



2022 Annual Shareholders' Meeting Meeting Handbook

Date: June 30, 2022

Place: R&D Center International Conference Hall, 2nd Floor, No. 8,
Section 2, Shengyi Road, Zhubei City, Hsinchu County

(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 Versioned Chinese version, the Chinese version shall prevail.)

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Chapter I. Procedures for 2022 Annual Shareholders' Meeting of Medigen Vaccine Biologics Corp.

- I. Report the number of shares represented at the meeting
- II. Announcing the Opening of the Meeting
- III. Chairperson Remarks
- IV. Report Items
- V. Ratifications
- VI. Discussion Items
- VII. Other Matters
- VIII. Questions and Motions
- IX. Adjournment

Chapter II. Agenda of 2022 Annual Shareholders' Meeting of Medigen Vaccine Biologics Corp.

Meeting Date: June 30, 2022 (Thursday) at 9:00 a.m.

Place: R&D Center International Conference Hall, 2nd Floor, No. 8, Section 2, Shengyi Road,
Zhubei City, Hsinchu County

Meeting Type: Physical Shareholders' Meeting

I. Chairperson's Remarks

II. Report Items

(I) 2021 Business Operations Report

(II) Audit Committee's Review Report

(III) 2021 Directors' Remuneration and Employee's Compensation Distribution Report

(IV) The Implementation of 2021 Operation Plan of MVC

III. Ratifications

(I) MVC's 2021 business report and financial statements.

(II) Adoption of the Proposal for 2021 Earnings Distribution table

IV. Discussion Items

(I) Amendment to "Articles of Incorporation"

(II) Proposal for a new share issue through capitalization of earnings

V. Questions and Motions

VI. Adjournment

[Report Items]

Item I. 2021 Business Report.

Description: 2021 Business Report (Please refer to Attachment I of the Handbook)

Item II. The Audit Committee's Review Report.

Description: Audit Committee's Review Report on the 2021 Financial Statement (Please refer to Attachment II of the Handbook).

Item III. 2021 Directors' Remuneration and Employee's Compensation Distribution Report.

Description: 1. In accordance with Article 235-1 of MVC Act and Article 27-1 of the Articles of Incorporation.

2. If MVC has a profit in the year (the current year's pre-tax profit deducts the benefits before the distribution of employee and director's remuneration), it should allocate no less than 1% as employee's compensation and no more than 1% as director's remuneration.

3. MVC plans to distribute NT\$45,000,000 for employee's compensation and NT\$2,100,000 for directors' remuneration in cash, the disbursement amount is not much different from the estimated amount of recognized expenses in 2021.

Item IV. The Implementation of 2021 Operation Plan of MVC

Description: The Implementation of 2021 Operation Plan of MVC (Please refer to Attachment III of the Handbook).

[Ratifications]

Item No. 1

Proposed by the Board of Directors

Proposal: Adoption of the 2021 Business Report and Financial Statements.

Explanation: 1. MVC individual and consolidated financial statements for 2021 have been duly audited by Ms. Lin, Ya-Hui and Ms. Juanlu, Man-Yu, CPAs from PwC, who have attested the final report, and issued the audit report with unqualified opinion, and the business report for concomitant review and approval by the Audit Committee, and adoption by resolution of the Board of Directors.

2. Please refer to Attachment 1 of the Handbook for the 2021 business report and Attachment IV for the 2021 financial statements.

3. The proposal is hereby submitted to the shareholders' meeting for ratification.

Resolution:

Item No. 2

Proposed by the Board of Directors

Proposal: Adoption of the Proposal for 2021 Earnings Distribution table.

Explanation: In accordance with the provisions of Item 28 of the Articles of Incorporation, please refer to Attachment V for the preparation of the 2021 Annual Earnings Distribution Table.

1. If there is a surplus in the annual final accounts of MVC, after paying taxes and making up for losses from previous years, 10% should be set aside as a statutory surplus reserve, and may be set aside or reversed as a special surplus reserve depending on business needs or laws and regulations. The balance plus the retained earnings at the beginning of the period shall be retained or distributed as shareholder dividends upon the resolution of the shareholders' meeting. Since MVC is in the growth stage, in order to continue to expand the model, the dividend distribution takes into account the future operating scale and the demand for cash flow, MVC intends to distribute all dividends in stock.
2. It is proposed to distribute stock dividends to shareholders. After the approval of the shareholders' meeting, the board of directors will be authorized to set another ex-rights base date and stock distribution date. The dividend allotment rate of the above-mentioned shareholders is calculated based on the 213,439,100 ordinary shares issued by MVC as of March 1, 2022. If MVC's share capital changes subsequently, the number of shares that MVC can participate in the allotment is affected, if there is a change in the allotment rate, it is proposed to request the shareholders' meeting to authorize the chairman of the board to handle and adjust it.

Resolution:

[Discussion Items]

Item No. 1

Proposed by the Board of Directors

Proposal: Amendment to "Articles of Incorporation".

Explanation: In response to operational needs, it is proposed to revise the "Articles of Incorporation". The comparison table of the provisions before and after the revision is detailed in Attachment VI.

Resolution:

Item No. 2

Proposed by the Board of Directors

Proposal: Proposal for a new share issue through capitalization of earnings

Explanation: 1. In order to enrich the working capital, MVC plans to issue new shares totaling NT\$1,067,195,500, with a par value of NT\$10 per share, and issue a total of 106,719,550 new shares.

2. The contents of this capital increase are as follows:

(1) Dividends will be converted into capital increase, and the original shareholders will allot 500 shares for every thousand shares according to the shareholder's shareholding ratio recorded in the shareholder register on the ex-rights allotment base date.

(2) If there are less than 1 share of abnormal shares allotted, the shareholders shall make up their own shares within 5 days from the date of closing the transfer of ownership. If there is still less than 1 share after making up or the share has not been made up within the time limit, the denomination shall be converted into cash and calculated up to NTD (all below NTD are rounded up). Then authorize the chairman to negotiate with a specific person to purchase at face value.

(3) The rights and obligations of insubstantial shares used in this capital increase are the same as those of the original shares. After being approved by the shareholders' meeting and submitted to the competent authority for approval, the board of directors is authorized to set another ex-rights allotment base date (capital increase base date), stock issuance date and other related matters.

(4) If MVC subsequently repurchases shares, executes the transfer or cancellation of treasury shares, or converts domestic convertible corporate bonds, which affects the number of shares in circulation and changes the shareholder's allotment rate, it is proposed to request the shareholders' meeting to authorize the chairman of the board. Handle changes related matters.

(5) If the above-mentioned matters related to the capital increase and issuance of new shares need to be amended due to the regulations of the competent authority or the objective environmental impact, it is proposed to submit to the shareholders' meeting to authorize the chairman to handle them with full authority.

Resolution:

[Questions and Motions]

[Adjournment]

Chapter III. Attachments

[Attachment I]

Medigen Vaccine Biologics Corp.

Business Report

I. 2021 Business Report

(I) Implementation results of the 2021 business plan and profitability analysis

MVC is a biotechnology new drug research and development company. The research and development product line includes COVID-19 vaccines, EV71 vaccines, dengue vaccines, monoclonal antibody biosimilar drugs, etc. Most of the main products are in the middle and late stages of research and development. The biological preparation factory located in the Zhubei plant complies with the Good Manufacturing Practices for Western Medicines and has obtained the PIC/S GMP appraisal license of complete production of Enterovirus 71 vaccine from the original solution to the sterile preparation of vaccine injection solution filling operations, sorting/packing operations and laboratory operations. The product has completed Phase III clinical trials and is in the process of applying for a drug license. After obtaining the drug license, it will be produced and shipped in a PIC/S GMP certified vaccine factory, and will be deployed in Taiwan, mainland China and Southeast Asia. In addition, MVC has submitted COVID-19 vaccine project manufacturing application to TFDA on June 15, 2021. After TFDA held an expert meeting on July 18, 2021 for review and discussion, MVC COVID-19 vaccine reached "COVID-19 vaccine project manufacturing or input of technical data review benchmarks" requirements, and the safety data shows no major safety concerns, the manufacturing license for the COVID-19 vaccine project has been approved by TFDA.

