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2024 Annual Report

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

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

VI. Company Website: <http://www.medigenvac.com>

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Chapter 1. Letter to Shareholders

I. 2024 Business Report

(I) Implementation results of the 2024 business plan

MVC is a biotechnology and new drug company focused on the vaccine industry. Currently, its main products for sale are the Enterovirus A71 vaccine and seasonal influenza vaccine. Its research and development product line includes the COVID-19 vaccine, dengue fever vaccine, Enterovirus D68 vaccine, and Coxsackievirus vaccine.

MVC's Enterovirus A71 Vaccine (brand name: Envacgen) received approval from the Taiwanese Food and Drug Administration (TFDA) in April 2023 for new drug registration. MVC is actively expanding into Southeast Asia, with new drug registration review in Vietnam. MVC's Envacgen EV71 vaccine is currently the only EV71 vaccine in Taiwan that has received formal approval based on actual vaccine efficacy data. In multi-country, multi-center Phase III clinical trials, the vaccine demonstrated a 100% efficacy (statistical regression analysis showed 96.8% efficacy). Additionally, MVC is the only company in Taiwan with a BSL-2 specification cell culture vaccine production facility and is capable of vertically integrating the production of the EV71 vaccine at its own Zhubei plant. Envacgen was officially launched in Taiwan in August 2023 and has gained strong support from the medical community and parents due to its excellent evidence-based medical data. It has captured over 95% of the market share in the domestic out-of-pocket EV71 vaccine market. As the "Best-in-Class" product among EV71 vaccines, MVC will continue to focus on maintaining market share, increasing vaccine penetration in Taiwan, and expanding into international markets.

Regarding the seasonal influenza vaccine, MVC has partnered with the global vaccine manufacturer GC Biopharma to supply the domestic public-funded flu vaccine market. MVC's quadrivalent flu vaccine obtained domestic drug approval in 2023 and began participating in public flu vaccine tenders in the same year, supplying the domestic public vaccine market. Over the past two years (2023-2024), MVC has successfully fulfilled government procurement schedules. In line with the government's 2025 plan to switch from a quadrivalent to a trivalent flu vaccine, MVC applied for and obtained approval for a trivalent seasonal flu vaccine (brand name: Fluvacgen) in 2024. MVC plans to transition supplying the domestic public flu vaccine market with this trivalent flu vaccine starting in 2025, continuing its contribution to the prevention and control of influenza in Taiwan.

(II) Analysis of budget performance, financial position and profitability

MVC's operating income for 2024 was NT\$605,637,000 and operating expenses were NT\$542,088,000. After adding non-operating income, the net loss for the period was NT\$80,465,000.

Item		2024	2023
Income & Expenditure	Interest Income (in thousand)	46,250	83,282
	Interest Expenditure (in thousand)	18,890	37,571
Profitability & Analysis	Return on assets (%)	(1.25)	(16.81)
	Return on equity (%)	(2.09)	(26.14)
	Profit ratio (%)	(13.29)	(297.68)
	Earnings per share (NT\$)	(0.24)	(3.53)

(III) Research and Development

MVC's Enterovirus A71 Vaccine (Envacgen) has undergone a multi-country, multi-center Phase III clinical trial conducted simultaneously in Taiwan and Vietnam. The vaccine's target population for verification covers infants aged 2 to 6 months, the age group with the highest demand for vaccination. This is the first development project in the world to obtain clinical trial data for children aged 2 to 6 months. The Phase III trial demonstrated that during the 600-day follow-up period, there were zero confirmed cases in the vaccine group (all confirmed cases occurred in the placebo group), with evidence showing the vaccine's efficacy at 100%. Statistical Poisson regression analysis revealed an efficacy rate of 96.8%, and the vaccine also demonstrated protective efficacy against regionally prevalent genetic subtypes. These Phase III clinical trial results were peer-reviewed and published in *The Lancet*. The journal invited experts to write a special article, particularly emphasizing the importance of MVC's EV71 vaccine in preventing infections in newborns aged 2 to 6 months, and the vaccine's long-lasting immunity benefits after a third booster dose.

Regarding the COVID-19 vaccine, the original strain vaccine received project manufacturing approval from Taiwan's Ministry of Health and Welfare in July 2021, for emergency use during the domestic outbreak, making it the only successfully developed COVID-19 vaccine product in Taiwan. This development project was selected for participation in the WHO Solidarity Trial Vaccines (STV), with the WHO leading and funding the Phase III clinical trial. Subsequently, the vaccine was selected for inclusion in the WHO C-TAP/MPP vaccine licensing program, with the WHO and the United Nations Public Health Organization's MPP (Medicines Patent Pool) facilitating international collaborations.

During the COVID-19 pandemic, MVC also submitted a GMP factory inspection application for its COVID-19 vaccine to the Australian regulatory authority, TGA, and in May 2024, TGA granted GMP certification to MVC's Zhubei vaccine plant. The Australian TGA is one of the 36 stringent regulatory authorities (SRA) defined by the World Health Organization (WHO), holding significant credibility among global pharmaceutical regulatory bodies. It is also recognized as one of the top 10 advanced pharmaceutical certification authorities under Taiwan's drug registration regulations. The granting of GMP certification by the TGA demonstrates that MVC's production capabilities and product quality have been recognized by one of the most stringent regulatory bodies globally.

With the global emergency public health status of COVID-19 now declared over, MVC also proactively lifted the confidentiality restrictions on its domestic COVID-19 vaccine procurement contracts in 2024, addressing political controversies transparently. Although COVID-19 variants continue to pose a threat to public health, the global demand for COVID-19 vaccines has slowed down, and the domestic climate discourages further research and development. As a result, MVC has suspended its investment in the development of variant strains for the COVID-19 vaccine project and is redirecting its R&D focus back to the original enterovirus vaccine product line.

II. 2025 Business plan

(I) Enterovirus A71 Vaccine (Envacgen)

Enterovirus A71 Vaccine is positioned as the "Best-in-Class" product in the enterovirus vaccine category. It has already achieved over 95% market share in the domestic enterovirus vaccine self-pay market. In the domestic market, efforts will continue in public education and awareness campaigns to maintain a strong foothold and leadership position while pursuing sustained growth.

In terms of international market expansion, Southeast Asia is a key market for enterovirus vaccines, with Vietnam being a primary focus for MVC. The new drug registration review process is ongoing. In January 2025, the Vietnamese regulatory authority, DAV, announced that the entire production process of MVC's enterovirus vaccine at its Zhubei vaccine plant passed the Vietnamese GMP compliance evaluation and obtained GMP certification. The drug registration review is still in progress.

In terms of business strategy, MVC signed a distribution agreement with the French pharmaceutical company Substipharm Biologics on January 9, 2025, granting Substipharm Biologics exclusive rights to distribute the Enterovirus A71 Vaccine (Envacgen) in the Vietnamese market. In addition to the Vietnamese market rights, under the terms of the primary distribution agreement, Substipharm Biologics has first negotiation rights for the markets in Thailand, the Philippines, Indonesia, Malaysia, and Singapore. Discussions on regional market rights are still ongoing. Both parties will collaborate and allocate resources to accelerate the introduction of the Enterovirus A71 Vaccine into the MVC markets in the Asia-Pacific and ASEAN regions.

(II) Seasonal Influenza Vaccine

The seasonal influenza vaccine project will continue its collaboration with the international vaccine giant GC Biopharma to supply the domestic public-funded market. In line with the government's policy to convert the quadrivalent influenza vaccine to a trivalent influenza vaccine, MVC has obtained the drug license for the trivalent seasonal influenza vaccine (product name: Fluvacgen Trivalent Influenza Vaccine) in December 2024. In the current year (2025), MVC will participate in the public tender for trivalent influenza vaccine.

III. Future Development Strategies

(I) Enterovirus A71 Vaccine Overseas Markets Layout:

Enterovirus 71 (EV71) has a high market demand in the Asian region, especially in Southeast Asia. As of now, only Thailand and Indonesia have recently launched EV71 vaccine products developed by China. MVC has signed a strategic partnership agreement with the French pharmaceutical company Substipharm Biologics. Both parties will jointly invest and expand their efforts in the Southeast Asian market, with the goal of gradually launching international sales.

(II) Expansion of Enterovirus Vaccine Product Line:

Based on the excellent research and development data of the Enterovirus EV71 vaccine, MVC has already begun the evaluation and development of products such as the Coxsackievirus vaccine and Enterovirus D68 vaccine. The novel enterovirus vaccine development platform includes a cell culture-based inactivated whole virus platform and a Virus-Like Particles (VLP) vaccine platform. The timeline for each development project will be gradually clarified based on the progress of early-stage R&D.

(III) Other R&D product lines:

In addition to the key products currently in the preparation phase for launch, MVC continues to expand its product line and actively engages with domestic and international research institutions to evaluate potential candidates. The ongoing evaluation and development efforts are focused on preventive vaccine products. Apart from the enterovirus vaccine field, the focus of the evaluation for other R&D product lines is on respiratory infectious diseases.

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

The government policies, authorities, capital markets, and investors are positive and optimistic about the development of the biotechnology industry in Taiwan. With relatively abundant resources, MVC will continue to make use of external resources and favorable regulatory conditions to fulfill its social responsibilities and maximize the interests of its shareholders.

Chairman:

Ming-Cheng, Chang

Chapter 2. Corporate Governance Report

I. Directors, Supervisors and Management Team

(I) Information on the Directors

April 28, 2025

Position	Name	Gender Age	Nationality/Place of registration	Date first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Major Education and work Experience	Other positions held at the Company and other companies	Executives, Directors or Supervisors who are spouses or within the second degree of kinship			Remark (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%			Position	Name	Relationship	
Chairman	Medigen Biotech Corp.	Male 61-70	R.O.C.	2012.12.12	2024.6.13	3	61,743,844	18.79	59,263,844	18.03	-	-	-	-	-	-	-	-	-	None
	Rep.: Ming- Cheng, Chang			2015.9.30	2024.6.13		-	-	-	-	-	-	-	-	-	Master of Business Administration, The University of Michigan BS in Mechanical Engineering, National Taiwan University Deloitte Touche Tohmatsu Limited Partner & Reputation and Risk Leader, Deloitte & Touche Taiwan Chairman, Auditing Standards Committee of Taiwan	Independent Director, Ocean Alexander Independent Director, United Alloy-Tech. Company Chairman, MVC Capital Corporation	None	None	
Director	Medigen Biotech Corp.	Female 51-60	R.O.C.	2012.12.12	2024.6.13	3	61,743,844	18.79	59,263,844	18.03	-	-	-	-	-	-	-	-	-	None
	Rep.: Chin-Yen, Chen (Note2)			2024.6.13	2024.6.13		-	-	-	-	-	-	-	-	Bachelor of Nursing, Taipei Medical University Glaxo Wellcome Taiwan Limited Research Nurse Nurse, Shin Kong Wu Ho-Su Memorial Hospital	Vice President of Drug Development Department, Medigen Biotech Corp.	None	None	None	
Director	Tsan-Jian, Chen	Male 71-80	R.O.C.	2012.12.12	2024.6.13	3	518,982	0.16	568,982	0.17	-	-	-	-	Department of Psychology, National Taiwan University President, SBC Virbac Inc.	Overseas Director of Temple University and Distinguished Visiting Professor of Biotechnology Innovation National Yang Ming University Industry- University Lecture	None	None	None	None
Director	Chia-Hsiu, Lin (Note2)	Male 61-70	R.O.C.	2020.6.30	2024.6.13	3	-	-	-	-	-	-	-	Master's Degree from the Institute of Plant Biology, National Taiwan University President, Production Business Department, Virbac (Taiwan) Co., Ltd. Independent Director, Standard Chem & Pharm Co., Ltd. Chairman and President, Gaosheng Pharmaceutical Co., Ltd.	-	None	None	None	None	
Independent Director	Ming-Yi, Wu	Male 51-60	R.O.C.	2023.6.29	2024.6.13	1	-	-	-	-	-	-	-	M.S. in Accounting, National Chung Hsing University	Managing Partner of Reanda M Y Wu & Co., CPAs.	None	None	None	None	

Position	Name	Gender Age	Nationality/Place of registration	Date first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Major Education and work Experience	Other positions held at the Company and other companies	Executives, Directors or Supervisors who are spouses or within the second degree of kinship			Remark (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%			Position	Name	Relationship	
														Manager of Bajia Enterprise Co. Supervisor of Deloitte Touche Tohmatsu Limited.	Member of the Tax Regulations and Tax Affairs Committee of the National Federation of CPA Associations of the R.O.C.					
Independent Director	Yiu-Kay, Lai	Male 71-80	R.O.C.	2018.6.5	2024.6.13	3	-	-	-	-	-	-	-	Postdoctoral Researcher, Yale School of Medicine. Ph.D. in Genetics, North Carolina State University. Chair, Department of Life Science, National TsingHua University. Chair, Institute of Biotechnology, National TsingHua University.	Director, Fortune Anti-aging Nutraceuticals, Co. Ltd. Technology Consultant, Green Strong International Co., Ltd. Technology Consultant, Yunnan Alphy Biotech Co., Ltd.	None	None	None	None	
Independent Director	Peng-Fei, Su (Note2)	Male 51-60	R.O.C.	2024.6.13	2024.6.13	3	33,000	0.01	33,000	0.01	197,993	0.06	-	Master of Business Administration, National Chengchi University Marketing Director of Sunset Technology Co., Ltd Independent Director of Tatung Company Independent Director of San Chih Semiconductor Co., Ltd.	Senior Vice-President of Shengye Assets Co., Ltd.	None	None	None	None	

Note1: MVC has no occurrence where the Chairman, President, or personnel with equivalent position (chief manager) are the same person, spouse, or relatives within one degree of kinship.

Note2: On June 13, 2024, a full re-election of the Board of Directors was held.

Table 1: Major Shareholders of Institutional Shareholders

April 28, 2025

Name of institutional shareholders	Major shareholders of institutional shareholders
Medigen Biotech Corp.	Everspring Industry Co., Ltd. (10.17%) Tzu-Liang, Huang (4.57%), Daqing Construction Co., Ltd. (3.14%), A-Liang Zhuang-Huang (1.92%), WorldTrend Co., Ltd. (1.74%), Shi-Chung, Chang (1.29%), The Business Department of Standard Chartered International Commercial Bank is entrusted with the custody of the investment account for the Advanced Global Equity Index Fund, one of the series funds under Advanced Starlight Fund Management Company.(1.08%) , JP Morgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds (1.06), Zhi-yu, Wu (0.82%), Shang-Yi ,Tsai(0.79%).

Table 2: Major shareholders of the major shareholders in Table 1 that are institutional shareholders

April 28, 2025

Name of institutional shareholders	Major shareholders of institutional shareholders
Everspring Industry Co., Ltd.	Tzu-Ling, Chang (15.16%), Tzu-Liang, Huang (7.39%), Yung-Hua, Kao (6.28%), Chiu-Lan, Li (1.19%), Ho Feng United Co., Ltd. (0.88%), Li-Ching Li (0.54%), JP Morgan Chase Bank, N.A. Taipei Branch is entrusted with the custody of the investment account of J.P. Morgan Securities Ltd. (0.42%) 、 Jin-Zhu Wang (0.41%) 、 Standard Chartered International Commercial Bank Business Department is entrusted with the custody of the investment account of Japan Securities Finance Co., Ltd. (0.40%) 、 Su-Ye Li(0.39%) 。
Daqing Construction Co., Ltd.	Qianqing Investment Co., Ltd. (29.41%), Gaoqing Investment Co., Ltd. (29.41%), Longqing Investment Co., Ltd. (29.41%), Hejing Investment (stock) Company (4.71%), Jiaqing Xingye (stock) Company (4.12%), First State Investment (stock) Company (2.94%).
WorldTrend Co., Ltd.	Everspring Industry Co., Ltd. (100%).
The Business Department of Standard Chartered International Commercial Bank is entrusted with custody of the investment account for the Advanced Global Equity Index Fund, one of the series funds under Advanced Starlight Fund Management Company.	N/A
JP Morgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	N/A

Disclosure of Professional Qualifications of Directors and Independence of Independent Directors.

April 28, 2025

Name	Professional qualifications and experience	Independence situation	Number of other Public Companies in which the individual is concurrently serving as an Independent Director
<p>Medigen Biotech Corp. Rep.: Ming-Cheng, Chang Chairman</p>	<p>Major in Education and work Experience: Master of Business Administration, The University of Michigan BS in Mechanical Engineering, National Taiwan University Deloitte Touche Tohmatsu Limited Partner & Reputation and Risk Leader, Deloitte & Touche Taiwan Chairman, Auditing Standards Committee of Taiwan Other positions concurrently held at MVC and other companies: Independent Director, Ocean Alexander Independent Director, United Alloy-Tech. Company Chairman, MVC Capital Corporation</p>	<p>N/A</p>	<p>2</p>
<p>Medigen Biotech Corp. Rep.: Chin-Yen, Chen Director</p>	<p>Major in Education and work Experience: Bachelor of Nursing, Taipei Medical University Glaxo Wellcome Taiwan Limited Research Nurse Nurse, Shin Kong Wu Ho-Su Memorial Hospital Other positions concurrently held at MVC and other companies: Vice President of Drug Development Department, Medigen Biotech Corp.</p>	<p>N/A</p>	<p>-</p>
<p>Tsan-Jian, Chen Director</p>	<p>Major in Education and work Experience: Department of Psychology, National Taiwan University President, SBC Virbac Inc. Other positions concurrently held at MVC and other companies: Overseas Director of Temple University and Distinguished Visiting Professor of Biotechnology Innovation National Yang Ming University Industry-University Lecture</p>	<p>N/A</p>	<p>-</p>
<p>Chia-Hsiu, Lin Director</p>	<p>Major in Education and work Experience: Master's Degree from the Institute of Plant Biology, National Taiwan University President, Production Business Department, Virbac (Taiwan) Co., Ltd. Independent Director, Standard Chem & Pharm Co., Ltd. Chairman and President, Gaosheng Pharmaceutical Co., Ltd. Chief Operating Officer, Lytone Enterprise, Inc. Other positions concurrently held at MVC and other companies: None.</p>	<p>N/A</p>	<p>-</p>

Name	Professional qualifications and experience	Independence situation	Number of other Public Companies in which the individual is concurrently serving as an Independent Director
Ming-Yi, Wu Independent Director	<p>Major in Education and work Experience: M.S. in Accounting, National Chung Hsing university Manager of Bajia Enterprise Co. Supervisor of Deloitte Touche Tohmatsu Limited.</p> <p>Other positions concurrently held at MVC and other companies: Managing Partner of Reanda M Y Wu & Co., CPAs. Member of the Tax Regulations and Tax Affairs Committee of the National Federation of CPA Associations of the R.O.C. He is a chairman of the audit committee and a member of the remuneration committee of MVC.</p>	<p>MVC has obtained a written statement from each independent director confirming the independence of himself and his immediate family relative to MVC. The independent directors of MVC</p>	-
Yiu-Kay, Lai Independent Director	<p>Major in Education and work Experience: Postdoctoral Researcher, Yale School of Medicine Ph.D. in Genetics, North Carolina State University Chair, Department of Life Science, National Tsing Hua University Chair, Institute of Biotechnology, National Tsing Hua University</p> <p>Other positions concurrently held at MVC and other companies: Director, Fortune Anti-aging Nutraceuticals, Co. Ltd. Technology Consultant, Green Strong International Co., Ltd. Technology Consultant, Yunnan Alphy Biotech Co., Ltd. He is a chairman of the remuneration committee and a member of the audit committee of MVC.</p>	<p>are members of the Board of Directors, the Audit Committee and the Remuneration Committee. The independent directors themselves, their spouses, second relatives (or in the name of others) do not hold any shares of MVC. They have neither held positions in MVC nor related companies, nor have they served as remunerations for the business, legal, financial, accounting and other services of MVC's other related companies.</p>	-
Peng-Fei, Su Independent Director	<p>Major in Education and work Experience: Master of Business Administration, National Chengchi University Marketing Director of Sunset Technology Co., Ltd Independent Director of Tatung Company Independent Director of San Chih Semiconductor Co., Ltd.</p> <p>Other positions concurrently held at MVC and other companies: Senior Vice-President of Shengye Assets Co., Ltd. He is a member of the audit committee and remuneration committee of MVC.</p>	<p>are members of the Board of Directors, the Audit Committee and the Remuneration Committee. The independent directors themselves, their spouses, second relatives (or in the name of others) do not hold any shares of MVC. They have neither held positions in MVC nor related companies, nor have they served as remunerations for the business, legal, financial, accounting and other services of MVC's other related companies.</p>	-

Note: All directors of MVC are not subject to Article 30 of Company Law.

Director Diversity and Independence

1. Board Diversity :

Article 20 of MVC's "Corporate Governance Best Practice Principles" stipulates that the composition of the board of directors should consider diversity, and formulate an appropriate diversity policy based on its own operation, operation type and development needs, and disclose it on MVC's corporate website

The board of directors elected by MVC consists of four directors and three independent directors. The board of directors of MVC is composed of experts in the fields of industry, academic institutions, biotechnology and medical care, and financial accounting. To achieve the ideal goals of corporate governance, the overall capabilities of the board of directors are as follows: :

- (1) Operational judgment ability.
- (2) Accounting and financial analysis ability.
- (3) Operation and management ability.
- (4) Crisis handling capability.
- (5) Industrial knowledge.
- (6) The international market view.
- (7) Leadership.
- (8) Decision-making ability.

