

Stock code: 3176



基亞生物科技股份有限公司  
MEDIGEN BIOTECHNOLOGY CORP.

2024 Annual Shareholders' Meeting

# Meeting Handbook

Meeting Date: 9 a.m., May 28 (Tuesday), 2024

Meeting Venue: 2F, 19-10, Sanchong Road, Nangang District, Taipei  
International Convention Center (2F of Building A)

Type of Meeting: Physical Shareholders' Meeting

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

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I. Meeting Procedure for the 2024 Medigen Biotechnology Corp.  
Annual Shareholders' Meeting

I. Report the Number of Shares in Attendance

II. Call the Meeting to Order

III. Chairperson Remarks

IV. Management Presentations

V. Proposals

VI. Election Matters

VII. Other Matters

VIII. Motions

IX. Adjournment

## II. Meeting Agenda for the 2024 Medigen Biotechnology Corp. Annual Shareholders Meeting

Meeting Date: 9 a.m., May 28 (Tuesday), 2024

Meeting Venue: 2F, Building A, 19-10, Sanchong Road, Nangang District, Taipei  
(International Convention Center)

Type of Meeting: Physical Shareholders' Meeting

I. Chairperson Remarks

II. Management Presentations

(I) 2023 Business Report

(II) 2023 Audit Committee's Review Report

(III) Amendment to "Rule of Procedure of Board of Directors Meeting"

III. Proposals

(I) 2023 Business Report & Financial Statements

(II) 2023 Deficit Compensation

IV. Election Matters

(I) The Re-election Proposal of all Directors of Our Company

V. Other Matters

(I) The Proposal to Lift Restrictions on Competition for Newly Appointed Directors  
and their Representatives

VI. Motions

VII. Adjournment

## [Management Presentations]

I.

Report No.1 : 2023 Business Report for your adoption.

Explanation: Please refer to Attachment 1 from page 7 to page 10 of this handbook for the Company's 2023 Business Report.

II.

Report No.2: 2023 Audit Committee's Review Report for your adoption.

Explanation: Please refer to Attachment 2 on page 11 of this handbook for the Company's 2023 Audit Committee's Review Report.

III.

Report No.3: Report on the Amendment to “Rule of Procedure of Board of Directors Meeting”.

Explanation:

1. Amended in accordance with the Financial Supervisory Commission's letter No. 1120383996 issued on January 11, 2024.
2. Please Refer to Attachment 3 from Page 12 to page 13 of this handbook for the comparison table of the “Rule of Procedure of Board of Directors Meeting” before and after revision.

## [Proposals]

**1** Proposed by the Board of Directors

Proposal: 2023 Business Report & Financial Statements for your adoption.

Explanation:

- (1) After auditing the Company's 2023 individual financial statements as well as consolidated financial statements, CPAs Kuo, Shao-Pin and Yu, Chien-Ju from ERNST & YOUNG have provided review reports with unqualified opinion. Along with the Business Report, these statements had been reviewed and approved by the Audit Committee before they were approved by the Board of Directors.
- (2) Please refer to Attachment 1 from page 7 to page 10 of this handbook for the Company's 2023 Business Report, and Attachment 4 from page 14 to page 33 of this handbook for its 2023 Financial Statements.

Resolutions:

**2** Proposed by the Board of Directors

Proposal: 2023 Deficit Compensation for your adoption.

Explanation: Please refer to the table below for 2023 deficit compensation statement.

Resolutions:

Medigen Biotechnology Corp.  
2023 Deficit Compensation Statement

Unit: NT\$

Item	Amount
Accumulated deficit at the beginning of the year	(\$186,262,416)
Less : After-tax net loss in 2023	(\$561,295,591)
Add : Actuarial gain (losses) of defined benefit	\$48,984
Accumulated deficit at the end of the year	(\$747,509,023)
Items for compensation deficit	
Add : Capital Surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	598,007,218
Accumulated deficit at the end of the year	(\$149,501,805)

Chairman: Chang, Shi-Chung

Managerial Personnel: Chang, Shi-Chung

Accounting Supervisor: Chen, I-Ju

## [Election Matters]

### **Election 1**

Proposed by the Board of Directors

Proposal: The re-election of all Directors of Our Company

Explanation:

1. The current term of office for the directors of our company will expire on August 1, 2024. Accordingly, the company proposes to to duly elect the directors of the company at the 2024 Annual General Meeting of Shareholders.
2. According to the company's Articles of Incorporation, the company proposes to elect a total of eight directors (including four independent directors). The selection of all directors follows a candidate nomination system, with a term of office of three years, renewable for consecutive terms.
3. The newly appointed directors (including independent directors) shall assume office immediately upon their election, with a term of office from May 28, 2024 to May 27, 2027. The term of office of the outgoing directors shall terminate upon the conclusion of the shareholders' meeting.
4. The list of nominees for new directors (including independent directors) has been approved by the board of directors on April 16, 2024. For the list of nominees for director (including independent director), please refer to Attachment 5, pages 34 to 37 of this handbook.

Election Result:

## [Other Matters]

### **Proposal 1**

Proposed by the Board of Directors

Proposal: The Proposal to Lift Restrictions on Competition for Newly Appointed Directors and their Representatives.

Explanation:

- I. According to Article 209 of the Corporate Act, if a director engages in an act within the scope of the company's business, whether for themselves or for others, they must obtain the approval of the shareholders.

II. List of nominees for Director who also serve at other companies and their job titles:

Title	Name	Lift the ban on participating in competitive businesses	Job post held
Director	Shi-Chung Chang	U-GEN BIOTECHNOLOGY INC. TBG Biotechnology Corp. TBG Diagnostics Ltd. Medigen Biotechnology Corp. (Beijing) Medigen Biotechnology Corp. (Xiamen) TBG Biotechnology Corp. (Xiamen) Yingxin Investment Corp. Winston Medical Supply Co., Ltd.  UMO International Co., Ltd. Shiny Lily Co., Ltd. MVC BioPharma Ltd. TDL Holding Co.	Director Chairman Director  Chairman  Chairman Director Chairman Representative of institutional shareholder Chairman Chairman Director Director
Independent Director	Sheue - Rong Lin	Liver Disease Prevention & Treatment Research Foundation	CEO

Resolutions:

[Motions]

[Adjournment]



### III. Attachments

[Attachment 1]

## Business Report

#### I. 2023 Operating Results

##### (I) 2023 Operating Results and Profitability Performance

The consolidated revenue for 2023 amounted to NT\$1,157,720 thousand. The net loss after tax was NT\$561,296 thousand and the loss per share was NT\$4.03. The Company's paid-in capital as of the end of 2023 was NT\$1,393,463 thousand and the shareholder equity amounted to NT\$1,591,643 thousand.