MVC COVID-19 started sales in 2021 and the sales revenue was \$3,275,166 thousand and the operating expenses were \$1,341,300 thousand, among them, the research and development expenses were \$ 1,193,088 thousand. , after adding the net non-operating income, the net profit for the current period was \$1,410,258 thousand.

(II) Budget implementation and financial revenue and expenditure

The implementation of the 2021 budget:

In NT\$ thousand

Item	2021		
	Actual Amount	Estimated Amount	Deviation
Sales Revenue	3,280,994	4,097,200	(816,206)
Operating costs	975,961	1,443,956	(467,995)
Gross Profit	2,305,033	2,653,244	(348,211)
Operating Expenses	1,341,300	942,350	398,950
Non-operating income and expenses	446,525	420,533	25,992
Net Profit before tax	1,410,258	2,131,427	(721,169)

The main reason is that the revenue of the COVID-19 vaccine in 2021 is less than the budget, resulting in the difference.

(III) Research and Development

For the COVID-19 vaccine, MVC signed a cooperative development contract with the National Institutes of Health in February 2020 to obtain a COVID-19 vaccine candidate and related biological materials. The animal immunogenicity experiment was carried out in Taiwan in March, and it was evaluated that this technology platform has development value; the two parties signed a global commercial license agreement on May 5, 2020, and obtained the complete rights to use, produce, and sell the Recombinant Spike Protein Vaccine" for COVID-19. MVC applied to TFDA on December 15, 2021 for the second phase of human clinical trial application. After the review and evaluation of the TFDA expert meeting, on December 29, 2021, MVC obtained the TFDA second phase clinical trial license. On July 19, 2021, the manufacturing license for the COVID-19 vaccine project has been approved by TFDA. In addition to being approved to conduct the third phase of the COVID-19 vaccine clinical trial in Paraguay on July 20, 2021, MVC was also selected as the WHO Solidarity Trial Vaccines, which is led and funded by WHO, in the Philippines, Colombia, and in the Republic of Mali, the third phase clinical trial of the efficacy of the traditional placebo-controlled vaccine was conducted; In addition, MVC COVID-19 vaccine was also sponsored by the international organization "Consortium for Epidemic Preparedness Innovations (CEPI)" to conduct the third booster immunization mixed trial of MVC vaccines, mRNA vaccines, and adenovirus vector vaccines. The international distribution of COVID-19 vaccine will be multi-pronged. At present, the clinical trials of various countries are progressing smoothly, and the goal is to obtain international certification in 2022 years.

MVC EV71 vaccine multi-country multi-center phase III clinical trial was conducted simultaneously in Taiwan and Vietnam, and the number of cases received in both places was completed in December 2020. This vaccine verification is applicable to young infants and young children aged 2 months to 6 months who are most in demand for vaccines, .MVC is the first development project in the world to obtain clinical trial data for infants aged 2-6 months. In June 2021, MVC completed the phase III multi-national multi-center clinical trial of EV71 vaccine and successfully unmasked the blindness. The data has reached the standard recommended by the Taiwan regulatory agency, and on October 1, 2021, it applied to TFDA for NDA inspection and registration of "MVC EV71 vaccine", and then sent documents to Vietnam and ASEAN countries to apply for drug certificates. MVC strive to start sales this year.

II. Business plan for 2022

- (I) The COVID-19 vaccine, a Phase III clinical trial with a scale of 1,000 people carried out by MVC in Paraguay, was unblinded in the mid-term and reached the superiority benchmark set by the trial. At the same time, it obtained the Emergency Use Authorization (EUA) license in Paraguay in February 2021, will further supply the Paraguay market to meet the local epidemic prevention needs. In addition, MVC COVID-19 vaccine was selected as the WHO solidarity trial vaccine, and the third booster immunization mixed

trial was funded by CEPI. International organizations such as WHO and CEPI are committed to assisting in the screening of the world's most potential second-generation COVID-19 vaccines, promoting global equitable access to COVID-19 vaccines, and distributing vaccines through COVAX, which is led by them. In the future, MVC will use the WHO solidarity trial vaccine data and the CEPI mixed trial data to apply to the WHO for inclusion in the emergency use list (EUL) vaccine, and purchase COVAX vaccines to help global epidemic prevention and vaccine supply.

In the production part, MVC COVID-19 vaccine production capacity is ready, and Zhubei PIC/S GMP biological preparation factory has the experience of PIC/S GMP implementation of cell culture vaccines from antigen production to aseptic filling and release, six major systems (quality system, facility and equipment system, raw/material system, production system, packaging and labeling system, laboratory quality control system) have been validated. In order to meet the domestic and international demand for the supply of COVID-19 vaccines, MVC has all three raw materials in place, including antigens, adjuvants and fillers, and the annual production capacity is expected to expand to more than 50 million doses.

- (II) MVC EV71 vaccine is currently the first development project in the world that has obtained multi-country and multi-center data validation and covers the effectiveness of the vaccine for high-risk infants aged 2 months to 6 months. It also has protection against other popular genotypes, and will use this as a niche in the future to actively deploy the unmet vaccine market, and actively deploy both self-funded and public-funded markets. Immediately after obtaining the drug license, it will expand its market share in Taiwan, the Philippines, Vietnam, Thailand, Malaysia and Singapore.
- (III) MVC acts as an agent for South Korea's GC Pharma quadrivalent seasonal influenza vaccine and applies for an import drug license. Based on commercial strategic considerations, MVC adopts its own brand strategy. Vaccine home-made rate, and effectively control product quality, profit and delivery time. MVC has applied to TFDA for drug inspection registration and approval (NDA) on January 11, 2022. After obtaining the approval, it will be able to supply the domestic annual quadrivalent influenza vaccine.

III. Future Development Strategies

- (I) MVC COVID-19 Vaccine: Obtaining Formal Drug Certificates to Supply Routine Vaccines and Develop Next-Generation Vaccines

From the current planning of the second basic dose, the third dose, and the fourth booster immunization, it may be necessary to vaccinate the COVID-19 vaccine once a year in the future to suppress large-scale infection, and the possibility of COVID-19 becoming a routine vaccination is extremely high. After MVC obtains the EUA, the next stage goal will focus on applying for official drug certificates in various countries, and become one of the supply options for each country's annual public-funded vaccine procurement. MVC has also cooperated with new biotechnology companies such as Vaxess and BlueWillow in the United States to develop COVID-19 vaccine in new delivery dosage forms, such as transdermal patches and nasal sprays. And in order to fight against the COVID-19 mutants, MVC independently developed broad-effect vaccines that can effectively neutralize

different mutant strains, and screened out the next-generation vaccine candidates based on the Beta strain with a high degree of immune escape, in order to expand the benefits of the vaccine and prolong the product life cycle.

(II) MVC EV71 vaccine: Bivalent/multivalent VLP (viral-like particle) enterovirus vaccine

At the same time, MVC is actively deploying Virus-Like Particles (VLP) vaccine production process technology, using the Baculovirus Expression System to produce virus-like particles, and transforming the existing enterovirus 71 vaccine, which is proficient in technology, into with other severe enteroviruses such as Keshaqi A16 type, etc., develop bivalent and multivalent VLP vaccine. In the future, MVC will promote the development of clinical trials according to the epidemic situation of the virus, and continue the product life cycle and medical needs.

(III) Other R&D product lines:

In addition to the main products currently in the preparatory stage for launch, MVC has also continued to enrich the product line layout. For example, in terms of dengue vaccine, MVC has completed the proof-of-concept (POC) and joint phase II clinical trials. In the future, MVC will comprehensively evaluate MVC's resources, epidemic situation and development strategy, and plan three-phase multi-country multi-center trials in Taiwan and Southeast Asia.

In addition, MVC and UCAB organization under the WHO and the European MABXIENCE pharmaceutical company jointly develop anti-respiratory fusion virus (anti-RSV) monoclonal antibody biosimilar drugs, which are still actively researched and developed. It is hoped that in the future, it will be based on cell culture production capacity and expand non-vaccine field revenue.

IV. Effect of external competition, the legal environment, and the overall business environment

At present, all walks of life in Taiwan continue to focus on and invest resources in the biotechnology industry. Government policies, competent authorities, capital markets, investors, etc. have adopted a positive and optimistic attitude towards my country's vigorous development of the biotechnology industry. With relatively abundant resources, MVC will continue to use external resources and favorable legal conditions to fulfill its social responsibilities and seek the best interests of shareholders.