2. Specific management objectives and implementation of the diversity policy:

- (1) Diverse professional background: The board of directors of MVC are composed of experts in the fields of industry, academic institutions, biotechnology and medical care, and financial accounting.
- (2) Quality of executive duties: Among the board members, there is 1 nurse and 2 CPAs.
- (3) Future goal: Increase the number of female board members (currently 1 member).

3. Board Independence

The proportion of independent directors of MVC to all directors is 43% and there is no relationship between the directors of spouses and relatives within the second degree of kinship that meets the requirements for independence.

Item	Name	Chairman Ming-Cheng Chang	Director Chin-Yen, Chen	Director Tsan-Jian Chen	Director Chia-Hsiu Lin	Independent Director Ming-Yi, Wu	Independent Director Yiu-Kay, Lai	Independent Director Peng-Fei, Su	
Information	Nationality	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	
	Gender	Male	Female	Male	Male	Male	Male	Male	
	Employee	-	-	-	-	-	-	-	
	Age	51-60	-	V	-	-	V	-	V
		61-70	V	-	-	V	-	-	-
		71-80	-	-	V	-	-	V	-
	Tenure and seniority of Independent Director	0-3 years	-	-	-	-	V	-	V
4-6 years		-	-	-	-	-	V	-	
6-9 years		-	-	-	-	-	-	-	
Professional and background	Medical and pharmaceutical related experience	-	V	-	-	-	-	-	
	Biomedical experience	-	V	V	V	-	V	-	
	Professional Services and Marketing	-	-	V	V	-	V	V	
	Finance	V	-	-	-	V	-	V	
	Mechanical and Engineering	V	-	-	-	-	-	V	
	Management	V	V	V	V	V	-	V	
Professional Ability	Professor	-	-	-	-	-	V	-	
	CPA	V	-	-	-	V	-	-	

(II) Information regarding president, vice presidents, assistant vice president, and the supervisors of all the company's divisions and branch units

April 28, 2025

Position	Name	Gender	Nationality	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Major experience (education)	Other positions held at the Company and other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks (Note1)
					Shares	%	Shares	%	Shares	%			Position	Name	Relationship	
President	Szu-Hsien, Lee	Male	R.O.C.	2024.06.13	100,834	0.03	-	-	-	-	Master, Department and Graduate Institute of Pharmacology, National Taiwan University Taiwan and HK region President, Vaccine Department, Sanofi Co., Ltd. Director, Governmental Affairs Department and Eli Lilly and Company (Taiwan), Inc.	Overseas Director of Temple University and Distinguished Visiting Professor of Biotechnology Innovation National Yang Ming University Industry-Academia Lecture.	None	None	None	None

Position	Name	Gender	Nationality	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Major experience (education)	Other positions held at the Company and other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks (Note1)
					Shares	%	Shares	%	Shares	%			Position	Name	Relationship	
Vice President of Administration Division	Yu-Ping, Yang	Female	R.O.C.	2023.09.22	511,499	0.16	-	-	-	-	Professional master's program in Biotechnology Management, National Taiwan University Master, Dept. of Business Administration, National Taipei University Assistant Vice President, Deloitte Touche Tohmatsu Limited Manager, Financial & Administrative Department, Eon Silicon Solution Inc.	-	None	None	None	None
Vice President of Medical Affairs & Clinical Division	Sheng-Ying Ke	Male	R.O.C.	2025.02.01	20,000	0.01	-	-	-	-	Medical Director, Asia – AstraZeneca(AZ) Regional Medical Director, Immunology & Dermatology, APMA – Novartis Head of Medical, Taiwan – Novartis	-	None	None	None	None

Position	Name	Gender	Nationality	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Major experience (education)	Other positions held at the Company and other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks (Note1)
					Shares	%	Shares	%	Shares	%			Position	Name	Relationship	
Plant Director	Wei-Cheng, Lien	Male	R.O.C.	2020.01.02	104,766	0.03	87,114	0.03	-	-	Ph.D., School of Veterinary Medicine, National Taiwan University Director and CEO, Quality Office, Bioproduction Plants, National Institution of Infectious Diseases and Vaccinology, National Health Research Institutes Director, Manufacturing Sector, Vaccine Center, Taiwan Centers for Disease Control	-	None	None	None	None
Head of Project Management Dept.	Cheng-Yang Chen	Male	R.O.C.	2024.02.01	84,794	0.03	-	-	-	-	Graduate Institute of Development Studies, National Chengchi University Department of Sociology, Soochou University Development Center for Biotechnology: Associate Research Fellow	Head of Business Development Department for MVC Deputy Spokesperson for MVC	None	None	None	None

Position	Name	Gender	Nationality	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Major experience (education)	Other positions held at the Company and other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks (Note1)
					Shares	%	Shares	%	Shares	%			Position	Name	Relationship	
Head of Regulatory Affairs Dept.	Qing-An Wu	Male	R.O.C.	2024.02.01	178,488	0.05	3,207	0.001	-	-	Ph.D., Institute of Pharmacology, College of Medicine, National Taiwan University M.S., Institute of Pharmaceutical Sciences, College of Medicine, National Taiwan University	Supervising Pharmacist for MVC	None	None	None	None
Head of Production Dept.	He-Ru Hsieh	Male	R.O.C.	2024.02.01	-	-	255	0.0001	-	-	EMBA in Biotechnology, Taipei Medical University Graduate Institute of Biomedical Technology, Taipei Medical University Purzer Pharmaceutical Co., Ltd.: Assistant Manager Eusol Biotech Co., Ltd.: Manager	-	None	None	None	None

Note: MVC has no occurrence where the Chairman, President, or personnel with equivalent position (chief manager) are the same person, spouse, or relatives within one degree of kinship.

II. Remuneration Paid to Directors, Supervisors, President, and Vice Presidents for the Most Recent Year

(I) 2024 Remuneration paid to Directors and Independent Directors

Dec. 31, 2024; Unit: NT\$ thousand

Position	Name	Remuneration of Directors								The total amount of A, B, C and D and ratio to net income (%)		Relevant remuneration received by Directors who are also employees								The total amount of A, B, C and D and ratio to net income (%)		Remuneration from invested companies other than subsidiaries or the parent company
		Base compensation (A)		Severance and Retirement Pension (B)		Bonus of Directors (C)		Business execution expenses (D)				Salary, bonus, and allowance (E)		Severance and Retirement Pension (F)		Employee compensation (G)						
		The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	Cash	Stock	Cash	Stock	The Company	All companies in the consolidated financial report	
Chairman	Medigen Biotech Corp. Rep.: Ming-Cheng Chang	2,760	2,760	-	-	-	-	-	-	2,760 (3.43%)	2,760 (3.43%)	-	-	-	-	-	-	-	-	2,760 (3.43%)	2,760 (3.43%)	None
Director	Medigen Biotech Corp. Rep.: Chin-Yen, Chen (Note4)	180	180	-	-	-	-	34	34	214 (0.27%)	214 (0.27%)	-	-	-	-	-	-	-	-	214 (0.27%)	214 (0.27%)	None
	Medigen Biotech Corp. Rep.: Ken-Hu, Chang (Note4)	-	-	-	-	-	-	32	32	32 (0.04%)	32 (0.04%)	-	-	-	-	-	-	-	-	32 (0.04%)	32 (0.04%)	None
Director	Tsan-Jian, Chen	180	180	-	-	-	-	735 (Note4)	735 (Note4)	915 (1.14%)	915 (1.14%)	1,505	1,505	-	-	-	-	-	-	2,420 (3.01%)	2,420 (3.01%)	None
Director	Chia-Hsiu Lin	480	480	-	-	-	-	73	73	553 (0.69%)	553 (0.69%)	-	-	-	-	-	-	-	-	553 (0.69%)	553 (0.69%)	None
Director	Wei-Jen, Chen (Note4)	-	-	-	-	-	-	32	32	32 (0.04%)	32 (0.04%)	-	-	-	-	-	-	-	-	32 (0.04%)	32 (0.04%)	None
Independent Director	Ming-Yi, Wu	600	600	-	-	-	-	70	70	670 (0.83%)	670 (0.83%)	-	-	-	-	-	-	-	-	670 (0.83%)	670 (0.83%)	None
Independent Director	Yiu-Kay, Lai	600	600	-	-	-	-	80	80	680 (0.85%)	680 (0.85%)	-	-	-	-	-	-	-	-	680 (0.85%)	680 (0.85%)	None
Independent Director	Peng-Fei, Su (Note4)	350	350	-	-	-	-	41	41	391 (0.49%)	391 (0.49%)	-	-	-	-	-	-	-	-	391 (0.49%)	391 (0.49%)	None

Note 1: Please state the policy, system, standards, and structure of independent directors' remuneration payment, and describe the relevance between the amount of remuneration and the factors including responsibilities, risks, the time spent by the individual, etc.: The remuneration of MVC's Independent Directors shall be distributed reasonably in accordance with the overall business performance, taking into account their involvement in and contribution to MVC's operation.

Note 2: Other than disclosures in the above table, remuneration paid to directors for providing services (e.g., such as serving as a consultant to non-employees of the parent company/financial report of all companies/reinvested enterprises, etc.) for all companies in consolidated financial statements in the most recent year: None.

Note 3: A full re-election of the Board of Directors was conducted on June 13, 2024. Mr. Ken-Hu Chang and Mr. Wei-Jen Chen stepped down on the same date. Mr. Chia-Hsiu Lin transitioned from Independent Director to Director of MVC. Mr. Peng-Fei Su was appointed as an Independent Director of MVC, effective June 13, 2024.

Note4: Company car dispatch expenses.

(II) 2024 Remuneration paid to President and Vice Presidents

1. Remuneration paid to President and Vice Presidents

Dec. 31, 2024; Unit: NT\$ thousand

Position	Name	Salary (A)		Severance and Retirement Pension (B)		Bonus and allowance (C)		Employee compensation (D)				The total amount of A, B, C and D and ratio to net income (%)		Remuneration from invested companies other than subsidiaries or the parent company
		The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company (Note1)	All companies in the consolidated financial report (Note1)	The Company		All companies in the consolidated financial report		The Company	All companies in the consolidated financial report	
								Cash	Stock	Cash	Stock			
President	Szu-Hsien Lee (Note2)	6,118	6,118	108	108	1,592	1,592	-	-	-	-	7,818 (9.72%)	7,818 (9.72%)	None
	Tsan-Jian, Chen (Note2)	-	-	-	-	1,505	1,505	-	-	-	-	1,505 (1.87%)	1,505 (1.87%)	None
Vice President of Administration Division	Yu-Ping, Yang	4,380	4,380	108	108	845	845	-	-	-	-	5,333 (6.63%)	5,333 (6.63%)	None
Vice President of International Affairs Division	Torkehagen Paal Fure (Note2)	1,516	1,516	-	-	45	45	-	-	-	-	1,562 (1.94%)	1,562 (1.94%)	None

Note1: Compensation Expense Recognized for Employee Stock Warrants.

Note2: Mr. Tsan-Jian, Chen retired and stepped down from his position as President on June 13, 2024. On the same day, the Board of Directors approved the appointment of Mr. Szu-Hsien, Lee as the new President of MVC.

Mr. Torkehagen Paal Fure, Vice President of the International Affairs Division, stepped down on April 24, 2024.

2. Remuneration for the top 5 executives

Dec. 31, 2024; Unit: NT\$ thousand

Position	Name	Salary (A)		S Severance and Retirement Pension (B)		Bonus and allowance (C)		Employee compensation (D)				The total amount of A, B, C and D and ratio to net income (%)		Remuneration from invested companies other than subsidiaries or the parent company
		The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company (Note)	All companies in the consolidated financial report (Note)	The Company		All companies in the consolidated financial report		The Company	All companies in the consolidated financial report	
								Cash	Stock	Cash	Stock			
President	Ssu-Hsien Li	6,118	6,118	108	108	1,592	1,592	-	-	-	-	7,818 (9.72%)	7,818 (9.72%)	None
Vice President of Administration Division	Yu-Ping, Yang	4,380	4,380	108	108	845	845	-	-	-	-	5,333 (6.63%)	5,333 (6.63%)	None
Plant Director	Wei-Cheng, Lien	3,553	3,553	108	108	1,110	1,110	-	-	-	-	4,771 (5.93%)	4,771 (5.93%)	None
Head of Project Management Dept.	Zheng-Yang Chen	2,330	2,330	108	108	601	601	-	-	-	-	3,039 (3.78%)	3,039 (3.78%)	None
Head of Production Dept.	He-Ru Hsieh	2,403	2,403	108	108	501	501	-	-	-	-	3,012 (3.74%)	3,012 (3.74%)	None

Note: Employee stock options granted and issuance of shares for cash capital increase.

3. Employee bonus paid to managerial officers: None.

(III) Separate comparisons and descriptions of total remuneration, as a percentage of net income stated in the parent company-only financial reports or individual financial reports, as paid by the company and all other companies Included in the consolidated financial statements during the past two years to Directors, Supervisors, the President, and Vice Presidents, with analysis and description of remuneration policies, standards, packages, and procedures for determining remuneration, and link:

1. Remuneration paid by MVC and all entities in the consolidated financial report during the most recent two years to Directors, Supervisors, President, and Vice Presidents as a percentage of net income:

Position	Ratio of total 2024 remuneration to net income (loss) (%)		Ratio of total 2023 remuneration to net income (loss) (%)	
	The Company	Entities in the consolidated financial report	The Company	Entities in the consolidated financial report
Director	(9.65)	(9.65)	(1.08)	(1.08)
President and Vice Presidents	(20.16)	(20.16)	(1.90)	(1.90)

2. The policies, standards, packages, and procedures for determining remuneration, and the correlation with risks and business performance:

The Compensation of Directors, Supervisors, CEO, and Vice Presidents:

The compensation for the Directors, Supervisors, CEO, and Vice Presidents is determined based on the overall operational performance of MVC and is adjusted according to their level of involvement and contribution to MVC's operations. The compensation is therefore reasonable, and there are no significant risks associated with it.

Regarding profit distribution, it is carried out in accordance with the Company's Articles of Incorporation and is subject to approval by the shareholders' meeting.

Employee and Director Compensation Allocation:

If MVC generates profits in a particular year, at least 1% of the profits will be allocated as employee compensation and no more than 1% as director compensation. However, if MVC has accumulated losses, the amount of compensation will be reserved to cover these losses.

Dividend Policy:

MVC's dividend policy is to distribute dividends in the form of stock dividends (including earnings and capital surplus) or cash dividends. The Board of Directors will propose a profit distribution plan, considering the operating conditions, capital needs, and the annual earnings (after required reserves), which will then be approved by the shareholders' meeting. Cash dividends generally pay out at a minimum of 50% of the distributable profit. However, if there are significant capital expenditures or operational capital requirements in the future, the shareholders' meeting may agree to distribute all dividends in the form of stock dividends.

III Implementation of Corporate Governance

(I) Operation of the Board meetings:

There were 9 (A) meetings held in 2024. The attendance of the Directors is as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) 【B/A】	Remarks
Chairman	Medigen Biotech Corp. Rep.: Ming-Cheng Chang	9	0	100%	Reappointed (June 13, 2024)
Director	Medigen Biotech Corp. Rep.: Chin-Yen, Chen	5	0	100%	Newly Appointed (June 13, 2024)
Director	Medigen Biotech Corp. Rep.: Ken-Hu, Chang	4	0	100%	Stepped Down (June 13, 2024)
Director	Tsan-Jian, Chen	9	0	100%	Reappointed (June 13, 2024)
Director	Chia-Hsiu, Lin	9	0	100%	Reappointed (June 13, 2024)
Director	Wei-Jen, Chen	4	0	100%	Stepped Down (June 13, 2024)
Independent Director	Ming-Yi, Wu	8	1	89%	Reappointed (June 13, 2024)
Independent Director	Yiu-Kay, Lai	9	0	100%	Reappointed (June 13, 2024)
Independent Director	Peng-Fei, Su	5	0	100%	Newly Appointed (June 13, 2024)

Other matters to be recorded:

I. regarding the implementation of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and MVC's handling of such opinions shall be specified:

(I) Matters stated in Article 14-3 of the Securities and Exchange Act

Date	Session	Contents of motions	Opinions of All Independent Directors	Company's Response
2024/03/08	22nd meeting of the 4th Board	Regular assessment of the independence and competency of MVC's external auditors	Agree	Approved as proposed
2024/08/01	3rd meeting of the 5th Board	Proposal to establish the "2024 Employee Stock Warrant Issuance and Subscription Guidelines."	Agree	Approved as proposed
2024/08/30	4th meeting of the 5th Board	Amendment to the "2024 Employee Stock Warrant Issuance and Subscription Guidelines." Establishment of the "Compensation Policy for Directors and Managers."	Agree	Approved as proposed
2024/11/04	5th meeting of the 5th Board	Establishment of the "Sustainable Information Management Policy."	Agree	Approved as proposed
2025/03/05	7th meeting of the 5th Board	Amendment to the "Payroll Cycle" section of the internal control system. Amendment to the "Articles of Incorporation." Regular assessment of the independence and competency of MVC's external auditors.	Agree	Approved as proposed

(II) Other resolutions of the Board, which the Independent Director(s) voiced objection or reservation that are documented or issued through a written statement in addition to the above: Not applicable.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors,

contents of motions, reasons for recusal, and results of the voting shall be specified : Not applicable.

III. TWSE/TPEX listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method, and contents:

Frequency	Period	Scope	Method	Content
Once a year	2024/01~2024/12	Board performance evaluation	Self-evaluation by the Board	The evaluation includes participation in the operation of MVC, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control, etc. Evaluation result: excellent.
Once a year	2024/01~2024/12	Board member performance evaluation	Self-evaluation by the Board members	The evaluation includes alignment of the goals and missions of MVC, awareness of the duties of a director participation in the operation of MVC, management of internal relationship and communication, the director's professionalism and continuing education and internal control, etc. Evaluation result: excellent.
Once a year	2024/01~2024/12	Functional committee performance evaluation	Self-evaluation by the functional committee	The evaluation includes participation in the operation of MVC, awareness of the duties of the functional committee, improvement in the quality of decisions made by the functional committee, composition of the functional committee and election of the members and internal control, etc. Evaluation result: excellent.

IV. Measures undertaken during the current year and the most recent year to strengthen the functions of the board of directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment of their implementation:

(I)The operation, functions, and powers of the Board are exercised in accordance with the “Articles of Incorporation” and “Rules of Procedure for Board of Directors Meetings.”

(II)The attendance of Directors and Supervisors, continuing education, operation of the functional committees, material information, and other announcements required by law are disclosed on the MOPS.

(III)The Independent Directors have a good attendance rate and give good suggestions to matters regarding internal control, business, and finance to the Board with their industry knowledge, accounting, and financial analysis ability.

(IV)MVC's financial statements are audited and certified by Ernst & Young on a regular basis. All information required to be disclosed by the regulations and laws was disclosed correctly on time. In addition, MVC appointed specialists to be responsible for the collection and disclosure of the information and established the spokesperson system to ensure that all significant information can be disclosed properly and timely. MVC's website can link to the website of MOPS so that shareholders and stakeholders can refer to the website to understand relevant information about MVC's financial business.

(II) Operation of Audit Committee or attendance of supervisors at Board Meetings

Operation of the Audit Committee meetings: There were 5(A) meetings held in 2024. The attendance of the Independent Directors is as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) [B/A]	Remarks
Independent Director	Ming-Yi Wu	5	0	100%	Reappointed (June 13, 2024)
Independent Director	Chia-Hsiu Lin	2	0	100%	Stepped Down (June 13, 2024)
Independent Director	Yiu-Kay, Lai	5	0	100%	Reappointed (June 13, 2024)
Independent Director	Peng-Fei, Su	3	0	100%	Newly Appointed (June 13, 2024)

Other matters to be recorded:

I. If any of the following circumstances arise in relation to the operation of the Audit Committee, the company shall disclose the date and term of the Audit Committee meeting, the content of the proposals, any objections or reservations expressed by the independent directors, any significant recommendations, the resolutions passed by the Audit Committee, and MVC’s handling of such resolutions.:

(I) Matters stated in Article 14-5 of the Securities and Exchange Act:

Date	Session	Contents of motions	Committee Resolution	Company’s Response
2024/03/08	9th meeting of the 3rd Board	2023 Business Report and Financial Statements. Regular assessment of the independence and competency of MVC’s external auditors.	Agree	Approved as proposed
2024/08/01	1st meeting of the 4th Board	Proposal to establish the “2024 Employee Stock Warrant Issuance and Subscription Guidelines.	Agree	Approved as proposed
2024/08/30	2nd meeting of the 4th Board	Amendment to the “2024 Employee Stock Warrant Issuance and Subscription Guidelines.”	Agree	Approved as proposed
2024/11/04	3rd meeting of the 4th Board	Establishment of the “Sustainable Information Management Policy.”	Agree	Approved as proposed
2025/03/05	4th meeting of the 4th Board	2024 Business Report and Financial Statements. Amendment to the “Payroll Cycle” section of the internal control system. Regular assessment of the independence and competency of MVC’s external auditors.	Agree	Approved as proposed

(II) Other matters not approved by the Audit Committee but approved by two-thirds or more of all directors: None.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of independent directors, the motions involved, reasons for recusal, and voting outcomes shall be specified: None.

III. Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of the audit of finances and operations)

(I)Communication with chief internal auditors:

1. In accordance with the regulations of the competent authority, Chief Internal Auditor shall carry out the audit tasks every month and report the implementation status of the internal audit to the Audit Committee every quarter. The Audit Committee members raised no objections, and the Independent Directors provided professional advice and guidance to the content of the audit report.
2. Chief internal auditors are present at all audit committee meetings which are held at least 4 times a year and advice and guidance with independent directors concerning MVC’s operations, implementation status, and effectiveness of internal control.

(II)Communication with CPAs: The committee communicates with CPAs at least once a year regarding the financial statements, implementation of corporate governance, and the latest financial and taxation information.

(III) Implementation of the status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		MVC has formulated the “Corporate Governance Best-Practice Principles” and disclosed it on MVC’s website.	No significant difference
II. Shareholding structure & shareholders' rights				
(I) Does the company establish and implement internal operating procedures to deal with shareholders’ suggestions, doubts, disputes, and litigation?	✓		(I) During a shareholders' meeting, participating shareholders will be given an appropriate amount of time for discussion. MVC will accept and work on incontrovertible and feasible recommendations. However, controvertible suggestions will be voted upon in accordance with meeting regulations. MVC has appointed a Spokesperson, Acting Spokesperson, and shareholder service personnel to resolve related issues. MVC will formulate internal operating procedures based on needs and the actual situation.	(I) No significant difference
(II) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(II) MVC pays attention to the changes in equity and pledged shares of shareholders holding more than 10% of the shares and Directors at any time and uploads the information every month to the information disclosure website specified by the FSC for public disclosure.	(II) No significant difference
(III) Does the company establish and execute a risk management and firewall system within its affiliates?	✓		(III) The asset management and financial management between MVC and its affiliates are clearly defined and handled in accordance with the “Procedures for Management of Group Enterprises, Specific Companies and Related Party Transactions,” to reduce risks.	(III) No significant difference
(IV) Does the Company establish internal rules against insiders using undisclosed information to trade in securities?	✓		(IV) MVC has formulated the “Procedures for Handling Material Inside Information and Preventing Insider Trading.”	(IV) No significant difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the board of directors formulate a diversity policy, specific management objectives and guidelines and implement them??</p> <p>(II) Does the Company voluntarily establish other functional committees in addition to the legally required Remuneration Committee and Audit Committee?</p> <p>(III) Does the Company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?</p> <p>(IV) Does the Company regularly evaluate the independence of the CPAs?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>(I) Three seats of Independent Directors are elected based on the Board's diversity guideline, to diversify the composition of its board members.</p> <p>(II) In the future, MVC will set up other functional committees based on MVC's operating development.</p> <p>(III) MVC's Remuneration Committee's organizational rules clearly define the responsibilities of the Remuneration Committee. The Remuneration Committee establishes the relevant policies and regularly evaluates the performance of the Board of Directors.</p> <p>(IV) The Audit Committee periodically (at least once a year) evaluates the independence and suitability of the appointed accountants by referring to the Audit Quality Indicators (AQIs) and submits them to the Audit Committee and the Board of Directors for approval on March 5, 2025. The Audit Quality Indicators (AQIs) report and the independent statement issued by the CPA firm are evaluated in terms of their professionalism and independence, and no possible influence on the independence or inappropriateness of the certified public accountants has been identified to ensure the reliability of MVC's financial reports.</p> <p>The evaluation process consisted of five main components and 13 indicators, including professionalism, quality control, independence, supervision, and innovation, and a declaration of independence was obtained from the CPAs.</p>	<p>(I) No significant difference</p> <p>(II) No significant difference</p> <p>(III) No significant difference</p> <p>(IV) No significant difference</p>

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof															
	Yes	No	Description																
IV. Does the company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?	✓		<p>MVC has set up a chief governance officer to handle corporate governance-related matters.</p> <p>1. Terms of Reference: Including handling matters related to the meetings of the board of directors and shareholders' meetings according to the law, making minutes of the board of directors and shareholders' meetings, assisting directors in their appointment and continuing education, providing directors with information required for business execution, and assisting directors in complying with laws and regulations, etc.</p> <p>2. Training of chief governance officer:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Hour</th> <th>Name of Course</th> </tr> </thead> <tbody> <tr> <td>2024/07/03</td> <td>6</td> <td>2024 Cathay Pacific Sustainable Finance and Climate Change Summit</td> </tr> <tr> <td>2024/07/09</td> <td>3</td> <td>AI Strategy and Governance</td> </tr> <tr> <td>2024/09/02</td> <td>3</td> <td>Corporate Governance and Securities Regulations</td> </tr> <tr> <td>2024/09/02</td> <td>3</td> <td>ESG in Practice: Legal Responsibilities and Judicial Case Studie</td> </tr> </tbody> </table>	Date	Hour	Name of Course	2024/07/03	6	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	2024/07/09	3	AI Strategy and Governance	2024/09/02	3	Corporate Governance and Securities Regulations	2024/09/02	3	ESG in Practice: Legal Responsibilities and Judicial Case Studie	No significant difference
Date	Hour	Name of Course																	
2024/07/03	6	2024 Cathay Pacific Sustainable Finance and Climate Change Summit																	
2024/07/09	3	AI Strategy and Governance																	
2024/09/02	3	Corporate Governance and Securities Regulations																	
2024/09/02	3	ESG in Practice: Legal Responsibilities and Judicial Case Studie																	
V. Does the company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		MVC provides sufficient information for financial institutions and creditors and has established a means of communication with employees; in addition, information on the acquisition or disposal of assets and endorsements/guarantees is disclosed on the MOPS to maintain the rights and interests of stakeholders. Furthermore, MVC has set up communication channels including a Spokesperson and Acting Spokespersons to ensure their rights and benefits. MVC has contact information disclosed on the website.	No significant difference															
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		MVC has currently appointed the Stock Affairs Department of SinoPac Securities as its shareholder meeting agent.	No significant difference															
VII. Information disclosure (I) Does the company have a website to disclose financial operations and corporate governance status?	✓		(I) MVC discloses material information on the website and discloses financial information and material information on the MOPS.	(I) No significant difference															

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?	✓		(II) MVC appoints a person who is familiar with various financial and business matters and can coordinate resources of various departments to serve as the Spokesperson, to represent MVC externally, to ensure timely disclosure of information that may influence the decision making of the shareholders and stakeholders. When MVC holds institutional investor conferences, relevant documents will also be uploaded to the MOPS for the inquiry of investors.	(II) No significant difference
(III) Does the company publicly announce and file the annual financial reports within two months after the closing of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?	✓		(III) MVC announces and files its annual financial reports within 75 days after the end of the fiscal year, in compliance with applicable regulations. In addition, the Company discloses and submits its first, second, and third quarter financial reports, as well as monthly operating results, within the prescribed deadlines.	(III) No significant difference
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?	✓		(I) Employee rights: MVC has always treated employees honorably and provides protection of their legal rights in accordance with the Labor Standards Act. (II) Employee care: MVC establishes good relationships with employees through employee welfare measures, and education and training. (III) Investor relations: MVC discloses financial and business information, and material information on the MOPS in accordance with the laws and regulations, for the investors' inquiry. MVC also handles inquiries from the investors appropriately and maintains a good relationship with the investors. (IV) Supplier relations: MVC fulfills its corresponding contractual rights and obligations to the suppliers to ensure that matters including the delivery dates, prices, and quality are in line with the contracts so that there is good communication with the suppliers. (V) Rights of stakeholders: Disclosure of information, such as financial operations and material information, on the Market Observation Post System for stakeholders' understanding.	No significant difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			(VI) Training of Directors and Supervisors: All Directors of MVC have practical experience in their professional fields and participate in relevant continuing training courses. (VII) Risk management policy and implementation of risk measurement: MVC has set up the appropriate policy, procedures, and internal control regarding financial risk management based on relevant standards. Material financing activities need to be reviewed by the Board of Directors regarding relevant standards and internal control systems. (VIII) Implementation of customer policies: MVC's main product, the Enterovirus 71 (EV71) vaccine, sold in August 2023 and our customer relationships are actively developing. (IX) Purchase of liability insurance for the Directors and Supervisors by MVC and has purchased liability insurance for the Directors and other important personnel in accordance with the Articles of Incorporation and has reported such matter to the Board Meetings.	
<p>IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved. (Companies not listed for evaluation do not need to fill in this section):</p> <p>Improved: The English versions of the meeting handbook, annual report, and financial statements were uploaded ahead of the regulatory deadlines. In the previous year, following the re-election of the Board of Directors, one additional female director was appointed.</p> <p>Prioritized matters and measures: The annual financial statements were disclosed within two months after the end of the fiscal year. MVC plans to increase the number of female directors in the future.</p>				

(IV) Composition, functions, and operations of the Remuneration Committee, if any:
MVC established its Remuneration Committee on June 22, 2015, and adopted the Remuneration Committee Charter. The Committee is responsible for setting and periodically reviewing the performance evaluations and remuneration policies, systems, standards, structures, and levels applicable to Directors, Supervisors, and managerial officers. It also provides recommendations to the Board of Directors as a basis for their decision-making, to ensure sound corporate governance and effective operations.

1. Information on the remuneration committee members:

Title and Name	Professional qualifications and experience	Independence situation	Number of other Public Companies in which the individual is concurrently serving as an Independent Director
Yao-Chi, Li Independent Director	<p>Major in Education and work Experience: Postdoctoral Researcher, Yale School of Medicine Ph.D. in Genetics, North Carolina State University Chair, Department of Life Science, National Tsing Hua University Chair, Institute of Biotechnology, National Tsing Hua University</p> <p>Other positions concurrently held at MVC and other companies: Director, Fortune Anti-aging Nutraceuticals, Co. Ltd. Technology Consultant, Green Strong International Co., Ltd. Technology Consultant, Yunnan Alphy Biotech Co., Ltd.</p> <p>He is a chairman of the remuneration committee and a member of the audit committee of MVC.</p>	<p>MVC has obtained a written statement from each independent director confirming the independence of himself and his immediate family relative to MVC.</p> <p>The independent directors of MVC are members of the Board of Directors, the Audit Committee and the Remuneration Committee.</p>	-
Ming-Yi, Wu Independent Director	<p>Major in Education and work Experience: M.S. in Accounting, National Chung Hsing university Manager of Bajia Enterprise Co. Supervisor of Deloitte Touche Tohmatsu Limited.</p> <p>Other positions concurrently held at MVC and other companies: Managing Partner of Reanda M Y Wu & Co., CPAs. Member of the Tax Regulations and Tax Affairs Committee of the National Federation of CPA Associations of the R.O.C.</p> <p>He is a chairman of the audit committee and a member of the remuneration committee of MVC.</p>	<p>The independent directors, their spouses, and second-degree relatives do not hold any shares in MVC, whether directly, indirectly, or under the names of others.</p> <p>They have neither held positions in</p>	-

Title and Name	Professional qualifications and experience	Independence situation	Number of other Public Companies in which the individual is concurrently serving as an Independent Director
Peng-Fei, Su Independent Director	<p>Major in Education and work Experience: Master of Business Administration, National Chengchi University Marketing Director of Sunset Technology Co., Ltd Independent Director of Tatung Company Independent Director of San Chih Semiconductor Co., Ltd.</p> <p>Other positions concurrently held at MVC and other companies: Senior Vice-President of Shengye Assets Co., Ltd. He is a member of the audit committee and remuneration committee of MVC.</p>	MVC nor related companies, nor have they served as remunerations for the business, legal, financial, accounting and other services of MVC's other related companies.	-

2. Operational status of the Remuneration Committee

(1) There are a total of 3 members in the Remuneration Committee.

(2) The office term of the current Committee: From June. 13, 2024 to June 16, 2027.

The Remuneration Committee held 2 meetings (A) in the most recent fiscal year.

The qualifications and attendance of the committee members are as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) [B/A]	Remarks
Convener	Yiu-Kay, Lai	2	0	100%	Reappointed (June 13, 2024)
Convener	Chia-Hsiu, Lin	0	0	0%	Stepped Down (June 13, 2024)
Committee member	Ming-Yi, Wu	2	0	100%	Reappointed (June 13, 2024)
Committee member	Peng-Fei, Su	2	0	100%	Newly Appointed (June 13, 2024)

Other matters to be recorded:

- I. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, the content of the motion, resolution by the Board of Directors, and MVC’s response to the Remuneration Committee’s opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.
- II. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, the content of the motion, all members’ opinions, and the response to members’ opinion shall be specified: None.

Date	Session	Contents of motions	Committee Resolution	Company’s Response
2024/08/01	1st meeting of the 5th Committee	Review of remuneration package for newly appointed President	Agree	Approved as proposed
2024/08/30	2nd meeting of the 5th Committee	Assessment of the granting of 2024 employee stock warrants to managerial officers. Evaluation of the “Compensation Management Policy for Directors and Managerial Officers.”	Agree	Approved as proposed

Note:

- (1) Where a committee member may be relieved from duties before the end of the fiscal year, please specify the date of his/her discharge in the “Remarks” Section. His/her actual attendance rate (%) at the committee meeting shall be calculated based on the number of meetings called and the actual number of meetings he/she attended during his/her term of office.
- (2) If a Remuneration Committee member is re-elected before the end of the accounting year, the names of current and previous members shall be listed, and their appointment status and re-election date shall be noted in the “Remarks” column. His/her actual attendance rate (%) at the committee meeting shall be calculated based on the number of meetings called and the actual number of meetings he/she attended during his/her term of office.

(V) Implementation status of sustainable development and climate-related information

1. Implementation status of sustainable development promotion and deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Dose the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, and the board of directors authorize senior management to handle and supervise the situation to the board of directors??	✓		Following the vision and mission of MVC's ESG policy, if necessary, we plan to establish an "ESG Committee" to serve as MVC's highest-level sustainable development decision-making center, and to review core operational capabilities with a few senior executives in different fields. Make a medium- and long-term sustainable development plan. The "ESG Committee" serves as a cross-departmental communication platform integrating top and bottom and horizontally connecting. Through meetings and task groups set up according to issues, identify sustainable issues related to company operations and stakeholders, formulate corresponding strategies and work guidelines, compile budgets related to sustainable development of each organization, plan and implement annual plans, track the implementation results to ensure that the sustainable development strategy is fully implemented in MVC's daily operations. The "ESG Committee" will report to the Board of Directors on the implementation results of sustainable development and future work plans.	No significant difference
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		The disclosed risk assessment boundaries cover the operation and sustainability performance of MVC and its subsidiaries' major bases. To establish a sound corporate social responsibility management, MVC formulates relevant risk management policies or strategies related to MVC's operations in accordance with the principle of materiality, including the following issues.	No significant difference

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>(I) Environmental issues: MVC has formulated the “Workplace Regulations” to stipulate the energy conservation and carbon reduction policies, promote environmental protection-related matters, and work with our employees.</p> <p>(II) Social issues: MVC has formulated and implemented reasonable employee welfare measures in line with MVC’s objectives and HR development. MVC has also formulated the “Human Resources Management Regulations” which defines a clear and effective reward and punishment system with the aim of nurturing professional and technical talents and encouraging knowledge sharing and exchange among employees, to enhance their academic and technical skills to achieve the required tasks.</p> <p>(III) Corporate governance issues MVC has established and disclosed its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. Board evaluation is carried out every year and is disclosed accordingly.</p>	
<p>III. Environmental issues</p> <p>(I) Has the company set up an environmental management system designed for industry characteristics?</p>	✓		<p>(I) MVC clears and recycles industrial waste in accordance with its industrial waste clearance plan and handles public matters in compliance with the environmental regulations provided by the competent authority.</p>	<p>(I) No significant difference</p> <p>(II) No significant difference</p>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the company endeavor to utilize energy efficiently and use renewable materials that have low impacts on the environment?	✓		(II) In response to global climate change issues, MVC emphasizes energy management and responds to government policies on environmental protection and energy conservation by implementing energy-saving and carbon reduction measures to improve energy efficiency and reduce greenhouse gas emissions. To optimize the use of resources, we promote and implement electronic billing systems, resource waste classification, recycling and reduction activities to enhance the efficiency of resource utilization. Because the characteristics of the biotechnology industry are high-tech and low pollution, there is no use of materials that have an impact on the environment.	
(III) Does the Company evaluate the current and future potential risks and opportunities of climate change, and adopt countermeasures related to climate issues?	✓		(III) MVC takes a proactive approach toward matters regarding energy conservation and reduction of greenhouse gases and undertakes temperature control of air conditioners to effectively utilize energy to achieve the goal of energy conservation and carbon reduction.	(III) No significant difference
(IV) Does the company collect data for greenhouse gas emissions, water usage, and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction, and other waste management policies?	✓		(IV) The annual greenhouse gas emissions, water consumption and total waste weight for the most recent year are as follows: Total greenhouse gas CO2 emissions: Direct Greenhouse Gas Emissions (Scope 1, Company-wide): 2024: 1,639.54 metric tons / 2023: 1,538.46 metric tons Indirect Greenhouse Gas Emissions (Scope 2, Company-wide): 2024: 3,856.39 metric tons / 2023: 3,821.58 metric tons	(IV) No significant difference

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>Total Water Consumption (Company-wide): 2024: 48.16 million liters / 2023: 43.61 million liters</p> <p>Total Waste Generation (Company-wide): 2024: 18.78 metric tons / 2023: 11.05 metric tons</p> <p>The above information is obtained by referring to the external verification data of Taiwan Power Company, Taiwan Water Corporation and waste removal and transportation manufacturers.</p> <p>MVC has formulated the “Workplace Regulations” to stipulate the energy conservation and carbon reduction policies. The regulations require that energy-saving light fixtures be installed, employees turn off the light when leaving the offices, MVC carries out air pollution, water pollution, environmental pollution, and noise level monitoring at least 1-2 times a year according to regulations, and MVC appoints qualified recycling institute for waste clearance and reuse.</p>	
<p>IV. Social issues</p> <p>(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(I) MVC abides by relevant labor laws and regulations to protect the employees’ rights and benefits. MVC adopts a non-discrimination employment policy and establishes pension funds. MVC has also established the Employee Welfare Committee, consisting of members elected among the employees to handle matters related to employee welfare.to fulfill corporate social responsibility and protect the basic human rights of all colleagues, customers and stakeholders, MVC follows the "United Nations Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "United Nations</p>	<p>(I) No significant difference</p>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?	✓		Global Compact" and "United Nations International Labor Organization"" and other principles proclaimed in international human rights conventions, respect internationally recognized basic human rights, including freedom of association, caring for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment and employment discrimination, etc., and abide by the labor-related laws and regulations of MVC's location , MVC pays attention to human rights and enjoys the same right to work regardless of race, gender or age. (II) MVC has provided several welfare policies for employees. In addition to labor insurance, health insurance, pension and parental leave regulated by laws and regulations, it also conducts annual health inspections for employees, issues three festival gifts and gift certificates, weddings and funerals and condolences, employee group insurance and company-sponsored Employee Trip. In addition, if MVC is profitable, no less than 1% of the earnings will be allocated to employee compensation to promote labor-management harmony.	(II) No significant difference
(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	✓		(III) MVC provides a safe and healthy working environment and conducts employee health checks on a regular basis every year. For employee education and training, both new employees and current employees are required to conduct safety and health related training in accordance with the law and purchase group insurance for each employee.	(III) No significant difference

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<ol style="list-style-type: none"> 1. MVC has stationed security guards at all office sites to ensure the safety of the workplace. 2. Workplace health: MVC sanitizes the work environment on a yearly basis to ensure the cleanliness of the workplace. 3. MVC installs all required fire equipment and carries out annual fire safety inspections required by the government. In 2024, the number of employees was 134, and there was no occupational disaster in that year. 4. Describe the number of fires in 2024, the number of deaths and injuries, and the status of fire-related improvements: None. 5. To fulfill our corporate social responsibility and promote the physical and mental well-being of our employees, MVC is actively implementing workplace health management policies. In response to the risks of obesity, metabolic syndrome, and chronic diseases such as hypertension, hyperglycemia, and hyperlipidemia, we will launch a three-month “MVC’s Health & Vitality Season – Weight Loss Challenge” in May 2025. This program offers generous incentives to encourage participation, either individually or in teams. Through positive competition and mutual support, we aim to boost motivation and execution, helping employees develop healthy eating and exercise habits. The goal is to promote sustainable weight loss, improve physical fitness, and ultimately enhance workplace wellness and employee well-being. 	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Does the company establish effective career development and training plans for its employees?	✓		(IV) To improve the quality, professionalism, and work efficiency of the employees, the employees may participate in various professional skills and academic training based on their functions and business needs after receiving approval from supervisors, to improve their professional skills. MVC formulates and plans an annual education and training plan for employees every year.	(IV) No significant difference
(V) Does the company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling, etc. and set policies to protect consumer or customer's rights and consumer appeal procedures?	✓		(V) MVC attaches great importance to trademark maintenance and corporate image and cooperates with professional law firms for consultation. The marketing and labeling of products and services comply with and follow relevant regulations and international standards, and have formulated customer sales, return and discount procedures to protect customer rights and interests.	(V) No significant difference
(VI) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety, and health or labor human rights?	✓		(VI) MVC has established a supplier evaluation system. All new suppliers will be evaluated, in addition to those who are required to comply with Good Manufacturing Practice (GMP), Good Transportation Practice (GDP), or other industry standards, they will be listed as the preferred objects for selection. , employee quality, corporate value and fulfillment of social responsibilities and relevant regulations on environmental protection, occupational safety, and health or labor human rights, etc., will be considered and evaluated before signing a contract for cooperation.	(VI) No significant difference

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
V. Does the company refer to internationally used standards or guidelines for the preparation of sustainability reports such as CSR reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	✓		MVC's implementation of sustainable development is handled in accordance with the competent authorities and relevant laws and regulations. MVC has set up a special area on the website and will disclose relevant information on MVC's website and public information observatory according to the actual operation situation. MVC has published its 2022 Annual Sustainability Report in accordance with GRI standards and plans to progressively obtain third party validation or assurance in line with regulatory requirements.	No significant difference
VI. If the Company has established corporate social responsibility principles based on the Sustainable Development Best Practice Principles for TWSE/TEPx Listed Companies, please describe the implementation and any deviations from the Principles: MVC has formulated the corporate social responsibility principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, and MVC has operated in accordance with relevant laws and regulations without significant difference				
VII. Other important information to help understand the implementation of the promotion of Sustainable Development: MVC recognizes the impact of companies on social responsibilities and works hard in its business operations to provide employees with a stable and high-quality work environment and maximize benefits for shareholders and related stakeholders. In the future, in addition to professional training for our employees, we shall actively demonstrate our commitment to corporate social responsibilities and strengthen MVC's core values.				

