

Operating Procedures of Endorsements/Guarantees of Mycenax Biotech Inc.

Article 1

In order to protect the rights and interests of shareholders, improve the company's financial management and reduce business risks, this operating procedure is formulated in accordance with the Securities and Exchange Act and the relevant regulations of the Financial Supervisory Commission.

Article 2

All relevant endorsements and guarantee matter of the company shall be implemented in accordance with the provisions of this procedure.

Article 3

The term "endorsements/guarantees" as used in these Regulations refers to the following:

1. Financing endorsements/guarantees, including:
 - A. Bill discount financing.
 - B. Endorsement or guarantee made to meet the financing needs of another company.
 - C. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the company's financing needs.
2. Guarantee for the company or another company concerning customs duty matters.
3. Any endorsement or guarantee that cannot be attributed to the preceding two paragraphs. If the company provides movable or immovable property to set pledge rights or mortgage rights for the guarantee of other company's loans, it should also be handled in accordance with the provisions of this operating procedure.

Article 4

The company may make endorsements/guarantees for the following companies:

1. The company in which the public company, directly and indirectly, holds more than 90 percent of the voting shares.
2. The company, directly and indirectly, holds more than 90 percent of the voting shares in the public company.

Endorsements may be guaranteed between companies where the company, directly and indirectly, holds 100% of the voting shares.

Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding paragraphs.

The capital contribution mentioned in the preceding paragraph refers to the capital contribution made by the company directly or through a company that holds 100% of the voting shares.

Article 5 The limit of the company's external endorsement guarantee

1. The total amount of the external endorsement guaranteed by the company shall be at most 40% of the net value of the company's most recent financial statement.
2. The limit of endorsement guaranteed for a single enterprise shall not exceed 20% of the net value of the company's most recent financial statement.

3. The total endorsement guaranteed by the company and its subsidiaries shall not exceed 40% of the shareholders' equity in the company's most recent financial statements. The limit of endorsement by the company and its subsidiaries to a single enterprise shall not exceed 20% of the shareholders' equity in the company's most recent financial statements.
4. In accordance with the financial reporting standards for securities issuers, the definitions of "subsidiary," "parent company," and "net worth" used in this operating procedure shall be determined. The prescribed balance sheet shall accurately reflect the net worth of the parent company's owners.
5. Net worth is based on the most recent financial statements audited, certified, or reviewed by an accountant.

Article 6 Hierarchy of decision-making authority.

1. Endorsements and guarantees are subject to the approval of the board of directors.
2. The board of directors may delegate the authority to make a decision within certain limits to the chairman, who will then present the decision to the board for ratification and provide a report on the matter to the shareholders' meeting for reference. Any related handling of the decision will also be reported to the shareholders' meeting.

Article 7 Procedures for making endorsements/guarantees and detailed review procedures

1. In the event that the company is handling endorsement and guarantee matters, the recipient of the guarantee should complete the "Endorsement and Guarantee Application Letter," detailing the purpose and amount of the endorsement guarantee. The company's promissory note should also be reviewed and submitted to the financial unit for application.
2. The above official letter and promissory note should be reviewed by the head of the financial department first. The detailed review points are as follows:
 - A. Whether the grounds for requesting endorsement are sufficient.
 - B. Whether the amount of the endorsement guarantee is necessary to measure the financial position of the guaranteed company.
 - C. The cumulative endorsement guarantee amount should be assessed to ensure that it remains within the established limit, and that it is equivalent to the amount of the business transaction.
 - D. Credit investigation and risk assessment of endorsement guarantee objects.
 - E. Impact on the company's operational risks, financial condition, and shareholders' equity.
 - F. Whether the collateral should be obtained and the appraised value of the collateral.
3. The head of the finance department will present the audit opinion, along with the official letter and promissory note, to the general manager and the chairman for review. Upon obtaining their verification, the documents will be submitted to the board of directors for approval. The resolution of the board of directors will be implemented to handle the matter accordingly.
4. The approved and endorsed promissory note can be returned to the guaranteed company after completing the following procedures.
 - A. Stamped with company seal.
 - B. Photocopy the front and back of the endorsed promissory note and keep it for future reference.
 - C. Register the "Promissory Note Endorsement and Cancellation Reference Book" to control the endorsement amount.
 - D. The reference book compiled by the Finance Department shall include information on commitments and guarantees, including the name of the endorsed enterprise, the results of risk assessment, the amount of endorsement, the details of collateral obtained, the date of

approval by the board of directors or the decision of the chairman, and the conditions and dates for fulfilling endorsement and guarantee obligations. All relevant details will be recorded for future reference.