##### (II) Budget Execution, Financial Revenues and Expenditures

Unit: NTD thousands

Item	2023 actual amount	2023 budgeted amount	Difference
Operating revenue	1,157,720	1,101,283	56,437
Net operating profit	(1,233,093)	(766,728)	(466,365)
Net profit (loss) after tax	(561,296)	(363,729)	(197,567)

The main reason for the difference between the actual operating income and operating profit for the fiscal year 2023 compared to the budgeted figures is attributed to the subsidiary, Medigen Vaccine Biologics Corporation (6547), adjusting its development strategy and increasing research and development investments. Nevertheless, the Company remains committed to maintaining a sound financial plan and striving to achieve its budgetary goals.

##### (III) Research and Development

###### 1. New drug PI-88

The rights have been licensed to "Cellxpert Biotechnology Corporation" (Cellxpert Company). Subsequently, the Company will receive upfront, milestone payments, and profit sharing according to the terms of the contract based on the progress of research and development.

###### 2. New drug OBP-301

The Company and the Japanese company Oncolys BioPharma are jointly developing the oncolytic virus new drug OBP-301. The Company has announced in October 2023 that, in the phase II clinical trial of OBP-301 conducted in Japan for esophageal cancer, the primary efficacy endpoint, "Local Complete Response Rate" (L-CR), exceeded the pre-defined threshold set in the clinical trial protocol, demonstrating the effectiveness of OBP-301 for advanced local esophageal cancer. The goal is to apply for Japanese drug approval in the second half of 2024. Additionally, the establishment of sales channels in Japan has also reached significant milestone. In February 2024, Oncolys has reached a cooperation agreement with FUJIFILM Toyama Chemical Co., Ltd. for the sales of OBP-301 in Japan, with FUJIFILM Toyama Chemical being responsible for sales and marketing in Japan.

###### 3. Immune cell therapy

In accordance with the "Regulations Governing the Application of Specific Medical Examination Technique and Medical Device" (hereafter referred to as "Special Regulations"), the Company has obtained approval from the Ministry of Health and Welfare for two types of cell therapy technologies: Natural Killer (Magicell-NK) cells and Gamma Delta T (GDT) cells. Regarding the GDT cell therapy technology applications, the first application was approved by the Ministry of Health and Welfare in February 2023, and subsequently, a total of four approvals were obtained throughout the year, including Shin Kong Wu Ho-Su Memorial Hospital, Hualien Tzu Chi Hospital, Show Chwan Hospital, and Chang Bing Show Chwan Hospital. Additionally, two new approvals were obtained in 2023 for the Magicell-NK cell therapy technology applications, including Chang Bing Show Chwan Hospital and Show Chwan Hospital. In total, there were four medical institutions offering our company's GDT cell therapy and nine offering our NK cell therapy in 2023. Patients can inquire about these therapies on our company's website and seek consultation from nearby medical institutions.

To expand our market and promote international business, the Company actively engages in clinical trials with the goal of applying autologous or allogeneic NK cells in cancer treatment. In August 2021, our company obtained approval from the Taiwan Food and Drug Administration (TFDA) to conduct phase I clinical trial using autologous natural killer cells as adjuvant therapy for postoperative colon cancer patients. Furthermore, the company has applied to TFDA for phase I/II clinical trial of allogeneic NK cells in February 2024. In this trial, NK cells will be used as adjuvant therapy post-surgery, in combination with chemotherapy, for pancreatic ductal adenocarcinoma (PDA) or bile duct cancer patients, aiming to prevent recurrence and increase survival time.

## **II. 2024 Operating Plan**

### **(I) Operating Strategy**

The Company primarily engages in new drug development and clinical trials. Starting from 2019, we have expanded our operational activities into the field of cell therapy. Strategically, we are developing cell therapy simultaneously in accordance with the "Special Regulations" governed by the Department of Medical Affairs, Ministry of Health and Welfare (MOHW) and in accordance with clinical trial regulations governed by the Food and Drug Administration, MOHW. We aim to expand both domestic and international markets and increase revenue through international cooperation and strategic alliances. As of the end of 2023, our NK cell therapy technology (Magicell-NK) has been approved by the Ministry of Health and Welfare under the "Special Regulations", and our NK cell therapy is available in nine medical institutions domestically, while GDT cell therapy is available in four medical institutions. Additionally, we have two clinical trial applications submitted to the Food and Drug Administration. Among these trials, phase I clinical trial of the autologous NK cell therapy has already started.

In terms of international cooperation, negotiations initiated in 2023 have gradually borne fruit. In January 2024, the Company has signed a cooperation agreement with NKure, an Indian company, licensing our independently developed NK cell technology for the application and commercialization in the field of

cancer in India. As for strategic alliances, the Company's board of directors have resolved to collaborate with Taiwan Exosome Company in January 2024. Following execution of related agreements, not only the Company will hold shares in Taiwan Exosome Company, both parties will establish close strategic alliance cooperation in business, research and development, and production. It is anticipated that this partnership will generate synergies and bring positive benefits to our company's finances and operations. Moving forward, leveraging our experience and advantages in research and development, clinical trials, and international cooperation, our company aims to continuously expand our market and business. We strive to create revenue in the short, medium, and long term.

## **(II) Expected sales and its basis**

As of the end of 2023, under the "Special Regulations", the Company's GDT cell therapy technology has been approved to be used in four medical institutions and the company's NK cell therapy technology has been approved to be used in nine medical institutions to provide our NK cell therapy program. However, due to regulatory constraints and industry chain integration, our revenue did not meet expectations. In the future, besides enhancing market promotion, we will also seek international cooperation and strategic alliances to increase revenue.

Starting from 2023, with the fading impact of the COVID-19 pandemic, our subsidiaries have returned to the development and business promotion of existing product pipelines. The next-generation sequencing platform product, which our subsidiary TBG Biotechnology Corp. has been focusing on, is reaching maturity and has the potential to contribute to revenue from 2024 onwards. Additionally, sales of proprietary and OEM products of our subsidiary Winston Medical Supply Co., Ltd. continue to maintain steady revenue and high gross profit margins, with expectations to continue delivering shareholder return on investment.

## **(III) Important production and sales policies**

Our company will continue to focus on the business of new drug development, cell therapy, and investment management. In terms of cell therapy, we will continue to develop simultaneously in accordance with the "Special Regulations" and with clinical trial related regulations. We aim to increase revenue through international cooperation, strategic alliances, and outsourcing services. In the medium term, we will invest in the development of automated equipment to achieve cost reduction and increase market penetration.