2. Implementation of Climate-Related Information:

Item	Implementation status
I. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	MVC is committed to formulating a comprehensive climate strategy and will designate senior executives to oversee the implementation of climate risk management practices. Progress toward environmental sustainability goals will be regularly monitored and reviewed.
II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Following the Climate Change Act, MVC has set the following carbon reduction plans and targets:</p> <p>Short-term goal: To collect and survey internal carbon emission data, and to propose plans to improve equipment operation processes and enhance energy efficiency.</p> <p>Medium-term goal: Conduct greenhouse gas inventory, reduce carbon emissions year by year, and continuously improve equipment operation processes.</p> <p>Long-term goal: Conduct a greenhouse gas inventory and verify it by a third party, reduce carbon emissions by 1%-2% year by year, and continue improving the equipment operation process and enhancing energy efficiency.</p>
III. Describe the financial impact of extreme weather events and transformative actions.	<p>1. Exposed to the risk of abnormal weather conditions, natural disasters such as typhoons, floods, droughts, and other extreme weather conditions, and the risk of business interruption.</p> <p>Financial impact : Revenue decreased and cost increased.</p> <p>2. Transformation Risk</p> <p>(1) Risks associated with carbon reduction policies and regulations.</p> <p>(2) Control of corporate carbon footprint and greenhouse gas emissions.</p> <p>(3) Evaluation of suppliers' compliance with relevant policies and regulations during procurement.</p> <p>Financial impact : Cost increase.</p>
IV. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. °	Each department head assigns personnel to exercise the authority to monitor, measure, evaluate, and statistically account for MVC's risk of greenhouse gas emissions, water consumption, and total weight of waste, and to formulate and promote policies on carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management to minimize the impact of MVC's operating activities on climate change.
V. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	Ongoing evaluation.

VI. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	None.
VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Ongoing evaluation.
VIII. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Ongoing evaluation.
IX. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out points 2-1 and 2-2 below).	Ongoing evaluation.

2-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

2-1-1 Greenhouse Gas Inventory Information Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.	Ongoing evaluation.
2-2-2 Greenhouse Gas Assurance Information Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.	Ongoing evaluation.

2-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.	Ongoing evaluation.
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(VI) Implementation status of ethical business practices and deviation from the Ethical Corporate Management Best-Practice Principles for the TWSE/TEP_x Listed Companies and reasons thereof:

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPE _x Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	✓		(I) MVC has established its “Principles of Ethical Corporate Management” and “Procedures for Ethical Management and Guidelines for Conduct” to stipulate that all employees shall uphold the ethical corporate management policies and comply with the laws and regulations when handling MVC’s businesses. The Board and the management also uphold the principle of integrity and actively implement relevant policies.	(I) No significant difference
(II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TEP _x Listed Companies"?	✓		(II) MVC has established its Principles of Ethical Corporate Management for implementation. MVC strictly prohibits Directors, managerial officers, employees, and substantial controllers of MVC from directly or indirectly offering, promising to offer, requesting, or accepting any form of inappropriate benefits in MVC’s operations and business or providing illegal political donations.	(II) No significant difference
(III) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	✓		(III) MVC has established its “Principles of Ethical Corporate Management” and “Procedures for Ethical Management and Guidelines for Conduct” to regulate the employees and impose punishments for violations.	(III) No significant difference
II. Fulfillment of ethical corporate management				
(I) Does the company evaluate business partners’ ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	✓		(I) For potential suppliers, MVC evaluates their legality and ascertains whether they have a record of involvement in unethical conduct to ensure that they conduct business in a fair and transparent manner and do not request, offer, or take bribes.	(I) No significant difference

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(II) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to oversee ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	✓		(II) MVC has established a part-time unit directly under the Board for promoting the ethical corporate management of MVC, and the unit distributes responsibilities and duties to all departments. All personnel of t MVC is committed to fulfilling their corporate responsibilities.	(II) No significant difference
(III) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		(III) The Directors maintain a high degree of self-discipline. They may not participate in the discussion or voting and shall recuse themselves from the discussion or vote if the motion has interests in the Directors themselves or the legal representatives they represent, where there is a likelihood that the interests of MVC would be prejudiced.	(III) No significant difference
(IV) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessments of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?	✓		(IV) MVC has established and put into practice an effective internal control system, related management regulations, and accounting system. MVC has also set up an internal audit unit to regularly audit the compliance of all departments with related rules and regulations. MVC then prepares audit reports and submits them to the Board of Directors.	(IV) No significant difference
(V) Does the company regularly hold internal and external training on ethical corporate management?	✓		(V) MVC educates all employees on the corporate ideals of ethical corporate management in training for new employees and courses on regulations.	(V) No significant difference
III. Operation of the whistle-blowing system				
(I) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?	✓		(I) MVC has set up a suggestion mailbox, to receive reports and suggestions from employees. In cases of violation of regulations regarding ethical conduct, MVC imposes corresponding punishments.	(I) No significant difference
(II) Has the company established standard operating procedures and confidentiality measures for the investigation of reported incidents?	✓		(II) Relevant rules are set forth in the Principles of Ethical Corporate Management, and such matters shall be kept in confidentiality.	(II) No significant difference
(III) Does the company provide protection for whistle-blowers against receiving improper treatment?	✓		(III) MVC appoints designated personnel to handle reports regarding illegal and unethical conducts submitted by employees, shareholders, and stakeholders. The identity of	(III) No significant difference

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			informers and the content of the reports are required to be kept in confidentiality.	
IV. Enhanced disclosure of ethical corporate management information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	✓		MVC has formulated the “Principles of Ethical Corporate Management” and disclosed it on MVC’s website.	No significant difference
V. If the Company has established ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the principles: None				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management: (e.g., review of and amendments to ethical corporate management policies) MVC adheres to the Company Act, the Securities and Exchange Act, and relevant regulations in relation to the TWSE/TPEX listed companies and other related business law, and regulations, as the foundation for ethical corporate management. The Board of Directors shall exercise the due care of a good administrator in supervising MVC’s prevention of unethical conducts. The Audit Office is responsible for the formulation, supervision, and implementation of the ethical management policy and unethical conduct prevention plans. Also, it is responsible to always review the relevant standards of integrity operation. If any violation is found, the Audit Office will report such matters to the Board of Directors.				

(VII) Other important information to facilitate a better understanding of the Company's corporate governance: Please refer to Item 8 of “Implementation status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof.”

(VIII) Internal control system execution status

1. Internal Control Statement: Please refer to the Market Observation Post System (MOPS).

Path: Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcements.

Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. Report obtained from appointing an accountant to review the internal control system for the project: Not applicable.

(IX) Major resolutions of shareholders' meetings and board meetings during the most recent Fiscal year and during the current fiscal year up to the date of publication of the annual report.

Category	Date	Motions	Resolutions
Shareholders' Meeting	2024/06/13	Adoption of MVC's 2023 business report and financial statements	Approved as proposed.
		Adoption of the Proposal for 2023 deficit compensation.	Approved as proposed.
		Proposal for the Full Re-election of Directors and Independent Directors	Approved as proposed.

NO	Category	Date	Motions	Resolutions
1	Board Meeting	2024/03/08	Regular assessment of the independence and competency of MVC's external auditors	Unanimously approved by all directors present.
2	Board Meeting	2024/08/01	Proposal to establish the "2024 Employee Stock Warrant Issuance and Subscription Guidelines."	Unanimously approved by all directors present.
3	Board Meeting	2024/08/30	Amendment to the "2024 Employee Stock Warrant Issuance and Subscription Guidelines." Establishment of the "Compensation Policy for Directors and Managers."	Unanimously approved by all directors present.
4	Board Meeting	2024/11/04	Establishment of the "Sustainable Information Management Policy."	Unanimously approved by all directors present.
5	Board Meeting	2025/03/05	Amendment to the "Payroll Cycle" section of the internal control system. Amendment to the "Articles of Incorporation." Regular assessment of the independence and competency of MVC's external auditors.	Unanimously approved by all directors present.

(X) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the board of directors during the most recent year and up to the date of publication of this annual report: None.

IV. Audit Fees for CPA

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-Audit fee	Total	Remark
Ernst & Young, Taiwan	Shao-Pin, Kuo,	2024/01/01~ 2024/12/31	1,450	391	1,841	The non-audit fees : Tax Compliance Audit \$150. Business registration \$81 Employee Stock Option Plan Audit Fee \$160
	Chien-Che, Huang,					

- (I) When the company changes its accounting firm, the audit fees paid for the fiscal year in which such a change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change, and the reasons shall be disclosed: None.
- (II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: None.
- V. Replacement of CPAs: Not applicable.
- VI. The Positions Held by the Company's Chairman, Presidents, or Accounting Officers in the Company's Independent Accounting Firm or its Affiliates during the Most Recent Year: None.
- VII. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders
- (1) Share changes by a Director, Supervisor, managerial officer, or major shareholders
Please refer to the Market Observation Post System (MOPS).
Path: Market Observation Post System (MOPS) > Individual Company > Equity Changes/Securities Issuance > Equity Transfer Information Inquiry > Ex-post Filing of Insiders Shareholding Change.
Website: https://mops.twse.com.tw/mops/#/web/query6_1
- (2) Information on the counterparties of the change in equity interests by a Director, Supervisor, managerial officer, or major shareholders: None.
- (3) Information on the counterparties of the change in pledged shares by a Director, Supervisor, managerial officer, or major shareholders: None.

VIII. Relationship among the Top Ten Shareholders

April 28, 2025

Name	Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Among the ten largest shareholders, name and relationship with anyone who is a related party or a relative within the second degree of kinship		Remark
	Shares	(%)	Shares	(%)	Shares	(%)	Name of company	Relationship	
Medigen Biotech Corp.	59,263,844	18.03%	-	-	-	-	Everspring Industry Co., Ltd.	Institutional director	
Rep.: Ming-Cheng Chang	-	-	-	-	-	-	-	-	
Rep.: Chin-Yen, Chen	-	-	-	-	-	-	-	-	
Schweitzer Biotech Co., Ltd.	10,949,756	3.33%	-	-	-	-	-	-	
Responsible person: Hsu-Wen Chen	1,177,659	0.36%	-	-	-	-	-	-	
Everspring Industry Co., Ltd.	5,955,021	1.81%	-	-	-	-	Medigen Biotech Corp.	Institutional director	
Responsible person: Tzu-Ling Chang	-	-	-	-	-	-	Medigen Biotech Corp.	Institutional director Rep.	
JP Morgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,201,336	0.97%	-	-	-	-	-	-	
JP Morgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	2,959,930	0.90%	-	-	-	-	-	-	

Name	Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Among the ten largest shareholders, name and relationship with anyone who is a related party or a relative within the second degree of kinship		Remark
	Shares	(%)	Shares	(%)	Shares	(%)	Name of company	Relationship	
Citi Custody Barclays Capital SBL/PB Investment Account	2,571,724	0.78%	-	-	-	-	-	-	
iShares Core MSCI Emerging Markets ETF	2,212,607	0.67%	-	-	-	-	-	-	
Jin-chuan Sun	1,817,376	0.55%	-	-	-	-	-	-	
PGIA Trust Stock Index II Investment Account under custody of JPMorgan Chase	1,686,801	0.51%	-	-	-	-	-	-	
Chung-Yang Yen	1,646,000	0.50%	-	-	-	-	-	-	

IX. Ownership of Shares in Affiliated Enterprises:

Unit: share

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
MVC Capital Corporation	40,000,000	100%	-	-	40,000,000	100%

Chapter 3. Capital Overview

I. Capital and Shares

(I) Source of capital

1. Historical information of capitalization

April 28, 2025; Unit: NT\$ thousand / thousand shares

Year /Month	Par value (NT\$)	Authorized capital		Paid-in capital		Source of capital	Remarks	
		Shares	Amount	Shares	Amount		Capital increase by assets other than cash	Others
2024/05	24.8 18.6	500,000	5,000,000	328,654	3,286,541	Employee stock option NT\$460,000	None	Zhu-Shang-Zi No. 1130014953 dated 2024.05.16
2024/08	24.8	500,000	5,000,000	328,704	3,287,041	Employee stock option NT\$500,000	None	Zhu-Shang-Zi No. 1130024826 dated 2024.08.05
2024/11	24.8	500,000	5,000,000	328,734	3,287,341	Employee stock option NT\$300,000	None	Zhu-Shang-Zi No. 1130036075 dated 2024.11.12
2025/03	24.8	500,000	5,000,000	328,749	3,287,491	Employee stock option NT\$150,000	None	Zhu-Shang-Zi No. 1140007910 dated 2025.03.19

2. Type of shares

April 28, 2025; unit: share

Share type	Authorized capital			Remarks
	TPEX Listed Stock	Unissued shares	Total shares	
Common shares	328,749,050	171,250,950	500,000,000	

3. Information for shelf registration: None.

(II) List of major shareholders

April 28, 2025; Unit: share

Shareholder's name	Shares	%
Medigen Biotech Corp.	59,263,844	18.03%
Schweitzer Biotech Co., Ltd.	10,949,756	3.33%
Everspring Industry Co., Ltd.	5,955,021	1.81%
JP Morgan Chase Bank N.A., Taipei Branch in custody of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,201,336	0.97%
JP Morgan Chase Bank N.A., Taipei Branch in custody of Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	2,959,930	0.90%
Citi Custody Barclays Capital SBL/PB Investment Account	2,571,724	0.78%
iShares Core MSCI Emerging Markets ETF	2,212,607	0.67%
Jin-chuan Sun	1,817,376	0.55%
PGIA Trust Stock Index II Investment Account under custody of JPMorgan Chase	1,686,801	0.51%
Yen Chung-Yang	1,646,000	0.50%

(III) Dividend policy and implementation status:

1. Dividend policy:

MVC's dividends are distributed in the form of cash or stocks (incl. stock dividends from earnings and additional paid-in capital). The earnings distribution proposal is proposed by the Board of Directors based on the operating performance, capital needs, and the earnings level of the year (less statutory deductions), and the earnings are distributed upon approval by the shareholders' meetings. Cash dividends shall account for more than 50% of the total dividends distributed. However, in circumstances of major capital expenditure or working capital requirement, dividends may be distributed in the form of stock only upon the approval of shareholders' meetings.

2. Implementation status: MVC did not distribute any dividends.

3. If a material change in dividend policy is expected, provide an explanation: None.

(IV) Effect on the operating performance and earnings per share of the distribution of stock dividends proposed or adopted in the most recent shareholders' meeting: MVC did not distribute any stock dividends this year.

(V) Remuneration of Employees, Directors, and Supervisors:

1. Percentage or range of the remuneration of employees, Directors, and Supervisors as set forth in the Articles of Incorporation:

MVC's Articles of Incorporation stipulated that if it has earnings, it shall set aside no less than 1% of the balance as remuneration to the employees and no more than 1% of the balance as remuneration to directors. When there are accumulated losses, MVC shall offset the loss before remuneration distribution.

2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: If MVC makes a profit in the year, it shall allocate no less than 1% as employee remuneration and no more than 1% as director's remuneration. If the estimated number of accounts is different from the resolution of the board of directors, it will be handled according to the changes in accounting estimates, and the profit and loss for the following year will be adjusted.

3. Remuneration distribution proposals adopted in Board of Directors Meeting: None.

4. If there is any discrepancy between the actual and recognized distribution of employee, director, and supervisor remuneration for the previous year (incl. the number of shares, monetary amount, and stock price, of the shares distributed), please provide the difference, cause, and treatment: None.

(VI) Buy-back of treasury stock: None.

II. Corporate Bonds (Incl. Overseas Corporate Bonds):

(I) Status of Corporate bond :

Type of Bond	1st Domestic Unsecured Convertible Corporate Bond
Issuing Date	May 9,2022
Denomination	NT100,000
Place of Issuing and Trading Domestic	Domestic
Offering Price	Issued at 100.3% of par value
Total Amount	NT\$1,750,000,000
Coupon rate	0%
Tenor and Maturity Date	3 Years; Expiry date: May 9,2025
Guarantor	Not Applicable
Trustee	Taishin International Bank Co., Ltd.
Underwriter	Fubon Financial Holding Co., Ltd.
Legal Counsel	Far East Law Offices Mr. Qiu Ya-wen Lawyer

Type of Bond	1st Domestic Unsecured Convertible Corporate Bond	
CPA	PricewaterhouseCoopers Taiwan Ms. Lin, Ya-Hui, CPA and Ms. Juanlu, Man-Yu, CPA	
Repayment	According to Article 5 of these Regulations, the rate of this convertible bond is 0%, so there is no need to determine the date and method of interest payment. Unless the holders of the convertible bonds (hereinafter referred to as "creditors") convert into ordinary shares of MVC in accordance with Article 10 of these Regulations or exercise the right to sell back in accordance with Article 19 of these Regulations, or MVC has withdrawn it in advance in accordance with Article 18 of these Regulations, and it has been bought back and cancelled by the business office of the securities firm. Within 10 business days after the expiry date of the convertible bond, MVC will repay the convertible bond held by the holders in cash at one time according to the denomination of the bonds. If the aforesaid date falls on the day that the Taipei Stock Exchange Market is closed for business, it will be postponed to the next business day.	
Outstanding Loan	NT\$23,300,000	
Redemption or Early Repayment Clause	Please refer to the Procedures for Issuance and Conversion of 1 st Domestic Unsecured Convertible Corporate Bond in 2022.	
Covenants	Not Applicable.	
Credit Rating	Not Applicable.	
Other Rights of Bondholders	Amount of Converted or Exchanged Common Shares, ADRs, or Other Securities	As of the date of publication of the annual report, there are no ordinary shares that have been converted.
	Conversion Right	Please refer to the Procedures for Issuance and Conversion of 1 st Domestic Unsecured Convertible Corporate Bond in 2022.
Dilution Effect and Other Adverse Effects on Existing Shareholders	As of April 28, 2025, the outstanding balance of floating debt is NT\$23,300,000. Based on the current conversion price of NT\$187.10, if the entire amount were converted into common shares, a total of 124,532 shares would be issued. This would represent 0.04% of the total outstanding shares (124,532 / 328,749,050 = 0.04%). Such a conversion would not have a material impact on shareholders' equity.	
Custodian	Not Applicable.	

(II) Convertible Bonds :

Type of Bond		1st Domestic Unsecured Convertible Corporate Bond			
Item		2022	2023	2024	As of April 28,2025
Market price of the convertible bond (Note2)	High	100.45	98.35	100.00	99.50
	Low	86.75	90.00	96.40	98.85
	Average	92.97	94.79	99.01	99.22
Conversion Price		187.10			
Issuing Date and Conversion Price		May 9,2022 NT\$278			
Conversion methods		Issuing of new stocks			

(III) Exchangeable Bonds : None.

(IV) Shelf Registration for Issuing Bonds : None.

(V) Corporate Bonds with Warrants : None.

III. Preferred Shares: None.

IV. Global Depository Receipts (GDRs): None.

V. Employee Stock Options

(I) Unexpired employee stock option issued by MVC

April 28, 2025

Type of stock option	2018 2nd	2021	2024 1st	2024 2nd
Effective Date & Total Units	2018.08.21 3,500,000 units	2021.03.22 2,500,000 units	2024.08.19 7,000,000 units	
Issue date	2019.08.13	2021.03.23	2024.08.30	2025.03.05
Duration	6 Years			
Units issued	465,000	2,500,000	5,000,000	100,000
Units available for issuance	-	-	1,900,000	
Subscription Ratio to Total Outstanding Shares	0.14%	0.76%	1.52%	0.03%
Exercise Period	Option holders may exercise their stock options according to the schedule below starting from the second anniversary of the grant date. The stock options have a validity period of six years and are non-transferable.			
Exercise method	Issuance of new shares			
Exercise Restriction Schedule and Ratio (%)	Schedule		Cumulative Maximum Exercisable Ratio	
	After 2 years (i.e., starting from Year 3)		50%	
	After 3 years		75%	
	After 4 years		100%	
Exercised Shares	358,750	-	-	
Exercised amount	7,849,250	-	-	
Unexercised shares	-	1,102,000	4,915,000	100,000
Exercise price	-	152.80	49.60	49.00
Unexercised shares as % of Outstanding Shares	-	0.34%	1.50%	0.03%
Impact on Shareholders' Equity	The plan is designed to encourage long-term employee commitment and strengthen cohesion, thereby creating mutual benefits for MVC and its shareholders. It is expected to positively impact shareholders' equity.			

