting Private Placements of Securities. In addition, Mycenax plans to propose the private placement of common shares at the Ordinary General Meeting of Shareholders on June 20, 2023. It is proposed that the board of directors is authorized to conduct one or two private placements of common shares not exceeding a total of 30,000,000 shares within one year from the date on which the resolution is adopted by the shareholder's meeting.

In accordance with Paragraph 3 of Article 4 of Directions for Public Companies Conducting Private Placements of Securities “if there has been, is, or will be any significant change in managerial control during the period from 1 year preceding the day on which the board of directors resolves on the private placement of securities to 1 year from the delivery date of those privately placed securities, the Company shall engage a securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement and shall state the opinion in the notice to convene the shareholders' meeting to serve as a reference for the shareholders to decide whether to agree”, the assessment is described as follows.

#### 1. Company profile

Mycenax initially focused on developing biosimilar drugs and became the first company to obtain a biosimilar drug license in Taiwan. Due to the enormous cost and lengthy development time required for the research and development of new biologics, since 2019 Mycenax has shifted to be a CDMO (Contract Development and Manufacturing Organization) company that provides one-stop services for the development and production of biologics and regenerative medicine. To offer comprehensive solutions for the preclinical development, clinical trial drug supply, and future commercial manufacturing of biopharmaceuticals, Mycenax provides services including druggability, cell line development, process and analytical methods development, drug characterization, PIC/S GMP manufacturing, and aseptic fill and finish.

Based on accumulated experience in biopharmaceutical research and development, Mycenax has successfully established a complete value chain for the development of biologics. Not only does Mycenax possess two major technologies of mammalian cell culture and microbial bacterial fermentation, but the Company also has CMC (Chemistry, Manufacturing, and Control) experience in the development of biologics and in-depth knowledge in understanding relevant international regulations. In recent years, Mycenax has been committed to the field of allogeneic cell therapy and process development of antibody-drug conjugate (ADC). With competitive development and manufacturing technologies that comply with regulatory requirements, Mycenax can quickly provide contract development services for stem cell and immune cell products. Moreover, to build a one-stop service chain for ADC products, Mycenax has partnered with academic and industrial units, such as Industrial Technology Research Institute and KriSan Biotech, to expand the development scope and production services for biologics.

Besides continuously providing process development and manufacturing services for domestic biopharmaceutical companies, Mycenax has been dedicated to overseas markets such as Japan, South Korea, and Singapore for years and has won the trust and important contracts from clients. In addition,

JCR Pharmaceuticals Co. Ltd. (TSE:4552, hereinafter referred to as JCR), a distinguished Japanese biopharmaceutical company, invested in Mycenax and became the largest shareholder (20.5%) in a private placement in July 2022. In the future, Mycenax will be responsible for the process development and commercial manufacturing for JCR and accelerate its international development by deepening cooperation.

As the global market size and growth rate of CDMO continue to rise year by year, the Company is actively expanding its production capacity. At present, the Company has two GMP facilities for biopharmaceuticals. GMP Plant 1 has multiple types of production lines, which supply customers with small-scale production for preclinical use; GMP Plant 2 is specialized as a mammalian cell production line that supplies customers with the production for mid-to-late stage clinical trials and commercial manufacturing. Furthermore, Mycenax is committed to becoming a global CDMO company specializing in CMC biopharmaceutical development and GMP manufacturing. The Company plans to continue expanding its production capacity and build a GMP pilot plant for allogeneic cell therapy to expand the scope of services for biopharmaceutical production.

In summary, Mycenax is dedicated to providing biopharmaceutical CDMO services. With CMC biologics process development as its base and GMP manufacturing as its backbone, the Company focuses on the development of the CDMO business and continues to create a complete one-stop industry chain for biopharmaceutical development from DNA to GMP. Moreover, the Company will continuously expand its production capacity and the scope of services for biologics production with the aim of becoming a main supplier in the global biopharmaceutical market.

2. Inspection on “If there has been, is, or will be any significant change in managerial control during the period from 1 year preceding the day on which the board of directors resolves on the private placement of securities to 1 year from the delivery date of those privately placed securities”.

Due to the expiration of the term of office of existing directors, the re-election of the board of directors was conducted in the Ordinary General Meeting of Shareholders at Mycenax on May 30, 2022. There were two changes in the newly elected board of directors: Royal Foods Co., Ltd. and independent director Allen Y. Chao. Thereafter, the legal representative of Center Laboratories Inc. was reassigned on October 6, 2022. Besides, Royal Foods Co., Ltd. resigned as director on October 28, 2022, and JCR Pharmaceuticals Co., Ltd. was elected to fill the vacancy at a Special Shareholders' Meeting on December 27, 2022. Changes of directors during 1 year preceding the day on which the board of directors resolves on the private placement of securities are listed as follows.

