

Stock Code: 6547



高端疫苗生物製劑股份有限公司  
MEDIGEN VACCINE BIOLOGICS CORP

# 2024 Annual Shareholders' Meeting Meeting Handbook

Date: June 13, 2024

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

(This English version handbook 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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# **Chapter I. Procedures for 2024 Annual Shareholders' Meeting of Medigen Vaccine Biologics Corp.**

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

# **Chapter II. Agenda of 2024 Annual Shareholders' Meeting of Medigen Vaccine Biologics Corp.**

Meeting Date: June 13, 2024 (Thursday) at 9:00 a.m.

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

Meeting Type: Physical Shareholders' Meeting

I. Chairperson's Remarks

II. Report Items

(I) 2023 Business Report

(II) Audit Committee's Review Report

III. Ratifications

(I) MVC's 2023 business report and financial statements.

(II) Adoption of the Proposal for 2023 Deficit Compensation.

IV. Elections

The 5th Election of Directors.

V. Other Matters

Proposal for release the prohibition on directors and their representative from participation in competitive business.

VI. Questions and Motions

VII. Adjournment

## [Report Items]

Item I. 2023 Business Report.

Description: 2023 Business Report (Please refer to Attachment I of the Handbook)

Item II. The Audit Committee's Review Report.

Description: Audit Committee's Review Report on the 2023 Financial Statement (Please refer to Attachment II of the Handbook).

## [Ratifications]

Item No. 1

Proposed by the Board of Directors

Proposal: Adoption of the 2023 Business Report and Financial Statements.

Explanation: 1. MVC individual and consolidated financial statements for 2023 have been duly audited by Mr. Shao-Pin, Kuo and Mr. Chien-Che, Huang, CPAs from Ernst & Young, who have attested the final report, and issued the audit report with unqualified opinion, and the business report for concomitant review and approval by the Audit Committee, and adoption by resolution of the Board of Directors.

2. Please refer to Attachment I of the Handbook for the 2023 business report and Attachment III for the 2023 financial statements.

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

Resolution:

Item No. 2

Proposed by the Board of Directors

Proposal: Adoption of the Proposal for 2023 deficit compensation.

Explanation: 1. Please refer to Attachment IV for the 2023 statement of deficit compensation

2. The accumulative loss for 2023 was NT\$1,159,834,843, and the Accumulative loss is NT\$0 after the additional paid-in capital covers the losses. The balance is NT\$138,729,145 after the aforementioned losses are made up.

Resolution:

# [Elections]

Proposed by the Board of Directors

Proposal: The 5th Election of Directors.

Explanation: 1. The term of the 4th directors and independent directors of MVC will expire in 2024 and will be fully re-elected at this annual shareholders' meeting.

2. MVC has established an Audit Committee, which consists of all independent directors and currently has three members.

3. Seven directors (including three independent directors) will be elected for a term of three years from June 13, 2024, to June 12, 2027. The existing directors will retire on that date and the new directors will take office.

4. The directors and independent directors of the MVC election adopt the candidate's nomination system. The qualifications, experience, and other relevant information of shareholders should be selected from the list of candidates for the director and independent director as follows:

April 15, 2024

Serial Number	Category of Candidates	Name of Candidates	Shares Held	Academic Background	Experiences	Current Status
1	Director Candidates	Medigen Biotech Corp. Representative: Ming-Cheng, Chang	61,743,844	1. Master of Business Administration, The University of Michigan 2. BS in Mechanical Engineering, National Taiwan University	1. Partner & Reputation and Risk Leader, Deloitte & Touche Taiwan 2. Chairman, Auditing Standards Committee of Taiwan	1. Independent Director of Ocean Alexander 2. Independent Director of United Alloy-Tech Company
2	Director Candidates	Medigen Biotech Corp. Representative: Chin-Yen, Chen	61,743,844	Bachelor of Nursing, Taipei Medical University	1. Glaxo Wellcome Taiwan Limited Research Nurse 2. Nurse, Shin Kong Wu Ho-Su Memorial Hospital	Vice President of Drug Development Department, Medigen Biotech Corp.
3	Director Candidates	Tsan-Chien, Chen	518,982	Department of Psychology, National Taiwan University	President, SBC Virbac Inc.	1. Overseas Director of Temple University and Distinguished Visiting Professor of Biotechnology Innovation 2. National Yang Ming University Industry-University Lecture 3. Chairman, MVC Capital Corporation
4	Director Candidates	Chia-Hsiu, Lin	-	Master of Botany, National Taiwan University	1. President, Production Business Department, Virbac (Taiwan) Co., Ltd. 2. Independent Director of Standard Chem & Pharm Co., Ltd.	None

Serial Number	Category of Candidates	Name of Candidates	Shares Held	Academic Background	Experiences	Current Status
					3. Chairman and General Manager of Gaosheng Pharmaceutical Co., Ltd. 4. Chief Operating Officer of Lytone Co., Ltd.	
5	Independent Director Candidate	Ming-Yi, Wu	-	M.S. in Accounting, National Chung Hsing University Manager of Bajia Enterprise Co.	Manager of Bajia Enterprise Co. Supervisor of Deloitte Touche Tohmatsu Limited.	1. Managing Partner of Reanda M Y Wu & Co., CPAs. 2. Member of the Tax Regulations and Tax Affairs Committee of the National Federation of CPA Associations of the R.O.C.
6	Independent Director Candidate	Peng-Fei, Su	33,000	1. Bachelor's degree, Department of Control Engineering (Electrical), National Yang Ming Chiao Tung University 2. Master of Business Administration, National Chengchi University	1. Marketing Director of Sunset Technology Co., Ltd 2. AVP of Investment Department of Development Technology Co., Ltd. 3. Independent Director of Tatung Company 4. Independent Director of San Chih Semiconductor Co., Ltd.	1. Senior Vice-President of Shengye Assets Co., Ltd. 2. Independent Director of Danen Technology Corporation
7	Independent Director Candidate	Yao-Chi, Li	-	1. Postdoctoral research at Yale University School of Medicine, USA 2. PhD in Genetics, North Carolina State University, USA 3. Bachelor of Science, Department of Botany, National Taiwan University	1. Chair, Department of Life Sciences, National Tsinghua University 2. Chair, Institute of Biotechnology, National Tsinghua University 3. Dean of the College of Biotechnology and Resources, Da Yeh University	1. Director of Fortune Anti-aging Nutraceuticals, Co. Ltd. 2. Technology Consultant, Green Strong International Co., Ltd. 3. Technology Consultant, Yunnan Alphy Biotech Co., Ltd.

5. Please refer to Page 38 in this Handbook for "Rules for Election of Directors".

6. The proposal is hereby submitted to the shareholders' meeting for resolution.

Resolution:

## [Other Matters]

Proposed by the Board of Directors

Proposal: To release the Prohibition on directors and their representatives from participation in competitive business.