(II) List of executives receiving employee stock options and the top ten employees with stock options:

April 28, 2025 unit: share

Title	Name	No. of stock option	Stock options as a percentage of shares issued	Exercised				Unexercised				
				No. of shares converted	Exercised price	Amount	Converted shares as a percentage of shares issued (%)	No. of stock option	Exercised price	Amount	Converted shares as a percentage of shares issued (%)	
Managerial	President	1,955,000	0.59%	180,000	27.65 18.60	3,619,500	0.05%	1,775,000	152.80 49.60 49.00	122,552,000	0.54%	
	Vice President											Yu-Ping, Yang
	Vice President											Sheng-Ying Ke
	Plant Operation Director											Wei-Cheng, Lien
	Head of Department											Cheng-Yang, Chen
	Head of Department											Qing-An, Wu
	Head of Department											He-Ru, Hsieh
Employee	Deputy Head of Department	1,187,000	0.36%	20,000	27.65 18.60	462,500	0.01%	1,167,000	152.80 49.60	78,213,600	0.35%	
	Manager											Huai-En, Gan
	Manager											Hsiang-Chi, Lee
	Manager											Jen-Hui, Chiang
	Manager											Kai-Hao, Yang
	Manager											Fen-Lan, Lin
	Head of Audit											Shin-Yi, Feng
	Project Manager											I-Chun, Chen
	Deputy Manager											Jui-Chin, Chang
	Deputy Manager											Shao-Fu, Wu
Assistant Engineer	Chun-Chi, Fang											

VI. Employee Restricted Stock: None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

VIII. Financing Plans and Implementation: Please refer to the Market Observation Post System (MOPS).

Path: Market Observation Post System (MOPS) > Individual Company > Equity Changes/Securities Issuance > Fundraising > Fundraising Plan

Website: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

Chapter 4. Operational Highlights

I. Business Activities:

(I) Scope of business

(1) Scope of principle businesses

MVC is a biotech and new pharmaceutical company approved by the Industrial Development Administration Ministry of Economic Affairs, by the “Act for the Development of Biotech and New Pharmaceuticals Industry.” Its main operations include research and development (R&D), manufacturing, and sales of “biological products” for human use (including vaccines and genetically modified protein drugs).

(2) Major products and their proportion of revenue

Unit: NT\$ thousand

Major products	2024	
	Sales revenue	Proportion of revenue (%)
Enterovirus A71 Vaccine	515,181	85%
FLU Quadrivalent	90,254	15%
Others	202	0%
Total	605,637	100%

(3) Current products (services):

Medigen Vaccine Biologics Corp. (MVC) is a biopharmaceutical company specializing in the vaccine industry. Its current core commercial products include the enterovirus 71 (EV71) vaccine and seasonal influenza vaccines. The company’s R&D pipeline encompasses vaccines for COVID-19, dengue fever, enterovirus D68, and coxsackievirus.

1. "MVC" Enterovirus A71 Vaccine (Envacgen):

MVC EV71 vaccine (brand name: Envacgen) received official approval from the Taiwan Food and Drug Administration (TFDA) on April 12, 2023. It was launched in the domestic market in August of the same year, achieving over NT\$100 million in sales during its first month. By the end of 2024, the product had secured an overwhelming market share of over 95% in Taiwan’s self-paid EV71 vaccine segment. Envacgen (Ministry of Health Vaccine License No. 000152) is currently the only EV71 vaccine in Taiwan to have obtained a full drug license through the standard review process-rather than conditional approval-based on comprehensive clinical data.

In a multicenter Phase III clinical trial conducted across multiple countries, the vaccine demonstrated 100% real-world protective efficacy (all confirmed cases occurred in the placebo group, with zero infections in vaccinated infants during the follow-up period). Poisson regression analysis showed a vaccine efficacy of 96.8%, with confirmed protection across circulating genetic subtypes. The Phase III trial data was peer-reviewed and published in *The Lancet* (Impact Factor: 202.731), accompanied by an expert commentary highlighting the

importance of EV71 vaccination in infants aged 2–6 months and the long-term immunogenicity benefits of a three-dose primary series.

Additionally, a Phase II extension study confirmed that antibody titers generated post-vaccination persisted for at least five years, demonstrating excellent durability of immunity. This research was peer-reviewed and published in the international journal 《Vaccines》 in August 2024.

MVC is currently the only domestic manufacturer equipped with a BSL-2 compliant cell-culture-based vaccine production facility, enabling fully vertically integrated manufacturing of the EV71 vaccine at its Zhubei site. Following domestic approval, MVC has submitted its new drug application to the Drug Administration of Vietnam (DAV) and plans to expand submissions to other Southeast Asian markets. In January 2025, MVC entered into a regional distribution agreement with French pharmaceutical firm Substipharm Biologics to promote the EV71 vaccine across Southeast Asia. The companies have finalized a distribution agreement for Vietnam, actively advancing the product's international market entry.

EV71 is prevalent in hot and humid regions, and besides Taiwan, it is also an endemic disease in Southeast Asia and China. Infants and young children face the highest risk of severe diseases and death from EV71. Globally, only three vaccine manufacturers in China and two in Taiwan have obtained licenses for EV71 vaccines. Regarding the evaluation of vaccine licenses in Taiwan, one approach is to apply for accelerated approval from the TFDA based on neutralizing antibody titers (which still requires confirmatory tests to demonstrate its clinical efficacy). The other evaluation approach is like the one adopted by the MVC vaccine, which involves submitting comprehensive Phase III clinical efficacy data for domestic regulatory approval.

The Envacgen is a technology transfer from the National Health Research Institutes in Taiwan. After obtaining research development results, including the completion of phase 1 clinical trials in adults, MVC immediately embarked on phase 2 clinical verification focusing on infants and children safety, dosage exploration, and cross-protection responses against genetic subtypes. With rigorous trial results, they selected the optimal dosage and administration intervals. MVC also vertically integrated the entire production process, from drug substance to vaccine finished products, and successfully developed commercial-scale production capacity in MVC's own factory in Zhubei. The process quality has also obtained the Taiwan Ministry of Health and Welfare's PIC/S GMP certification, making MVC the first domestic vaccine manufacturer capable of full-line production of Enterovirus vaccines, truly implementing local research, production, international clinical validation, and marketing.

After completing the second phase II clinical trials in Taiwan, MVC evaluated the global prevalence of Enterovirus, its market potential, and the quality of clinical trial execution. MVC ultimately collaborated with the Institute Pasteur in Ho Chi Minh City for a multi-regional phase III clinical trial (MRCT). Envacgen is currently the only one that has obtained clinical efficacy data for infants aged 2 to 6 months globally. In MRCT phase III clinical trial of the Envacgen, clinical data from three age groups (2 to 6 months, 6 months to 2 years, and 2 years to less than 6 years) verified a "vaccine efficacy" of 100% (all confirmed cases occurred in the placebo group, with zero infections among the vaccinated infants during the follow-up period). Statistical Poisson regression analysis showed an efficacy rate as high as 96.8%. Moreover, during the phase III clinical trial of the Envacgen, confirmed cases covered regional endemic subtypes B5 and C4, demonstrating that the Envacgen provides 100% cross-protection against prevalent subtypes in the real world.

2. MVC Seasonal FLU: (MVC FLU Quadrivalent pre-filled syringe injection, Fluvacgen)

MVC seasonal influenza vaccines are developed in collaboration with global vaccine leader GC Biopharma. GC Biopharma supplies the vaccine antigens, while critical fill-finish and quality control/release processes are conducted at MVC PIC/S GMP-certified vaccine manufacturing facility located in the Hsinchu Biomedical Science Park. These vaccines are primarily supplied to Taiwan's government-funded influenza vaccination program.

The collaboration with South Korea's GC Biopharma—one of the country's largest influenza vaccine suppliers and a leading global supplier to both the Pan American Health Organization (PAHO) and The United Nations Children's Fund (UNICEF) was initiated in April 2018. To date, GC Biopharma has distributed over 300 million doses of influenza vaccine to 63 countries and is the second manufacturer worldwide to obtain WHO prequalification for seasonal influenza vaccines, confirming its products meet the highest international quality standards. MVC's quadrivalent influenza vaccine (MVC FLU Quadrivalent pre-filled syringe injection) (Ministry of Health Vaccine License No. 000151) was approved by the TFDA in March 2023. It is indicated for active immunization of individuals aged 3 years and older, to prevent influenza infections caused by two strains of influenza A and two strains of influenza B viruses. Following approval, the vaccine was used in Taiwan's national influenza immunization programs for both 2023 and 2024, with timely fulfillment of all government procurement contracts.

Recently, the World Health Organization (WHO) observed the Yamagata lineage of influenza B viruses has disappeared in recent seasons. Consequently, WHO recommended that both Northern and Southern Hemisphere formulations remove

the B/Yamagata strain from quadrivalent vaccine compositions and revert to trivalent formulations. In alignment with this policy change, the Taiwan government decided to adopt a trivalent formulation for the 2025 public influenza vaccination campaign.

In response, MVC applied for and obtained marketing approval for its Trivalent Influenza Vaccine (Fluvacgen) (Ministry of Health Vaccine License No. 000157) in 2024. The company has already participated in the bidding process for the 2025 government-funded influenza vaccination program. Fluvacgen is also indicated for active immunization of individuals aged 3 years and older and protects against two influenza A virus strains and one influenza B strain.

MVC remains committed to supporting Taiwan's public health infrastructure and will continue to focus its seasonal influenza vaccine business on the domestic government procurement market, aligning closely with national disease prevention policies.

3. MVC COVID-19 Vaccine:

MVC COVID-19 vaccine is a recombinant protein subunit vaccine developed by the company. The vaccine's antigen—an S-2P spike protein stabilized in a trimeric pre-fusion form—was licensed from the U.S. National Institutes of Health (NIH). MVC successfully established a stable cell line and developed the upstream and downstream processes required for large-scale antigen production. The vaccine received Emergency Use Authorization (EUA) from Taiwan's Ministry of Health and Welfare in July 2021 and was subsequently used to support the country's emergency pandemic response. It remains the only domestically developed COVID-19 vaccine in Taiwan that reached market authorization and public use.

The MVC COVID-19 vaccine was selected by the World Health Organization (WHO) as one of the Solidarity Trial Vaccines (STV) for global Phase III clinical trials, funded and coordinated directly by the WHO. It was also included in the WHO's COVID-19 Technology Access Pool (C-TAP) and Medicines Patent Pool (MPP) licensing programs, allowing broader international collaboration and technology sharing for public health purposes.

During the COVID-19 pandemic, MVC used its MVC COVID-19 vaccine as a flagship product in regulatory interactions, notably applying for Good Manufacturing Practice (GMP) site inspection with Australia's Therapeutic Goods Administration (TGA). In May 2024, MVC's Hsinchu vaccine facility was officially granted GMP certification by the TGA.

This certification is particularly significant, as the TGA is one of the 36 Stringent Regulatory Authorities (SRAs) recognized by the WHO and is among the ten advanced regulatory agencies acknowledged under Taiwan's drug registration regulations. TGA approval demonstrates that MVC's manufacturing capabilities and product quality meet internationally rigorous standards.

Although the global public health emergency related to COVID-19 has officially ended, MVC voluntarily lifted confidentiality restrictions on its domestic

procurement contracts in 2024 to proactively address public and political concerns. Despite the ongoing risk of emerging SARS-CoV-2 variants, the declining global demand for COVID-19 vaccines and the lack of local policy support for continued vaccine R&D have led the company to suspend further variant-specific development of the COVID-19 vaccine project for the time being.

(4) Future product and services development plans

1. Other Monovalent/Multivalent Enterovirus vaccines:

Enteroviruses are mainly divided into four species: enterovirus A, B, C, and D, each of which has multiple serotypes. Among non-polio enteroviruses, EV-A71 is the most likely to cause neurological complications. Thus, it has become MVC's primary development target. It has also obtained excellent experimental data and successfully developed and marketed it. In addition to the EV-A71 virus, the EV-D68 virus is a cyclically prevalent virus in the world, and its high severity rate may cause serious life-threatening diseases; the Coxsackie virus A16 type is highly contagious and accounts for more than 80% of the total cases of hand, foot and mouth disease, seriously affecting the quality of life of young children. Therefore, MVC has begun antigen screening and evaluation for EV-D68 and CV-A16. The antigen platforms used for screening include the whole virus inactivation platform and the Virus-Like Particle (VLP) platform. MVC has mastered the core technology and key aspects of enterovirus vaccine development. Building on the successful development of EV-A71 vaccine in the past, our next step is to actively expand our portfolio of enterovirus vaccines. In the development of monovalent or multivalent vaccines for other types of enteroviruses, we will select products with global demand and competitiveness for further development.

2. Dengue vaccine:

MVC dengue vaccine development project is based on technology licensed from the U.S. National Institutes of Health (NIH). The NIH completed Phase I/II clinical trials, and MVC has subsequently conducted a confirmatory Phase II trial in Taiwan.

Although two dengue vaccines have been approved globally, past safety concerns surrounding dengue vaccination have prompted the World Health Organization (WHO) to significantly raise the clinical standards for dengue vaccine development. These include requirements for large-scale, long-term safety evaluations and achieving balanced immunity across all four dengue serotypes. These heightened standards substantially increase the time, cost, and technical complexity of development.

Given these challenges and considering overall resource allocation and R&D prioritization, MVC will dynamically adjust and carefully evaluate the future strategy for this program.

(II) Industry overview

(1) Industry status and development

1. Global Pharmaceutical Market Development

According to the global pharmaceutical market report published by Spherical Insights in 2025, the global pharmaceutical market size was USD 1,653.7 billion in 2024. It is projected to reach USD 3,528.9 billion by 2035, with a compound annual growth rate (CAGR) of approximately 6.49% from 2025 to 2035. The Asia-Pacific region is expected to experience the fastest growth during the forecast period.

Several key factors influence the pharmaceutical market. The rising prevalence and awareness of chronic diseases, along with the increasing availability of treatment options, are driving greater efforts to develop and launch new drugs targeting various conditions. The introduction of advanced products and the growing incidence of diseases such as diabetes, cancer, and infectious diseases are among the primary drivers of market growth.



Source: <https://www.sphericalinsights.com/reports/pharmaceutical-market>

2. Global vaccine market Trends

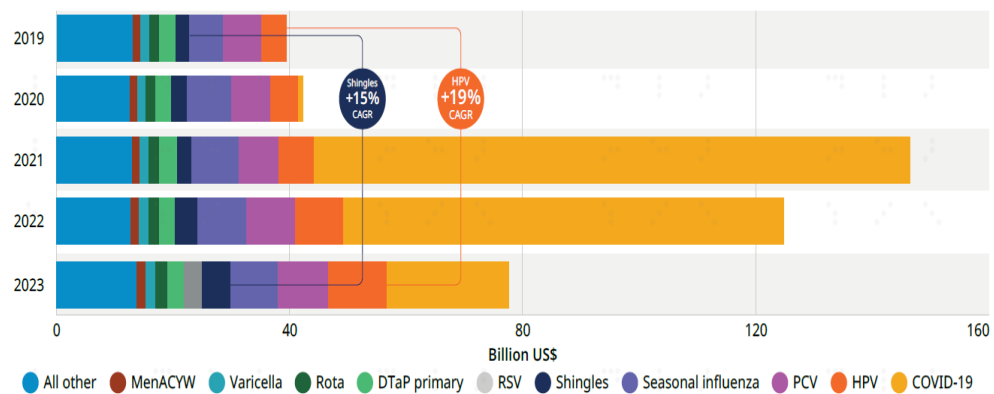
According to the Global Vaccine Market Report published by the World Health Organization (WHO) in 2024, the global vaccine market experienced a sharp decline in 2023, with the total market value dropping from USD 124 billion in 2022 to USD 77 billion—a year-over-year decrease of USD 47 billion. This substantial reduction was primarily due to the waning demand for COVID-19 vaccines following the easing of the pandemic, resulting in an 83% drop in COVID-19 vaccine sales volume and a 72% decline in market size compared to the previous year.

Despite this downturn, the overall vaccine market maintained a compound annual growth rate (CAGR) of 15% from 2019 to 2023. Even with the significant contraction in COVID-19 vaccine sales, most routine and emerging vaccines showed steady growth in both volume and market value, indicating that the global vaccine market is gradually returning to its pre-pandemic structure and growth trajectory.

As of 2023, COVID-19 vaccines still accounted for approximately USD 20 billion, representing around 27% of the total vaccine market. The non-COVID-19 vaccine segment reached approximately USD 57 billion, with the highest market shares seen in human papillomavirus (HPV) vaccines, pneumococcal conjugate vaccines (PCV), and seasonal influenza vaccines. Furthermore, vaccine products outside the top ten best-sellers also showed continuous growth in overall sales, reflecting an increasing global demand for and acceptance of new vaccine products.

Looking ahead, the growth momentum of the vaccine market is expected to be driven primarily by high value-added emerging vaccines—especially those developed using innovative technology platforms, targeting unmet medical needs, or designed for specific populations. These products are anticipated to have far greater market potential than traditional vaccines and will serve as key drivers of future global vaccine industry development.

Evolution of vaccine volumes (billion doses) between 2019 and 2023



Source : WHO 2024 Global Vaccine Market Report (2025/01)

(2) Relationship amongst upstream, midstream, and downstream of the industry

1. Business Model

Medigen Vaccine Biologics Corp. (MVC) possesses vertically integrated capabilities for vaccine mass production, along with comprehensive expertise and experience in vaccine research and development. The company’s operational model emphasizes process development, industrialization, and commercialization during the development phase, while basic research is advanced through collaborations with leading academic and research institutions both domestically and internationally.

MVC concentrates its R&D resources on the vaccine development stage, covering key aspects such as product design, early validation, immunogen formulation development, process design optimization, Chemistry, Manufacturing, and Controls (CMC), preclinical studies, clinical trial execution, large-scale production, regulatory submissions, and market introduction—establishing a complete development chain from research to commercialization.

Since its inception, MVC has collaborated with top-tier research institutions to acquire vaccine candidates with commercial potential, thereby accelerating the product development timeline. For example, the EV71 vaccine was licensed from Taiwan’s

National Health Research Institutes (NHRI), while the recombinant S-2P spike protein COVID-19 vaccine and the dengue vaccine were co-developed with the U.S. National Institutes of Health (US NIH).

This business model effectively reduces risks associated with early-stage vaccine R&D and enables efficient advancement of candidates into clinical development and market entry.

MVC Business Model



2. Vertically Integrated Manufacturing

MVC possesses a high degree of vertical integration across the vaccine value chain, encompassing antigen design, cell culture, purification processes, adjuvant formulation, aseptic filling, and finished product stability testing. Our vaccine manufacturing facility, located in the Hsinchu Biomedical Science Park, is the first cell-culture-based vaccine plant in Taiwan to pass PIC/S GMP certification. During the COVID-19 pandemic, the facility also obtained GMP certification from Australia’s Therapeutic Goods Administration (TGA), demonstrating compliance with international regulatory standards.

All manufacturing processes are conducted in cleanrooms and aseptic environments, under stringent quality control. Final products must pass inspection and lot-release by relevant regulatory authorities before entering the market, ensuring both safety and efficacy. With vertical integration, the Company can rapidly respond to market demands and maintain full traceability and control over every production stage—from raw materials to finished products.

3. Market Strategy

In the domestic market, the Company operates through two main sales channels: self-paid and government-funded vaccine markets.

• Self-paid Market:

MVC Enterovirus A71 Vaccine (Envacgen) is a self-paid product, where individuals proactively choose vaccination based on personal needs. Medical institutions can purchase the product directly from distributors to offer comprehensive preventive care. By strengthening health education and public health campaigns, MVC aims to increase

public awareness of preventive medicine, thereby boosting vaccine demand and vaccination rates in the self-paid segment.

EV71 Vaccine is currently the only enterovirus vaccine in Taiwan that has obtained formal licensure through a complete Phase III clinical trial demonstrating protective efficacy. Furthermore, it is also the only clinically proven EV71 vaccine with antibody persistence up to five years, supported by robust scientific evidence. These advantages contribute to the product's differentiation, brand value, and market recognition.

- Government-funded Market:

MVC Seasonal FLU developed in partnership with GC Biopharma is available exclusively through the government-funded market. Vaccines are procured centrally via public tenders and distributed to designated medical institutions and public health centers for administration. GC Biopharma supplies the vaccine bulk, which the Company then fills and finishes locally for supply to the domestic market—supporting public health policies and national immunization goals.

By maintaining a balanced presence in both the self-paid and government-funded markets, MVC is able to build a stable revenue stream, expand market penetration, and enhance product visibility and brand recognition in the domestic vaccine sector.