Title	Before May 30, 2022	After May 30, 2022	After October 6, 2022	After October 28, 2022	Change
Director	Center Laboratories Inc. Representative: Rongjin Lin	Center Laboratories Inc. Representative: Rongjin Lin	Center Laboratories Inc. Representative: Pei-Jiun Chen	Center Laboratories Inc. Representative: Pei-Jiun Chen	No <sup>*</sup>
Director	Center Laboratories Inc. Representative: Chun-Hong Chen	Center Laboratories Inc. Representative: Chun-Hong Chen	Center Laboratories Inc. Representative: Chun-Hong Chen	Center Laboratories Inc. Representative: Chun-Hong Chen	No
Director	Nien Hsing	Nien Hsing	Nien Hsing	Nien Hsing	No

	International Investment Co., Ltd.	International Investment Co., Ltd.	International Investment Co., Ltd.	International Investment Co., Ltd.	
Director	Jason Technology Co., Ltd.	Jason Technology Co., Ltd.	Jason Technology Co., Ltd.	Jason Technology Co., Ltd.	No
Director	China Investment and Development Co., LTD.	China Investment and Development Co., LTD	China Investment and Development Co., LTD	China Investment and Development Co., LTD	No
Director	Yong Lien Corp.	Royal Foods Co., Ltd.	Royal Foods Co., Ltd.	JCR Pharmaceuticals Co., Ltd.	Yes
Independent director	M. Sherry Ku	Allen Y. Chao	Allen Y. Chao	Allen Y. Chao	Yes
Independent director	Kuo-Pin Kao	Kuo-Pin Kao	Kuo-Pin Kao	Kuo-Pin Kao	No
Independent director	Yu-Sheng Tsai	Yu-Sheng Tsai	Yu-Sheng Tsai	Yu-Sheng Tsai	No

\* Center Laboratories, Inc. reassigned Pei-Jiun Chen as the director representative on October 6, 2022, and the appointment does not count as a change in the board of directors.

Based on the above table, the changes in the composition of the board of directors account for 2/9, which is less than 1/3 (a change in the composition of more than one-third of the board of directors induces a significant change in managerial control). There has been no significant change in managerial control at Mycenax.

As of February 28, 2023, the Company has issued 205,330,000 shares (including 24,000 shares issued due to the exercise of employee stock options, which have not yet been registered for the change). In addition, it is proposed to conduct a private placement of 30,000,000 common shares. Based on the full issuance, the paid-in capital will increase to 235,330,000 shares. The total number of shares to be privately placed this time is expected to be approximately 12.75% of the post-private placement equity. Although specific places have not yet been identified, the places may be insiders or strategic investors. If the places are strategic investors, the Company will consider those who can provide the Company with various management techniques and financial resources for future operations to strengthen financial cost management, expand the scope of biopharmaceutical contract development and manufacturing (CDMO) services, activate business, etc., as favorable targets. After the proposed private placement of common shares, it is uncertain whether the places will obtain at least one director seat to participate in the Company's management within one year from the delivery date of the privately placed securities, which might reach a change in the composition of one-third of the board of directors and then induce a significant change in managerial control during the period from 1 year preceding the day on which the board of directors resolves on the private placement of securities to 1 year from the delivery date of those privately placed securities. In the unforeseeable circumstance, the Company engaged MasterLink Securities Corporation to provide an assessment opinion on the necessity and reasonableness for conducting the private placement in accordance with the Directions for Public Companies Conducting Private Placements of Securities.

### 3. Proposed private placement.

In order to enrich operating capital and improve the financial structure, Mycenax plans to propose the private placement of securities in accordance with Article 7 and Article 43-6 of the Securities and Exchange Act and Article 3 of Directions for Public Companies Conducting Private Placements of Securities. The selection of place shall be conducted in accordance with Article 43-6 of the Securities and Exchange Act and the ruling (Tai-Cai-Zheng-1 No. 0910003455) of the former Securities and Futures Commission of the Ministry of Finance. The places may be insiders or strategic investors. If the place is a strategic investor, the priority is to select a strategic investor that will be able to create potential direct or indirect benefits to the development of the Company. It is proposed that the board of directors is authorized to conduct one or two private placements of common shares not exceeding a total of 30,000,000 shares within one year from the date on which the resolution is adopted by the shareholder's meeting.

The issue price of the common shares issued in the proposed private placement shall not be lower than 80% of the following price, whichever is higher:

- (1) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- (2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The issue price of the common shares issued in the proposed private placement shall not be lower than 80% of the reference price. It is proposed that the board of directors is authorized, complying with the abovementioned rules and within the range resolved by the members in the shareholder's meeting, to determine actual issue price according to the market conditions on the price determination date.