Explanation: 1. According to Article 209 of the Company Act: "A director who does anything for himself or on behalf of another person that is within the scope of the MVC's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".  
2. Propose to the shareholders for newly elected directors to release the prohibition from participation in the competitive business.

Name of Director		Current Status
Director	Medigen Biotech Corp. Representative: Ming-Cheng, Chang,	1. Independent Director of Ocean Alexander 2. Independent Director of United Alloy-Tech Company
Director	Medigen Biotech Corp. Representative: Chin-Yen, Chen	Vice President of Drug Development Department, Medigen Biotech Corp.
Director	Tsan-Chien, Chen	1. Overseas Director of Temple University and Distinguished Visiting Professor of Biotechnology Innovation 2. National Yang Ming University Industry-University Lecture 3. Chairman, MVC Capital Corporation
Independent Director	Ming-Yi, Wu	1. Managing Partner of Reanda M Y Wu & Co., CPAs. 2. Member of the Tax Regulations and Tax Affairs Committee of the National Federation of CPA Associations of the R.O.C.
Independent Director	Peng-Fei, Su,	1. Senior Vice-President of Shengye Assets Co., Ltd. 2. Independent Director of Danen Technology Corporation
Independent Director	Yao-Chi, Li	1. Director of Fortune Anti-aging Nutraceuticals, Co. Ltd. 2. Technology Consultant, Green Strong International Co., Ltd. 3. Technology Consultant, Yunnan Alphy Biotech Co., Ltd.

Resolution:

## [Questions and Motions]

## [Adjournment]

# Chapter III. Attachments

## [Attachment I]

### Medigen Vaccine Biologics Corp.

#### Business Report

##### I. 2023 Business Report

###### (I) Implementation results of the 2023 business plan and profitability analysis

MVC is a biopharmaceutical company specializing in the vaccine industry. Currently, its main products include Enterovirus 71 vaccine (EV71), Quadrivalent influenza (QIV) vaccine, and COVID-19 vaccine, and its R&D product lines include dengue vaccine and second-generation enterovirus vaccine.

MVC received a New Drug Application (NDA) from the Food and Drug Administration (FDA) for its Enterovirus 71 vaccine in April 2023. This product is currently the only Enterovirus 71 vaccine in Taiwan to obtain drug approval based on real vaccine protection data, and has achieved excellent data of 100% vaccine protection (96.8% protection by statistical regression analysis) in a multinational, multi-centre Phase III clinical trial; In addition, MVC is the only domestic manufacturer with BSL-2 specification cell culture vaccine production capacity and can complete the vertically integrated production of Enterovirus 71 vaccine at the Zhubei plant. MVC has already reached 90% of the domestic market share of Enterovirus vaccines in 2023 and will continue to strive to increase the penetration rate of domestic vaccines, as well as invest in the international market layout.

GC Biopharma, a major international vaccine company, collaborated with us on a quadrivalent influenza vaccine, which was certified and included in the procurement of a government-funded influenza vaccine in 2023; after winning the bid, we completed delivery of the contract in September/October of the same year, contributing to the prevention and treatment of influenza epidemics in Taiwan.

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

MVC's operating income for 2023 was NT\$389,624 thousand, and operating expenses were NT\$1,444,051 thousand. After adding non-operating income, the net loss for the period was NT\$1,159,835 thousand.

Item		2023	2022
Income & Expenditure	Interest Income (in thousand)	83,282	7,605
	Interest Expenditure (in thousand)	37,571	26,888
Profitability & Analysis	Return on assets (%)	(16.81)	(22.98)
	Return on equity (%)	(26.14)	(30.39)
	Profit ratio (%)	(297.68)	(403.95)
	Earnings per share (NT\$)	(3.53)	(4.56)

###### (III) Research and Development

MVC EV71 vaccine multi-country multi-center phase III clinical trial was conducted simultaneously in Taiwan and Vietnam. This vaccine verification is applicable to young infants and young children aged 2 months to 6 months who are most in demand for vaccines. MVC is the first development project in the world to obtain clinical trial data for infants aged 2-6 months. The Phase III trial showed 100% vaccine efficacy (96.8% by

statistical Poisson regression analysis) and protection against regionally prevalent genotypes. The Phase III clinical trial data were reviewed and published in *The Lancet Tickle*. The *Lancet* invited experts to write a special article highlighting the importance of the MVC enterovirus vaccine for prevention in infants and young children between 2 and 6 months of age, as well as the durability of the EV71 vaccine in the third dose of supplemental immunization. This product has passed the new drug inspection and registration of the Food and Drug Administration (FDA) of the Ministry of Health and Welfare (MOHFW) of Taiwan in April 2023 and has also been submitted to the DAV (Vietnam) and the NPRA (Malaysia) for new drug inspection and registration in May and December 2023 respectively, and the inspection is currently in progress.

We received approval from the Ministry of Health and Welfare for the manufacture and Supply for domestic emergencies of the COVID-19 vaccine in July 2021. The development was selected as a WHO Solidarity Trial Vaccine (STV), and the WHO led and funded the Phase III clinical trial. It was also selected for inclusion in the WHO C-TAP/MPP Vaccine Licensing, an international collaboration between WHO and the United Nations Health Organization's MPP (Medicine Patent Pool).

## II. 2024 Business plan

- (I) The EV71 vaccine is currently the first development project in the world that has obtained multi-country and multi-center data validation and covers the effectiveness of the vaccine for high-risk infants aged 2 months to 6 months. The vaccine is also offers protection against other popular genotypes and will use this as a niche in the future to actively deploy the unmet vaccine market, and actively deploy both self-funded and public-funded markets. MVC is actively promoting the launch of the vaccine in Taiwan and will expand its market share in the Philippines, Vietnam, Thailand, Malaysia, and Singapore as soon as the drug certificates for each country are obtained.

In terms of production, MVC's EV71 vaccine production capacity is ready, and the PIC/S GMP biologics plant at the MVC Zhubei plant has experience in implementing PIC/S GMP for cell culture vaccines from antigen production to sterile filling and release, and all six systems (quality system, facility, and equipment system, raw/materials system, production system, packaging and labeling system, and laboratory quality control system) have been validated. MVC is fully prepared in two major areas, including antigen production and formulation filling, and aims to continue to expand its annual production capacity to one million doses.

- (II) MVC acts as an agent for South Korea's GC Pharma quadrivalent influenza vaccine (QIV) and applies for an import drug license. Based on commercial strategic considerations, MVC adopts its own brand strategy. Vaccine home-made rate, and effectively control product quality, profit and delivery time. MVC quadrivalent influenza vaccine has begun to participate in the domestic supply.
- (III) The subsequent development of the COVID-19 vaccine. Currently, there are still mutations of the mutated strains around the world, but there is still no consensus among the global regulatory authorities and international organizations on the development and review of the mutated strains of the vaccine. MVC must continue to engage with international organizations and confirm the direction and strategy for the development of the mutant vaccine.