In new drug development, we will continue to focus on managing collaborative projects and advancing clinical trials of autologous and allogeneic NK cells. In the business of investment management, we will assist our subsidiaries by providing necessary resources to strengthen investment management.

## **III. Future strategies**

In our development strategy for new drug development, we will emphasize on international collaboration and clinical trial management. In addition to existing projects, we continue to explore potential projects compatible with our company's resources.

Regarding the development strategy for cell therapy, our focus is on the development of NK cells, GDT cells, and automated equipment. We seek strategic alliances and collaborations with partners to create mutual benefits.

For investment management in our subsidiaries, we will leverage our company's established research capabilities, resource integration capabilities, and international collaboration capabilities. This will assist our subsidiaries in accelerating product launches, improving operational capabilities, and creating more value for shareholders.

#### **IV. Effect of competitive factors, legal factors, and operating environment**

The operation of the biopharmaceutical industry is significantly influenced by factors such as regulations, competitors, and unforeseen circumstances. On the regulatory front, factors such as “Special Regulations” affecting immune cell therapy, domestic and international regenerative medicine laws, and medical technology regulations play a crucial role. Competitor factors include the introduction of breakthrough technologies and mergers that may lead to an increase or decrease in competitors. Unforeseen circumstances like the COVID-19 pandemic, conflicts, and shortages of raw materials also have a significant impact.

These factors have a profound and uncertain impact on both our company and its subsidiaries. Our management team operates with specialized division of labor, continuously monitoring the evolution of regulations globally, analyzing competitor progress, and enhancing risk management mechanisms. The goal is to turn adversity into opportunity and mitigate any negative impacts from changes in external competitive, regulatory, and overall operational environments.

Reflecting on the year 2023, it was a year of refining development strategies and maintaining steady business operations for our company. Looking ahead, all members of our company will uphold the original intention of innovation and creating shareholder value. We will continue to leverage our core capabilities built over many years, international cooperation experience, and strategic alliance capabilities to establish a sustainable and competitive research and development pipeline and business sectors. Our aim is to provide innovation to the medical market and achieve outstanding results for our shareholders in the long term.

Chairman: Chang, Shi-Chung      Managerial Personnel: Chang, Shi-Chung      Accounting Supervisor: Chen, I-Ju

[Attachment 2]

Medigen Biotechnology Corp.  
Audit Committee's Review Report

The 2023 individual financial reports and consolidated financial report prepared and presented by the Board of Directors have been reviewed by CPAs Kuo, Shao-Pin and Yu, Chien-Ju from ERNST & YOUNG. The Audit Committee has reviewed them along with the Business Report and Deficit Compensation proposal. No inconsistencies or discrepancies have been found. Therefore, we have submitted our report as above for your review, pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Corporate Act.

To:

2024 General Shareholders' Meeting of Medigen Biotechnology Corp.

Audit Committee convener: Pei-Wei Chen

March 11, 2024

## Medigen Biotechnology Corp.

### Details on the Amendment to “Rule of Procedure for Board of Directors Meeting”

Amendment of Clauses	Current Clauses	Explanation
<p>Article 8: (Reference Materials, Attendance) The first and second paragraphs are omitted. When the chairman of the board arrives at the scheduled meeting time and a quorum of directors is present, the meeting shall be promptly declared open. If at the scheduled meeting time, half or more of the directors are absent, the chairman may announce a postponement of the meeting <u>on the same day</u>. This postponement may be repeated up to two times. If after two postponements there is still an insufficient quorum, the chairman shall convene the meeting again in accordance with the procedures specified in Article 3, Paragraph 2.</p>	<p>Article 8: (Reference Materials, Attendance) The first and second paragraphs are omitted. When the chairman of the board arrives at the scheduled meeting time and a quorum of directors is present, the meeting shall be promptly declared open. If at the scheduled meeting time, half or more of the directors are absent, the chairman may announce a postponement of the meeting. The postponement may be repeated up to two times, <u>and the total delay time shall not exceed one hour</u>. If after two postponements there is still an insufficient quorum, the chairman shall convene the meeting again in accordance with the procedures specified in Article 3, Paragraph 2.</p>	<p>1. In compliance with the Financial Supervisory Commission's letter Ref. No. 1120383996 issued on January 11, 2024.</p> <p>2. To avoid disputes arising from the indefinite extension of board meetings, it is hereby specified that when the number of attendees is insufficient, the chairman may announce a postponement of the meeting but limited to the same day.</p>
<p>Article 11: (Discussion of Agenda Items) The first and second paragraphs are omitted. During a board meeting, if the number of present directors fails to reach a quorum, any present director may propose a suspension of the meeting. The chairman shall then announce the suspension of the meeting and apply the provisions of Article 8, Paragraph 3 accordingly.</p>	<p>Article 11: (Discussion of Agenda Items) The first and second paragraphs are omitted. During a board meeting, if the number of present directors fails to reach a quorum, any present director may propose a suspension of the meeting. The chairman shall then announce the suspension of the meeting and apply the provisions of Article 8, Paragraph <u>5</u> accordingly.</p>	<p>1. In accordance with the amendment specified in the letter Ref. No. 1120383996 issued by the Financial Supervisory Commission on January 11, 2024.</p> <p>2. To amend typo in the article number referenced.</p> <p>3. Considering practical scenarios where the chairman may be unable to preside over the board meeting due to unforeseen circumstances or fails to adjourn</p>

Amendment of Clauses	Current Clauses	Explanation
<p><u>If, during a board meeting, the chairman is unable to preside over the meeting due to unforeseen circumstances or fails to adjourn the meeting as per the provisions of the second paragraph, the appointment of their proxy shall follow the provisions of Article 7, Paragraph 3.</u></p>		<p>the meeting as required, to avoid disruption to the operation of the board, the appointment procedure for the chairman's proxy is specified.</p>



## CPA's Audit Report & Financial Statements

安永聯合會計師事務所

11012 台北市基隆路一段333號9樓  
9F, No. 333, Sec. 1, Keelung Road  
Taipei City, Taiwan, R.O.C.

Tel: 886 2 2757 8888  
Fax: 886 2 2757 6050  
www.ey.com/taiwan

### Independent Auditors' Report

To the Board of Directors and Shareholders of  
Medigen Biotechnology Corporation

#### Opinion

We have audited the accompanying parent company only balance sheets of Medigen Biotechnology Corporation (the “Company”) as of December 31, 2023, and the related parent company only statements 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, based on our audits, 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 the financial performance and the 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. Based on our audits and the report(s) of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 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.



### Revenue recognition

The Company's recognized NT\$9,993 thousand as net sales, which was mainly generated from the sales of detection reagents for the year ended December 31, 2023. As the revenue has an inherent high risk and is material to the parent company only financial statements, we therefore determined this matter as a key audit matter.