#### 4. Assessment of the necessity and reasonableness of conducting private placement

##### (1) Necessity

Considering the current operating conditions and industry outlook, to ensure the sustainable operation of the Company and align with the future development blueprint, Mycenax plans to introduce parties that can directly or indirectly benefit future operations. By leveraging the resources of these parties, including capital, technology, and knowledge, the Company aims to expand the scope of CDMO services and develop new markets. Therefore, it is proposed to conduct a private placement of common shares to enrich operating capital. The proposed private placement will not only effectively increase the overall shareholder equity but also further improve the financial structure of the Company, making it necessary. Additionally, considering the flexibility and agility of private placements in fundraising and the compatibility of funding utilization plans, the issuance of new shares for capital increase should be carried out through a private placement.

##### (2) Reasonableness

Mycenax plans to pass a resolution at the Ordinary General Meeting of Shareholders scheduled for June 20, 2023, and list the relevant information regarding the private placement of securities in the reasons for convening the shareholder meeting in accordance with Paragraph 6, Article 43-6 of the Securities and Exchange Act. Based on the assessment of the procedures involved, it is deemed legally appropriate.

In recent years, the aging population worldwide has driven an overall increase in demand for pharmaceuticals, leading to rapid growth in the development of new drugs and the flourishing CDMO industry. According to research, the global biopharmaceutical CDMO market reached 11.38 billion US dollars in 2021 and is expected to grow to 18.88 billion US dollars by 2025, with a

compound annual growth rate of 10.7%. To seize the opportunities in the CDMO market, the global biopharmaceutical CDMO industry has also sparked investments and M&A boom. Since 2019 Mycenax has shifted to be a CDMO company that provides one-stop services for the development and production of biopharmaceuticals. The Company urgently needed to continuously expand its production capacity in order to enhance its competitiveness. However, the capital required to expand production lines is enormous, resulting in a net loss of NT\$ 271,092 thousand after tax in the first three quarters of 2022, and the Company still has accumulated losses of NT\$ 224,655 thousand. Due to the rapidity and convenience of the private placement, the Company can quickly obtain operational capital. In addition, the securities issued in the proposed private placement are subject to free share transfer restriction for three years, so a long-term partnership between the Company and the selected investor can be secured. Furthermore, the place selected should be able to assist the Company in strengthening future operations directly or indirectly, enhance competitiveness, and increase shareholder equity. Therefore, the proposed private placement should be considered reasonable.

### (3) Impact of the transfer of ownership on the business, finances, and shareholder equity

As of February 28, 2023, the Company has issued 205,330,000 shares (including 24,000 shares issued due to the exercise of employee stock options, which have not yet been registered for the change). In addition, it is proposed to conduct a private placement of 30,000,000 common shares. Based on the full issuance, the paid-in capital will increase to 235,330,000 shares. The total number of shares to be privately placed this time is expected to be approximately 12.75% of the post-private placement equity. However, there are no specific places at present. After the proposed private placement of common shares, it is uncertain whether the specific investors will obtain a certain number of director seats to participate in the Company's management, which might induce a significant change in managerial control. If there are any changes in the board of directors or changes in the managerial control of the Company in the future, the relevant regulations will be followed to disclose the information to ensure the shareholders' interests.

If there is a significant change in managerial control after the proposed private placement is conducted, the impact on the business, finances, and shareholders' equity will be explained as follows:

#### (1) Impact on the business

Since 2019 the Company has refocused on the development of the CDMO business and has successfully won a contract from an indicative Company, Sam Chun Dang Pharm. Co., Ltd., for manufacturing a biosimilar of Eylea used for clinical phase III trials and application for drug approval. Furthermore, JCR Pharmaceuticals Co., Ltd., an important client, has invested in Mycenax and became the largest shareholder in a private placement conducted in 2022, further deepening the cooperation in the development and manufacture of biopharmaceuticals. As the global biopharmaceutical CDMO market continues to grow, with increasing market demand, the Company needs to continuously expand its production capacity and seek international business cooperation to enhance its competitiveness. Therefore, the Company aims to conduct the proposed private placement to introduce selected investors that can directly or indirectly benefit future operations, ensuring a long-term cooperative relationship and positive effects on business.

#### (2) Impact on the finances

The Company plans to privately issue common stocks within the limit of 30,000,000 shares to raise funds to enrich operating capital and improve financial structure. The Company is currently striving to secure a leading position in the global CDMO market and therefore needs to continuously expand production lines, increase production capacity, and enhance

technological capabilities to strengthen its competitiveness. By raising funds through a private placement of common stocks, the Company can effectively lower the debt-to-equity ratio and improve its financial structure, which should have a positive impact on financial performance.

(3) Impact on the shareholder equity

The Company plans to privately issue common stocks within the limit of 30,000,000 shares, and the issue price of the common shares issued in the proposed private placement shall not be lower than 80% of the reference price. Based on full issuance, the funds raised from the proposed private placement will be used to enrich operating capital, which is expected to strengthen the financial structure and lower the cost of funds. This will allow the Company to expand future operations and improve long-term competitiveness. Furthermore, the three-year restriction on the transfer of privately placed securities ensures a long-term partnership between the Company and the selected investor, which will be able to increase shareholder equity.