## III. Future Development Strategies

- (I) EV71 vaccine Overseas Markets Layout:  
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.

MVC has already initiated the registration of Vietnam and Malaysia for drug licenses and will continue to apply for drug licenses in other countries to gradually develop international sales.

(II) Expansion of Enterovirus Vaccine Product Line:

Based on the excellent R&D data of the enterovirus EV71 vaccine, we have already started the development of Coxsackievirus enterovirus vaccine and D68 enterovirus vaccine. The new enterovirus vaccine manufacturing platforms include a cell culture whole virus deactivation platform and Virus-Like Particles (VLP) vaccine platform technology. .

(III) Quadrivalent Influenza Vaccine:

Taiwan's quadrivalent influenza vaccine is mainly for the publicly-funded vaccine market, with the annual public influenza vaccine procurement amounting to 6.6 million doses. MVC cooperates with GC Pharma in Korea, and GC Pharma 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 quadrivalent influenza vaccine in Taiwan with its private brand, which will bring stable revenue.

(IV) COVID-19 Vaccine:

WHO lifted the three-year global health emergency for COVID-19 in May 2023, but COVID-19 variant infections continue to pose a threat to public health. Currently, there is no consensus on the vaccine development strategy for each country due to the rapid mutation of the mutated strains. MVC will continue to liaise with international organizations to confirm the direction and strategy for the development of a vaccine against the mutated strain.

(V) Other R&D product lines:

In addition to the main products currently in the preparatory stage for launch, MVC has also continued to enrich the product line layout. MVC has also been liaising with major international R&D organizations and institutions to continuously evaluate.

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



**[Attachment II]**

Medigen Vaccine Biologics Corp.

Audit Committee Review Report

The Board of Directors has prepared and submitted MVC's 2023 Individual Financial Statements and Consolidated Financial Statements have been duly audited by Mr. Shao-Pin, Kuo and Mr. Chien-Che, Huang, CPAs from Ernst & Young, who have attested the final report and issued the audit report. We have examined MVC's 2023 Financial Statements, Business Report and the proposal for deficit compensation and believe that there is no discrepancy. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

To Medigen Vaccine Biologics Corp.

The Audit Committee:

Independent Director: Ming-Yi, Wu

Independent Director: Chia-Hsiu, Lin

Independent Director: Yao-Chi, Li

March 8, 2024



安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese  
**Independent Auditors' Report**

To Medigen Vaccine Biologics Corporation

**Opinion**

We have audited the accompanying parent company only balance sheet of Medigen Vaccine Biologics Corporation (“the Company”) as of December 31, 2023, and the related parent company only statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and cash flows for the year ended December 31, 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Impairment assessment of non-financial assets

As of December 31, 2023, the carrying value of property, plant and equipment, right-of-use assets and intangible assets of Medigen Vaccine Biologics Corporation was NT\$1,422,828 thousand, representing approximately 24% of total assets. Due to recent operational losses of Medigen Vaccine Biologics Corporation, the management conducted impairment assessment test for the cash generating unit to which these assets belong. The impairment assessment was based on the recoverable amount estimated from the assets' value in use. Since the estimation of value in use involves significant judgement by the management, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls related to asset impairment; assessing the appropriateness of the accounting policy for asset impairment; evaluating key assumptions used by the management in the impairment testing, including sales growth rate, gross margin, and discount rate, and discussing with management to assess the reasonableness; recalculating the recoverable amount assessed by the management. We also assessed the adequacy of disclosures of property, plant and equipment, right-of-use assets and intangible assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

#### Valuation for inventories

As of December 31, 2023, the net inventory balance of Medigen Vaccine Biologics Corporation was NT\$383,635 thousand. Given the fact that Medigen Vaccine Biologics Corporation mainly manufactures and sells vaccine-related products, these inventories might be affected by natural deterioration, obsolescence and unmarketable items. The management has to evaluate whether the product is out-of-date and if there is an inventory decline in value. As the carrying amount of the inventories is significant and the valuation for inventories involves significant judgments by the management, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls related to inventory obsolescence; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the parent company only financial statements.



### **Other Matter – Previous Period Audited by Other Auditors**

The parent company only financial statements of Medigen Vaccine Biologics Corporation for the year ended December 31, 2022 were audited by other auditors and an unqualified audit opinion was issued on March 8, 2023.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

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

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kuo, Shao-Pin

Huang, Chien-Che

Ernst & Young, Taiwan

March 8, 2024

#### **Notice to Readers**

The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these parent company only financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

MEDIGEN VACCINE BIOLOGICS CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023	%	December 31, 2022	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 1,308,410	22	\$ 1,182,334	16
Financial assets at fair value through profit or loss - current	6(2)	-	-	52,993	1
Financial assets at amortized cost - current	6(1), 6(3)	2,364,100	39	2,979,940	41
Trade receivables, net	6(4)	149,107	2	194,400	3
Other receivables		49,736	1	1,171	-
Inventories, net	6(5)	383,635	6	544,784	7
Prepayments	6(7)	13,488	-	370,986	5
Other current assets		48,136	1	38,427	-
Other financial assets - current	6(1), 8	-	-	75,466	1
Total current assets		<u>4,316,612</u>	<u>71</u>	<u>5,440,501</u>	<u>74</u>
<b>Non-current assets</b>					
Investments accounted for using the equity method	6(6)	331,027	5	285,661	4
Property, plant and equipment, net	6(8)	1,129,833	19	1,200,472	16
Right-of-use assets	6(15)	254,698	4	269,053	4
Intangible assets	6(9)	38,297	1	45,361	1
Refundable deposits	6(1), 8	15,353	-	14,288	-
Other noncurrent assets		6,826	-	92,353	1
Total non-current assets		<u>1,776,034</u>	<u>29</u>	<u>1,907,188</u>	<u>26</u>
<b>Total assets</b>		<u>\$ 6,092,646</u>	<u>100</u>	<u>\$ 7,347,689</u>	<u>100</u>

(continued)