Our audit procedures include (but are not limited to) assessing the appropriateness of management's accounting policies for revenue recognition, and understanding, evaluating and testing the transaction process of the revenue recognition procedures for the identified performance obligations and the effectiveness of the design and implementation of internal controls that are critical to the timing of revenue recognition to meet performance obligations; performing test of details on a sampling basis by checking relevant vouchers and testing collection records to confirm that transactions have actually occurred; vouching relevant documents of sales transactions before and after a period of the balance sheet date; performing sales revenue cut-off tests and to ensure that revenue is recognized in an appropriate period; and reviewing whether there are significant sales returns and allowances in the subsequent period.

We also considered the disclosure of revenue recognition in Notes 4 and 6 to the parent company only financial statements.

### Investments accounted for using equity method - Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets of the subsidiary, Medigen Vaccine Biologics Corporation

The total carrying amount of property, plant and equipment, right-of-use assets and intangible assets of the Company's subsidiary, Medigen Vaccine Biologics Corporation, for the year ended December 31, 2023 was material to the consolidated financial statements. Due to the recent operating losses of Medigen Vaccine Biologics Corporation and its subsidiaries, the management had conducted impairment evaluation tests on the cash-generating units to which these assets belong. The impairment evaluation was conducted based on value in use to estimate their recoverable amount. As the estimate of value in use is significant and it involves management judgment, we therefore determined it as a key audit matter.

Our audit procedures include (but are not limited to) evaluating and testing the effectiveness of the design and implementation of internal controls related to asset impairment, assessing the appropriateness of accounting policies for asset impairment, assessing the key assumptions used in the management impairment tests, including the growth rate of sales revenue, gross margin and discount rate, and discussing with the management to assess their reasonableness, and recalculating the recoverable amount of the management impairment assessment.

We also considered the appropriateness of disclosures of property, plant and equipment, right-of-use assets and intangible assets in Notes 5 and 6 to the consolidated financial statements.

Investments accounted for using equity method - Assessment of allowance for inventory valuation losses for the subsidiaries, WINSTON MEDICAL SUPPLY CO., LTD. and Medigen Vaccine Biologics Corporation

Net inventory of the Company and its subsidiaries as of December 31, 2023 was material to the consolidated financial statements. The Company and its subsidiaries mainly engage in manufacturing and selling generic drugs, aesthetic medicine products and vaccine-related products, such inventories are affected by factors such as market demand, expiration date, normal depletion, obsolescence or lack of market value in different channels, and the management needs to assess whether the products are obsolete and the inventory price declines. The evaluation of inventory allowance involves significant judgment by the management, we therefore determined this matter as a key audit matter.

Our audit procedures include (but are not limited to) evaluating and testing the effectiveness of the design and implementation of internal controls related to obsolete and slow-moving inventories, evaluating the method and key assumptions used, including the reasonableness of the loss ratio, testing the sources of basic information, including the age of the inventory and the net realizable value used, recalculating the accuracy of inventory aging, and assessing the adequacy of the overall loss for market price decline of inventory through the analytical procedures.

We also considered the disclosure of inventory in Notes 5 and 6 to the consolidated financial statements.

**Other Matter – Previous Period Audited by Other Independent Accountants**

The Company's parent company only balance sheet as of December 31, 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2022, and notes to the parent company only financial statements, including the summary of material accounting policies, were audited and issued by other independent accountants, who expressed an unqualified opinions on those statements on March 30, 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 and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the 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 parent company only financial reporting process of the Company.

## **Auditor's 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 auditor's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 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 auditor's 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

Yu, Chien-Ju

Ernst & Young, Taiwan

March 11, 2024

#### Notice to Readers

The accompanying parent company only financial statements are intended only to present the 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.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
MEDIGEN BIOTECHNOLOGY CORPORATION  
PARENT COMPANY ONLY BALANCE SHEET  
As of December 31, 2023 and December 31, 2022  
(Amounts in thousands of New Taiwan Dollars)

Accounts	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>Current assets</b>					
Cash and cash equivalents	4, 6 and 12	\$348,390	15	\$418,967	14
Financial assets at fair value through profit or loss	4, 6 and 12	486	-	1,232	-
Contract assets-current	4 and 6	358	-	8,638	-
Trade receivables, net	4, 6 and 12	-	-	424	-
Trade receivables from related parties, net	4, 6, 7 and 12	-	-	1,356	-
Other receivables	12	1,724	-	1,320	-
Current tax assets	6	110	-	4,673	-
Inventories, net	4 and 6	7,928	1	9,638	1
Non-current assets or disposal groups held for sale, net	4 and 6	55,211	2	-	-
Other current assets	6	30,341	1	33,493	1
Other financial assets-current	8 and 12	7,800	-	12,800	1
Total current assets		<u>452,348</u>	<u>19</u>	<u>492,541</u>	<u>17</u>
<b>Non-current assets</b>					
Investments accounted for using equity method	4 and 6	1,247,631	52	1,511,674	51
Property, plant and equipment	4, 6 and 8	373,284	16	434,939	15
Right-of-use assets	4 and 6	4,675	-	2,993	-
Intangible assets	4 and 6	457	-	2,948	-
Deferred tax assets	4, 5 and 6	321,302	13	474,230	16
Other non-current assets	7	1,050	-	31,805	1
Refundable deposits		9,267	-	10,037	-
Total non-current assets		<u>1,957,666</u>	<u>81</u>	<u>2,468,626</u>	<u>83</u>
<b>Total assets</b>		<u><u>\$2,410,014</u></u>	<u><u>100</u></u>	<u><u>\$2,961,167</u></u>	<u><u>100</u></u>

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 BIOTECHNOLOGY CORPORATION  
PARENT COMPANY ONLY BALANCE SHEET (Continued)  
As of December 31, 2023 and December 31, 2022  
(Amounts in thousands of New Taiwan Dollars)