5. Summary on the assessment

In summary, the funds raised from the proposed private placement will be used to enrich operating capital and improve the financial structure, which will be able to strengthen future operations and increase shareholder equity. Taking the current operational status of the Company and the feasibility of raising funds into consideration, it is deemed necessary and reasonable for the Company to carry out issuance of new shares for capital increase through a private placement. In addition, the proposal provided by the Company's board of directors has been reviewed by MasterLink Securities Corporation. There is no violation of regulations or significant unreasonable situation in the content and procedures of its issuance plan. After comprehensive consideration of various factors, including the benefits expected from the proposed private placement and the impact of the selected investor on business, finance, and shareholder equity, it is deemed necessary and reasonable for the Company to carry out a private placement to issue common stock.

The content of this document is only intended as a reference for Board Meeting on March 13, 2023, and Shareholder's Meeting on June 20, 2023, regarding the current private placement case at Mycenax, and should not be used for any other purpose. Besides, the document is based on the financial information provided by Mycenax and the information disclosed on the Market Observation Post System. Under no circumstances will MasterLink Securities Corporation be held legally responsible or liable in any way for any losses or damages caused by any changes in the content of the opinion due to the modification of the proposed private placement or other events in the future.

## Statement of Independence

- (1) MasterLink Securities Corporation (hereinafter referred to as “we” and “our”) has been commissioned by Mycenax Biotech Inc. (hereinafter referred to as Mycenax) to provide an opinion on the necessity and reasonableness of private placement in 2023.
- (2) To conduct the business mentioned above, we hereby declare the following matters:
- We are not the company that is invested by Mycenax using the equity method.
  - We are not the company that invests in Mycenax using the equity method.
  - Our chairman or president is not the same as Mycenax’s and has neither a spousal relationship nor a relationship within the second degree of kinship with Mycenax’s chairman or president.
  - We are not the director or supervisor of Mycenax.
  - Mycenax is not our director or supervisor.
  - Our company, other than the aforementioned situation, does not have any locked-in relationships with related parties as defined in Article 18 of the Financial Report Preparation Guidelines for Securities Issuers with Mycenax.
- (3) For the necessity and reasonableness of the proposed private placement conducted by Mycenax in 2023, the evaluation opinions put forward all maintain the spirit of detachment and independence.

Assessor: MasterLink Securities Corporation

Representative: Ching-Fa Chang

March 10, 2023



## Attachment 9.

List of non-competition restrictions proposed to be lifted.

Director's Name	Released restriction items	Main business content
Center Laboratories, Inc.	Director, Biogend Therapeutics co., Ltd. Director, Ever supreme Bio Technology co., Ltd. Director, Ever Fortune.AI CO., Ltd. Director, Cytoengine Co., Ltd. Chairman and director, Krisan Biotech Co., Ltd.	Pharmaceutical industry Pharmaceutical industry Biomedical technology Pharmaceutical industry Pharmaceutical industry
Center Laboratories, Inc. Representative: Chun-Hong Chen	Director (Legal Representative), Center Laboratories, Inc. Director (Legal Representative), Chia Her Industrial Co., Ltd. Director (Legal Representative), MasterLink Futures Corporation.	Pharmaceutical industry Medical Materials and Supplies Manufacturing / Wholesale Futures Commission Merchants
Nien Hsing International Investment Co., Ltd. Representative: En-Tzn Liu	Director (Legal Representative), BioGend Therapeutics Co., Ltd.	Pharmaceutical industry
Jason Technology Co., Ltd. Representative: Chia-Ling Lin	Director (Legal Representative), Center Laboratories, Inc. Director (Legal Representative), Bioengine Technology Development Inc. Director, Anya Biopharm Holding Corp (Cayman)	Pharmaceutical industry Investment Advisory Services Investment
China Investment and Development Co., LTD.	Director, Maxigen Biotech Inc.	Biomedical technology
China Investment and Development Co., LTD. Representative: Hsiu-Yuan Lee	Director (Legal Representative), China Investment and Development Co., LTD. Director (Legal Representative), CIDC Consultants INC. Director (Legal Representative), Maxigen Biotech Inc. Director (Legal Representative), Acepodia Biotechnologies, Limited. Director, Acepodoa, Inc.	Investment Investment Advisory Services Biomedical technology Biomedical technology Biomedical technology

**IX. Appendix**

## Appendix 1.

### Articles of Incorporation of Mycenax Biotech Inc. (Before Amendment)

#### Chapter 1: General Provisions

##### Article 1

The Company is incorporated, registered, and organized as a company limited by shares and permanently existing in accordance with the Company Act of the Republic of China (the "Company Act") and its name shall 永昕生物醫藥股份有限公司 in the Chinese language, and Mycenax Biotech Inc. in the English language.