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

MEDIGEN VACCINE BIOLOGICS CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2023	%	December 31, 2022	%
<b>Current liabilities</b>					
Financial liabilities at fair value through profit or loss - current	6(2), 6(10)	\$ 29,050	1	\$ -	-
Notes payable		-	-	581	-
Accounts payable		25,885	-	108,520	2
Other payables		216,069	4	226,119	3
Lease liabilities - current	6(15)	11,996	-	11,778	-
Other current liabilities		610	-	8,234	-
Corporate bonds payable - current portion	6(10)	1,708,101	28	-	-
Total current liabilities		<u>1,991,711</u>	<u>33</u>	<u>355,232</u>	<u>5</u>
<b>Non-current liabilities</b>					
Financial liabilities at fair value through profit or loss - noncurrent	6(2), 6(10)	-	-	19,250	-
Corporate bonds payable	6(10)	-	-	1,677,850	23
Lease liabilities - noncurrent	6(15)	254,356	4	266,352	4
Total non-current liabilities		<u>254,356</u>	<u>4</u>	<u>1,963,452</u>	<u>27</u>
Total liabilities		<u>2,246,067</u>	<u>37</u>	<u>2,318,684</u>	<u>32</u>
<b>Equity</b>	6(12)				
Share capital					
Common stock		3,286,081	54	3,278,399	44
Capital collected in advance		-	-	1,913	-
Capital surplus		1,550,997	26	2,798,085	38
Retained earnings					
Legal reserve		141,026	2	141,026	2
Special reserve		459	-	459	-
Accumulated deficits		(1,159,835)	(19)	(1,272,995)	(17)
Total retained earnings		<u>(1,018,350)</u>	<u>(17)</u>	<u>(1,131,510)</u>	<u>(15)</u>
Other equity		27,851	-	82,118	1
Total equity		<u>3,846,579</u>	<u>63</u>	<u>5,029,005</u>	<u>68</u>
<b>Total liabilities and equity</b>		<u>\$ 6,092,646</u>	<u>100</u>	<u>\$ 7,347,689</u>	<u>100</u>

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

MEDIGEN VACCINE BIOLOGICS CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars, except for loss per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2023	%	2022	%
Net sales	6(14)	\$ 389,624	100	\$ 365,042	100
Operating costs	6(5), 6(16)	(159,402)	(41)	(577,644)	(158)
Gross profit (loss)		230,222	59	(212,602)	(58)
Operating expenses	6(16)				
Selling expenses		(156,944)	(40)	(72,833)	(20)
General and administrative expenses		(86,082)	(22)	(110,648)	(31)
Research and development expenses		(1,200,614)	(308)	(1,139,989)	(312)
Total operating expenses		(1,443,640)	(370)	(1,323,470)	(363)
Operating loss		(1,213,418)	(311)	(1,536,072)	(421)
Non-operating income and expenses	6(17)				
Interest income		83,238	21	7,569	2
Other income		18,243	5	68,671	19
Other gains and losses		(9,960)	(3)	12,304	3
Finance costs		(37,571)	(10)	(26,888)	(7)
Share of loss of subsidiaries, associates and joint ventures accounted for using the equity method		(367)	-	(157)	-
Total non-operating income and expenses		53,583	13	61,499	17
Loss before income tax		(1,159,835)	(298)	(1,474,573)	(404)
Income tax expense	6(19)	-	-	-	-
Net loss		(1,159,835)	(298)	(1,474,573)	(404)
Other comprehensive income	6(18)				
Items that will not be reclassified subsequently to profit or loss					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may not be reclassified to profit or loss		(54,269)	(14)	82,225	23
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		2	-	352	-
Other comprehensive (loss) income, net of tax		(54,267)	(14)	82,577	23
Total comprehensive loss		\$ (1,214,102)	(312)	\$ (1,391,996)	(381)
Basic Loss Per Share (in New Taiwan Dollars)	6(20)	\$ (3.53)		\$ (4.56)	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

MEDIGEN VACCINE BIOLOGICS CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
For the years ended December 31, 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars)

Description	Capital			Retained earnings			Other equity		
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Accumulated deficits	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)	
Balance as of January 1, 2022	\$ 2,128,865	\$ 2,383	\$ 1,135,010	\$ -	\$ -	\$ 1,410,258	\$ (459)	\$ -	\$ 4,676,057
Appropriation and distribution of 2021 earnings:									
Legal reserve	-	-	-	141,026	-	(141,026)	-	-	-
Special reserve	-	-	-	-	459	(459)	-	-	-
Stock dividend	1,067,195	-	-	-	-	(1,067,195)	-	-	-
Net loss for the year ended December 31, 2022	-	-	-	-	-	(1,474,573)	-	-	(1,474,573)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	352	82,225	82,577
Total comprehensive income (loss)	-	-	-	-	-	(1,474,573)	352	82,225	(1,391,996)
Issuance of common stock for cash	70,000	-	1,470,000	-	-	-	-	-	1,540,000
Shares issued under employee stock plans	12,339	(470)	27,536	-	-	-	-	-	39,405
Share-based payment transaction from issuance of common stock for cash	-	-	7,474	-	-	-	-	-	7,474
Share-based payment transaction	-	-	68,135	-	-	-	-	-	68,135
Issuance of convertible corporate bonds	-	-	89,930	-	-	-	-	-	89,930
Balance as of December 31, 2022	\$ 3,278,399	\$ 1,913	\$ 2,798,085	\$ 141,026	\$ 459	\$ (1,272,995)	\$ (107)	\$ 82,225	\$ 5,029,005
Balance as of January 1, 2023	\$ 3,278,399	\$ 1,913	\$ 2,798,085	\$ 141,026	\$ 459	\$ (1,272,995)	\$ (107)	\$ 82,225	\$ 5,029,005
Capital surplus used to cover accumulated deficits	-	-	(1,272,995)	-	-	1,272,995	-	-	-
Net loss for the year ended December 31, 2023	-	-	-	-	-	(1,159,835)	-	-	(1,159,835)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	2	(54,269)	(54,267)
Total comprehensive income (loss)	-	-	-	-	-	(1,159,835)	2	(54,269)	(1,214,102)
Shares issued under employee stock plans	7,682	(1,913)	7,602	-	-	-	-	-	13,371
Share-based payment transaction	-	-	18,305	-	-	-	-	-	18,305
Balance as of December 31, 2023	\$ 3,286,081	\$ -	\$ 1,550,997	\$ 141,026	\$ 459	\$ (1,159,835)	\$ (105)	\$ 27,956	\$ 3,846,579