Chairman: Chang, Shih-Chung



[Attachment II]

Medigen Vaccine Biologics Corp.

Audit Committee Review Report

The Board of Directors has prepared and submitted MVC's 2021 Individual Financial Statements and Consolidated Financial Statements have been duly audited by Ms. Lin, Ya-Hui and Ms. Juanlu, Man-Yu, CPAs from PwC, who have attested the final report and issued the audit report. We have examined MVC's 2021 Financial Statements, Business Report and the proposal for Earnings Distribution table and believe that there is no discrepancy. According to article 14-4 of the Securities and Exchange Act and Article 219 of Company Act for your review.

To Medigen Vaccine Biologics Corp.

Convener of the Audit Committee: Chang, Ming-Cheng



March 1, 2022

[Attachment III]

The Implementation of 2021 Operation Plan of MVC

In NT\$ thousand

Item	2021		
	Actual Amount	Estimated Amount	Deviation
Sales Revenue	3,280,994	4,097,200	(816,206)
Operating costs	975,961	1,443,956	(467,995)
Gross Profit	2,305,033	2,653,244	(348,211)
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The main reason is that the revenue of the COVID-19 vaccine in 2021 is less than the budget, resulting in the difference.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To Medigen Vaccine Biologics Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Medigen Vaccine Biologics Corporation (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements were as follows:

Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets

Description

Refer to Note 4(17) for accounting policies on impairment of non-financial assets, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to the impairment assessment of

property, plant and equipment, right-of-use assets and intangible assets, Note 6(8) for details of property, plant and equipment, Note 6(9) for details of right-of-use assets, and Note 6(10) for details of intangible assets. As at December 31, 2021, the Company's property, plant and equipment, right-of-use assets and intangible assets at fair value amounted to NT\$1,466,507 thousand, constituting 28% of total assets.

The Company measures recoverable amount based on the value in use. The evaluation of the value in use of each cash-generating unit involves management's subjective judgments, including the estimation of future cash flows and appropriate discount rates. We believe that the aforementioned assumptions are highly uncertain, and the estimated results have significant impact on the value in use. Therefore, we considered the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of the management's estimation process of the Company's future cash flows.
2. Discussed financial forecasts with management and assessed the reasonableness by comparing with historical results.
3. Reviewed the reasonableness of assumptions such as sales revenue growth rate and gross margin, and the parameters of the discount rate used, including the reasonableness of risk-free rate of the cost of equity capital, the risk coefficient of the industry, and similarity assets return in the market.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation, and Note 6(7) for details of inventory

As at December 31, 2021, the Company has inventory and allowance for inventory valuation losses in the amount of \$563,495 thousand and \$0, respectively, constituting 11% of the consolidated total assets. The Company is primarily engaged in manufacturing and sales of vaccine related products which have risks of inventory losing value or becoming obsolete due to allowance, obsolescence or trivial sales amount. Inventories are measured at the lower of cost and net realisable value, using the item by item approach. A provision for loss on decline in value of inventory is recognised based on the net realisable value. As the inventory and allowance for loss are material to the financial statements and the determination of net realisable value involves subjective judgment and estimates, we considered the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

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

1. Assessed the provision policy on allowance for inventory valuation losses based on the understanding of the Company's operations and industry.
2. Obtained an understanding of the inventory management process, participated in observing annual physical counts to assess the effectiveness of management's classification and controls over obsolete inventory.
3. Verified the accuracy of the Company's inventory aging report to check whether the inventory aging report was in accordance with the Company's accounting policy.
4. Examined the inventory valuation report to assess the adequacy of allowance for inventory valuation losses.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Lin, Ya-Hui

Juanlu, Man-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 1, 2022

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

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

MEDIGEN VACCINE BIOLOGICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1) and 8	\$ 1,176,617	22	\$ 1,675,466	48
1110	Financial assets at fair value through profit or loss - current	6(2)	53,097	1	53,170	2
1136	Financial assets at amortised cost, net - current	6(1)(4)	800,000	15	-	-
1140	Contract assets - current	6(17)	339,148	6	-	-
1170	Accounts receivable, net	6(5)	301,041	6	4,463	-
1200	Other receivables		70	-	126,252	4
130X	Inventories	6(7)	563,495	11	77,432	2
1410	Prepayments		79,632	2	17,302	-
1470	Other current assets	6(1), 7 and 8	232,866	4	51,639	1
11XX	Total current assets		3,545,966	67	2,005,724	57
Non - current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	54,000	1	-	-
1550	Investments accounted for using equity method	6(6)	3,241	-	4,000	-
1600	Property, plant and equipment	6(8)	1,233,960	23	1,159,857	33
1755	Right-of-use assets	6(9)	179,569	4	183,559	6
1780	Intangible assets	6(10)	52,978	1	60,011	2
1990	Other non-current assets	6(1), 7 and 8	229,297	4	77,537	2
15XX	Total non-current assets		1,753,045	33	1,484,964	43
1XXX	Total assets		\$ 5,299,011	100	\$ 3,490,688	100

(Continued)

MEDIGEN VACCINE BIOLOGICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Contract liabilities - current	6(17)	\$ 111,412	2	\$ -	-
2150	Notes payable		1,730	-	597	-
2170	Accounts payable		86,804	2	21,179	1
2200	Other payables		235,274	4	136,632	4
2280	Lease liabilities - current		1,987	-	1,928	-
2399	Other current liabilities		1,880	-	513	-
21XX	Total current liabilities		<u>439,087</u>	<u>8</u>	<u>160,849</u>	<u>5</u>
Non-current liabilities						
2580	Lease liabilities - non-current		183,867	4	185,854	5
2670	Other non-current liabilities		-	-	2,575	-
25XX	Total non-current liabilities		<u>183,867</u>	<u>4</u>	<u>188,429</u>	<u>5</u>
2XXX	Total liabilities		<u>622,954</u>	<u>12</u>	<u>349,278</u>	<u>10</u>
Equity						
Share capital		6(13)				
3110	Common stock		2,128,865	40	2,110,988	61
3140	Capital collected in advance		2,383	-	3,620	-
Capital surplus		6(14)				
3200	Capital surplus		1,135,010	21	2,319,154	66
Retained earnings		6(15)				
3350	Unappropriated retained earnings					
	(accumulated deficit)		1,410,258	27	(1,291,998)	(37)
Other equity interest		6(16)				
3400	Other equity interest		(459)	-	(354)	-
3XXX	Total equity		<u>4,676,057</u>	<u>88</u>	<u>3,141,410</u>	<u>90</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant subsequent events		11				
3X2X	Total liabilities and equity		<u>\$ 5,299,011</u>	<u>100</u>	<u>\$ 3,490,688</u>	<u>100</u>

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

MEDIGEN VACCINE BIOLOGICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(17)	\$ 3,280,994	100	\$ 11,507	-
5000 Operating costs	6(7)(22)(23)	(975,961)	(30)	(3,871)	-
5900 Net operating margin		<u>2,305,033</u>	<u>70</u>	<u>7,636</u>	-
Operating expenses	6(22)(23)				
6100 Selling expenses		(7,498)	-	(7,653)	-
6200 General and administrative expenses		(140,059)	(4)	(83,395)	-
6300 Research and development expenses		(1,193,088)	(37)	(679,556)	-
6000 Total operating expenses		(1,340,645)	(41)	(770,604)	-
6900 Operating profit (loss)		<u>964,388</u>	<u>29</u>	<u>762,968</u>	-
Non-operating income and expenses					
7100 Interest income	6(18)	2,739	-	1,471	-
7010 Other income	6(19)	442,358	14	77,753	-
7020 Other gains and losses	6(20)	7,446	-	26,790	-
7050 Finance costs	6(21)	(6,019)	-	(16,419)	-
7070 Share of loss of associates and joint ventures accounted for using equity method	6(6)	(654)	-	(907)	-
7000 Total non-operating income and expenses		<u>445,870</u>	<u>14</u>	<u>88,688</u>	-
7900 Profit (loss) before income tax		<u>1,410,258</u>	<u>43</u>	<u>(674,280)</u>	-
7950 Income tax (expense) benefit	6(24)	-	-	-	-
8200 Profit (loss) for the year		<u>\$ 1,410,258</u>	<u>43</u>	<u>(\$ 674,280)</u>	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(16)	(\$ 105)	-	(\$ 224)	-
8300 Other comprehensive loss for the year		<u>(\$ 105)</u>	<u>-</u>	<u>(\$ 224)</u>	-
8500 Total comprehensive income (loss) for the year		<u><u>\$ 1,410,153</u></u>	<u><u>43</u></u>	<u><u>(\$ 674,504)</u></u>	-
Earnings per share (in dollars)	6(25)				
9750 Basic earnings per share		<u>\$ 6.65</u>		<u>(\$ 3.61)</u>	
9850 Diluted earnings per share		<u>\$ 6.58</u>		<u>(\$ 3.61)</u>	