##### Article 2

The scope of business of the Company shall be as follows:

C802041	Manufacture of Drugs and Medicines
C802060	Veterinary Drug Manufacturing
F108021	Wholesale of Western Pharmaceutical
F401010	International Trade
CF01011	Medical Devices Manufacturing
C199990	Manufacture of Other Food Products Not Elsewhere Classified
C802990	Other Chemical Products Manufacturing
IG01010	Biotechnology Services
IG02010	Research and Development Service

Research, design, development, manufacturing, and sale of the following products:

1. New Protein Molecules and Biosimilars
2. Process Development Services
3. CMO of New Proteins and Biosimilars
4. Stem Cell Products
5. Immune Cell Products
6. Antibody – Drug Conjugate, ADC

##### Article 3

The Company may formulate external endorsement guarantees in accordance with government regulations, which shall be approved by the Board of Directors and can only take effect if the Board approves all guarantees, and the details are included in the Board of Directors' meeting minutes.

##### Article 4

The head office of the Company is located in Hsinchu Science Park, Hsinchu, Taiwan, Republic of China ("R.O.C"). If necessary, the Board of Directors may set up additional branches in appropriate places in R.O.C or abroad.

##### Article 5

The announced method of the Company is handled in accordance with Article 28 of the Company Act.

##### Article 5-1

The Company's reinvestment is not subject to the restriction that the total amount of investment stipulated in Article 13 of the Company Law shall not exceed 40% of the paid-in capital. Any reinvestment shall be approved by the Board of Directors.

## Chapter 2: Share

### Article 6

The total capital of the Company is set at Five Hundred Billion New Taiwan Dollars (NT\$5,000,000,000), divided into Fifty Billion (500,000,000) shares at Ten New Taiwan Dollars (NT\$10) per share. The Board of Directors is authorized to issue these shares in several installments and may issue common or preferred stocks.

A total of 20,000,000 shares among the above total capital should be reserved for the issuance of new shares for performing an obligation under the employee stock options, which may be issued in installments.

To issue employee stock options that are not subject to the exercise price restriction set out in Article 53 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, an issuer is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing the majority of the total issued shares. The issuer is allowed to register multiple issues over a period of one (1) year from the date of the shareholder's resolution.

### Article 6-1

The rights and obligations of the Company's preferred stocks and other important issue terms are as follows:

- I. Preferred share dividends are capped at 8% per annum on issuance price per share. Preferred share dividends can be paid in cash in one lump sum each year. After the shareholders' meeting has acknowledged annual financial report, the Chairman shall set the baseline date for the payment of the previous year's dividends. The number of dividends payable for the year of initial issue and year of recall shall be pro-rated based on the actual number of days outstanding.
- II. The Company has sole discretion over the payment of preferred share dividends; the shareholders' meeting may resolve to withhold preferred share dividends in years that the Company makes no or insufficient earnings or for any reason it considers to be relevant, and any undeclared dividends will not be accumulated and will not be deferred.
- III. Apart from the dividends mentioned in Subparagraph 1 of Article 6-1, preferred shareholders are not entitled to distribute earnings or capital reserves (in cash or in stock) that are available to common shareholders.
- IV. The preferred shareholders shall distribute the remaining property of the Company in the order prior to the common shareholders and in the same order as the holders of the various preferred shares issued by the Company, subject to the limitation of the amount issued.
- V. Preferred shareholders are not entitled to vote and vote at the shareholders' meeting but may be elected as directors, and the shareholders' meeting shall have the right to vote on matters adverse to the rights and obligations of preferred shares shareholders.
- VI. Preferred shares cannot be converted into common shares.
- VII. Preferred shareholders may not request to have the Company recall preferred shares; however, the Company is entitled to recall all or part of preferred shares at the initial issuance price at any time from the day after the 5th anniversary of the issue date. The rights and obligations of unrecalled preferred shares shall remain the same as mentioned above. Should the Company decide to pay dividends in the year when preferred shares are recalled, the number of dividends payable shall be calculated based on the number of days outstanding in the given year.
- VIII. The capital reserve of the preferred shares issued at a premium shall not be replenished during the issuance period of the preferred shares. The name, date of issue, and specific conditions of issue of the preferred shares shall be determined by the Board of Directors in accordance with the Articles of Incorporation and relevant laws of the Company, subject to the conditions of the capital market and the will of the investors.

#### Article 7

The Company may, under the applicable laws and regulations in R.O.C., deliver shares or other securities in book-entry form by Taiwan Depository & Clearing Corporation., instead of providing physical certificates evidencing shares or other securities.

#### Article 8

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

#### Article 9

Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

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

#### Article 10

There are two types of shareholders' meetings: regular meetings and special meetings. Regular meetings are held by the Board within six months after the end of each fiscal year. Regular meetings are convened whenever necessary.

Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings are convened whenever necessary.

A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than thirty (30) days prior to the scheduled meeting date. A notice to convene a regular meeting of shareholders shall be given to each shareholder fifteen (15) days before the scheduled meeting date. The meeting of preferred stocks shall be convened in accordance with the relevant laws, rules and regulations.

The shareholders' meeting of the Company may be conducted by video conference or other means announced by the central competent authority.

#### Article 11

In case a shareholder is unable to attend a shareholders' meeting, such shareholder may issue a proxy in the form issued by the Company, setting forth the scope of authorization by signing and affixing such shareholder's seal on the proxy form for the representative to present on such shareholder's behalf. The relevant matters related to the use and rescission of the proxy shall be conducted in accordance with Article 177 of the Company Act and Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

#### Article 12

All shareholders of the Company are entitled to one voting right per share, with exceptions stated in the laws.

#### Article 13

Unless otherwise provided for in this Act, resolutions at a shareholders' meeting shall be made with the consent of more than half of the total number of shares issued, with the majority vote of the

shareholders present.

#### Article 14

The chairman of the Board shall lead the shareholders' meeting. If the chairman asks for leave or is unable to exercise the functions and powers for some reason, the vice Chairman shall act on his or her behalf. If the vice-chairman also asks for leave or is unable to exercise the functions and powers for some reason, the chairman shall appoint a director to act for him or her. If the shareholders' meeting is convened by a convening authority other than the Board of directors, the chairman of the meeting shall be the convening authority. If there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

#### Article 15

Decisions of the shareholders' meeting shall be recorded and signed or sealed by the Chairman of the meeting. The distribution of the meeting minutes may be done in the form of a public notice. The minutes shall record the year, month, day, venue, the name of the Chairman, the method of decision, the gist of the proceedings, and their results. The minutes shall be kept in perpetuity during the existence of the Company.

#### Article 16

When the company intends to cancel the public offering, it shall submit a resolution of the shareholders' meeting. This Article shall not be altered when the Company is listed (whether exchange-listed, OTC-listed, or registered on the emerging-stock market).

### **Chapter 4: Board of Directors**

#### Article 17

The Company shall have 7-9 directors and the number of directors authorized by the board of directors. Elections of the Company's directors shall be conducted per the candidate nomination system. The shareholders' meeting shall elect the directors from the nominees listed in the roster of director candidates. The term of office of each director is three (3) years, and all directors are eligible for re-election. The percentage of aggregate shareholding of all directors shall comply with the Company Act and regulations prescribed by the supervisory authority of securities.

The independent directors shall be no less than three (3) and no less than one-fifth of the total directors. The independent directors shall be nominated at the shareholders' meeting from the list of candidates. The professional qualifications, restrictions on both shareholding and concurrent positions held determination of independence, method of nomination, and other compliance requirements concerning the independent directors shall be outlined under the Company Act and other related laws and regulations by the competent securities authority.

With a resolution adopted by the board of directors, the Company may take out liability insurance for directors.

#### Article 17-1

The Company establishing an audit committee is adopted under Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the total number of independent directors. The audit committee exercises the powers of supervisors in accordance with the Securities and Exchange Act, the Company Act, and other laws and complies with relevant laws and company regulations.

#### Article 18

The board of directors shall elect a chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors and can elect one (1) director as vice chairman in the same

way. The chairman of the board shall externally represent the Company and execute all business under the provisions of laws and regulations, the Articles of Incorporations of the Company, and the resolutions adopted by the shareholders' meetings and the board of directors' meetings.

#### Article 19

Unless otherwise stated in the Company Act or this Articles of Incorporation, resolutions of the board of directors shall be attended by half of the directors and approved by half of the directors present. If a director is absent for any reason, they may appoint another director to attend a meeting on their own; they shall issue a written proxy and state the scope of authority regarding the subjects to be discussed at the meeting. A director may act as the proxy only for one of the directors.

#### Article 20

Except for the first meeting of each term, the board of directors meeting shall be convened by the director with the most elected representatives after the election. The chairman of the board shall arrange and lead the meeting.

In calling a board of directors meeting, a notice setting forth the subject(s) to be discussed at the meeting shall be given to each director at least seven (7) days prior to the scheduled meeting date. However, in the case of an emergency, the meeting may be convened at any time. The meeting notice may be sent by e-mail or fax to all directors and attendees. A meeting of the board of directors may be held via video conference. The directors participating in such a video conference shall be regarded to have attended the meeting in person.

#### Article 21

When the Chairman asks for leave or cannot exercise his powers for any reason, the Vice Chairman of the Board of Directors, or any one of the Directors shall be acting for him or her according to Article 208 of the Company Law.

#### Article 22

Regardless of company profit or loss, the remuneration payable to directors will be decided at the Board meeting according to their contributions to the Company and also with reference to the industry payout standard. If the Company have surplus earnings, it shall pay dividends on according with Article 25.