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

MEDIGEN VACCINE BIOLOGICS CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities :			Cash flows from investing activities :		
Net loss before tax	\$ (1,159,835)	\$ (1,474,573)	Proceeds of financial assets at fair value through other comprehensive income	-	54,000
Adjustments for:			Proceeds of financial assets at fair value through profit or loss	53,158	-
The profit or loss items which did not affect cash flows:			Acquisition of financial assets at amortized cost	(3,150,436)	(2,979,940)
Depreciation (including right-of-use assets)	121,842	119,105	Proceeds from redemption of financial assets at amortized cost	3,766,276	800,000
Amortization	9,329	8,787	Acquisition of investments accounted for using the equity method	(100,000)	-
Prepayments for equipment transferred to expenses	6,986	-	Acquisition of property, plant and equipment	(30,906)	(47,429)
Net loss on financial assets and liabilities at fair value through profit or loss	9,635	16,554	Acquisition of intangible assets	(2,265)	(1,170)
Interest income	(83,238)	(7,569)	Decrease in restricted assets	15,016	15,990
Interest expense	37,571	26,888	Decrease in refundable deposits (including other financial assets)	59,385	118,770
Share-based payment expense	18,305	75,609	Increase in prepayments for equipment	(7,780)	(91,744)
Share of loss of subsidiaries, associates and joint ventures accounted for using the equity method	367	157	Net cash provided by (used in) investing activities	602,448	(2,131,523)
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Contract assets - current	-	339,148	Proceeds from corporate bonds issued	-	1,755,250
Trade receivables	45,293	106,641	Cash payment for the principal portion of lease liabilities	(11,778)	(11,564)
Other receivables	1,046	(1,101)	Proceeds from issuance of common stock for cash	-	1,540,000
Inventories	161,149	18,711	Proceeds from exercise of employee stock options	13,371	39,405
Prepayments	425,597	(291,964)	Net cash provided by financing activities	1,593	3,323,091
Other current assets	(9,648)	(9,824)			
Contract liabilities - current	-	(111,412)	Net increase in cash and cash equivalents	126,076	5,717
Notes payable	(581)	(1,149)	Cash and cash equivalents at the beginning of the period	1,182,334	1,176,617
Accounts payable	(82,635)	21,716	Cash and cash equivalents at the end of the period	\$ 1,308,410	\$ 1,182,334
Other payables	2,230	(27,932)			
Other current liabilities	(7,624)	6,354			
Cash used in operating activities	(504,211)	(1,185,854)			
Interest received	33,566	7,536			
Interest paid	(7,320)	(7,533)			
Net cash used in operating activities	(477,965)	(1,185,851)			

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

# Consolidated Financial Statements and Independent Auditors' Report for 2023



安永聯合會計師事務所

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## English Translation of a Report Originally Issued in Chinese **Independent Auditors' Report**

To Medigen Vaccine Biologics Corporation

### **Opinion**

We have audited the accompanying consolidated balance sheet of Medigen Vaccine Biologics Corporation and its subsidiaries as of December 31, 2023, and the related consolidated statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Medigen Vaccine Biologics Corporation and its subsidiaries as of December 31, 2023, and its consolidated financial performance and cash flows for the year ended December 31, 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Medigen Vaccine Biologics Corporation and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Impairment assessment of non-financial assets

As of December 31, 2023, the carrying value of property, plant and equipment, right-of-use assets and intangible assets of Medigen Vaccine Biologics Corporation and its subsidiaries was NT\$1,422,828 thousand, representing approximately 24% of total assets. Due to recent operational losses of Medigen Vaccine Biologics Corporation and its subsidiaries, the management conducted impairment assessment test for the cash generating unit to which these assets belong. The impairment assessment was based on the recoverable amount estimated from the assets' value in use. Since the estimation of value in use involves significant judgement by the management, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls related to asset impairment; assessing the appropriateness of the accounting policy for asset impairment; evaluating key assumptions used by the management in the impairment testing, including sales growth rate, gross margin, and discount rate, and discussing with management to assess the reasonableness; recalculating the recoverable amount assessed by the management. We also assessed the adequacy of disclosures of property, plant and equipment, right-of-use assets and intangible assets. Please refer to Notes 5 and 6 to the consolidated financial statements.

### Valuation for inventories

As of December 31, 2023, the net inventory balance of Medigen Vaccine Biologics Corporation and its subsidiaries was NT\$383,635 thousand. Given the fact that Medigen Vaccine Biologics Corporation and its subsidiaries mainly manufactures and sells vaccine-related products, these inventories might be affected by natural deterioration, obsolescence and unmarketable items. The management has to evaluate whether the product is out-of-date and if there is an inventory decline in value. As the carrying amount of the inventories is significant and the valuation for inventories involves significant judgments by the management, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls related to inventory obsolescence; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the consolidated financial statements.



### **Other Matter – Previous Period Audited by Other Auditors**

The consolidated financial statements of Medigen Vaccine Biologics Corporation and its subsidiaries for the year ended December 31, 2022 were audited by other auditors and an unqualified opinion was issued on March 8, 2023.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of Medigen Vaccine Biologics Corporation and its subsidiaries.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Medigen Vaccine Biologics Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Others

Medigen Vaccine Biologics Corporation has prepared the parent company only financial statements for the years ended December 31, 2023 and 2022. We have audited and expressed an unqualified audit opinion including other matter paragraph on the parent company only financial statements of Medigen Vaccine Biologics Corporation as of and for the year ended December 31, 2023.

Kuo, Shao-Pin

Huang, Chien-Che

Ernst & Young, Taiwan

March 8, 2024

### **Notice to Readers**

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the R.O.C

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
**MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023	%	December 31, 2022	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 1,393,120	23	\$ 1,204,255	16
Financial assets at fair value through profit or loss - current	6(2)	-	-	52,993	1
Financial assets at amortized cost - current	6(1), 6(4)	2,364,100	39	2,979,940	41
Trade receivables, net	6(5)	149,107	2	194,400	3
Other receivables		49,736	1	1,171	-
Inventories, net	6(6)	383,635	6	544,784	7
Prepayments	6(7)	13,491	-	370,986	5
Other current assets		48,136	1	38,427	-
Other financial assets - current	6(1), 8	-	-	75,466	1
Total current assets		4,401,325	72	5,462,422	74
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income - noncurrent	6(3)	246,131	4	263,556	4
Property, plant and equipment, net	6(8)	1,129,833	19	1,200,472	16
Right-of-use assets	6(15)	254,698	4	269,053	4
Intangible assets	6(9)	38,297	1	45,361	1
Refundable deposits	6(1), 8	15,536	-	14,472	-
Other noncurrent assets		6,826	-	92,353	1
Total non-current assets		1,691,321	28	1,885,267	26
<b>Total assets</b>		\$ 6,092,646	100	\$ 7,347,689	100

(continued)