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

MEDIGEN VACCINE BIOLOGICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Tarran dollars)

		Capital		Capital Reserves				Other Equity Interest Exchange differences on translation of foreign financial statements	
	Notes	Share capital - common stock	Capital collected in advance	Additional paid-in capital	Employee stock options	Others	Unappropriated retained earnings (accumulated deficit)		Total equity
Year ended December 31, 2020									
Balance at January 1, 2020		\$ 1,560,258	\$ 129,798	\$ 240,121	\$ 54,454	\$ -	(\$ 617,718)	(\$ 130)	\$ 1,366,783
Loss for the year		-	-	-	-	-	(674,280)	-	(674,280)
Other comprehensive loss	6(16)	-	-	-	-	-	-	(224)	(224)
Total comprehensive loss		-	-	-	-	-	(674,280)	(224)	(674,504)
Issuance of common stock for cash	6(13)	540,000	(129,798)	1,952,323	-	-	-	-	2,362,525
Shares issued under employee stock plans	6(13)	10,730	3,620	44,426	(16,826)	-	-	-	41,950
Share-based payment transaction (Cash capital increase)	6(12)	-	-	41,307	(5,700)	-	-	-	35,607
Share-based payment transaction	6(12)	-	-	-	9,049	-	-	-	9,049
Others		-	-	-	(130)	130	-	-	-
Balance at December 31, 2020		\$ 2,110,988	\$ 3,620	\$ 2,278,177	\$ 40,847	\$ 130	(\$ 1,291,998)	(\$ 354)	\$ 3,141,410
Year ended December 31, 2021									
Balance at January 1, 2021		\$ 2,110,988	\$ 3,620	\$ 2,278,177	\$ 40,847	\$ 130	(\$ 1,291,998)	(\$ 354)	\$ 3,141,410
Profit for the year		-	-	-	-	-	1,410,258	-	1,410,258
Other comprehensive loss	6(16)	-	-	-	-	-	-	(105)	(105)
Total comprehensive income (loss)		-	-	-	-	-	1,410,258	(105)	1,410,153
Capital surplus used to cover accumulated deficit	6(15)	-	-	(1,291,998)	-	-	1,291,998	-	-
Shares issued under employee stock plans	6(13)	17,877	(1,237)	55,882	(16,843)	-	-	-	55,679
Share-based payment transaction (Cash capital increase)	6(12)	-	-	-	68,815	-	-	-	68,815
Others		-	-	-	(12,433)	12,433	-	-	-
Balance at December 31, 2021		\$ 2,128,865	\$ 2,383	\$ 1,042,061	\$ 80,386	\$ 12,563	\$ 1,410,258	(\$ 459)	\$ 4,676,057

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

MEIRIGEN VACCINE BIOLOGICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		\$ 1,410,258	\$ 674,280
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(22)	100,181	102,270
Amortization of right-of-use assets	6(9)(22)	3,990	12,136
Amortization	6(10)(22)	8,371	7,846
Net loss of financial assets at fair value through profit or loss	6(2)(20)	73	60
Interest income	6(18)	(2,739)	(1,471)
Interest expense	6(21)	322	7,230
Interest expense on leasing liabilities	6(21)	5,097	9,189
Gains on disposals of property, plant, and equipment	6(20)	-	19,730
Share-based payment	6(12)(23)	68,815	44,656
Recognition of losses on investments accounted for using equity method	6(6)	654	907
Transfer expense on property, plant, and equipment		-	129
Gain on lease modification	6(9)(20)	-	(2,971)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		(139,148)	-
Accounts receivable, net		(296,578)	(4,463)
Other receivables		(82)	252
Inventories		(486,063)	(69,037)
Prepayments		(62,330)	(14,404)
Other current assets		(150,202)	(7,828)
Changes in operating liabilities			
Contract liabilities - current		(111,412)	-
Notes payable		(1,133)	(31,823)
Accounts payable		65,825	19,280
Other payables		(115,151)	(48,584)
Other current liabilities		(1,367)	(57)
Cash inflow (outflow) generated from operations		556,171	574,007
Interest received		2,730	1,445
Interest paid		(6,070)	(10,419)
Net cash flows from (used in) operating activities		552,831	564,983
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		(1,900,000)	-
Repayment of financial assets at amortized cost		1,100,000	-
Increase in financial assets at fair value through other comprehensive income - non-current		54,000	-
Acquisition of property, plant, and equipment	6(26)	(124,530)	(46,079)
Acquisition of intangible assets	6(10)	(1,338)	(6,053)
Proceeds from disposals of property, plant, and equipment	6(26)	120,000	29,692
Increase in restricted assets (recognised in "Other current assets")		(31,006)	-
Increase in restricted assets (recognised in "Other non-current assets")		-	386
Prepayments for investments in stocks (recognised in "Other non-current assets")		(200,000)	-
Increase in refundable deposits (recognised in "Other non-current assets")		(2,904)	(312)
Increase in prepayments for equipment (recognised in "Other non-current assets")		9,089	(53,168)
Net cash flows used in investing activities		(1,103,499)	(76,406)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(27)	30,000	30,000
Repayments of short-term borrowings	6(27)	(30,000)	(60,000)
Repayments of long-term borrowings	6(27)	-	(433,166)
Issuance of common stock for cash		-	2,362,524
Exercise of employee stock plan		55,679	41,950
Repayments of the principal lease liabilities	6(27)	(1,028)	(8,591)
Increase in deposits received (recognised in "Other non-current liabilities")		(2,475)	(2,575)
Net cash flows from financing activities		51,176	1,931,293
Net (decrease) increase in cash and cash equivalents		(490,492)	1,270,006
Cash and cash equivalents at beginning of year		1,675,496	405,490
Cash and cash equivalents at end of year		\$ 1,184,994	\$ 1,675,496

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

Consolidated Financial Statements and Independent Auditors' Report for 2021

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To Medigen Vaccine Biologics Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Medigen Vaccine Biologics Corporation and its subsidiary (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements were as follows:

Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets

Description

Refer to Note 4(17) for accounting policies on impairment of non-financial assets, Note 5(2) for

uncertainty of accounting estimates and assumptions in relation to the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets, Note 6(7) for details of property, plant and equipment, Note 6(8) for details of right-of-use assets, and Note 6(9) for details of intangible assets. As at December 31, 2021, the Group's property, plant and equipment, right-of-use assets and intangible assets at fair value amounted to NT\$1,466,507 thousand, constituting 28% of the consolidated total assets.

The Group measures recoverable amount based on the value in use. The evaluation of the value in use of each cash-generating unit involves management's subjective judgments, including the estimation of future cash flows and appropriate discount rates. We believe that the aforementioned assumptions are highly uncertain, and the estimated results have significant impact on the value in use. Therefore, we considered the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of the management's estimation process of the Group's future cash flows.
2. Discussed financial forecasts with management and assessed the reasonableness by comparing with historical results.
3. Reviewed the reasonableness of assumptions such as sales revenue growth rate and gross margin, and the parameters of the discount rate used, including the reasonableness of risk-free rate of the cost of equity capital, the risk coefficient of the industry, and similarity assets return in the market.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventory.

As at December 31, 2021, the Group has inventory and allowance for inventory valuation losses in the amount of \$563,495 thousand and \$0, respectively, constituting 11% of the consolidated total assets.