Regarding international markets, MVC's products are currently undergoing regulatory submission abroad. Upon receiving foreign licensure, MVC will collaborate with local distributors to commence commercial sales.

(3) Development trends of products

1. Enterovirus A71 (EV71) Vaccine:

The transmission of Enterovirus 71 (EV71) is global, but it is more common in East Asia and Southeast Asia due to its suitability for survival and transmission in warm and humid environments. According to data from the CDC, children under the age of five are at high risk of severe illness, especially infants under six months old, who are at high risk of severe complications and death. The fatality rate for severe cases ranges from 1.3% to 33.3%, posing a serious threat to the safety of tens of millions of newborns in the region each year.

Currently, there are only five pharmaceutical companies in Taiwan and China that have obtained regulatory approval to market EV71 vaccines. Although three Chinese manufacturers have obtained regulatory approval in China, their EV71 vaccines are only intended for use in children aged 6 months to 6 years, without coverage for the high-risk population of infants under 6 months old. Domestically, the main suppliers are two vaccine manufacturers: MVC and Adimmune.

In the Taiwanese market, Adimmune obtained accelerated approval in January of 2023 based on neutralizing antibody indicators (but still requires Phase III clinical trials to demonstrate its clinical efficacy), while MVC obtained regular vaccine formal approval in April of 2023 based on complete Phase III vaccine efficacy

data. The two products differ in formulation, dosage, vaccination schedule, and empirical data, but both vaccines were launched in August of 2023. The comparison table of the two manufacturers' product specifications is as follows:

Comparison table of two EV71 vaccine

Envacgen® (MVC)		EnVAX-A71® (Adimmune)
Ministry of health Vaccine License NO.000152	Permit Number	Ministry of health Vaccine License NO.000149
2.5 µg/0.5mL	Antigen/Adjuvant	1 µg (1.5U)/0.5mL
Indicated for active immunization for the prevention of disease caused by Enterovirus 71 (EV71) in children aged 2 months to less than 6 years of age.	Indication	Indicated for active immunization for the prevention of disease caused by Enterovirus 71 (EV71) in children aged 2 months to less than 6 years of age. This indication was granted accelerated approval based on antibody response; confirmatory trials are needed to verify clinical benefit.
2 month - 2 years: 2 doses + 1 booster 2 years – 6 years: 2 doses The interval between the first dose and the second dose is 56 days, and the booster dose is inoculated one year after the first dose. Clinical studies have shown that antibody titers are several times higher at a 56-day interval compared to a 28-day interval.	Usage	2 doses, 28 days between the first dose and the second dose. The need for booster immunization with this vaccine has not been established.
Administering a booster dose to children under 2 years of age can effectively maintain antibody levels (<i>Vaccine, 37 (2019) 1827-1835</i>)	Booster	Unknown
Over 5 years (<i>Vaccines, 2024, 12, 985</i>)	Immune persistence	Only 1 year
600-day follow-up confirmed 100% protection, with zero confirmed cases in the vaccine group (Statistical analysis showed an efficacy of 96.8%.)	Vaccine efficacy	Unknown
99.52 % Sample size: 2,087 subjects	Seroprotection Rate (Lab Data) Day 28 after 2 nd dose	98.31% Sample size: 296 subjects
Cross protect to B5 and C4 strain during phase III study	Cross protection	Based on serological studies only.
The Lancet, 399 (2022) 1708-1717	International journal publication (Phase III)	No

Source: Generic Drug Certificates for both products

< Competitive Advantages of the MVC Enterovirus 71 Vaccine (Envacgen) >

- a. The only globally developed vaccine with over 3,000 participants in multi-regional phase III clinical trial (MRCT), providing evidence of vaccine efficacy and cross-protection against circulating subtypes in the ASEAN region.
- b. The results of the Phase III clinical trials of the Envacgen have been peer-reviewed and published in "The Lancet" journal, which is one of the highest-impact medical journals globally (Impact Factor: 202.731). The publication has received special commentary and recommendations from external experts invited by "The Lancet." The citation emphasizes the importance of the Envacgen for the prevention of infants under 2-6 months old and the long-term immune durability of the vaccine with the addition of a third dose. The vaccine demonstrates 100% efficacy, estimated to be 96.8% based on statistical modeling.
- c. The only vaccine globally that follows a 2+1 dosing schedule (2 primary doses plus 1 booster dose) specifically designed for high-risk infants under 2 years old, extending the long-term protection of the vaccine. This vaccine has a significant market niche in populations with a high severity and fatality rate. Given the higher severity and mortality rate among infants under 6 months old and their significant weight changes during this period, the clinical trials conducted by MVC involved three age groups: 2 months to 6

months, 6 months to 2 years, and 2 years to under 6 years, to evaluate the optimal vaccine dosing and the effectiveness over time.

- d. The vaccine is safe. The vaccine group in the Phase III clinical trials showed comparable reactions to the placebo group, indicating good safety and tolerability.
- e. Long-term follow-up of participants in Phase II clinical trials showed that even after 5 years of vaccination, a high level of antibody efficacy was maintained. This research data has passed academic review and was published in the international medical journal *Vaccines* in August 2024.
- f. The vaccine exhibits cross-reactivity against different subtypes of viruses prevalent in China and the ASEAN region, providing a competitive edge for entry into the markets of China, Hong Kong, Macau, ASEAN countries, and others.
- g. International PIC/S GMP production quality and capacity. The MVC Zhubei Biopharmaceutical Plant has passed the PIC/S GMP inspection, making it the first domestically capable PIC/S GMP level cell culture vaccine factory. In addition to providing a stable supply to the domestic market, it can accelerate the simultaneous application for regulatory approvals in various countries through the ASEAN Mutual Recognition Arrangement mechanism. The production capacity is also sufficient to cater to emerging markets with a large population of newborns, such as Southeast Asia.

2. Seasonal Influenza Vaccine

Seasonal influenza in the northern hemisphere occurs between November and March each year and primarily caused by influenza A and B viruses. The harm of the flu lies in its rapid onset, widespread, and symptoms which include fever, headache, muscle aches, fatigue, runny nose, sore throat, and cough. It may also cause gastrointestinal symptoms such as nausea, vomiting, and diarrhea. The most common complication is pneumonia, but it can also lead to encephalitis, myocarditis, and other serious secondary infections or neurological disorders, potentially resulting in death.

To protect the global population from the harm of influenza, WHO continuously monitors the global influenza epidemic situation, and the variation of virus strains each year. It announces the possible virus strains that may be prevalent in the northern and southern hemispheres respectively for that year. Based on WHO's recommendations, pharmaceutical companies in each country then produce influenza vaccines for that year to safeguard the health and safety of the people. Seasonal influenza vaccines are the most widely used vaccines globally each year yet also face the most urgent manufacturing and delivery timelines. Due to increased demand, outbreaks, and supply chain instability, shortages frequently

occur.

To address this, MVC collaborates with global vaccine leader GC Biopharma, sourcing bulk antigen from GC and performing local aseptic filling, packaging, and quality release under the MVC brand. This partnership ensures timely and stable vaccine supply to support Taiwan's public influenza vaccination program. MVC's seasonal influenza vaccine is indicated for children aged 3 and above and adults, providing protection against influenza A and B viruses included in the vaccine. The formulation is updated annually according to WHO-recommended strains, ensuring it remains aligned with circulating seasonal viruses.

In recent years, the WHO has observed the apparent disappearance of the influenza B/Yamagata lineage and has accordingly recommended that both Northern and Southern Hemisphere formulations remove the Yamagata strain from quadrivalent influenza vaccines, transitioning to trivalent formulations.

MVC obtained marketing authorization for its quadrivalent influenza vaccine (Ministry of Health Vaccine License No. 000151) in 2023 and participated in Taiwan's 2023–2024 government-funded influenza vaccine procurement program. In line with the government's policy shift toward trivalent vaccines, MVC applied for and received approval in 2024 for its trivalent seasonal influenza vaccine, Fuxijian (Ministry of Health Vaccine License No. 000157) and has joined the 2025 public vaccine tender accordingly.

3. COVID-19 vaccine

Currently, global COVID-19 vaccines can be classified into four major platforms: mRNA vaccines, viral vector vaccines, recombinant protein subunit vaccines, and whole inactivated virus vaccines. Each vaccine platform has its advantages and disadvantages. However, considering the data on vaccine effectiveness and safety, the whole inactivated virus vaccines and adenovirus vector vaccines have gradually diminished. Currently, mRNA vaccines dominate the global market. Although the manufacturing process of recombinant protein subunit vaccines is slower compared to mRNA vaccines, their excellent safety profile, reliable effectiveness, and the requirement for cold chain storage at only 2-8°C have secured their place in the market.

However, with the weakening of the COVID-19 pandemic, governments worldwide have downgraded their pandemic response levels. In 2023, the World Health Organization (WHO) declared that COVID-19 was no longer a "global health emergency," leading to a significant decline in global demand for COVID-19 vaccines and their vaccination rates. During the peak of the COVID-19 pandemic, around 30 to 40 COVID-19 vaccines received Emergency Use Authorization (EUA) or full approval in different countries globally. In the post-pandemic era, only a few COVID-19 vaccines remain available on the market.

< Development Highlights of MVC COVID-19 Vaccine >

MVC COVID-19 vaccine is a recombinant protein subunit vaccine developed in-house. The S-2P spike protein antigen, designed in a trimeric pre-fusion form, was licensed from the U.S. NIH. MVC established a stable cell line and developed the large-scale antigen production process.

The vaccine received Emergency Use Authorization (EUA) from Taiwan’s Ministry of Health and Welfare in July 2021, becoming the only domestically developed COVID-19 vaccine approved for emergency use during the pandemic in Taiwan.

The vaccine was selected by the World Health Organization (WHO) for its Solidarity Trial Vaccines (STV) program and supported in a global Phase III clinical trial. It was later included in the WHO’s COVID-19 Technology Access Pool (C-TAP) and licensed under the Medicines Patent Pool (MPP) to facilitate international collaboration.

Following the official end of the global COVID-19 public health emergency, MVC voluntarily lifted the confidentiality agreement on its domestic vaccine procurement contract in 2024 to address political controversies transparently. Although COVID-19 variants continue to pose health risks, the global decline in vaccine demand and the lack of local support for continued development have led the company to suspend variant-specific R&D efforts and refocus on its original enterovirus vaccine pipeline.

(III) Research and development achievements and plans

(1) R&D expenditures in recent years:

Unit: NT\$ thousand

Item	2024	Q1 2025 (audited)
R&D expenses	221,513	47,916

(2) Successfully developed technologies or products

MVC’s main products ready for the market:

1. MVC Enterovirus 71 Vaccine (Envacgen)

MVC Enterovirus 71 (EV71) vaccine (Envacgen), received new drug registration approval from the Taiwan FDA on April 12, 2023, and began domestic distribution in August 2023. In its first month on the market, it surpassed NT\$100 million in sales revenue, and by the end of 2024, it had captured over 95% of Taiwan’s self-pay EV71 vaccine market.

Envacgen (Ministry of Health Vaccine License No. 000152) is currently the only EV71 vaccine in Taiwan approved through standard regulatory review—not under conditional or expedited approval mechanisms.

In a multicenter Phase III clinical trial across several countries, the vaccine demonstrated 100% real-world protective efficacy, with all confirmed cases occurring in the placebo group and no infections reported among vaccinated infants during the follow-up period. Poisson regression analysis showed a

vaccine efficacy of 96.8%, with protection observed across different circulating genotypes.

The Phase III trial results were peer-reviewed and published in *The Lancet* (Impact Factor: 202.731). The journal also invited expert commentary to highlight the vaccine's importance in protecting infants aged 2–6 months and the long-lasting immunity following a third booster dose.

Additionally, Phase II extension study confirmed that neutralizing antibody levels remain elevated for at least 5 years post-vaccination. These long-term immunogenicity results were published in August 2024 in the international journal *Vaccines*.

MVC is currently the only manufacturer in Taiwan with in-house BSL-2 level cell culture capabilities for vaccine production, enabling fully vertically integrated manufacturing of the EV71 vaccine at its Zhubei facility.

Following domestic approval, MVC submitted a new drug registration to Vietnam's Drug Administration (DAV) and plans to apply for market authorization across Southeast Asia. In January 2025, MVC signed a regional distribution agreement with French pharmaceutical company Substipharm Biologics, jointly advancing commercial efforts in Southeast Asia. A distribution agreement for Vietnam has already been finalized, marking a major step toward international expansion of the Envacgen EV71 Vaccine.

2. MVC Seasonal FLU (MVC FLU Quadrivalent pre-filled syringe injection, Fluvacgen)

MVC seasonal influenza vaccine is developed in collaboration with GC Biopharma, a leading global vaccine manufacturer. The bulk drug substance is supplied by GC Biopharma, while MVC performs aseptic local fill-finish and quality release under its own brand. This ensures timely supply and stable product quality, primarily serving Taiwan's government-funded influenza vaccination program.

MVC seasonal influenza vaccine is an egg-based, inactivated influenza vaccine, characterized by its low incidence of adverse effects and high safety profile. The quadrivalent influenza vaccine (Ministry of Health Vaccine License No. 000151) received approval from the Taiwan Food and Drug Administration (TFDA) in March 2023, and is indicated for active immunization of children aged 3 years and older and adults. It provides protection against influenza caused by two A strains and two B strains covered by the vaccine. MVC successfully fulfilled its contracts under the 2023 and 2024 government-funded influenza vaccine tenders, delivering on schedule in alignment with procurement timelines.

In recent years, the World Health Organization (WHO) observed the near disappearance of the influenza B/Yamagata lineage and recommended the removal of the Yamagata strain from quadrivalent influenza vaccines for both

hemispheres, prompting a global shift to trivalent formulations. In response, the Taiwan government decided to adopt trivalent influenza vaccines for the 2025 (Year 114) public vaccination program.

In line with this policy, MVC obtained regulatory approval for its trivalent influenza vaccine — Fluvacgen Trivalent Influenza Vaccine (Ministry of Health Vaccine License No. 000157) in 2024 and has participated in the 2025 government procurement tender. This vaccine is also indicated for active immunization of individuals aged 3 years and older, targeting influenza caused by two A strains and one B strain.

The collaboration between MVC and GC Biopharma was initiated through a formal agreement signed in April 2018. GC Biopharma is the largest influenza vaccine supplier in South Korea and currently the top seasonal influenza vaccine supplier to PAHO and UNICEF. To date, GC Biopharma has supplied influenza vaccines to 63 countries worldwide, with over 300 million doses sold. It is also the second manufacturer globally to achieve WHO prequalification for seasonal influenza vaccines, underscoring its role as one of the highest-quality influenza vaccine producers in the world.

3. MVC COVID-19 Vaccine

MVC COVID-19 vaccine is a recombinant protein subunit vaccine developed in-house. The antigen design features the S-2P spike protein in a stabilized trimeric pre-fusion form, licensed from the U.S. National Institutes of Health (NIH). MVC established the stable cell line and developed the antigen production process independently.

The vaccine received Emergency Use Authorization (EUA) from Taiwan's Ministry of Health and Welfare in July 2021, becoming the only domestically developed COVID-19 vaccine successfully brought to market in Taiwan during the pandemic. It was also selected by the World Health Organization (WHO) as part of the Solidarity Trial Vaccines (STV) initiative for a WHO-led and funded Phase III clinical trial. Subsequently, the vaccine was included in the WHO C-TAP/MPP (COVID-19 Technology Access Pool / Medicines Patent Pool) program to facilitate global licensing and collaboration.

During the pandemic, MVC also submitted its vaccine and manufacturing site to the Therapeutic Goods Administration (TGA) of Australia for GMP inspection. In May 2024, the Zhubei facility was awarded GMP certification by the TGA, one of the world's 36 WHO-designated Stringent Regulatory Authorities (SRAs) and a recognized top-tier agency under Taiwan's pharmaceutical registration system. This certification affirms MVC manufacturing quality and compliance with global regulatory standards.

With the global public health emergency for COVID-19 officially declared over, MVC voluntarily lifted the confidentiality clause in its domestic COVID-19

vaccine procurement agreement in 2024, openly addressing political scrutiny. While variants of COVID-19 continue to pose public health risks, the decline in global vaccine demand and a domestic environment less supportive of COVID-19 vaccine R&D have led MVC to pause further variant-specific development and refocus R&D efforts on its core enterovirus vaccine pipeline.

(IV) Short and long-term business development plan:

(1) Short-term business development plan:

1. MVC EV71 vaccine (Envacgen):

The Envacgen obtained NDA approval from the Taiwan Food and Drug Administration on April 12, 2023, and supply to the domestic market began on August 2023. After MVC obtains the official drug license domestically with complete data, it continues to expand the overseas markets through excellent phase III clinical trial efficacy data and Taiwan's NDA approval. MVC submitted new drug applications to Vietnam's DAV. In January 2025, MVC signed a regional distribution agreement with the French pharmaceutical company Substipharm Biologics to jointly develop the market for enterovirus vaccines in Southeast Asia. The two parties have already finalized and signed a distribution agreement specifically for the MVC EV71 vaccine (Envacgen) in Vietnam. This is expected to continue to submit new drug applications to other countries in Southeast Asia where the EV71 epidemic is prevalent (Such as Thailand, Malaysia, etc.), as well as target countries with specific market layouts, to extend the promotion of the Envacgen to other regions with severe epidemics.

2. MVC Seasonal FLU

The MVC quadrivalent influenza vaccine obtained the domestic marketing authorization in 2023 and participated for the first time in the government-funded influenza vaccine tender in both 2023 and 2024. As a supplier for the national influenza vaccination program, MVC has aligned with government policies on publicly funded influenza vaccines by switching from quadrivalent to trivalent influenza vaccines for the 2025 vaccination program, MVC applied for and obtained marketing authorization in 2024 for its trivalent seasonal influenza vaccine (Fluvacgen) and has participated in the 2025 government tender accordingly. MVC will continue to take part in future procurement projects for publicly funded influenza vaccines, aiming to support the government's disease prevention strategy and provide a stable vaccine supply.

(2) Long- and middle-term business development plan:

1. EV71 Vaccine and Multivalent EV Vaccine Development:

The EV71 vaccine is based on the whole-virus deactivation and has achieved excellent trial data. After obtaining the domestic drug license, we will proceed

with applying for drug licenses in Southeast Asian countries and other target markets. In addition to the EV-A71 virus, the EV-D68 virus is a globally cyclical epidemic virus, with its high severity rates potentially leading to life-threatening diseases. The CV-A16 virus is highly contagious and accounts for over 80% of all cases of hand, foot and mouth disease, significantly impacting the quality of life of young children. Therefore, MVC has begun antigen screening evaluations for EV-D68 and CV-A16. The antigen platforms used for screening include: the whole virus inactivation platform and the Virus-Like Particle (VLP) platform. Leveraging our core technologies and expertise in enterovirus vaccine development, demonstrated by our successful development of the EV71 vaccine, our next step will involve actively expanding our enterovirus vaccine product line. We will select competitive products with global demand for the development of single or multivalent enterovirus vaccines of other types.

2. Other Vaccine Product Development:

In addition to the EV71 and COVID-19 vaccine development, MVC also collaborates with the U.S. National Institutes of Health (NIH) on the development of dengue fever chimeric virus vaccines and vaccines for respiratory-related diseases. These projects are considered potential vaccine candidates for our medium to long-term product line development. The layout and planning of various research and development product lines will be evaluated based on MVC's development stage and resource availability.

II. Market and Sales Overview:

(I) Market analysis

(1) Regions where the main products (services) are provided (supplied)

Unit: NT\$ thousand

Main products	2024	
	Amount	Proportion (%)
Domestic sales	605,637	100
Foreign sales	-	-
Total	605,637	100

(2) Market share

1. Envacgen

There are currently two enterovirus 71 vaccines in Taiwan, the Envacgen from MVC and EnVAX-A71 from Adimmune/Enimmune, which have been supplied on domestic private vaccine market since August 2023. The Envacgen is recommended by the Pediatric Infectious Diseases Society of Taiwan for use in children aged 2 months and above due to its excellent data of 96.8% vaccine

efficacy in multi-regional phase 3 clinical trial, as well as comprehensive safety data across different age groups. Therefore, after its official launch and supply in August, it received many orders from medical centers, regional hospitals, clinics, etc., and quickly gained a high market share. At present, the Envacgen has been administered to tens of thousands of infants and young children, demonstrating its outstanding safety. As of December 2024, the Envacgen has captured over 95% of the market share in the domestic private vaccine market.

2. MVC Seasonal FLU

In 2024, five vaccine manufacturers participated in the public influenza vaccine tender, namely Adimmune, Sanofi, TTY, GSK and MVC. The MVC Seasonal FLU was developed in cooperation with GC Biopharma, a leading vaccine manufacturer in South Korea. MVC finally obtained approximately 6% of the total purchase volume. MVC's participation not only reduces the risk of influenza vaccine shortages domestically but also contributes stable revenue to the company.