5. In the event that the board of directors or the chairman does not approve the endorsement of the promissory note, the finance department will document the reasons for this decision and return the promissory note to the recipient of the guarantee, along with the documentation outlining the reasons for the non-endorsement.
6. In the event that business needs require the company to exceed the limits on endorsement guarantees specified in the endorsement guarantee operating procedures, and the conditions set forth in those procedures are met, the board of directors must approve the request. At least half of the directors shall be responsible for the company and revise the endorsement guarantee procedures, which must then be presented to the shareholders' meeting for ratification. If the shareholders' meeting does not approve the request, a plan must be developed to cancel the excess portion within a designated time frame. During the board discussion, the opinions of each independent director must be fully considered and recorded in the minutes, along with any objections and the reasons for such objections.
7. In the event that changes in circumstances result in the company's endorsement and guarantee object no longer meeting relevant laws and regulations or the established limits, a plan for improvement must be developed and presented to the board of directors. The relevant improvement plan shall also be shared with the members of the audit committee, and the improvements must be completed in accordance with the planned schedule.
8. The internal auditor should conduct an audit of the endorsement guarantee operating procedures and their implementation at least quarterly, with records kept of the audit. In the event that any major violations are identified, the internal auditor should immediately notify all members of the audit committee in writing.
9. In the event that the company or its subsidiary endorses a subsidiary whose net worth is less than half of the paid-in capital, the credit management unit must review the necessity and rationality of the endorsement and the company's risk assessment, in addition to assessing the company's operational risks, financial status, and the appropriateness of subsequent endorsements on a monthly basis. The results of this assessment should be reported to the chairman. The internal auditor should also conduct an audit of the endorsement guarantee operating procedures and their implementation on a monthly basis, keeping records of the audit. If any major violations are identified, the internal auditor should immediately notify the members of the audit committee in writing.
10. The company shall evaluate or recognize any potential losses from endorsement guarantees, as well as any related information on endorsement and guarantee matters. A certified accountant shall perform the necessary verification procedures and the company shall appropriately disclose information on endorsement guarantees in the financial report. In the event that the shares of the subsidiary have no par value or the par value per share is not NT\$10, the paid-in capital must be calculated by adding the share capital to the capital reserve and subtracting the issuance premium, as specified in Subparagraph 9 of the preceding paragraph.

Article 8 Cancellation of endorsed promissory notes

1. In the event that the endorsed promissory note must be cancelled due to debt repayment or renewal, the recipient of the guarantee must prepare the necessary documentation and submit the original endorsed promissory note, along with the seal of "cancellation," to the finance department of the company. The communication should be filed for future reference.

2. The Finance Department will record the cancelled promissory note in the "Promissory Note Endorsement and Cancellation Endorsement Guarantee Reference Book" at any time to reduce the cumulative endorsement amount.
3. When the promissory note is renewed, the financial institution often requires the new one to be endorsed before returning the old one. In this case, the financial unit should have a follow-up record, and the old note will be recovered and canceled as soon as possible.

Article 9 Seal use and storage procedures

The company's special seal for registration with the Ministry of Economic Affairs shall be used for endorsement. The seal shall be kept by an individual approved by the board of directors and its use must be processed in accordance with the procedures established by the company. In the event that the company is providing a guarantee for a foreign company, the letter of guarantee must be signed by a person authorized by the board of directors.

Article 10 Announcement and reporting procedures

1. It is the responsibility of the company to announce and declare the balance of endorsement guarantees for the company and its subsidiaries by the tenth day of each month, covering the previous month.
2. In the event that the balance of endorsement guarantees for the company and its subsidiaries reaches any of the designated standards, the company must announce and report this fact within two days of its occurrence.
 - A. The balance of the endorsement guarantee is more than 50% of the net worth of the company's most recent financial statement.
 - B. The balance of endorsement guarantee for a single enterprise is more than 20% of the net value of the company's most recent financial statement.
 - C. The balance of endorsement and guarantee for a single enterprise is more than NT\$10 million. The total amount of the book value of the investment and the balance of capital loans and funds under the equity method of endorsement and guarantee for the endorsement and guarantee is more than 30% of the net value of the company's most recent financial statement.
 - D. The newly added endorsement guarantee amount is more than NT\$30 million and more than 5% of the company's most recent financial statement net value.
 - E. The date of occurrence of the fact mentioned in this procedure refers to the date of signing the contract, the date of payment, the date of the resolution of the board of directors, or any other date that is sufficient to determine the object and amount of funds be loaned out, whichever is the former.
3. If the company's subsidiary is not a domestic public offering company and has matters that should be announced and reported as outlined in Subparagraph 4 of the preceding paragraph, the company must assume responsibility for fulfilling this requirement.

Article 11

If the company's subsidiary intends to endorse or provide guarantees for others due to business needs, it must be instructed to develop appropriate endorsement and guarantee procedures.

Article 12

When the company's managers and personnel in charge violate the Operating Procedures, they will be reported for assessment in accordance with the company's Regulation of Rewards and Punishments and punished according to the seriousness of the circumstances.

Article 13

This operating procedure shall be approved by the audit committee, passed by the board of directors' resolution, and submitted to the shareholders' meeting for approval.

In the event that the preceding paragraph does not have the consent of at least half of all members of the audit committee, it may be implemented with the consent of more than two-thirds of all directors. The resolution of the audit committee shall be recorded in the minutes of the board meeting.

The terms "all audit committee members" in this article and "all directors" in the preceding paragraph shall be counted as the number of persons currently holding those positions.

Article 14 Announcement of Implementation and Amendments

This operating procedure was established by the general meeting of shareholders on June 28, 2002.

The 1st amendment was reviewed and approved by the board of directors on March 28, 2006, and by the general meeting of shareholders on June 20, 2006.

The 2nd amendment was reviewed and approved by the board of directors on March 23, 2009, and by the general meeting of shareholders on June 26, 2009.

The 3rd amendment was reviewed and approved by the board of directors on June 23, 2010, and March 31, 2011, and by the general meeting of shareholders on May 18, 2011.

The 4th amendment was reviewed and approved by the board of directors on February 4, 2013, and by the special meeting of shareholders on March 28, 2013.

The 5th amendment was reviewed and approved by the board of directors on March 28, 2019, and by the general meeting of shareholders on June 17, 2019.

The 6th amendment was reviewed and approved by the board of directors on June 27, 2019, and by the special meeting of shareholders on August 15, 2019.

Translation –In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.