The Group is primarily engaged in manufacturing and sales of vaccine related products which have risks of inventory losing value or becoming obsolete due to allowance, obsolescence or trivial sales amount. Inventories are measured at the lower of cost and net realisable value, using the item by item approach. A provision for loss on decline in value of inventory is recognised based on the net realisable value. As the inventory and allowance for loss are material to the financial statements and the determination of net realisable value involves subjective judgment and estimates, we considered the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

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

1. Assessed the provision policy on allowance for inventory valuation losses based on the understanding of the Group's operations and industry.
2. Obtained an understanding of the inventory management process, participated in observing annual physical counts to assess the effectiveness of management's classification and controls over obsolete inventory.
3. Verified the accuracy of the Group's inventory aging report to check whether the inventory aging report was in accordance with the Group's accounting policy.
4. Examined the inventory valuation report to assess the adequacy of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Medigen Vaccine Biologics Corporation as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Ya-Hui

Juanlu, Man-Yu

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 1, 2022

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

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

MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1) and 8	\$	1,379,692	26	\$	1,679,422	48
1110	Financial assets at fair value through profit or loss - current	6(2)		53,097	1		53,170	2
1136	Financial assets at amortised cost, net-current	6(1)(4)		800,000	15		-	-
1140	Contract assets - current	6(16)		339,148	6		-	-
1170	Accounts receivable, net	6(5)		301,041	6		4,463	-
1200	Other receivables			70	-		126,252	4
130X	Inventory	6(6)		563,495	11		77,432	2
1410	Prepayments			79,632	1		17,302	1
1470	Other current assets	6(1) and 8		205,071	4		51,639	1
11XX	Total current assets			3,721,246	70		2,009,680	58
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)		54,000	1		-	-
1600	Property, plant and equipment	6(7)		1,233,960	23		1,159,857	33
1755	Right-of-use assets	6(8)		179,569	4		183,559	5
1780	Intangible assets	6(9)		52,978	1		60,011	2
1990	Other non-current assets	6(1) and 8		57,258	1		77,707	2
15XX	Total non-current assets			1,577,765	30		1,481,134	42
1XXX	Total assets		\$	5,299,011	100	\$	3,490,814	100

(Continued)

MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Contract liabilities - current	6(16)	\$ 111,412	2	\$ -	-
2150	Notes payable		1,730	-	597	-
2170	Accounts payable		86,804	2	21,179	1
2200	Other payables		235,274	4	136,758	4
2280	Lease liabilities - current		1,987	-	1,928	-
2399	Other current liabilities		1,880	-	513	-
21XX	Total current liabilities		<u>439,087</u>	<u>8</u>	<u>160,975</u>	<u>5</u>
Non-current liabilities						
2580	Lease liabilities - non-current		183,867	4	185,854	5
2600	Other non-current liabilities		-	-	2,575	-
25XX	Total non-current liabilities		<u>183,867</u>	<u>4</u>	<u>188,429</u>	<u>5</u>
2XXX	Total liabilities		<u>622,954</u>	<u>12</u>	<u>349,404</u>	<u>10</u>
Equity attributable to owners of parent						
	Share capital	6(12)				
3110	Common stock		2,128,865	40	2,110,988	61
3140	Capital collected in advance		2,383	-	3,620	-
	Capital surplus	6(13)				
3200	Capital surplus		1,135,010	21	2,319,154	66
	Retained earnings	6(14)				
3350	Unappropriated retained earnings (accumulated deficit)		1,410,258	27	(1,291,998)	(37)
	Other equity interest	6(15)				
3400	Other equity interest		(459)	-	(354)	-
31XX	Equity attributable to owners of parent		<u>4,676,057</u>	<u>88</u>	<u>3,141,410</u>	<u>90</u>
3XXX	Total equity		<u>4,676,057</u>	<u>88</u>	<u>3,141,410</u>	<u>90</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 5,299,011</u>	<u>100</u>	<u>\$ 3,490,814</u>	<u>100</u>

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

MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		Year ended December 31			
Items	Notes	2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(16)	\$ 3,280,994	100	\$ 11,507	-
5000 Operating costs	6(6)(21)(22)	(975,961)	(30)	(3,871)	-
5900 Net operating margin		<u>2,305,033</u>	<u>70</u>	<u>7,636</u>	-
Operating expenses	6(21)(22)				
6100 Selling expenses		(7,498)	-	(7,653)	-
6200 General and administrative expenses		(140,714)	(4)	(84,308)	-
6300 Research and development expenses		(1,193,088)	(37)	(679,556)	-
6000 Total operating expenses		(1,341,300)	(41)	(771,517)	-
6900 Operating profit (loss)		<u>963,733</u>	<u>29</u>	<u>(763,881)</u>	-
Non-operating income and expenses					
7100 Interest income	6(17)	2,740	-	1,477	-
7010 Other income	6(18)	442,358	14	77,753	-
7020 Other gains and losses	6(19)	7,446	-	26,790	-
7050 Finance costs	6(20)	(6,019)	-	(16,419)	-
7000 Total non-operating income and expenses		<u>446,525</u>	<u>14</u>	<u>89,601</u>	-
7900 Profit (loss) before income tax		<u>1,410,258</u>	<u>43</u>	<u>(674,280)</u>	-
7950 Income tax (expense) benefit	6(23)	-	-	-	-
8200 Profit (loss) for the year		<u>\$ 1,410,258</u>	<u>43</u>	<u>(\$ 674,280)</u>	-
Other comprehensive income					
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(15)	(\$ 105)	-	(\$ 224)	-
8300 Other comprehensive loss for the year		<u>(\$ 105)</u>	<u>-</u>	<u>(\$ 224)</u>	-
8500 Total comprehensive income (loss) for the year		<u>\$ 1,410,153</u>	<u>43</u>	<u>(\$ 674,504)</u>	-
Profit (loss) attributable to:					
8610 Owners of parent		<u>\$ 1,410,258</u>	<u>43</u>	<u>(\$ 674,280)</u>	-
Comprehensive income (loss) attributable to:					
8710 Owners of parent		<u>\$ 1,410,153</u>	<u>43</u>	<u>(\$ 674,504)</u>	-
Earnings per share (in dollars)	6(24)				
9750 Basic earnings per share		<u>\$ 6.65</u>		<u>(\$ 3.61)</u>	
9850 Diluted earnings per share		<u>\$ 6.58</u>		<u>(\$ 3.61)</u>	

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

MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
		Capital	Capital Reserves				Other Equity Interest		
							Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total equity
Notes		Share capital - common stock	Capital collected in advance	Additional paid-in capital	Employee stock options	Others			
Year ended December 31, 2020									
		\$ 1,560,258	\$ 129,798	\$ 240,121	\$ 54,454	\$ -	(\$ 617,718)	(\$ 130)	\$ 1,366,783
		-	-	-	-	-	(674,280)	-	(674,280)
		-	-	-	-	-	-	(224)	(224)
6(15)	Other comprehensive loss	-	-	-	-	-	(674,280)	(224)	(674,504)
	Total comprehensive loss	-	-	-	-	-	-	-	-
6(12)	Issuance of common stock for cash	540,000	(129,798)	1,952,323	-	-	-	-	2,362,525
6(12)	Shares issued under employee stock plans	10,730	3,620	44,426	(16,826)	-	-	-	41,950
6(11)	Share-based payment transaction (Cash capital increase)	-	-	41,307	(5,700)	-	-	-	35,607
6(11)	Share-based payment transaction	-	-	-	9,049	-	-	-	9,049
	Others	-	-	-	(130)	130	-	-	-
	Balance at December 31, 2020	\$ 2,110,988	\$ 3,620	\$ 2,278,177	\$ 40,847	\$ 130	(\$ 1,291,998)	(\$ 354)	\$ 3,141,410
Year ended December 31, 2021									
		\$ 2,110,988	\$ 3,620	\$ 2,278,177	\$ 40,847	\$ 130	(\$ 1,291,998)	(\$ 354)	\$ 3,141,410
		-	-	-	-	-	1,410,258	-	1,410,258
6(15)	Profit for the year	-	-	-	-	-	-	(105)	(105)
	Other comprehensive loss	-	-	-	-	-	-	(105)	(105)
	Total comprehensive income (loss)	-	-	-	-	-	1,410,258	(105)	1,410,153
6(14)	Capital surplus used to cover accumulated deficit	-	-	(1,291,998)	-	-	1,291,998	-	-
6(12)	Shares issued under employee stock plans	17,877	(1,237)	55,882	(16,843)	-	-	-	55,679
6(11)	Share-based payment transaction (Cash capital increase)	-	-	-	68,815	-	-	-	68,815
	Others	-	-	-	(12,433)	12,433	-	-	-
	Balance at December 31, 2021	\$ 2,128,865	\$ 2,383	\$ 1,042,061	\$ 80,386	\$ 12,563	\$ 1,410,258	(\$ 459)	\$ 4,676,057