(3) Future market supply, demand, growth potential

1. Market Supply and Demand of Enterovirus 71 Vaccine.

< Domestic Market for Enterovirus 71 Vaccine >

Taiwan is considered a high-risk area for enterovirus infections, with peak outbreaks typically occurring between May and October each year. According to data from the Taiwan Centers for Disease Control (CDC), there are several hundred thousand outpatient visits for enterovirus infections annually, with children under the age of five being at the highest risk. Among the many types of enteroviruses, Enterovirus 71 (EV71) is one of the most likely to cause severe complications and fatalities. In 1998, Taiwan experienced a major EV71 outbreak that resulted in 1.4 million infections among children and the deaths of 78 young children. Taiwan tends to experience large-scale EV71 outbreaks in cycles of approximately two to four years.

Although the number of enterovirus cases declined during the COVID-19 pandemic, cases have begun to rise again due to factors such as the easing of pandemic restrictions, reopening of borders, resumption of group activities among schoolchildren, and the post-pandemic phenomenon of "immunity debt." A notable upward trend in enterovirus cases has been observed since 2023.

Due to past outbreak experiences and the potential for enterovirus to cause severe illness and even long-term neurological complications, parents in Taiwan place a high priority on protecting their children's health, creating strong potential market demand. Approximately 130,000 babies are born in Taiwan each year (based on 2024 data), and the vast majority of them enter childcare centers or kindergartens before the age of five, placing them in the high-risk group for enterovirus infection. If universal EV71 vaccination is considered, the annual demand for newborns alone would exceed 260,000 doses (390,000 doses if a three-dose primary plus booster schedule is implemented).

However, Taiwan's declining birth rate in recent years poses a significant challenge to domestic promotion of the EV71 vaccine, potentially leading to a shrinking target population. To address this, our company will continue to actively

promote educational campaigns to improve parental awareness of enterovirus-related health risks and the benefits of vaccination. These efforts aim to increase the willingness to receive self-paid EV71 vaccinations. At the same time, we are committed to expanding the market penetration of the EV71 vaccine in Taiwan to increase vaccination coverage.

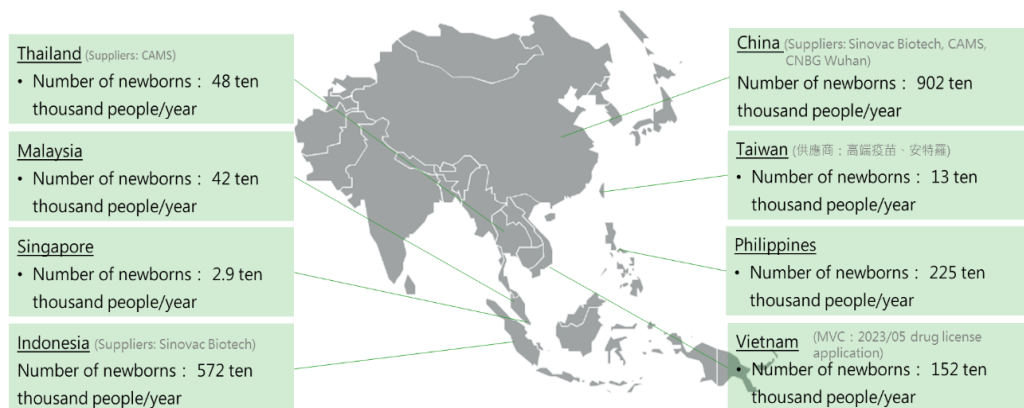
< Overseas Market for Enterovirus 71 Vaccine >

Regarding the enterovirus 71 (EV71) vaccines that are not manufactured in Taiwan, in China, there are currently only three pharmaceutical companies that have entered the Chinese market with the Enterovirus 71 vaccine. They are the Institute of Medical Biology, Chinese Academy of Medical Sciences (CAMS), Sinovac Biotech Ltd., and Wuhan Institute of Biological Products Co., Ltd., which is a subsidiary of Sinopharm. The Enterovirus 71 vaccine is currently classified as a higher-priced Category 2 self-paid vaccine in China. In the three years before its market release, it sold more than 20 million doses annually, and the total supply of Enterovirus vaccines in China reached a peak of 30.05 million doses. The terminal price for consumers in China is approximately RMB\$218 to RMB\$300 (about NT\$980-NT\$1,350) per dose. Based on these figures, the estimated terminal market revenue for Enterovirus vaccines in China is about NT\$29.5 to 40.6 billion, indicating a significant market demand.

In the Southeast Asian market, by the end of 2022, the EV71 vaccine developed by CAMS was launched in Thailand, with a terminal price of 3,400 Thai Baht, equivalent to approximately NT\$3,230 per dose. This represents a higher-priced vaccine in Thailand. Sinovac Biotech Ltd. has obtained the EV71 drug registration in Indonesia, the terminal price of NT\$2,200-2,700. Apart from these two countries, there is currently no EV71 vaccine available in the Southeast Asian market, making it a vacuum market. Southeast Asian countries, with their large population base and high demand for disease prevention.

Huge Demand Niche for Enterovirus Vaccines

➤ Southeast Asia has a huge newborn population and high demand for diseases, but the market has not yet been fully developed.



Source: 1. [https://www.cia.gov/the world factbook /](https://www.cia.gov/the world factbook/); 2. Government Statistics by Country

2. Market Supply and Demand for seasonal Influenza Vaccines

The domestic seasonal influenza vaccine market is primarily dominated by the public sector. Last year, the purchase volume was approximately 6.6 million

doses, with five manufacturers winning bids at a price range of 236 to 242 yuan per dose (including taxes) (With reference to the 2024 government tenders' influenza vaccine procurement information,). Apart from the public sector market, the private market accounts for approximately 300,000 to 800,000 doses.

(4) Niche

MVC's principal businesses include the R&D, manufacturing, and sales of vaccines and genetically modified protein drugs based on "novel cell culture process technology". This technology is an advanced vaccine production technology and a high technical barrier to entry, which can establish a competitive advantage for MVC. Furthermore, MVC also has the following competitive niche:

1. Professional and stable management team

MVC's management team has years of accumulated technology and experience. The management team is comprised of senior professionals in the industry. The members can properly grasp the key technologies of products and have business development capabilities, which will lay the foundation for MVC's future development.

2. Taiwan's only cell culture vaccine plant with mass production scale

MVC is ahead of its competitors that MVC has a cell culture vaccine plant with a mass-production scale. With its own plant, the production schedule is highly flexible. As the plant has a large production capacity, MVC can cooperate with the government procurement schedule and policies to arrange vaccine mass production in the future. The conventional vaccine production processes involve animal tissues, which may affect vaccine production due to difficulties in obtaining animal sources and affecting the supply of raw materials. The use of cell culture processes has clean sources and reduces the possibility of contamination, which will enable stable production and supply.

3. Strong international resources in R&D

MVC has a deep international cooperation network and has good cooperative relations with internationally renowned R&D and epidemic prevention organizations, such as the National Institutes of Health (NIH), World Health Organization (WHO), CEPI and other organizations. MVC has co-development cooperation or being sponsored by those organizations on its vaccine research and development. MVC flexibly utilizes this international R&D network to accelerate the development and launch of novel vaccines.

3. Competitive advantages of MVC EV71 vaccine (Envacgen)

a. The only globally developed vaccine with over 3,000 participants in multinational phase III clinical trial (MRCT), providing evidence of vaccine efficacy and cross-protection against circulating subtypes in the ASEAN region.

- b. The results of phase III clinical trial of the Envacgen have been peer-reviewed and published in "The Lancet" journal, which is one of the highest-impact medical journals globally (Impact Factor: 202.731). The publication has received special commentary and recommendations from external experts invited by "The Lancet." The citation emphasizes the importance of the Envacgen for the prevention of infants under 2-6 months old and the long-term immune durability of the vaccine with the addition of a third dose. The vaccine demonstrated 100% efficacy (all confirmed cases occurred in the placebo group, with zero infections among vaccinated infant and toddler participants during the follow-up period), and the estimated efficacy using a statistical model was 96.8%.
- c. The only vaccine globally that follows a 2+1 dosing schedule (2 primary doses plus 1 booster dose) specifically designed for high-risk infants under 2 years old, extending the long-term protection of the vaccine. This vaccine has a significant market niche in populations with a high severity and fatality rate. Given the higher severity and mortality rate among infants under 6 months old and their significant weight changes during this period, the clinical trials conducted by MVC involved three age groups: 2 months to 6 months, 6 months to 2 years, and 2 years to under 6 years, to evaluate the optimal vaccine dosing and the effectiveness over time.
- d. The vaccine is safe. The vaccine group in the Phase 3 clinical trials showed comparable reactions to the placebo group, indicating good safety and tolerability.
- e. Long-term follow-up of participants in Phase II clinical trials showed that even after 5 years of vaccination, a high level of antibody efficacy was maintained. This research data has passed academic review and was published in the international medical journal Vaccines in August 2024.
- f. The vaccine exhibits cross-reactivity against different subtypes of viruses prevalent in China and the ASEAN region, providing a competitive edge for entry into the markets of China, Hong Kong, Macau, ASEAN countries, and others.
- g. International PIC/S GMP production quality and capacity. The MVC Zhubei Biopharmaceutical Plant has passed the PIC/S GMP inspection, making it the first domestically capable PIC/S GMP level cell culture vaccine factory. In addition to providing a stable supply to the domestic market, it can accelerate the simultaneous application for regulatory approvals in various countries through the ASEAN Mutual Recognition Arrangement mechanism. The production capacity is also sufficient to cater to emerging markets with a large population of newborns, such as Southeast Asia.

(5) Positive and negative factors relating to future development, and responses thereto

1. Positive factors

1.1 Supporting policies:

Global policies place more emphasis on the stability of demand and the long-life cycle of the vaccine market: Due to COVID-19, many countries place more emphasis on establishing prevention policies and their own capacity for mass production of vaccines. Also, the demand for vaccines and biological products is relatively stable, not susceptible to economic fluctuations, and has a long product life cycle. Despite the high capital requirement in the early stages and high technical entry barriers, MVC is expecting a stable profit due to the lack of competitors and the increasing emphasis of international policies on market demand.

1.2 International cooperation:

Close cooperation with internationally renowned institutes to fulfill the needs of the global medical needs: MVC's R&D Pipeline, such as EV71 vaccine, FLU Seasonal vaccine, COVID-19 vaccine, and dengue vaccine, target the unmet medical needs, and thus MVC can fulfill the demand of the international market. Besides, MVC's technology comes from cooperation with world-renowned research institutes, including Taiwan National Health Research Institutes, US NIH, and WHO, to ensure its product quality and technology advantages.

1.3 Cutting-edge manufacturing process:

Wide range of cell-culture manufacturing process and PIC/S GMP verified high quality: MVC adopts the new cell-culture manufacturing process, which solves the adverse factors of traditional production processes such as high contamination risks, and high equipment specificity. The new process can help to diversify the product pipeline and avoid concentration risk on a single product. In addition, MVC Zhubei Manufacturing Facility is the first PIC/S GMP qualified cell-cultured vaccine manufacturing plant in Taiwan that provides high vaccine quality. MVC will accelerate its entry into the global supply chain in the future through international certification mechanisms.

2. Negative factors

2.1 The decreasing birth rate is unfavorable to MVC's development of vaccines for infants.

Responses:

In recent years, the number of births has been declining year by year, which shows that Taiwan's low birth rate has intensified, affecting the size of the consumer groups. However, MVC's product line is a high-quality vaccine developed for regional or global emerging infectious diseases, we pursue a

higher-price product strategy to create differentiation. In addition, MVC also plans to enter the high-population dividend and high-economic development ASEAN market, targeting consumer groups with high purchasing power in those regions.

2.2 Taiwan’s biotech companies are relatively smaller in scale and no competition for international pharmaceutical companies.

Responses:

Taiwan has limited resources and should concentrate them on high strategic industries with high economic values, such as vaccines. Due to the COVID-19 pandemic, the Taiwan government is establishing policies and regulations, and a suitable environment for biotech development. Based on this foundation, MVC has strengthened its competitive advantage and enhanced its visibility through its strong international connections, such as joining the WHO Solidarity Test Vaccine and co-operating with CEPI to conduct a mix-and-match booster trial and joining the WHO C-TAP. MVC achieves maximum development benefits with limited resources. Therefore, after the product launch and achieving stable sales of MVC’s main products in Taiwan’s market, MVC plans to apply for foreign drug licenses and expand its distribution channels, to create MVC's international corporate image and improve the capability of capital-raising.

(II) Key functions and manufacturing process of main products

(1) Key functions of main products

Products	Key functions	Competitive advantages
EV71 Vaccine (Envacgen)	Prevent EV 71 infection	<ol style="list-style-type: none"> 1. MVC has established the mass production capacity with PIC/S GMP international standards. 2. We have taken the lead in evaluating the safety and efficacy of the vaccine for high-risk infants aged 2 to 6 months. The vaccine has demonstrated excellent safety and a protection rate of 100%, and statistical evaluations have shown 96.8%. 3. The results of Phase III clinical trial were reviewed and published by The Lancet (Impact Factor: 202.731), one of the most influential medical journals in the world and received special commentary and recommendations from external experts invited by The Lancet. The Lancet recommendation also highlighted the importance of the Envacgen in newborn infants at 2-6 months of age and the immune durability benefits of the EV71 vaccine administered as a third additional dose. 4. Data from multicenter clinical trials have demonstrated cross-protection against various subtypes of circulating viruses in China and Southeast Asia. 5. Human clinical trials have shown long-term protection from the vaccine, with sustained high antibody levels even after 5

		years. The results were published in the international medical journal Vaccines.
Seasonal FLU vaccine (MVC FLU Quadrivalent pre-filled syringe injection / Fluvacgen)	To prevent influenza caused by the influenza A and B viruses covered by this vaccine.	<ol style="list-style-type: none"> 1. It possesses data from 7 pivotal phase III clinical trials, with 6 conducted in Korea covering infants, children and adolescents, adults, and the elderly, across four different age groups. One trial was conducted domestically in Taiwan, involving a head-to-head comparison with the GSK seasonal influenza vaccine as the control group. The safety data from this trial was excellent, and the immunogenicity data met the non-inferiority equivalence standard. 2. Korea ACIP and CDC recommend that quadrivalent influenza vaccine be combined with 13-valent pneumococcal vaccine or COVID-19 vaccine during the influenza season. Experience with combined vaccination has shown good immunological efficacy and safety. 3. Localized aseptic filling production and inspection release were completed at the MVC Zhubei factory, ensuring both the timeliness and stability of the supply through localized production.

(2) Manufacturing process of main products

<EV71 vaccine>

EV71 vaccine is manufactured through a cell culture process that uses VERO cell line and culture medium to mass-produce viral antigens, then to concentrate, purify and deactivate the antigen, and finally to formulate and fill/finish the product.

The Zhubei Manufacturing Facility has passed the PIC/S GMP factory inspection and has become the first PIC/S GMP qualified cell-cultured vaccine manufacturing plant with mass production capability. The “adherent cell culture process” includes cell culture, concentration, filtration, deactivation, purification, formulation, and other dozens of process quality-control tests and finished product release tests such as the "host cell protein (HCP)" test. The whole process follows PIC/ S GMP regulations for quality management, including equipment verification, raw material specifications, raw material in and out management standard operating procedures, process standard operating procedures and environmental monitoring records, and other documents and operating specifications, to ensure the finished products are PIC/S GMP qualified.

< MVC Seasonal FLU >

MVC seasonal influenza vaccine is a collaborative product with South Korea’s leading vaccine manufacturer, GC Biopharma. GC supplies the vaccine antigens, while MVC is responsible for key manufacturing processes—such as aseptic filling and quality control—at its PIC/S GMP-certified facility in the Hsinchu Biomedical Science Park.

MVC’s quadrivalent influenza vaccine (MVC FLU Quadrivalent pre-filled syringe injection) received domestic marketing authorization in 2023 (Ministry of Health

Vaccine License No. 000151). In alignment with the government’s policy to switch from quadrivalent to trivalent influenza vaccines, MVC applied for and obtained marketing approval in 2024 for its trivalent influenza vaccine, Fluvacgen (Ministry of Health Vaccine License No. 000157).

Local production enhances supply efficiency and reliability. MVC seasonal flu vaccines are approved for use in individuals aged 3 years and older, providing protection against influenza A and B strains included in the vaccine, which are updated annually based on WHO recommendations.

(III) Supply of key materials

MVC’s key materials include culture media, adjuvants, and pre-filled syringes. MVC uses a cell-culture platform to manufacture its main products, such as EV71 vaccines, and COVID-19 vaccines, and thus the key materials are the “serum-free culture media” for the culture of cells, and adjuvants and syringes for filling. So far, there has been no shortage or interruption of supply, the quality and delivery time are stable, and the supply is sufficient.

(IV) List of major suppliers and customers

(1) A list of suppliers accounting for 10 percent or more of MVC's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

Unit: NT\$ thousand

Item	2024				2023			
	Company Name	Amount	%	Relation With Issuer	Company Name	Amount	%	Relation With Issuer
1	A	43,975	36	None	A	64,349	42	None
2	B	16,877	14	None	B	21,132	14	None
3	C	15,008	12	None	-	-	-	-
	Others	46,674	38		Others	67,172	44	-
	Total	122,534	100		Total	152,653	100	

Analysis of increase and decrease:

The decrease was mainly due to the difference in product mix.

(2) A list of any customers accounting for 10 percent or more of MVC's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

Unit: NT\$ thousand

Item	2024				2023			
	Company Name	Amount	%	Relation With Issuer	Company Name	Amount	%	Relation With Issuer
1	D	89,275	15	None	D	136,525	35	None
2	Others	516,362	85		Others	253,099	65	
	Total	605,637	100		Total	389,624	100	

Analysis of increase and decrease:

The decrease in sales is mainly due to fewer flu vaccines awarded this year compared to last year. The overall sales increase is due to higher sales of the Enterovirus 71 vaccine.

III. Human Resources:

Year		2023	2024	March. 31, 2025
No. of employees	R&D Staff	18	12	12
	Managerial Staff	5	11	11
	Engineering Staff	81	95	95
	Administrative Staff	30	16	18
	Total	134	134	136
Average age		38.14	36.77	37.00
Average Years of Service		4.43	3.30	3.75
Education Level Distribution Ratio	Ph.D.	13	7	7
	Master's Degree	72	73	77
	Bachelor's Degree	48	53	51
	High School or Below	1	1	1

IV. Environmental Protection Expenditure:

Total amount (including compensation) and penalties incurred due to environmental pollution in the most recent year up to the publication date of the Annual Report, and explanation of future responsive countermeasures (including improvement measures) and possible expenditures: Not applicable.

V. Labor Relations:

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefits, continuing education, and training:

- A. All employees of MVC are enrolled in Labor Insurance, National Health Insurance, and Pension plan. In addition, the MVC also provides year-end bonuses, bonuses, employee education training, and group insurance.
- B. MVC prepares annual plans and budget plans, including festival gifts, employee gathering meals, annual company trips, and wedding and funeral subsidies, with an aim to provide support for the employees to encourage them to work together toward the development of MVC.
- C. Education training: MVC sends employees to external training or workshops at related academic institutions when required and regularly organizes internal education training to improve the professional skills of employees to create overall benefits for MVC and employees.

2. Retirement system:

All employees of MVC are under the new labor retirement system, which is the defined contribution plan. The pension is appropriated in accordance with the "Monthly Contribution Wages Classification of Labor Pension" monthly, at no less than 6% of every employee's monthly pay and deposit the pension to the individual's pension account.

3. Status of labor-management agreements and measures for preserving employees' rights and interests:

MVC has established various channels for employees to voice their opinions to facilitate the harmony between the labor and management, and to understand the employees' opinions on the management system, supervisor leadership, welfare system, and working environment. Also, the formulation and amendments of material policies are effective only after sufficient discussion between the employees and management. Therefore, there is no occurrence of labor disputes.

- (II) List any losses suffered by MVC in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes and disclosing an estimate of possible expenses that could be incurred currently and, in the future, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In the most recent fiscal year and as of the up to the date of publication of the annual report, all necessary measures regarding labor-management relations are implemented in accordance with the relevant laws and regulations. Hence, the implementation of the new or amended measures is smooth. The new or amended measures for labor-management relations are resolved after the communication between MVC and its employees. Hence, there is no dispute.

VI. IT Security Management:

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

To effectively implement information security management and MVC has two information staffs, MVC not only reviews the applicability and protection measures of information security policies, but also establishes a complete information security management system to reduce corporate information security threats from the system, technical and procedural levels, and establishes the highest level of compliance with customer needs. Specifications for confidential information protection services. In addition, multi-layer information security protection is constructed, innovative technologies for information security defense are continuously introduced, and the information security control and management mechanism are integrated and internalized in the daily operation processes such as software and hardware maintenance and operation, and supplier information security management. The confidentiality, integrity, and availability of MVC's important assets are also actively monitored for the effectiveness of information security management, and based on review and continuous improvement, supervision and auditing are implemented to ensure the continued effectiveness of information security regulations.

When employees violate relevant norms and procedures, they will be dealt with by the information security violation handling process, and personnel sanctions will be carried

out according to the violations (including employees' performance appraisal for the current year or taking necessary legal actions). In addition, regularly review and implement improvements including information security measures, education and training, and publicity to ensure that MVC's important confidential information is not leaked

- (II) List any losses suffered by MVC in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: MVC's information security policy is communicated to each employee with the support of senior management and each department. At the beginning of the year, we educate and train all employees in security. We also test employees on social engineering by phishing emails to improve information security awareness.