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
**MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
As of December 31, 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2023	%	December 31, 2022	%
<b>Current liabilities</b>					
Financial liabilities at fair value through profit or loss - current	6(2), 6(10)	\$ 29,050	1	\$ -	-
Notes payable		-	-	581	-
Accounts payable		25,885	-	108,520	2
Other payables		216,069	4	226,119	3
Lease liabilities - current	6(15)	11,996	-	11,778	-
Other current liabilities		610	-	8,234	-
Corporate bonds payable - current portion	6(10)	1,708,101	28	-	-
Total current liabilities		<u>1,991,711</u>	<u>33</u>	<u>355,232</u>	<u>5</u>
<b>Non-current liabilities</b>					
Financial liabilities at fair value through profit or loss - current	6(2), 6(10)	-	-	19,250	-
Corporate bonds payable	6(10)	-	-	1,677,850	23
Lease liabilities - noncurrent	6(15)	254,356	4	266,352	4
Total non-current liabilities		<u>254,356</u>	<u>4</u>	<u>1,963,452</u>	<u>27</u>
Total liabilities		<u>2,246,067</u>	<u>37</u>	<u>2,318,684</u>	<u>32</u>
<b>Equity attributable to owners of the parent</b>	6(12)				
Share capital					
Common stock		3,286,081	54	3,278,399	44
Capital collected in advance		-	-	1,913	-
Capital surplus		1,550,997	26	2,798,085	38
Retained earnings					
Legal reserve		141,026	2	141,026	2
Special reserve		459	-	459	-
Accumulated deficits		(1,159,835)	(19)	(1,272,995)	(17)
Total retained earnings		<u>(1,018,350)</u>	<u>(17)</u>	<u>(1,131,510)</u>	<u>(15)</u>
Other equity		27,851	-	82,118	1
Total equity		<u>3,846,579</u>	<u>63</u>	<u>5,029,005</u>	<u>68</u>
<b>Total liabilities and equity</b>		<u>\$ 6,092,646</u>	<u>100</u>	<u>\$ 7,347,689</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
**MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the years ended December 31, 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2023	%	2022	%
Net sales	6(14)	\$ 389,624	100	\$ 365,042	100
Operating costs	6(6), 6(16)	(159,402)	(41)	(577,644)	(158)
Gross profit (loss)		230,222	59	(212,602)	(58)
Operating expenses	6(16)				
Selling expenses		(156,944)	(40)	(72,833)	(20)
General and administrative expenses		(86,493)	(22)	(110,841)	(31)
Research and development expenses		(1,200,614)	(308)	(1,139,989)	(312)
Total operating expenses		(1,444,051)	(370)	(1,323,663)	(363)
Operating loss		(1,213,829)	(311)	(1,536,265)	(421)
Non-operating income and expenses	6(17)				
Interest income		83,282	21	7,605	2
Other income		18,243	5	68,671	19
Other gains and losses		(9,960)	(3)	12,304	3
Finance costs		(37,571)	(10)	(26,888)	(7)
Total non-operating income and expenses		53,994	13	61,692	17
Loss before income tax		(1,159,835)	(298)	(1,474,573)	(404)
Income tax expense	6(19)	-	-	-	-
Net loss		(1,159,835)	(298)	(1,474,573)	(404)
Other comprehensive income	6(18)				
Items that will not be reclassified subsequently to profit or loss					
Unrealized (loss) gain from equity instrument investments measured at fair value through other comprehensive income		(54,269)	(14)	82,225	23
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		2	-	352	-
Other comprehensive (loss) income, net of tax		(54,267)	(14)	82,577	23
Total comprehensive loss		\$ (1,214,102)	(312)	\$ (1,391,996)	(381)
Net loss for the periods attributable to :					
Shareholders of the parent		\$ (1,159,835)		\$ (1,474,573)	
Total comprehensive loss for the periods attributable to :					
Shareholders of the parent		\$ (1,214,102)		\$ (1,391,996)	
Basic Loss Per Share (in New Taiwan Dollars)	6(20)	\$ (3.53)		\$ (4.56)	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent								Total equity
	Capital			Retained earnings			Other equity		
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Accumulated deficits	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)	
Balance as of January 1, 2022	\$ 2,128,865	\$ 2,383	\$ 1,135,010	\$ -	\$ -	\$ 1,410,258	\$ (459)	\$ -	\$ 4,676,057
Appropriation and distribution of 2021 earnings:									
Legal reserve	-	-	-	141,026	-	(141,026)	-	-	-
Special reserve	-	-	-	-	459	(459)	-	-	-
Stock dividend	1,067,195	-	-	-	-	(1,067,195)	-	-	-
Net loss for the year ended December 31, 2022	-	-	-	-	-	(1,474,573)	-	-	(1,474,573)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	352	82,225	82,577
Total comprehensive income (loss)	-	-	-	-	-	(1,474,573)	352	82,225	(1,391,996)
Issuance of common stock for cash	70,000	-	1,470,000	-	-	-	-	-	1,540,000
Shares issued under employee stock option plans	12,339	(470)	27,536	-	-	-	-	-	39,405
Share-based payment transaction from issuance of common stock for cash	-	-	7,474	-	-	-	-	-	7,474
Share-based payment transaction	-	-	68,135	-	-	-	-	-	68,135
Issuance of convertible corporate bonds	-	-	89,930	-	-	-	-	-	89,930
Balance as of December 31, 2022	\$ 3,278,399	\$ 1,913	\$ 2,798,085	\$ 141,026	\$ 459	\$ (1,272,995)	\$ (107)	\$ 82,225	\$ 5,029,005
Balance as of January 1, 2023	\$ 3,278,399	\$ 1,913	\$ 2,798,085	\$ 141,026	\$ 459	\$ (1,272,995)	\$ (107)	\$ 82,225	\$ 5,029,005
Capital surplus used to cover accumulated deficits	-	-	(1,272,995)	-	-	1,272,995	-	-	-
Net loss for the year ended December 31, 2023	-	-	-	-	-	(1,159,835)	-	-	(1,159,835)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	2	(54,269)	(54,267)
Total comprehensive income (loss)	-	-	-	-	-	(1,159,835)	2	(54,269)	(1,214,102)
Shares issued under employee stock option plans	7,682	(1,913)	7,602	-	-	-	-	-	13,371
Share-based payment transaction	-	-	18,305	-	-	-	-	-	18,305
Balance as of December 31, 2023	\$ 3,286,081	\$ -	\$ 1,550,997	\$ 141,026	\$ 459	\$ (1,159,835)	\$ (105)	\$ 27,956	\$ 3,846,579