Liabilities and Equity Accounts	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>Current liabilities</b>					
Short-term borrowings	6, 8 and 12	\$343,000	14	\$268,000	9
Contract liabilities-current	4, 6 and 12	27,442	1	26,385	1
Notes payable	12	1,170	-	815	-
Notes payable to related parties	12	49	-	-	-
Trade payables	12	6	-	94	-
Trade payables to related parties	7	-	-	55	-
Other payables		21,047	1	43,733	1
Other payables to related parties	7	44	-	-	-
Lease liabilities-current	4, 6 and 12	2,172	-	-	-
Other current liabilities	7	640	-	1,348	-
Current portion of long-term liabilities	4, 6, 8 and 12	15,603	1	21,100	1
<b>Total current liabilities</b>		<b>411,173</b>	<b>17</b>	<b>361,530</b>	<b>12</b>
<b>Non-current liabilities</b>					
Long-term borrowings	6 and 8	403,685	17	401,188	14
Deferred tax liabilities	4, 5 and 6	665	-	665	-
Lease liabilities-noncurrent	4, 6 and 12	2,534	-	3,026	-
Net defined benefit liabilities-noncurrent	4	314	-	731	-
<b>Total non-current liabilities</b>		<b>407,198</b>	<b>17</b>	<b>405,610</b>	<b>14</b>
<b>Total liabilities</b>		<b>818,371</b>	<b>34</b>	<b>767,140</b>	<b>26</b>
<b>Share capital</b>	6				
Common stock		1,393,463	58	1,394,463	47
Advance receipts for share capital		3,285	-	-	-
Share capital awaiting retirement		(2,000)	-	-	-
Capital surplus		968,142	40	1,561,666	53
Retained earnings					
Accumulated deficits		(747,509)	(31)	(727,979)	(25)
Other equity		(23,738)	(1)	(34,123)	(1)
<b>Total equity</b>		<b>1,591,643</b>	<b>66</b>	<b>2,194,027</b>	<b>74</b>
<b>Total liabilities and equity</b>		<b>\$2,410,014</b>	<b>100</b>	<b>\$2,961,167</b>	<b>100</b>

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 BIOTECHNOLOGY CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended December 31, 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars)

Accounts	Note	2023		2022	
		Amount	%	Amount	%
Operating income	4, 6 and 7	\$9,993	100	\$30,655	100
Operating costs	6 and 7	(4,717)	(47)	(42,371)	(138)
Gross profit (loss)		5,276	53	(11,716)	(38)
Realized intercompany profit		3,039	30	3,039	10
Gross profit (loss), net		8,315	83	(8,677)	(28)
Operating expenses	6 and 7				
Selling expenses		(946)	(10)	(760)	(2)
Administrative expenses		(82,916)	(830)	(70,356)	(230)
Research and development expenses		(103,573)	(1,036)	(160,164)	(522)
Expected credit losses	4 and 6	(8,487)	(85)	(151)	(1)
Total operating expenses		(195,922)	(1,961)	(231,431)	(755)
Operating losses		(187,607)	(1,878)	(240,108)	(783)
Non-operating income and expenses	6 and 7				
Interest income		1,328	13	605	2
Other income		3,290	33	1,725	6
Other gains and losses		(1,333)	(13)	(7,618)	(25)
Financial costs		(15,180)	(152)	(10,113)	(33)
Share of profit or loss of associates and joint ventures accounted for using the equity method	4 and 6	(210,562)	(2,107)	(391,343)	(1,277)
Total non-operating income and expenses		(222,457)	(2,226)	(406,744)	(1,327)
Net loss before tax		(410,064)	(4,104)	(646,852)	(2,110)
Income tax expense	4 and 6	(151,232)	(1,513)	(29,022)	(95)
Net loss		(561,296)	(5,617)	(675,874)	(2,205)
Other comprehensive income	6				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		311	3	890	3
Share of other comprehensive income of associates and joint ventures accounted for using the equity method					
- Items that will not be reclassified subsequently to profit or loss		(863)	(9)	16,231	53
Income tax related to the items not to be reclassified to profit or loss		-	-	(178)	(1)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign financial statements of associates and joint ventures accounted for using the equity method	6	8,699	87	(30)	-
Income tax related to the components of other comprehensive income		(1,740)	(17)	6	-
Other comprehensive income, net of tax		6,407	64	16,919	55
Total comprehensive income		<u>\$(554,889)</u>	<u>(5,553)</u>	<u>\$(658,955)</u>	<u>(2,150)</u>
Losses per share (NT\$)					
Basic and diluted losses per share (NT\$)	6				
Current net loss		<u>\$(4.03)</u>		<u>\$(4.86)</u>	

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 BIOTECHNOLOGY 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)

Items	Share capital			Capital surplus	Retained earnings	Other equity			Total equity
	Common stock	Advance receipts for share capital	Share capital awaiting retirement	Capital surplus	Accumulated deficits	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee compensation	
Balance as of January 1, 2022	\$1,393,625	\$225	\$-	\$1,108,539	\$(52,817)	\$(10,950)	\$(35,352)	\$(8,882)	\$2,394,388
Net loss for the year ended December 31, 2022	-	-	-	-	(675,874)	-	-	-	(675,874)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	712	(24)	16,231	-	16,919
Total comprehensive income	-	-	-	-	(675,162)	(24)	16,231	-	(658,955)
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	378,040	-	-	-	-	378,040
Changes in ownership interests in subsidiaries	-	-	-	90,834	-	-	-	-	90,834
Changes in net equity in associates accounted for using equity method	-	-	-	15,126	-	-	-	-	15,126
Issuance of new shares by employee stock options	838	(225)	-	1,797	-	-	-	-	2,410
Costs of employee stock options	-	-	-	1,603	-	-	-	-	1,603
Costs of restricted stock options	-	-	-	-	-	-	-	4,854	4,854
Effect of organizational structure adjustments within the group	-	-	-	(34,273)	-	-	-	-	(34,273)
Balance as of December 31, 2022	\$1,394,463	\$-	\$-	\$1,561,666	\$(727,979)	\$(10,974)	\$(19,121)	\$(4,028)	\$2,194,027
Balance as of January 1, 2023	\$1,394,463	\$-	\$-	\$1,561,666	\$(727,979)	\$(10,974)	\$(19,121)	\$(4,028)	\$2,194,027
Net loss for the year ended December 31, 2023	-	-	-	-	(561,296)	-	-	-	(561,296)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	50	6,959	(602)	-	6,407
Total comprehensive income	-	-	-	-	(561,246)	6,959	(602)	-	(554,889)
Capital surplus used to cover accumulated deficits	-	-	-	(541,716)	541,716	-	-	-	-
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	125,022	-	-	-	-	125,022
Changes in ownership interests in subsidiaries	-	-	-	3,911	-	-	-	-	3,911
Changes in net equity in associates accounted for using equity method	-	-	-	(165,182)	-	-	-	-	(165,182)
Issuance of new shares by employee stock options	-	3,285	-	-	-	-	-	-	3,285
Costs of employee stock options	-	-	-	32	-	-	-	-	32
Costs of restricted stock options	-	-	-	-	-	-	-	4,028	4,028
Recovery of restricted stock options	(1,000)	-	(2,000)	(15,591)	-	-	-	-	(18,591)
Balance as of December 31, 2023	\$1,393,463	\$3,285	\$(2,000)	\$968,142	\$(747,509)	\$(4,015)	\$(19,723)	\$-	\$1,591,643