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

MEITEGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		\$ 1,410,258	(\$ 674,280)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(21)	100,181	102,270
Amortization of right-of-use assets	6(8)(21)	3,990	12,136
Amortization	6(9)(21)	8,371	7,848
Net loss of financial assets at fair value through profit or loss	6(2)(19)	73	60
Interest income	6(17)	(2,740)	(1,477)
Interest expense	6(20)	322	7,230
Interest expense on leasing liabilities	6(20)	5,697	9,189
Gains on disposals of property, plant, and equipment	6(19)	-	19,730
Share-based payment	6(11)(22)	68,815	44,656
Transfer expense on property, plant, and equipment		-	129
Gain on lease modification	6(8)(19)	-	(2,971)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		(339,148)	-
Accounts receivable, net		(296,578)	(4,463)
Other receivables		182	252
Inventories		(486,063)	(69,037)
Prepayments		(62,330)	(14,404)
Other current assets		(122,407)	(7,828)
Changes in operating liabilities			
Contract liabilities - current		111,412	-
Notes payable		1,133	(31,823)
Accounts payable		65,625	19,280
Other payables		115,025	48,502
Other current liabilities		1,367	37
Cash inflow (outflow) generated from operations		583,185	(573,002)
Interest received		2,721	1,451
Interest paid		(6,009)	(16,419)
Net cash flows from (used in) operating activities		579,897	(567,970)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		(1,900,000)	-
Repayment of financial assets at amortized cost		1,100,000	-
Increase in financial assets at fair value through other comprehensive income - non-current		(54,000)	-
Acquisition of property, plant, and equipment	6(25)	(124,530)	(46,079)
Acquisition of intangible assets	6(9)	(1,338)	(6,053)
Proceeds from disposals of property, plant, and equipment	6(25)	120,000	29,692
Increase in restricted assets (recognized in "Other current assets")		(31,006)	-
Increase in restricted assets (recognized in "Other non-current assets")		-	(386)
Increase in prepayments for investments (recognized in "Other non-current assets")		(27,795)	-
Increase in refundable deposits (recognized in "Other non-current assets")		(2,920)	304
Increase in prepayments for equipment (recognized in "Other non-current assets")		(9,099)	(53,168)
Net cash flows used in investing activities		(930,688)	(76,798)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(26)	30,000	30,000
Repayments of short-term borrowings	6(26)	(30,000)	(60,000)
Repayments of long-term borrowings	6(26)	-	(433,166)
Issuance of common stock for cash		-	2,362,525
Exercise of employee stock plan		55,679	41,950
Repayment of the principal lease liabilities	6(26)	(1,928)	(8,591)
Increase deposits received (recognized in "Other non-current liabilities")		(2,874)	(2,475)
Net cash flows from financing activities		51,176	1,935,793
Changes in exchange rates		(105)	(724)
Net (decrease) increase in cash and cash equivalents		(299,730)	1,268,801
Cash and cash equivalents at beginning of year		1,679,422	410,621
Cash and cash equivalents at end of year		\$ 1,379,692	\$ 1,679,422

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

[Attachment V]

Medigen Vaccine Biologics Corp.

2021 Earnings Distribution Table

Currency Unit: NT\$

Items	Amount
Unappropriated earnings at beginning of period	\$ -
Add: net profit of 2021	1,410,258,176
Less: 10% legal reserve of 2021	(141,025,818)
Less: special reserve	(458,800)
Distributable net profit	1,268,773,558
Distributable items:	
Shareholder dividend – Stock NT\$5 per share (213,439,100 shares*5)	(1,067,195,500)
Unappropriated earnings at end of period	<u>\$ 201,578,058</u>

Chairman:

Chang, Shih-Chung



General Manager:

Chen, Tsan-Chien



Accounting Manager:

Yang, Yu-Ping:



[Attachment VI]

Articles of Incorporation			
Provisions	Amended Provisions	Current Provisions	Description
Article 7	The total capital amount of MVC is NT\$5,000,000,000, divided into 500,000,000 shares with a value of NT\$10 per share, authorize the board of directors to resolve the issuance. Among them, 10,000,000 shares are reserved for the issuance of employee stock options.	The total capital amount of MVC is NT\$3,000,000,000 , divided into 300,000,000 shares with a value of NT\$10 per share, authorize the board of directors to resolve the issuance. Among them, 10,000,000 shares are reserved for the issuance of employee stock options.	In response to operational needs, MVC's articles of incorporation were revised to increase the amount of rated capital.
Article 28	MVC's dividend policy is issued in the form of stock dividends (including surplus and capital reserve allotment) or cash dividends. The Board of Directors considers the operating conditions, capital requirements, and the surplus of the current year (deducting the required deposit) to propose a surplus distribution proposal which is approved by the shareholders' meeting. Cash dividends are based on the principle of 50% higher than the payable dividends. However, if there is a major capital expenditure <u>or working capital requirement</u> in the future, it will be approved by the shareholders' meeting and all will be paid as stock dividends.	MVC's dividend policy is issued in the form of stock dividends (including surplus and capital reserve allotment) or cash dividends. The Board of Directors considers the operating conditions, capital requirements, and the surplus of the current year (deducting the required deposit) to propose a surplus distribution proposal which is approved by the shareholders' meeting. Cash dividends are based on the principle of 50% higher than the payable dividends. However, if there is a major capital expenditure plan in the future, it will be approved by the shareholders' meeting and all will be paid as stock dividends.	In response to the adjustment of future operating and capital needs, the distribution of stock dividends has been revised and adjusted to not limit major capital expenditure items.

Chapter IV. Appendices

[Appendix I]

Medigen Vaccine Biologics Corp.

Articles of Incorporation

Chapter I. General Principles

- Article 1: The Company is organized in accordance with the Company Act and named MEDIGEN VACCINE BIOLOGICS CORPORATION.
- Article 2: The business to be operated by the Company is as follows:
1. IG01010 Biotechnology Services
 2. F401010 International Trade
 3. C802041 Manufacture of Drugs and Medicines
 4. F108021 Wholesale of Western Pharmaceutical
 5. F108031 Wholesale of Drugs, Medical Goods
 6. CF01011 Medical Materials and Equipment Manufacturing
- Research, design, develop, manufacture and sell the following products:
- Cell culture vaccine:
Influenza vaccine, enterovirus vaccine, dengue fever vaccine and other cell culture vaccines, etc.
- Other biological agents:
Development and manufacture of biosimilar drugs (palivizumab, anti-RSV virus antibody drug, Fabry enzyme freeze crystal injection, etc.), cell culture for cell therapy.
- Article 3: The Company may endorse and guarantee its business needs.
- Article 4: The total amount of the Company's reinvestment is not subject to the restriction that Article 13 of the Company Act shall not exceed 40% of the paid-in capital, and the Board of Directors is authorized to execute.
- Article 5: The headquarters of the Company is located in Hsinchu Science Industrial Park. The Company may establish branches or subsidiaries in Taiwan or overseas as the Company may require upon resolution by the board of directors of the Company ("Board" or "Board of Directors").
- Article 6: The Company's announcement method is handled in accordance with the Company Act and related regulations.

Chapter II. Shares

- Article 7: The total capital amount of the Company is NT\$3,000,000,000, divided into 300,000,000 shares with a value of NT\$10 per share, authorize the board of directors to resolve the issuance. Among them, 10,000,000 shares are reserved for the issuance of employee stock options.
- Article 8: The shares of the Company are all registered shares. Shareholders shall inform the Corporations' shareholder services agent of their names, domiciles, or residences for recording in the shareholders' register, and hand the chop specimens over to the Corporations' shareholder services agent. If the shareholder is a legal person, the chop specimens with the full title of the legal person's name shall be sent to the Corporations' shareholder services agent for deposit and check. Legal person shareholders may also request to register their representative's chop specimens and send it to the Corporations' shareholder services agent for deposit and check.
- The Company's stock shall be numbered and contain the items listed in Article 162 of the Company Act, duly signed by or affixed with seals by the Chairperson and a

minimum of 3 Directors, and duly authenticated by the competent authority or the issuance registry institution accredited by the competent authority before issuance. When the Company issues public shares, it may issue shares without certificates, and such shares shall be registered with a central securities depository in accordance with the aforementioned issued shares.