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
MEDIGEN VACCINE BIOLOGICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities :			Cash flows from investing activities :		
Net loss before tax	\$ (1,159,835)	\$ (1,474,573)	Acquisition of financial assets at fair value through other comprehensive income	(36,844)	(99,536)
Adjustments for:			Proceeds from financial assets at fair value through profit or loss	53,158	-
The profit or loss items which did not affect cash flows:			Acquisition of financial assets at amortized cost	(3,146,212)	(2,979,940)
Depreciation (including right-of-use assets)	121,842	119,105	Proceeds from redemption of financial assets at amortized cost	3,766,276	800,000
Amortization	9,329	8,787	Acquisition of property, plant and equipment	(30,906)	(47,429)
Prepayments for equipment transferred to expenses	6,986	-	Acquisition of intangible assets	(2,265)	(1,170)
Net loss on financial assets and liabilities at fair value through profit or loss	9,635	16,554	Decrease in restricted assets	15,016	15,990
Interest income	(83,282)	(7,605)	Decrease in refundable deposits (including other financial assets)	59,386	118,752
Interest expense	37,571	26,888	Increase in prepayments for equipment	(7,780)	(91,744)
Share-based payment expense	18,305	75,609	Net cash provided by (used in) investing activities	669,829	(2,285,077)
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Contract assets - current	-	339,148	Proceeds from corporate bonds issued	-	1,755,250
Trade receivables	45,293	106,641	Cash payment for the principal portion of lease liabilities	(11,778)	(11,564)
Other receivables	1,046	(1,101)	Proceeds from issuance of common stock for cash	-	1,540,000
Inventories	161,149	18,711	Proceeds from exercise of employee stock options	13,371	39,405
Prepayments	425,594	(291,964)	Net cash provided by financing activities	1,593	3,323,091
Other current assets	(9,648)	(37,619)	Effect of exchange rate changes on cash and cash equivalents	(4,222)	352
Contract liabilities - current	-	(111,412)	Net increase (decrease) in cash and cash equivalents	188,865	(175,437)
Notes payable	(581)	(1,149)	Cash and cash equivalents at the beginning of the period	1,204,255	1,379,692
Accounts payable	(82,635)	21,716	Cash and cash equivalents at the end of the period	\$ 1,393,120	\$ 1,204,255
Other payables	2,230	(27,932)			
Other current liabilities	(7,624)	6,354			
Cash used in operating activities	(504,625)	(1,213,842)			
Interest received	33,610	7,572			
Interest paid	(7,320)	(7,533)			
Net cash used in operating activities	(478,335)	(1,213,803)			

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

[Attachment IV]

**Medigen Vaccine Biologics Corp.**  
**Deficit Compensation Statement**  
**2023**

Unit: NT\$

Item	Amount
Unappropriated retained earnings of prior years	\$0
Add: Net loss of the year	(1,159,834,843)
Items for compensating deficit:	
Add: Additional Paid-in Capital	1,159,834,843
Accumulated deficit at the end of the period	\$0

Chairman:

Ming-Cheng, Chang



President:

Tsan-Chien, Chen



Accounting Manager:

Yu-Ping, Yang,



## Chapter IV. Appendices

[Appendix I]

### Medigen Vaccine Biologics Corp.

#### Articles of Incorporation

##### Chapter I. General Principles

Article 1: The Company is organized in accordance with the Company Act and named MEDIGEN VACCINE BIOLOGICS CORPORATION.

Article 2: The business to be operated by the Company is as follows:

1. IG01010 Biotechnology Services
2. F401010 International Trade
3. C802041 Manufacture of Drugs and Medicines
4. F108021 Wholesale of Western Pharmaceutical
5. F108031 Wholesale of Drugs, Medical Goods
6. CF01011 Medical Materials and Equipment Manufacturing

Research, design, develop, manufacture and sell the following products:

Cell culture vaccine:

Influenza vaccine, enterovirus 71 vaccine, dengue fever vaccine and other cell culture vaccines, etc.

Other biological agents:

Development and manufacture of biosimilar drugs (palivizumab, anti-RSV virus antibody drug, Fabry enzyme freeze crystal injection, etc.), cell culture for cell therapy.

Article 3: The Company may endorse and guarantee its business needs.

Article 4: The total amount of the Company's reinvestment is not subject to the restriction that Article 13 of the Company Act shall not exceed 40% of the paid-in capital, and the Board of Directors is authorized to execute.

Article 5: The headquarters of the Company is located in Hsinchu Science Industrial Park. The Company may establish branches or subsidiaries in Taiwan or overseas as the Company may require upon resolution by the board of directors of the Company ("Board" or "Board of Directors").

Article 6: The Company's announcement method is handled in accordance with the Company Act and related regulations.

##### Chapter II. Shares

Article 7: The total capital amount of the Company is NT\$5,000,000,000, divided into 500,000,000 shares with a value of NT\$10 per share, authorize the board of directors to resolve the issuance. Among them, 10,000,000 shares are reserved for the issuance of employee stock options.

Article 8: The shares of the Company are all registered shares. Shareholders shall inform the Corporations' shareholder services agent of their names, domiciles, or residences for recording in the shareholders' register, and hand the chop specimens over to the Corporations' shareholder services agent. If the shareholder is a legal person, the chop specimens with the full title of the legal person's name shall be sent to the Corporations' shareholder services agent for deposit and check. Legal person shareholders may also request to register their representative's chop specimens and send it to the Corporations' shareholder services agent for deposit and check.

The Company's stock shall be numbered and contain the items listed in Article 162 of the Company Act, duly signed by or affixed with seals by the Chairperson and a

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

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

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

### **Chapter III. Shareholders' Meeting**

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

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

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

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

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

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

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

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

Article 18: Deleted.

#### **Chapter IV. Directors**

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

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

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

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

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

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

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

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

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

#### **Chapter V: Managers**

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

## Chapter VI: Accounting

- Article 26: The fiscal year of the Company shall begin on January 1 and end on December 31 of each year. After the end of each fiscal year and closing of the accounts and annual settlement, the Board of Directors shall in accordance with the Company Act prepare the following statements, which shall be audited by the Audit Committee 30 days prior to the regular annual Shareholders' Meeting, and submit to the Shareholders' Meeting for adoption thereof.
1. Business report;
  2. Financial statements;
  3. Proposals of profit distribution or loss makeup.
- Article 27: When allocating the earnings at the end of each fiscal year, the Company shall first pay tax and makeup previous years' losses, and set aside a legal capital reserve at 10% of the remaining net profits, then set aside special capital reserve depending on business needs or in accordance with provisions or regulations. The balance plus the retained earnings at the beginning of the period shall be retained or distributed to shareholders by a resolution of the shareholders' meeting.
- Article 27-1: If the Company has earnings, it shall set aside 1% of the balance as remuneration to the employees and no greater than 1% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.
- Article 28: The Company's dividend policy is issued in the form of stock dividends (including surplus and capital reserve allotment) or cash dividends. The Board of Directors considers the operating conditions, capital requirements, and the surplus of the current year (deducting the required deposit) to propose a surplus distribution proposal which is approved by the shareholders' meeting. Cash dividends are based on the principle of 50% higher than the payable dividends. However, if there is a major capital expenditure or working capital requirement in the future, it will be approved by the shareholders' meeting and all will be paid as stock dividends.
- Article 29: Moreover, if manager or employee roles are also assumed by the Company shareholders or Directors, they will be paid in monthly compensations like all other employees.
- Article 30: The organizational charter and by-laws of the Company shall be separately set up
- Article 31: In the case that these Articles are incomplete, all Articles shall be in accordance with related Articles of Securities and Exchange Act.
- Article 32: The Articles of Incorporation was set up on October 9, 2012  
The 1st amendment was on June 14, 2013  
The 2nd amendment was on June 18, 2014  
The 3rd amendment was on April 30, 2015  
The 4th amendment was on September 30, 2015  
The 5th amendment was on June 2, 2017  
The 6th amendment was on June 5, 2018  
The 7th amendment was on June 13, 2019  
The 8th amendment was on June 30, 2022

Medigen Vaccine Biologics Corp.