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 BIOTECHNOLOGY CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	2023	2022
	Amount	Amount
Cash flows from operating activities:		
Net loss before tax, current	\$(410,064)	\$(646,852)
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation	15,760	18,589
Amortization	2,491	6,154
Expected credit losses	8,487	151
Loss on valuation of financial assets at fair value through profit or loss	(54)	(70)
Interest expenses	15,180	10,113
Interest income	(1,328)	(605)
Share-based payments	4,060	6,457
Share of profit or loss of associates and joint ventures accounted for using the equity method	210,562	391,343
Losses (gains) on disposals of investments	-	7
Lease modification gains	-	(4)
Investment cash dividends accounted for using equity method	54,532	43,626
Realized intercompany profit	(3,039)	(3,039)
Changes in current operating asset and liabilities		
Financial assets and liabilities at fair value through profit or loss	800	(667)
Contract assets	(358)	-
Trade receivables	424	4,286
Trade receivables from related parties	1,356	581
Other receivables	(481)	-
Inventories	1,710	6,186
Other current assets	3,286	25,992
Contract liabilities	1,057	-
Notes payable	355	(2,952)
Notes payable to related parties	49	-
Trade payables	(88)	145
Trade payables to related parties	(55)	-
Other payables	(22,642)	19,512
Other current liabilities	(708)	621
Net defined benefit liabilities	(106)	(992)
Cash generated from operating activities	<u>(118,814)</u>	<u>(121,418)</u>
Interest received	1,328	573
Interest paid	(15,180)	(10,113)
Income tax refunded (paid)	4,563	(5,001)
Net cash used in operating activities	<u>(128,103)</u>	<u>(135,959)</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(3,439)	(2,106)
Acquisition of investments accounted for using equity method	(153,002)	-
Decrease (increase) in refundable deposits	770	(280)
Increase in prepayments for equipment	(1,050)	(854)
Decrease (increase) in restricted assets	5,000	(7,800)
Net cash provided by (used in) investing activities	<u>(151,721)</u>	<u>(11,040)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	100,000	218,000
Decrease in short-term borrowings	(25,000)	(190,000)
Repayments of long-term borrowings	(3,000)	(3,905)
Disposal of ownership interests in subsidiaries (without losing control)	156,574	434,264
Acquisition of investments accounted for using equity method (capital increase of a subsidiary)	-	(413,864)
Increase in prepayments for investments	-	(30,000)
Cash payment for the principal portion of the lease liabilities	(4,021)	(4,071)
Proceeds from exercise of employee stock options	3,285	2,410
Redemption of restricted stock	(18,591)	-
Net cash provided by financing activities	<u>209,247</u>	<u>12,834</u>
Net decrease in cash and cash equivalents	<u>(70,577)</u>	<u>(134,165)</u>
Cash and cash equivalents at the beginning of the period	418,967	553,132
Cash and cash equivalents at the end of the period	<u>\$348,390</u>	<u>\$418,967</u>

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

## Independent Auditors' Report

To the Board of Directors and Shareholders of  
Medigen Biotechnology Corporation

### Opinion

We have audited the accompanying consolidated balance sheets of Medigen Biotechnology Corporation (the “Company”) and its subsidiaries as of December 31, 2023, and the related consolidated statements 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, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023, and their 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 the Company 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. Based on our audits and the report(s) of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 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.

### Revenue recognition

The Company and its subsidiaries recognized NT\$1,157,720 thousand as net sales, which includes sales of goods in the amount of NT\$1,145,037 thousand and services and other operating revenues in the amount of NT\$12,683 thousand for the year ended December 31, 2023. The revenue was mainly generated from the sales of generic drugs and aesthetic medicine products by the consolidated subsidiary, WINSTON MEDICAL SUPPLY CO., LTD. Since the Company and its subsidiaries have a large number of customers including hospitals, clinics, pharmacies, medicine companies and channel vendors in the country, and their revenue has a high inherent risk in nature, As a result, we determined this matter as a key audit matter.

Our audit procedures include (but are not limited to) evaluating the appropriateness of management's accounting policies for revenue recognition, and understanding, evaluating and testing the transaction process of the revenue recognition procedures for the identified performance obligations and the effectiveness of the design and implementation of internal controls that are critical to the timing of revenue recognition to meet performance obligations; performing test of details on a sampling basis by checking relevant vouchers and testing collection records to confirm that transactions have actually occurred; vouching relevant documents of sales transactions before and after a period of the balance sheet date; performing sales revenue cut-off tests to ensure that revenue is recognized in an appropriate period; and reviewing whether there are significant sales returns and allowances in the subsequent period. We also considered the disclosure of revenue recognition in Notes 5 and 6 to the consolidated financial statements.

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

The total carrying amount of property, plant and equipment, right-of-use assets and intangible assets of the Company and its subsidiaries was NT\$2,149,747 thousand as of December 31, 2023, representing 25% of the total consolidated assets. Due to the recent operating losses of Medigen Vaccine Biologics Corporation and its subsidiaries, the management had conducted impairment evaluation tests on the cash-generating units to which these assets belong. The impairment evaluation was conducted based on value in use to estimate their recoverable amount. As the estimate of value in use is significant and it involves management judgment, we therefore determined it as a key audit matter.

Our audit procedures include (but are not limited to) evaluating and testing the effectiveness of the design and implementation of internal controls related to asset impairment, assessing the appropriateness of accounting policies for asset impairment, assessing the key assumptions used in the management impairment tests, including the growth rate of sales revenue, gross margin and discount rate, and discussing with the management to assess their reasonableness, and recalculating the recoverable amount of the management impairment assessment. We also considered the disclosure of property, plant and equipment, right-of-use assets and intangible assets in Notes 5 and 6 to the consolidated financial statements.

### Assessment of allowance for inventory valuation losses

Net inventory of the Company and its subsidiaries amounted to NT\$546,906 thousand as of December 31, 2023. The Company and its subsidiaries mainly engage in manufacturing and selling generic drugs, aesthetic medicine products and vaccine-related products, such inventories are affected by factors such as market demand, expiration date, normal depletion, obsolescence or lack of market value in different channels, and the management needs to evaluate whether the products are obsolete and the inventory price declines. The carrying amount of inventory is significant and the evaluation of inventory allowance involves significant judgment by the management, we therefore determined this matter as a key audit matter.