Article 9: When the seals kept by shareholders are lost, they shall apply to the company's stock affairs agent for a new seal.

Article 10: Registration for the transfer of shares shall be completed sixty (60) days before the date of each annual meeting, thirty (30) days before the date of each special meeting, or five (5) days before the date on which dividends, bonus, or any other distributions will be paid or made by the Company.

Chapter III. Shareholders' Meeting

Article 11: The disposal methods of the Company's stock operations are handled in accordance with relevant laws and the regulations of the competent authority.

Article 12: There are two types of shareholders' meetings of the Company, the annual meeting and the special meeting. Annual meetings shall be convened by the Board of Directors annually within six (6) months after the end of each fiscal year. The special meetings will be convened when necessary in accordance with the provisions of the Company Act. The convention of ordinary and extraordinary Shareholders' Meetings shall be in compliance with Article 172 of the Company Act.

Article 13: A shareholder who is unable to attend the shareholders' meeting may authorize another person to attend as a proxy using the form provided by the Company affixed with the seal that such shareholder left in the Company's safekeeping, which specifies the scope of authorization in accordance with Article 177 of the Company Act. Where the Company is publicly issued, it shall be handled in accordance with Article 25-1 of the Securities and Exchange Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" prescribed by the competent authority.

Article 14: All shareholders are entitled to one vote for every share held, except for the circumstances stipulated in Article 179 of the Company Act where shares are not assigned voting rights or are limited for voting.

Article 15: Except as otherwise provided by the Company Act, the shareholders' resolutions shall be adopted upon the approval of a majority of the voting shares present at the meeting, which is attended by holders of a majority of the total issued and outstanding shares of the Company. After public listing, electronic voting shall be included in one of the voting methods in accordance with the requirements of the competent authority, shareholders of the Company may also exercise voting rights in electronic means pursuant to regulations from the competent authority. A shareholder exercising voting rights in electronic means shall be deemed to have attended the Shareholders' Meeting in person, and related matters shall be handled in accordance with the law.

Article 16: The shareholders' meetings shall be presided by the Chairman of the Board. When the chairperson of the Board is on leave or for any reason is unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as the chair by the chairperson. Where the chairperson does not make such appointment, directors shall elect one person from among themselves to serve as chair. In case of two or more conveners, one of them shall be elected from among themselves to chair the meeting.

Article 17: The resolutions of the shareholders' meeting shall be made into deliberation and shall be handled in accordance with Article 183 of the Company Act. After the public offering, the Company shall not cancel the public offering without a resolution of the board of shareholders.

The preceding provisions shall not be changed during the period of the Company's emerging stock registration or listing on TWSE/TPEX.

Article 18: Deleted.

Chapter IV. Directors

Article 19: The Company shall have 5~9 directors, who shall be elected from legally competent persons at the shareholders' meeting and hold office for 3 years; re-elected directors may serve consecutive terms.

After the Company's public offering of stocks, among the number of directors in the preceding paragraph, the number of independent directors shall not be less than 2 and shall not be less than one-fifth of the number of directors. The qualifications, shareholding, part-time restrictions, nomination and selection methods of independent directors, and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities authority. The election and appointment of all directors adopt a candidate nomination system, and the shareholders' meeting selects from the list of director candidates. The method of accepting the nomination of candidates and public announcements shall be handled in accordance with the Company Act, the Securities Exchange Act, and other relevant laws.

The Company may purchase liability insurance for the directors during their tenures, which shall cover the directors' liabilities arising from the performance of their duties.

The Company may set up an Audit Committee composed of all members of independent directors in accordance with the Securities and Exchange Act, whose exercise of duties and other compliance matters shall be handled in accordance with the Company Act, the Securities and Exchange Act, and other relevant decrees or the Articles of Incorporation.

Article 20: The Board is composed of directors. The directors shall elect a Chairman from among themselves in the Board meeting with the consent of the majority of attending directors which represents more than two-thirds of all directors, and a Vice-Chairman depending on the business needs. The Chairperson is the representative of the Company. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the chairperson of the meetings shall be appointed pursuant to Article 208 of the Company Act.

Article 21: Unless otherwise prescribed by law, a Board of Directors meeting shall be duly convened and chaired by the Chairperson. Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by at least a majority of the directors present at a meeting attended by at least a majority of the directors holding office.

Article 22: The reasons for calling a board of Directors meeting shall be notified to each Director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notices to the Board of Directors meeting mentioned in the preceding paragraph may be served in writing or by means of facsimile or e-mail.

Article 23: If a director is unable to personally attend the Board of Directors' meeting for cause, he or she may authorize another director to attend on his or her behalf in accordance with the laws. No director may act as a proxy for more than one other director in accordance with Article 205 of the Company Act.

Article 24: The remuneration of all directors shall be determined by the Board of Directors according to the degree of directors' participation in the operation of the Company and their contribution, and shall be determined by reference to the standard of the industry.

Chapter V: Managers

Article 25: The Company may have managerial officers. Appointment, discharge and remuneration of these managerial officers shall be in compliance with Article 29 of the Company Act.

Chapter VI: Accounting

- Article 26: The fiscal year of the Company shall begin on January 1 and end on December 31 of each year. After the end of each fiscal year and closing of the accounts and annual settlement, the Board of Directors shall in accordance with the Company Act prepare the following statements, which shall be audited by the Audit Committee 30 days prior to the regular annual Shareholders' Meeting, and submit to the Shareholders' Meeting for adoption thereof.
1. Business report;
 2. Financial statements;
 3. Proposals of profit distribution or loss makeup.
- Article 27: When allocating the earnings at the end of each fiscal year, the Company shall first pay tax and makeup previous years' losses, and set aside a legal capital reserve at 10% of the remaining net profits, then set aside special capital reserve depending on business needs or in accordance with provisions or regulations. The balance plus the retained earnings at the beginning of the period shall be retained or distributed to shareholders by a resolution of the shareholders' meeting.
- Article 27-1: If the Company has earnings, it shall set aside 1% of the balance as remuneration to the employees and no greater than 1% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.
- Article 28: The Company's dividend policy is issued in the form of stock dividends (including surplus and capital reserve allotment) or cash dividends. The Board of Directors considers the operating conditions, capital requirements, and the surplus of the current year (deducting the required deposit) to propose a surplus distribution proposal which is approved by the shareholders' meeting. Cash dividends are based on the principle of 50% higher than the payable dividends. However, if there is a major capital expenditure plan in the future, it will be approved by the shareholders' meeting and all will be paid as stock dividends.
- Article 29: Moreover, if manager or employee roles are also assumed by the Company shareholders or Directors, they will be paid in monthly compensations like all other employees.
- Article 30: The organizational charter and by-laws of the Company shall be separately set up
- Article 31: In the case that these Articles are incomplete, all Articles shall be in accordance with related Articles of Securities and Exchange Act.
- Article 32: The Articles of Incorporation was set up on October 9, 2012
The 1st amendment was on June 14, 2013
The 2nd amendment was on June 18, 2014
The 3rd amendment was on April 30, 2015
The 4th amendment was on September 30, 2015
The 5th amendment was on June 2, 2017
The 6th amendment was on June 5, 2018
The 7th amendment was on June 13, 2019

Medigen Vaccine Biologics Corp.

Chairman: Chang, Shih-Chung



[Appendix II]

Medigen Vaccine Biologics Corp.

Rules of Procedure for Shareholders' Meetings

- Article 1: This policy has been established in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to enhance shareholders' governance, supervision, and management over the Company.
- Article 2: Unless otherwise prescribed by relevant laws and ordinances or the Company's Articles of Incorporation, the Company shall duly convene the shareholders' meeting exactly in accordance with these Rules.
- Article 3: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
- The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 15 days before the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review to shareholders at any time.
- The cause or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient thereof. Election or discharge of directors and supervisors, alteration of the Articles of Incorporation, and dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, shall be itemized in the causes or subjects to be described in the notice, and shall not be brought up as ex-temporary motions.
- A shareholder holding 1% or more of the total number of issued shares may submit to a written proposal for discussion at a regular shareholders' meeting to the Company. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.
- Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal.
- Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.
- Article 4: For each event of a shareholders' meeting, a shareholder may issue a proxy in the form printed by the Company to expressly stipulate the scope of authorized powers to authorize a

representative(s) to attend a shareholders' meeting on his or her behalf. A shareholder shall execute a power of attorney, and appoint one proxy only. The power of attorney shall be delivered to the Company five days prior to the date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previously written proxy is made in the proxy which comes later.