### **Chapter 5: Managers**

#### Article 23

The Company may have managers. The appointment, removal, and remuneration of the manager(s) shall be based on Article 29 of the Company Act.

### **Chapter 6: Accounting**

#### Article 24

The Company's fiscal year starts from January 1st to December 31st of each year. At the end of each fiscal year, the board of directors should prepare the following documents, (1) Business Report, (2) Financial Statements, (3) Proposal Concerning the Distribution of Earnings or Covering of Losses, and then submit reports to the shareholders' meeting for ratification.

#### Article 25

Annual earnings concluded by the Company are the first subject to pay the tax and reimbursement of

previous losses, followed by a 10% provision for legal reserve unless legal reserves have accumulated to the same amount as the Company's paid-up capital, and condition or reversal of special reserve as the laws may require. Any earnings remaining may be prioritized for the current year's preferred share dividends and then added to opening undistributed earnings for distribution at the board of directors' proposal. Distributions that involve the issuance of new shares are subject to resolution at a shareholder meeting.

Since the Company is in a highly developing industry, the dividend distribution policy is based on the Company's current year's earnings and previous years' accumulated earnings, considering the Company's profitability, capital structure, and future operating needs to determine the Company's planned dividend distribution. The distribution of stock dividends is limited to no more than 50% of the total dividends, and the remaining cash dividends are distributed. The board of directors will consider operating and capital expenditure requirements, propose a distribution plan and submit it to the shareholders' meeting for decision.

#### Article 25-1

The company shall allocate 10% to 12% as employee compensation, which shall be distributed in stock or cash according to the Company earnings of the current year by the board of directors' resolution. The distribution objects include employees of subsidiary companies who meet certain conditions. The board of directors can withdraw no more than 2% of the profit amount to distribute the director's remuneration. Employee and directors' remuneration distribution shall be reported to the shareholders' meeting.

However, profits must first be taken to offset cumulative losses, if any. Then the company shall allocate employee compensation and directors' remuneration in proportion to the preceding paragraph.

### **Chapter 7: Additional Rules**

#### Article 26

The Company Act shall govern any matters not addressed in the Articles of Incorporation.

#### Article 27

This Articles of Incorporation was established on September 12, 2001.

The 1st amendment was made on January 10, 2002.

The 2nd amendment was made on February 4, 2002.

The 3rd amendment was made on June 28, 2002.

The 4th amendment was made on June 16, 2003.

The 5th amendment was made on October 15, 2003.

The 6th amendment was made on February 9, 2004.

The 7th amendment was made on September 8, 2004.

The 8th amendment was made on December 6, 2004.

The 9th amendment was made on June 27, 2005.

The 10th amendment was made on June 20, 2006.

The 11th amendment was made on June 30, 2008.

The 12th amendment was made on June 23, 2010.

The 13th amendment was made on May 18, 2011.

The 14th amendment was made on December 6, 2011.

The 15th amendment was made on April 18, 2012.

The 16th amendment was made on June 23, 2015.

The 17th amendment was made on June 21, 2016.

The 18th amendment was made on May 29, 2018.



The 19th amendment was made on August 15, 2019.  
The 20th amendment was made on June 10, 2020.  
The 21st amendment was made on May 30, 2022.

## **Appendix 2.**

### **Mycenax Biotech Inc. Rules of Procedure for Shareholders Meetings**

#### Article 1

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

#### Article 2

Shareholders referred to in these Rules shall be shareholders and their proxy.

#### Article 3

Attending shareholders 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 sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

If the sign-in card is handed over to the company, it is deemed that the shareholder or agent on the sign-in card is present in person, and the company is not responsible for the determination.

#### Article 4

The participation and voting by shareholders shall be duly calculated based on the number of shares they hold. If shareholders propose to count the attendance, the chairperson may not proceed. In the resolution, if the attendance has reached the statutory quota, the proposal is considered approved.

Any legal entity designated as proxy by shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting.

If a corporate shareholder designates two or more representatives to attend the meeting, only one of the representatives so designated may speak on any one motion.

#### Article 5

The location of shareholders meeting shall be the Company's current location or such other place that is convenient for shareholders to attend. The meeting shall not commence earlier than 9AM or later than 3PM.

#### Article 6

The agenda for the shareholders' meetings shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Relevant proposals (including extraordinary motions and the amendment to the contents of the original proposal) should be voted upon. The meeting shall be conducted in accordance with the agenda, which may not be altered without a resolution adopted at the shareholders' meeting. The preceding provisions of this Article apply mutatis mutandis to cases where shareholders' meetings are convened by any person(s), other than the Board of Directors, entitled to convene the meeting. Unless otherwise resolved at the shareholders' meeting, the chairman may not announce adjournment of the meeting unless the scheduled agenda items (including Extemporaneous Motions) set forth in the preceding provisions of this Article are concluded. 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.