Our audit procedures include (but are not limited to) evaluating and testing the effectiveness of the design and implementation of internal controls related to obsolete and slow-moving inventories, evaluating the method and key assumptions used, including the reasonableness of the loss ratio, testing the sources of basic information, including the age of the inventory and the net realizable value used, recalculating the accuracy of inventory aging, and assessing the adequacy of the overall loss for market price decline of inventory through the analytical procedures. We also considered the disclosure of inventory in Notes 5 and 6 to the consolidated financial statements.

### **Other Matter –Previous Period Audited by Other Independent Accountants**

The consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022 were audited by other independent accountants, who expressed a unqualified opinions on those statements on March 30, 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 the Company 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 the Company 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 the Company 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 for consolidated entities 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 Company 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 the Company 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 the Company 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 the Company 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**

We and other independent accountant have audited and expressed an unqualified opinion including an Other Matter Paragraph and an unqualified opinion on the parent company only financial statements of the Company and its subsidiaries as of and for the years ended December 31, 2023 and 2022, respectively.

Kuo, Shao-Pin

Yu, Chien-Ju

Ernst & Young, Taiwan

March 11, 2024

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Assets	Note	December 31, 2023		December 31, 2022	
Accounts		Amount	%	Amount	%
<b>Current assets</b>					
Cash and cash equivalents	4, 6 and 12	\$2,222,926	26	\$2,040,633	20
Financial assets at fair value through profit or loss	4, 6 and 12	486	-	54,225	-
Financial assets measured at amortized cost-current	4, 6 and 12	2,364,100	28	2,979,940	30
Contract assets-current	4, 6, 7 and 12	358	-	8,638	-
Notes receivable, net	4, 6 and 12	108,411	1	120,042	1
Trade receivables, net	4, 6 and 12	220,125	3	263,919	3
Trade receivables from related parties, net	4, 6 and 7	-	-	5,715	-
Other receivables		52,954	1	8,253	-
Other receivables from related parties	7	40	-	41	-
Current tax assets	6	4,790	-	780	-
Inventories, net	4 and 6	546,906	6	692,615	7
Non-current assets or disposal groups held for sale, net	4 and 6	55,211	1	-	-
Other current assets	6	106,318	1	455,259	5
Other financial assets-current	8 and 12	25,412	-	102,766	1
Total current assets		5,708,037	67	6,732,826	67
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income-noncurrent	4, 6 and 12	242,596	3	205,634	2
Investments accounted for using equity method	4 and 6	50,271	1	101,696	1
Property, plant and equipment	4, 6 and 8	1,770,209	21	1,918,498	19
Right-of-use assets	4 and 6	272,999	3	279,186	3
Intangible assets	4 and 6	106,539	1	113,072	1
Deferred tax assets	4, 5 and 6	327,495	4	480,938	5
Other non-current assets		25,640	-	113,776	2
Refundable deposits	8 and 12	23,459	-	36,648	-
Total non-current assets		2,819,208	33	3,249,448	33
Total assets		\$8,527,245	100	\$9,982,274	100

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

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

Liabilities and Equity Accounts	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	6 and 8	\$402,600	5	\$328,000	3
Financial liabilities at fair value through profit or loss-current	4, 6 and 12	29,050	-	-	-
Contract liabilities-current	6 and 7	134,996	2	130,398	1
Notes payable	12	46,700	1	34,771	-
Trade payables	12	75,867	1	150,238	2
Other payables		304,819	4	319,394	3
Current tax liabilities	4, 5 and 6	24,629	-	22,993	-
Lease liabilities-current	4, 6 and 12	17,320	-	13,126	-
Other current liabilities	7	15,500	-	24,541	1
Current portion of long-term liabilities	4, 6, 8 and 12	1,728,410	20	28,862	-
Total current liabilities		2,779,891	33	1,052,323	10
Non-current liabilities					
Financial liabilities at fair value through profit or loss-noncurrent	4, 6 and 12	-	-	19,250	-
Bonds payable	4, 6 and 12	-	-	1,677,850	17
Long-term borrowings	6 and 8	449,099	5	451,307	5
Deferred tax liabilities	4, 5 and 6	14,151	-	14,241	-
Lease liabilities-noncurrent	4, 6 and 12	267,533	3	275,319	3
Net defined benefit liabilities-noncurrent	4 and 6	9,162	-	10,691	-
Other non-current liabilities	4 and 6	10,280	-	10,280	-
Total non-current liabilities		750,225	8	2,458,938	25
Total liabilities		3,530,116	41	3,511,261	35
Equity attributable to owners of the parent					
Share capital	6				
Common stock		1,393,463	16	1,394,463	14
Advance receipts for share capital		3,285	-	-	-
Share capital awaiting retirement		(2,000)	-	-	-
Capital surplus		968,142	12	1,561,666	15
Retained earnings					
Accumulated deficits		(747,509)	(9)	(727,979)	(7)
Other equity		(23,738)	-	(34,123)	-
Total equity attributable to owners of the parent		1,591,643	19	2,194,027	22
Non-controlling interests		3,405,486	40	4,276,986	43
Total equity		4,997,129	59	6,471,013	65
Total liabilities and equity		\$8,527,245	100	\$9,982,274	100

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



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

Accounts	Note	2023		2022	
		Amount	%	Amount	%
Operating income	4, 6 and 7	\$1,157,720	100	\$1,055,947	100
Operating costs	6 and 7	(540,391)	(47)	(968,487)	(92)
Gross profit		617,329	53	87,460	8
Operating expenses	6 and 7				
Selling expenses		(251,921)	(22)	(160,752)	(15)
Administrative expenses		(247,721)	(21)	(241,554)	(23)
Research and development expenses		(1,336,337)	(115)	(1,330,997)	(126)
Expected credit losses (gains)	4 and 6	(14,443)	(1)	(21,133)	(2)
Total operating expenses		(1,850,422)	(159)	(1,754,436)	(166)
Operating income		(1,233,093)	(106)	(1,666,976)	(158)
Non-operating income and expenses	6 and 7				
Interest income		89,068	8	8,883	1
Other income		25,278	2	75,863	7
Other gains and losses		(11,993)	(1)	11,283	1
Finance costs		(55,859)	(5)	(39,453)	(3)
Share of profit or loss of associates and joint ventures accounted for using the equity method	4 and 6	(92,261)	(8)	(262,213)	(25)
Total non-operating income and expenses		(45,767)	(4)	(205,637)	(19)
Net loss before tax		(1,278,860)	(110)	(1,872,613)	(177)
Income tax expense	4 and 6	(191,207)	(17)	(58,874)	(6)
Net loss		(1,470,067)	(127)	(1,931,487)	(183)
Other comprehensive income					
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan		(242)	-	(614)	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	6	118	-	82,225	8
Income tax relating to those items not to be reclassified to profit or loss		111	-	122	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		17,528	2	(1,266)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - Items that may be reclassified subsequently to profit or loss		263	-	-	-
Income tax related to the items that may be reclassified to profit or loss		(1,740)	-	6	-
Other comprehensive income, net of tax		16,038	2	80,473	8
Total comprehensive income		\$(1,454,029)	(125)	\$(1,851,014)	(175)
Net income (loss) attributable to:					
Owners of the parent		\$(561,296)		\$(675,874)	
Non-controlling interests		(908,771)		(1,255,613)	
		\$(1,470,067)		\$(1,931,487)	
Total comprehensive income (loss) attributable to:					
Owners of the parent		\$(554,889)		\$(658,955)	
Non-controlling interests		(899,140)		(1,192,059)	
		\$(1,454,029)		\$(1,851,014)	
Losses per share (NT\$)	6				
Basic and diluted losses per share (NT\$)					
Current net income (loss)		\$(4.03)		\$(4.86)	