VII. Major Contracts:

Contracting party, major content, restrictive clause, and commencement date and expiration date of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where the contracts were either effective as of the date of publication of the annual report or expired in the most recent year.

Nature of contracts	Contracting party	Contract duration	Contract content	Restrictions
Land Lease	Hsinchu Science Park Bureau	2013/10/1 - 2032/9/30	The lease of land of Biomedical Park in Shixing Section, Zhubei, Hsinchu County	None
Factory Lease	Hsinchu Science Park Bureau	2022/01/01 - 2026/12/31	Leased Plant	None
Technology licensing contract	National Health Research Institutes, Taiwan Centers for Disease Control	2013/06/28~ 25 years after the obtaining of the first drug license of EV71 vaccine	Technologies related to serum-free culture medium EV71 vaccine	Restricted technology sub-licensing
Technology licensing contract	National Health Research Institutes, Taiwan Centers for Disease Control	2013/06/28~25 years after the obtaining of the first drug license of EV71 vaccine	Licensing of the phase I clinical study results for EV71 vaccine.	1. Restricted technology sub-licensing 2. Phase II clinical study to be

Nature of contracts	Contracting party	Contract duration	Contract content	Restrictions
				conducted in Taiwan
Technology licensing contract	U.S. National Health Research Institutes	2016/11~ 12 years after product launch	Obtaining of the rights to develop, manufacture, sell and sub-license dengue vaccines in 26 countries.	-
Supply contract	Korean pharmaceutical company GC Biopharma Corp.	2018/04/23~ 10 years after product launch	An exclusive agent for GC Biopharma Corp. influenza vaccine in the Taiwan market and rights to sell the vaccines by purchasing from GCC in form of finished goods or under MVC's brand by MVC's filling process.	-
Technology licensing contract	U.S. National Health Research Institutes	2020/05~ 20 years after product launch	Obtaining of the complete market rights to develop, manufacture, sell and import NIH COVID-19 vaccines in the world.	Restricted technology sub-licensing
Distribution Agreement	French Pharmaceutical Company Substipharm Biologics	2025/01/09~5 years after product launch and sales	Substipharm Biologics is hereby granted the exclusive rights to distribute and commercialize our Enterovirus 71 (EV71) vaccine in the territory of Vietnam. Furthermore, Substipharm Biologics shall have the first right of negotiation for potential distribution in the territories of Thailand, the Philippines, Indonesia, Malaysia, and Singapore. This Agreement shall be automatically renewed upon the achievement of the mutually agreed sales targets.	-

Chapter 5. Review and Analysis on Financial Status, Financial Performance, and Risks

I. Financial Status

The material reasons for the significant changes in assets, liabilities, and shareholders' equity in the most recent two years. If the impact is significant, the future response plan shall be stated:

Unit: NT\$ thousand

Item	2024	2023	Difference	
			Amount	%
Current assets	2,556,914	4,401,325	(1,844,411)	(41.91)
Property, plant and equipment	1,051,384	1,129,833	(78,449)	(6.94)
Intangible assets	29,379	38,297	(8,918)	(23.29)
Other assets	726,229	523,191	203,038	38.81
Total assets	4,363,906	6,092,646	(1,728,740)	(28.37)
Current liabilities	214,218	1,991,711	(1,777,493)	(89.24)
Non-current liabilities	299,701	254,356	45,345	17.83
Total liabilities	513,919	2,246,067	(1,732,148)	(77.12)
Share capital - common stock	3,287,341	3,286,081	1,260	0.04
Capital collected in advance	150	-	150	100.00
Capital surplus	407,381	1,550,997	(1,143,616)	(73.73)
Retained Earning (Accumulated deficit)	61,020	(1,018,350)	1,079,370	105.99
Other equity	94,095	27,851	66,244	237.85
Total equity	3,849,987	3,846,579	3,408	0.09

1. Main reasons and analysis on the impact of changes (changes greater than 20% or with an amount of more than NT\$ 10 million):

- (1) Decrease in Current Assets and Total Assets: Primarily due to a decrease in cash resulting from bondholders exercising the put option on convertible bonds.
- (2) Decrease in Current Liabilities and Total Liabilities: Primarily due to bondholders exercising the put option on convertible bonds.
- (3) Increase in Other Assets: Primarily due to the increase in right-of-use assets in 2024.
- (4) Decrease in Capital Surplus: Primarily due to the offsetting of accumulated losses from 2023.
- (5) Increase in Retained Earnings: Primarily due to a decrease in net loss for 2024 compared to the previous year.
- (6) Increase in Other Equity: Primarily due to the increase in the fair value of financial assets measured at fair value through other comprehensive income.

II. Financial Performance

1. The reasons for the significant changes in operating revenue, operating profit and net profit before tax for the most recent 2 years, projected sales volume and the basis thereto, and the possible impacts on the financial operations and countermeasures:

Unit: NT\$ thousand

Item	2024	2023	Difference	
			Amount	%
Gross sales	605,637	389,624	216,013	55.44
Gross profit	396,422	230,222	166,200	72.19
Operating profit (loss)	(145,666)	(1,213,829)	1,068,163	88.00
Non-operating income and expenses	65,201	53,994	11,207	20.76
Net loss before income tax	(80,465)	(1,159,835)	1,079,370	93.06
Net loss	(80,465)	(1,159,835)	1,079,370	93.06
Other comprehensive income(loss)	66,244	(54,267)	120,511	222.07
Total comprehensive income(loss)	(14,221)	(1,214,102)	1,199,881	98.83

Main reasons and analysis on the impact of changes (changes greater than 20% or with an amount of more than NT\$ 10 million):

- (1) Increase in Operating Revenue and Gross Profit: This is primarily due to the commencement of operating revenue starting from the third quarter of 2023.
- (2) Increase in Operating Income, Pre-tax Net Income, Net Income for the Period, and Total Comprehensive Income for the Period: This is primarily due to the reduction in R&D expenses in 2024.
- (3) Increase in Non-operating Income and Expenses: This is primarily due to higher foreign exchange gains.
- (4) Increase in Other Comprehensive Income for the Period: This is primarily due to the increase in the fair value of financial assets measured at fair value through other comprehensive income.

2. The projected sales volume and the basis thereto, and the possible impacts on the financial operations and countermeasures:

(1) Sales volume forecast for the coming year and basis thereto

MVC enterovirus 71 (EV71) vaccine (Envacgen) has been officially supplied to Taiwan's self-pay market since August 2023. Since its launch, the vaccine has successfully captured over 95% market share, demonstrating its competitive edge in product quality, efficacy, and consumer trust.

However, Taiwan's declining birthrate in recent years poses a potential challenge to the overall EV71 vaccine market size. In 2024, approximately 130,000 newborns were recorded, reflecting a birthrate of 5.76‰ per thousand people. Based on birth statistics from the first quarter of 2025, the total number of newborns is projected to fall below 120,000 for the full year, which is expected to place downward pressure on the future scale of the EV71 vaccine market.

In response to this trend, MVC is actively promoting comprehensive health education and public awareness strategies to enhance parental understanding of EV71 infection risks and the protective benefits of vaccination, thereby increasing both willingness and action to vaccinate. By strengthening scientific communication and public education, MVC aims to further expand the market penetration of the MVC EV71 vaccine (Envacgen) in Taiwan, gradually improve overall vaccine coverage, and maintain its dominant market position while simultaneously advancing international expansion.

With respect to overseas markets, regulatory submission for product registration in Vietnam has been formally filed. In January 2025, the Company signed a regional distribution agreement with French pharmaceutical firm Substipharm Biologics to jointly expand into Southeast Asian markets. The distribution agreement for the Envacgen in Vietnam has been successfully concluded, marking an active step toward internationalization and the phased expansion into global markets.

Regarding seasonal influenza vaccines, MVC has successfully completed public procurement contracts for the 2023 and 2024 government influenza vaccination programs and is also participating in the 2025 tender process. The Company will continue to invest in the domestic public flu vaccine supply chain, providing the government and the public with high-quality and reliable vaccine options.

(2) The possible impacts on financial operations and countermeasures:

Before proceeding with future business plans, the company will plan its capital expenditures more cautiously to ensure it can generate revenue and profit.

III. Analysis of Cash Flow

(I) Analysis of changes in cash flow for the current year

Unit: NT\$ thousand

Cash and Cash Equivalents, Beginning of Year	Estimated net cash flow from operating activities	Estimated net cash flow from Investing activities	Estimated net cash flow from Financing activities	Cash and Cash Equivalents, End of Year
1,393,120	40,858	1,017,676	(1,736,041)	715,613
Analysis of changes in cash flow:				
(1) Net Cash Inflow from Operating Activities: Primarily due to the increase in operating revenue and interest income from time deposits.				
(2) Net Cash Inflow from Investing Activities: Primarily due to the redemption of the principal from maturing time deposits.				
(3) Net Cash Outflow from Financing Activities: Primarily due to the repayment of corporate bonds.				

(II) Remedial plans for liquidity shortfalls: MVC has sufficient cash.

(III) Cash flow analysis for the coming year

Unit: NT\$ thousand

Beginning balance	Estimated net cash flow from operating activities	Estimated net cash flows from investing and financing activities	Cash surplus (deficit)	Projected remedy for cash deficit	
				Investment plans	Financing plans
715,613	101,513	(189,564)	627,562	-	-
Analysis of change in cash flow in the next year :					
(1) Operating Activities: The cash inflow from operating activities is primarily driven by the increase in operating revenue.					
(2) Investing and Financing Activities: The cash outflow is primarily due to capital expenditures required for expanding production lines and purchasing machinery and equipment for production.					

IV. Major Capital Expenditure Items: None.

V. Investment Policy for the Most Recent Year, Main Causes for Profits/Losses, Improvement and Investment Plans for the Coming Year:

1. The most recent annual reinvestment policy

MVC's investments in other companies are made in accordance with the internal control system "Investment Cycle" and "The Procedures for Acquisition or Disposal of Assets".

2. Analysis of the reasons for the profit or loss of the investment business

MVC's recent annual investment loss was NT\$250,000 and, mainly due to the investment being made with a long-term target and the benefits have not yet been realized.

3. The investment plans for the coming year: None.

4. Investment plan for next year: None.

VI. Risk Management and Evaluation:

(I) Effects of changes in interest rate, exchange rate, and inflation rate on the company's income and countermeasures thereto:

1. Effects of changes in interest rates on the company's income and countermeasures thereto:
 - a. Changes in interest income and expenses over the last two years
MVC has no bank borrowings for the years 2024 and 2023 and interest expense on bank borrowings is nil. The interest income is calculated based on the interest rate of bank deposits. MVC's bank interest incomes were NT\$ 46,250,000 and NT\$ 83,282,000 in the years 2024 and 2023, respectively, and there is no significant impact on MVC.
 - b. Specific measures in response to changes in interest rates
However, MVC takes corresponding measures toward the changes in market interest rates. Our financial unit always monitors the fluctuation of interest rates and puts forth the most suitable long- and short-term bank plans based on the actual capital needs, to decrease capital costs.
2. Effects of changes in exchange rate on the company's income and countermeasures thereto:
 - a. The impact of exchange rate changes in the last two years on the company's revenue and profit
Currently, most of MVC's payments are made in New Taiwan Dollars, and only certain payments for the acquisition of equipment or consultant fees are made in foreign currencies. Nonetheless, the amounts paid in foreign currencies are not significant. MVC's exchange gain were NT\$38,353,000 and exchange loss was NT\$325,000 in 2024 and 2023, respectively. The fluctuation in the exchange rate has no significant impact on MVC's income.
 - b. Specific measures for exchange rate changes
Our financial units always monitor the global financial situation and the fluctuation of exchange rates and request our correspondent banks to provide professional consultation to grasp the trend of the exchange rates.
3. Effects of changes in the inflation rate on the company's income and countermeasures thereto:
 - a. The impact of inflation changes in the last two years on the company's revenue and profit
For the most recent year and up to the date of publication of the annual report, there is no occurrence of significant inflation. MVC's incomes for the past years was not significantly affected by inflation.
 - b. Specific measures to deal with inflation
MVC pays attention to inflation at any time, observes the rising price of raw materials and changes in product structure, to appropriately adjust the price of products and the inventory of raw materials.

- (II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future: MVC is devoted to the development of its core businesses. It has not engaged in high-risk investments, highly leveraged investments, and loans to other parties, endorsements/guarantees, and derivatives transactions in recent years. Also, MVC has formulated the “Procedures for Acquisition and Disposal of Assets,” “Procedures for Loaning of Company Funds,” and “Procedures for Endorsements & Guarantees.” These procedures have been approved by the Shareholders' Meeting. MVC will carry out its activities accordingly when required in the future.
- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development work: MVCs current main marketed products include the enterovirus EV71 vaccine and seasonal influenza Vaccine. MVC continues to expand its product portfolio and actively collaborates with both domestic and international research institutions to evaluate potential candidates. The ongoing efforts in evaluation and development are primarily focused on preventive vaccine products. Beyond the enterovirus vaccine, the evaluation of other R&D product lines is centered on respiratory infectious diseases. The future R&D expenses are planned according to the development schedule of the products. MVC will appropriate a certain percentage of its capital as R&D expenses based on the actual operating performance. It is expected that about \$80,000,000 will be allocated for research and development-related expenses this year to maintain MVC’s competitiveness.
- (IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:
1. Domestic:

The government continued to support the domestic biotech and pharmaceutical industry, with the Ministry of Science and Technology Executive Yuan as the cross-department coordinator. Starting in 2012, in line with the industrial and medical needs, the subsequent industrial promotion plan was renamed “Taiwan Biotech Industry Takeoff Promotion Initiative.” The initiative will continue to improve the fundamental plan which has already shown results. The government coordinated the industrial demands, strengthened cross-departmental coordination, services, and consulting industries, integrated resources, promoted the industrialization of pharmaceutical products and medical equipment, and improved the international competitiveness of the industry. In terms of laws and regulations, relevant taxation laws were amended to be in line with the government’s policies in promoting the development of the biotech industry. In 2007, the “Act for the Development of Biotech and New Pharmaceuticals Industry,” “Regulations Governing Tax Credit for biotech and new pharmaceutical company’s expenditure in R&D talent training” and “Regulations

Governing Application of Biotech and New Pharmaceuticals Company Shareholder Investment Tax Credits for Profit-Seeking Enterprise” were formulated and were beneficial to MVC’s development of new drugs.

2. Overseas:

Currently, MVC’s financial operations are not affected by major international policies and changes in the laws and regulations. MVC always pays close attention to policy and law changes to respond in a timely manner.

(V) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

Although the biotech industry has an extremely high entry threshold, long R&D period, and high R&D risk, the product life cycles are relatively longer, and the technology added value is also relatively higher. MVC pays close attention to the development trend of new drugs R&D and the pharmaceutical industry, evaluates possible impacts, and carries out necessary adjustments to the strategy so that it can respond flexibly to the changes in technology and industry with the aim to avoid possible impacts. In addition, to effectively implement information security management, in addition to reviewing the applicability and protection measures of information security policies, MVC has established a complete information security management system to reduce corporate information security threats from the system, technical and procedural levels, and establish the highest standard of confidential information protection services. In addition, multi-layer information security protection is constructed, and innovative technologies for information security defense are continuously introduced. The information security control and management mechanism is integrated and internalized in the daily operation processes such as software and hardware maintenance and operation, supplier information security management, etc., to systematically monitor information security and maintain the basic The confidentiality, integrity and availability of MVC's important assets are also actively monitored for the effectiveness of information security management, and based on review and continuous improvement, supervision and auditing are implemented to ensure the continued effectiveness of information security regulations. When employees violate relevant norms and procedures, they will be dealt with in accordance with the information security violation handling procedures, and personnel sanctions will be carried out according to the violations (including employees’ performance appraisal for the current year or necessary legal actions); Improvement actions such as training and publicity to ensure that MVC's important confidential information is not leaked.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

Based on the philosophy of bringing a better life to humans through biotech, MVC is committed to fulfilling its corporate social responsibility, maintaining its good corporate image, pursuing sustainable operation, and maximizing MVC’s performance and shareholders’ interests.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

In the most recent year and up to the date of publication of the annual report, MVC has no plan to acquire another company. If there are events of acquisitions or plans of acquisition, such matters shall be handled in accordance with relevant laws and regulations, and MVC shall take a prudent approach in the evaluation and risk management, to achieve expected business growth and shareholders' interests, maximize MVC's overall benefit and minimize risks.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

MVC constructed a factory in Biomedical Park in Zhubei, for the manufacturing of vaccines and biological products. The factory is a PIC/S GMP qualified vaccine manufacturing plant and will become the first cell-cultured vaccine manufacturing plant that has mass production capability. The factory is capable of supplying products for commercial products and other services right away. The capital and advanced technology required for the construction of the biological product manufacturing plant and equipment are collected from the capital increase through the issuance of shares and fundraising at the capital market. MVC has no risk of insufficient capital. Also, MVC is actively expanding its business, to decrease the risk of insufficient production capacity.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

1. Purchase:

In terms of purchase concentration, the raw materials and materials for the manufacture of vaccine products must be subject to strict PIC/S GMP standard level restrictions, and the industrial technology threshold is high, so it has a relatively special industrial supply chain, not as other general industries have more procurement sources. Suppliers are available. Therefore, it is the risk of concentration of purchases in the vaccine industry. MVC's solution is to sign supply contracts with important raw material manufacturers to ensure stability of supply and quality assurance.

2. Sales:

Enterovirus 71 has a high market demand in Asia, especially in Southeast Asia, where no Enterovirus 71 vaccine has yet been marketed in ASEAN countries, except for Thailand and Indonesia. MVC has initiated the drug registration process in Vietnam and will continue to apply for marketing authorizations in other countries to progressively expand international sales. The flu vaccine is mainly for the publicly funded vaccine market. MVC cooperates with GC Biopharma in Korea, and GC Biopharma produces the vaccine stock solution, and then MVC is filled and packaged, released at the Jubei plant. MVC aims to invest in the annual supply of the flu vaccine in Taiwan with its private brand, which will bring stable revenue.

- (X) Effect upon and risk on the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

There is no event of a large-scale transfer of shares of directors, supervisors, or major shareholders holding more than 10% of the total Company's shares.

- (XI) Effects of Risks Relating to and Response to the Changes in Management Rights:

In the most recent year and up to the date of the publication of the annual report, there is no possibility of changes in management power of the Directors, Supervisors or major shareholders holding more than 10% of the Company's shares that may pose an influence on MVC's operation. Also, MVC has formulated comprehensive internal control systems and relative management regulations, to reduce the impact of changes in management power on MVC's operation.

- (XII) Litigious or non-litigious matters: None.

- (XIII) Other important risks and countermeasures:

1. Risk of capital deficiency due to large capital needs for vaccine development.

Responses:

A. Assistance and promotion of the government

The biotechnology industry requires long-term and stable funding to continuously invest in product development and clinical trials. For small and medium-sized enterprises, this is a significant financial burden. Fortunately, the government provides subsidies for research and development, such as industry-specific technology projects and industry-academia collaboration programs. Policies also encourage entry into the capital market for fundraising, which helps alleviate financial pressures. Therefore, MVC is actively seeking various policy incentives and is in the process of conducting an initial public offering (IPO) to enter the capital market.

B. Raising funds from the capital market

In addition to the low financing cost and flexible financial operation, the capital market is also able to attract investment from strategic investors, and enhance MVC's ability in capital increase, business expansion, and recruiting of talents. Therefore, MVC's capital for the development of new drugs will be from the capital market.

2. Time-consuming clinical trials, and risk of failure

Responses:

The success rate of vaccine development is much higher than that of the general new drugs. Nonetheless, there exists possible failure. To balance out the time-consuming clinical trials, and risk of failure, MVC has adopted a biosimilar product pipeline. The effectiveness and safety of the series of products have been verified by the market over

the years, and the development of the products requires a shorter time and has a higher success rate. Currently, MVC is planning to obtain relevant licenses to accelerate the process of clinical trials and market sales, to create medium-low risk sales revenue.

3. Biological product technology belongs to the high-tech industry. The products and relevant production technology are protected by patents and data exclusively. Therefore, there are risks of violating others' patents or intellectual property rights.

Responses:

To conduct a thorough patent due diligence analysis on developed products to avoid infringing on others' patents. In practice, the total number of global vaccine R&D projects is limited. When MVC initiates various vaccine projects, it performs patent searches related to the major markets. Each vaccine project has its own specificity, making patent-related searches relatively straightforward. There are not many R&D projects aimed at avoiding infringement of others' vaccine patents, and tracing the origins is easier. The development projects introduced by our company are not early-stage R&D products; they have already established patent portfolios and relevant publications. In the event of patent infringement, there is sufficient evidence, such as authorization agreements, development records, or clinical trial data, to support patent litigation.

VII. Other Important Matters: None.

Chapter 6. Special Disclosure

I. Information on Affiliated Companies:

Please refer to the Market Observation Post System (MOPS).

Path: Market Observation Post System (MOPS) > Individual Company > Electronic Document
Download > Three Forms and Documents of Related Enterprises.

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private Placement Securities in the Most Recent Year: None.

III. Other Supplementary Information: None.

IV. Any Events during the Most Recent Year and up to the Date of Publication of the Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Subparagraph 2 Paragraph 3 of Article 36 of Securities and Exchange Act: None.

Medigen Vaccine Biologics Corp.



Chairman: Ming-Cheng, Chang