After the meeting is adjourned, shareholders may not separately elect a chairman and resume the meeting at the original or another venue.

## Article 7

The chairman shall call the meeting to order at the time scheduled for the meeting, provided, however, that if during such a shareholders' meeting a majority of the total number of outstanding shares ceases to be present, the chairman may postpone the shareholders' meeting to a later time, provided, however, that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponement shall not exceed one hour. If after two postponements no quorum can yet be constituted but the shareholders present at the meeting represent more than one 55 third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act. If before the end of the meeting and at enough shares become present to constitute a quorum, the chairman may then re-submit the tentative resolutions to the meeting for approval, in accordance with Article 174 of the Company Act.

## Article 8

When a shareholder attending the meeting wishes to speak, he or she shall first fill out a speaker's card, specifying therein the major points of his or her speech, account number (or number appeared on attendance pass) and account name. The chairman shall determine sequence of shareholders' speeches. A shareholder in attendance who submits a speaker's slip but does not speak shall be deemed to have not spoken. In the case where the contents of a shareholder's speech differ from those specified on the speaker's card, the contents of the actual speech shall prevail.

When shareholders' authorization is limited by proxies in the power of attorney or through other methods, proxies' speech or votes shall prevail, regardless of the Company's awareness.

## Article 9

A shareholder may not speak more than twice on the same resolution without the chairman's consent, with five minutes maximum for each speech. The chairman may stop any shareholder who violates the above rules or exceeds the scope of the agenda item.

Unless otherwise permitted by the chairman and speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder; the chairman shall stop any such interruptions.

## Article 10

The chairman may respond or designate other persons to respond after an attending shareholder's speech.

## Article 11

No discussion or voting shall proceed for matters unrelated to the proposal. The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote with adequate voting time. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.

For such motions which are announced by the chairman to be determined by votes may be casted for several motions at the same time but shall be voted separately.

## Article 12

Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions shall be adopted by a majority of the votes 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. During the resolution process, an issue is deemed to have successfully been resolved if no objection is heard in response to the inquiry by the chairperson. The decision so resolved is equally valid as a decision duly resolved through balloting. If there is an amendment or replacement proposal to the original proposal, the chairman shall decide the sequence of voting for such proposals, provided that if any one of the proposals has been approved, the others shall be deemed vetoed and no further voting is required.

#### Article 13

Unless otherwise provided by law, a shareholder shall be entitled to one vote for each share held.

#### Article 14

The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder.

Vote counting for shareholders meeting proposals shall be announced on-site at the meeting, and a record made of the vote.

#### Article 15

The Company may appoint designated attorneys, certified public accounts or other relevant persons to attend shareholders' meetings. The staff members who take charge of the shareholders' meeting affairs shall wear identification certificates or armbands.

#### Article 16

The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.

#### Article 17

The chairman may direct disciplinary officers (or security personnel) to maintain the order of the Meeting. For identification purposes, they shall wear a badge bearing the words of "disciplinary officer." Shareholders should obey the instructions of the chairman, pickets or security personnel to maintain order.

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

#### Article 18

During the process of the meeting, the chairman may announce a recess at an appropriate time.

#### Article 19

If the matters do not apply to these rules, they shall be pursuant to the Company Act and other laws and regulations.

#### Article 20

These rules and procedures shall be effective after ratification at the shareholders' meetings. The same applies to modifications.

These Rules were enacted on June 28, 2002.

The 1st amendment was made on June 23, 2010.

The 2nd amendment was made on June 29, 2012.  
The 3rd amendment was made on June 10, 2020.

### Appendix 3.

#### Mycenax Biotech Inc. Directors' Shareholdings

1. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is as follows:

Title	Statutory minimum shareholding requirement for all directors	Shares registered in the Shareholders List on the first day of the book closure period for all directors
Directors	12,000,000 shares	86,755,269 shares

2. Number of shares held by the director.

Title	Name	Shares registered in the Shareholders List on the first day of the book closure period for all directors	%
Chairman	Center Laboratories, Inc. Representative: Pei-Jiun Chen	41,974,314	20.39%
Director	Center Laboratories, Inc. Representative: Chun-Hong Chen		
Director	JCR Pharmaceuticals Co., Ltd. Representative: Yoh Ito	42,000,000	20.40%
Director	Nien Hsing International Investment Co., Ltd. Representative: En-Tzn Liu	1,025,844	0.50%
Director	Jason Technology Co., Ltd. Representative: Chia-Ling Lin	1,302,674	0.63%
Director	China Investment and Development Co., LTD. Representative: Hsiu-Yuan Lee	452,437	0.22%
Independent Director	Kuo-Pin Kao	0	0.00%
Independent Director	Yu-Sheng Tsai	0	0.00%
Independent Director	Allen Y. Chao	0	0.00%

Note: Book closure date: April 22, 2023