Chairman: Ming-Cheng Chang



## [Appendix II]

### **Medigen Vaccine Biologics Corp.**

#### **Rules for Directors Election**

- Article 1: The Regulations are formulated in accordance with Articles 21 and 41 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for fair, impartial, and open Directors elections.
- Article 2: Unless otherwise provided for in relevant laws and regulations or the company's Articles of Incorporation, the Directors of the company shall be duly elected in accordance with the Rules specified herein and adopted a candidate nomination system,
- Article 3: Company Director selection shall take into account the overall configuration of the Board of Directors. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties, and the entire BOD shall possess the following abilities:
- I. Business judgment ability.
  - II. Accounting and financial analysis ability.
  - III. Business management ability.
  - IV. Crisis management ability.
  - V. Knowledge of the industry.
  - VI. International market perspective.
  - VII. Leadership.
  - VIII. Decision-making ability.
- Over a majority of the total number of Director seats shall not be served by the ones in the relationship of a spouse or a relative within the second degree of kinship.
- Article 5: The qualifications of the independent directors of the company shall comply with the provisions of Articles 2, 3, and 4 of the “Measures for the Establishment of Independent Directors of the Public Issuance Company and Matters to be Followed”.
- The selection of the Company's Independent Directors shall comply with the provisions of Article 5, Article 6, Article 7, Article 8 and Article 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies".
- Article 6: In the event that the directors are dismissed due to some reasons, and there are fewer than five people, the Board of Directors shall fill the vacant board seat during the next shareholders' meeting. However, if the vacancy of directors reaches one-third of the seats specified in the

articles of association, the Company shall convene an extraordinary Shareholders' Meeting to hold a by-election within 60 days from the date of occurrence of the event.

When the number of independent directors falls below that required under the provision of Paragraph 1, Article 14-2 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for TPEX Listing under Paragraph 1, Article 10 of the Taipei Exchange Market Rules Governing the Review of Securities for Trading on the TPEX, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When all the independent directors are dismissed, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7: The Company's Directors shall be duly elected by means of the registered cumulative voting. Each common share with voting right is entitled to the number of ballots which are equivalent to the numbers of Directors and Supervisors to be elected.

Article 8: The Board of Directors shall prepare the ballots in the number equal to the number of directors to be elected, with the number of voting rights being noted on the ballots, and distribute the ballots to the shareholders who are present at the shareholders' meeting. The name of the voters may be represented by the attendance number printed on their ballots.

Article 9: The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10: Before the election process starts, the chairperson shall appoint a certain number of ballot inspectors who are shareholders and counters to perform the respective duties. The ballot box shall be prepared by the Board of directors, and the scrutineers shall open the ballot box in public before voting.

Article 11: In the event that the candidate is a shareholder of the Company, the voters voting for such candidate shall fill in in the "candidate" column on the ballot such candidate's account name and shareholder account number. In the event that the candidate is not a shareholder of the Company, the voters voting for such candidate shall fill in in the "candidate" column on the ballot such candidate's name and ID number. In the event that the candidate is a government or a corporate shareholder, the voters voting for such candidate shall fill in the "candidate" column

on the ballot with the name of such government or corporate shareholder, or the name of such government or corporate shareholder together with the name of such government's or corporate shareholder's representative; when there are multiple representatives, the names of all representatives shall be listed.

Article 12: An election ballot is deemed null and void under any of the following circumstances:

- I. The ballot is not prepared by the Board of Directors.
- II. Any blank ballot.
- III. Any ballot with illegible writing rendering it unrecognizable, or any ballot with corrections.
- IV. Where the candidate voted for is a shareholder of the Company, such candidate's account name, and shareholder account number filled in in the ballot is inconsistent with that on the shareholder registry. Where the candidate voted for is not a shareholder of the Company, such candidate's name or ID number is verified to be incorrect.
- V. Any ballot with characters other than the candidate's account name (name) or shareholder account number (ID number) and the allocated number of voting rights.
- VI. The name of a candidate entered in the ballot is identical to that of another shareholder, but the shareholder account number or identity certificate number is not filled in the ballot to identify such an individual.

Article 13. Ballots shall be counted at the spot upon completion of casting the ballots, and the elected directors shall be announced by the Chairman.

Article 14. The Board of Directors shall issue a "notice of election" to the Directors who are elected in the election process.

Article 15. The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.

## [Appendix III]

### **Medigen Vaccine Biologics Corp.**

#### **Rules of Procedure for Shareholders' Meetings**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

be produced and distributed in electronic form.

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

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

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

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

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

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

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

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

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

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

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

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

**[Appendix IV]****Medigen Vaccine Biologics Corp.****Shareholdings of Directors**

Book Closure Date: April 15, 2024

Position	Name	Current Shareholding (Shares)	Shareholding Ratio (%)
Chairman	Medigen Biotech Corp. Representative: Ming-Cheng, Chang	61,743,844	18.79
Director	Medigen Biotech Corp. Representative: Ken-Hu, Chang	61,743,844	18.79
Vice Chairman	Schweitzer Biotech Company Ltd. Representative: Tsan-Chien, Chen	10,949,756	3.33
Director	Wei-Zen, Chen,	10,191	0.003
Independent Director	Ming-Yi ,Wu	-	-
Independent Director	Chia-Hsiu, Lin	-	-
Independent Director	Yao-Chi, Li	-	-
Shareholdings of Directors		72,703,791	22.12

## Notes:

1. As of the book closure date at the regular shareholders' meeting on April 15, 2024, the capital of MVC was NT\$3,286,540,500 and the number of shares issued was 328,654,050 shares.
2. As required under Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, all directors of MVC shall hold a minimum of 13,146,162 shares, and the number of shares held by all directors is 72,703,791 shares, which meets the standards set by the competent authority.
3. MVC has established an Audit Committee. Therefore, there is no application for the number of shares held by the supervisor.
4. In accordance with the provisions of Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if two or more independent directors are elected, the shareholding ratio calculated of all the directors other than independent directors shall be reduced to 80%.