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

Article 5: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: The Company shall provide an attendance register for the attending shareholders or their agents (hereinafter referred to as shareholders) to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register.

This Company shall provide the meeting agenda, annual report, attendance pass, speaker's slip, voting slips, and other meeting information to shareholders attending the shareholders' meeting. Voting tickets shall also be attached if the meeting includes director or supervisor elections.

Shareholders should be issued an official attendance card by the Company, and present original ID documents to attend the shareholders' meeting. Shareholders attending on behalf of others must have a proxy form along with official identification available for verification.

When the government or a corporate juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. If a juristic person is entrusted to attend the shareholders' meeting, such juristic person may only appoint one person to be its representative at the meeting.

Article 7: If a shareholders' meeting is convened by the Board of Directors of the Company (the "Board" or "Board of Directors"), the Chairman of the Board shall preside at such meeting. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the Vice-Chairman of the Board shall preside at such meeting. The Chairman of the Board shall designate a managing director to preside as the chairman if a Vice-Chairman is not appointed, or if the Vice-Chairman of the Board is on leave or unable to exercise his powers and duties for any reason. If no managing director of the Company is appointed, the Chairman of the Board shall designate a director to preside as the chairperson. If the Chairman of the Board fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting.

Shareholders' meetings convened by the Board of Directors should be attended by more than half of the directors.

In the case of two or more conveners, one of them shall be elected from among themselves to chair the meeting.

The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholder meeting as an observer.

Article 8: The Company shall record the entire process of the meeting and archive the file for at least one year. In the event of a lawsuit filed by a shareholder in accordance with Article 189 of the Company Law, those files shall be archived until the conclusion of the lawsuit.

Article 9: The participation by shareholders shall be duly calculated based on the number of shares they hold. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronically via the internet.

The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting; however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not

exceed one hour. In the event that the meeting is attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled.

In the event that the meeting is attended by shareholders representing shares less than specified quorum after two postponements as set forth in the preceding paragraph, yet the attending shareholders representing more than one-third of the total issued shares are present, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholders' meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholder meeting anew to be duly resolved in accordance with Article 174 of the Company Act.

Article 10: In the event that the shareholder meeting is convened by the Board of Directors, the agenda shall be worked out by the Board of Directors. The shareholder meeting shall be duly convened based on the arranged agenda, which shall not be changed unless duly resolved by the shareholder meeting.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. The Chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the Chairman declares the meeting adjourned in violation of these rules, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote.

Article 11: Prior to speaking at the meeting, an attending shareholder shall submit a slip of paper summarizing his/her/its comments and/or questions and specifying his/her/its shareholder account number (or the attendance ID number) and the account name of the shareholder, in order for the chairman to determine the speaking order.

An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of the shareholder's speech and those recorded on the slip, the contents of the shareholder's speech shall prevail.

Unless otherwise permitted by the chairperson, a shareholder may only speak, up to two times, on a single proposal, each time no more than five minutes in length. However, the chairman may stop his speech if the shareholder's speech violates the regulations or exceeds the scope of the topic.

When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.

In the event that a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue. After the speech is given by an attending shareholder, the chairman may personally respond or designate relevant personnel to respond.

Article 12: The participation and voting by shareholders shall be duly calculated based on the number of shares they hold.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent

authority in charge of securities affairs, when a person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by the proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If the aforesaid percentage is exceeded, the voting rights in excess of the aforesaid percentage shall not be included in the calculation.

Article 13: A shareholder shall have one voting power in respect of each share; however, this limit is not applicable to those who are restricted, or who do not have the right to vote under Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission (In accordance with the proviso of Paragraph 1, Article 177-1 of the Company Act, the Company shall adopt electronic voting: when the Company convenes a shareholders' meeting, it shall adopt electronic means and may exercise its voting rights in writing); the method of exercising their voting power shall be described in the shareholders' meeting notice. A shareholder who exercises his/her voting power at a shareholders' meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is, therefore, advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder who intends to exercise his/her voting rights by correspondence or electronically as mentioned in the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. In the event that duplicate declarations of intent are delivered to the Company, the first declarations of intent arriving at the Company shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

Except as otherwise provided under the Company Act and/or the Company's Articles of Incorporation, a resolution shall be adopted with the approval of more than one-half of the votes of the shareholders present. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

In the event that an amendment or a substitute comes out of the same issue, the chairperson shall fix the order of balloting in consolidation with the original issue. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder.

The counting of votes shall be done publicly in the shareholders' meeting. The voting results shall be announced at the meeting and recorded in writing.

Article 14: When an election of director or supervisor is carried out in the shareholders' meeting, the election shall be held in accordance with the applicable election and appointment rules of the Company, and the voting results shall be announced on-site. The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event of a lawsuit filed by a shareholder in accordance with Article 189 of the Company Law, those files shall be archived until the conclusion of the lawsuit.

Article 15: The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may

be produced and distributed in electronic form.

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

Minutes of the meeting shall include the date and place of the meeting, the name of the chairperson at the meeting, the method for adopting the resolutions, and the summary and results of the proceedings. Minutes of the meetings shall be kept for as long as the Company is in existence.

Article 16: The number of shares acquired by the solicitor and the number of shares represented by the entrusted agent shall be clearly disclosed in the venue of the shareholders' meeting at the date of the shareholders' meeting.

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

Article 17: The staff members who take charge of the shareholder meeting affairs shall wear identification certificates or armbands.

The chairman may direct patrol personnel or security personnel to assist in maintaining the order of the meeting. Such patrol personnel or security personnel shall wear arm badges marked "Patrol Personnel" while assisting in maintaining the order of the meeting.

The meeting venue is equipped with an amplification system, the meeting chairperson may stop the speech of a shareholder who fails to use the system prepared by the Company.

In the event that a shareholder violates the Rules Governing the Proceedings of Shareholder Meetings, defies the chairperson's rectification or obstructs the progress of the meeting or objects to the action to stop him or her, the chairperson may instruct the rectification (or security) personnel to help maintain the order of the meeting.

Article 18: When the meeting is held, the chairperson may announce a recess. When a force majeure event occurs, the chairperson may decide to temporarily suspend the meeting and announce the time for reconvening the meeting.

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

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

Article 19: These Rules and any amendments thereof shall be put into enforcement after being resolved at the shareholders' meeting.

[Appendix III]

Medigen Vaccine Biologics Corp.

Shareholdings of Directors

Book Closure Date: May 2, 2022

Position	Name	Current Shareholding (Shares)	Shareholding Ratio (%)
Chairman	Medigen Biotech Corp. Representative: Chang, Shih-Chung	43,886,811	20.56
Director	Medigen Biotech Corp. Representative: Chang, Ken-Hu	43,886,811	20.56
Vice Chairman	Schweitzer Biotech Company Ltd. Representative: Chen, Tsan-Chien	7,049,560	3.30
Director	Chen, Wei-Zen	6,698	0.003
Independent Director	Chang, Ming-Cheng	-	
Independent Director	Lin, Chia-Hsiu	-	
Independent Director	Li, Yao-Chi	-	
Shareholdings of Directors		50,943,069	23.86

Notes:

1. As of the book closure date at the regular shareholders' meeting on May 2, 2022, the paid-in capital of MVC was NT\$2,134,786,000 and the number of shares issued was 213,478,600 shares.
2. As required under Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, all directors of MVC shall hold a minimum of 12,000,000 shares, and the number of shares held by all directors is 50,943,069 shares, which meets the standards set by the competent authority.
3. MVC has an Audit Committee established. Therefore, there is no application for the number of shares held by the supervisor.
4. In accordance with the provisions of Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if two or more independent directors are elected, the shareholding ratio calculated of all the directors other than independent directors shall be reduced to 80%.