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

English Translation of Financial Statements Originally Issued in Chinese  
MEDIGEN BIOTECHNOLOGY 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)

Items	Equity attributable to owners of the parent									Non-controlling interests	Total equity
	Share capital			Capital surplus	Retained earnings	Other equity					
	Common stock	Advance receipts for share capital	Share capital awaiting retirement	Capital surplus	Accumulated deficits	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee compensation	Equity attributable to owners of the parent		
Balance as of January 1, 2022	\$1,393,625	\$225	\$-	\$1,108,539	\$(52,817)	\$(10,950)	\$(35,352)	\$(8,882)	\$2,394,388	\$4,031,716	\$6,426,104
Net loss for the year ended December 31, 2022	-	-	-	-	(675,874)	-	-	-	(675,874)	(1,255,613)	(1,931,487)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	712	(24)	16,231	-	16,919	63,554	80,473
Total comprehensive income	-	-	-	-	(675,162)	(24)	16,231	-	(658,955)	(1,192,059)	(1,851,014)
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	378,040	-	-	-	-	378,040	51,702	429,742
Changes in ownership interests in subsidiaries	-	-	-	90,834	-	-	-	-	90,834	1,400,890	1,491,724
Changes in net equity of associates accounted for using equity method	-	-	-	15,126	-	-	-	-	15,126	(19,494)	(4,368)
Issuance of new shares by employee stock options	838	(225)	-	1,797	-	-	-	-	2,410	-	2,410
Costs of employee stock options	-	-	-	1,603	-	-	-	-	1,603	-	1,603
Costs of restricted stock options	-	-	-	-	-	-	-	4,854	4,854	-	4,854
Effect of organizational structure adjustments within the group	-	-	-	(34,273)	-	-	-	-	(34,273)	34,273	-
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(30,042)	(30,042)
Balance as of December 31, 2022	\$1,394,463	\$-	\$-	\$1,561,666	\$(727,979)	\$(10,974)	\$(19,121)	\$(4,028)	\$2,194,027	\$4,276,986	\$6,471,013
Balance as of January 1, 2023	\$1,394,463	\$-	\$-	\$1,561,666	\$(727,979)	\$(10,974)	\$(19,121)	\$(4,028)	\$2,194,027	\$4,276,986	\$6,471,013
Net loss for the year ended December 31, 2023	-	-	-	-	(561,296)	-	-	-	(561,296)	(908,771)	(1,470,067)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	50	6,959	(602)	-	6,407	9,631	16,038
Total comprehensive income	-	-	-	-	(561,246)	6,959	(602)	-	(554,889)	(899,140)	(1,454,029)
Capital surplus used to cover accumulated deficits	-	-	-	(541,716)	541,716	-	-	-	-	-	-
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	125,022	-	-	-	-	125,022	31,552	156,574
Changes in ownership interests in subsidiaries	-	-	-	3,911	-	-	-	-	3,911	27,765	31,676
Changes in net equity of associates accounted for using equity method	-	-	-	(165,182)	-	-	-	-	(165,182)	5,876	(159,306)
Issuance of new shares by employee stock options	-	3,285	-	-	-	-	-	-	3,285	-	3,285
Costs of employee stock options	-	-	-	32	-	-	-	-	32	-	32
Costs of restricted stock options	-	-	-	-	-	-	-	4,028	4,028	-	4,028
Recovery of restricted stock options	(1,000)	-	(2,000)	(15,591)	-	-	-	-	(18,591)	-	(18,591)
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(37,553)	(37,553)
Balance as of December 31, 2023	\$1,393,463	\$3,285	\$(2,000)	\$968,142	\$(747,509)	\$(4,015)	\$(19,723)	\$-	\$1,591,643	\$3,405,486	\$4,997,129

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

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

Items	2023	2022
	Amount	Amount
Cash flows from operating activities:		
Net loss before tax, current	\$(1,278,860)	\$(1,872,613)
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation	168,356	177,254
Amortization	10,027	14,392
Prepayments for business facilities transferred to expenses	6,986	-
Expected credit losses	14,443	21,133
Losses on valuation of financial assets and liabilities at fair value through profit or loss	9,582	16,649
Interest expenses	55,859	39,453
Interest income	(89,068)	(8,883)
Share-based payment expenses	22,365	82,066
Share of profit or loss of associates and joint ventures accounted for using the equity method	92,261	262,213
Losses (gains) on disposals of investments	-	7
Losses (gains) on disposals of property, plant and equipment, net	1,032	-
Lease modification gains	-	(4)
Changes in current operating assets and liabilities		
Financial assets and liabilities at fair value through profit or loss	53,956	(832)
Contract assets	(358)	339,147
Notes receivable	11,631	(62,916)
Trade receivables	43,802	117,664
Trade receivables from related parties	(98)	(13,122)
Other receivables	4,971	(1,134)
Other receivables from related parties	1	4,312
Inventories	145,923	60,291
Other current assets	351,022	(194,340)
Contract liabilities	4,598	(114,025)
Notes payable	11,929	(9,723)
Trade payables	(74,371)	30,796
Other payables	(32,546)	(7,083)
Other current liabilities	(9,041)	15,821
Net defined benefit liabilities	(1,479)	(142)
Cash generated from operating activities	<u>(477,077)</u>	<u>(1,103,619)</u>
Interest received	39,396	8,850
Interest paid	(25,608)	(20,098)
Income tax paid	(40,228)	(23,352)
Net cash used in operating activities	<u>(503,517)</u>	<u>(1,138,219)</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(37,564)	(69,409)
Acquisition of financial assets measured at amortized cost	(3,146,212)	(2,979,940)
Proceeds from redemption of financial assets measured at amortized cost	3,766,276	800,000
Acquisition of investments accounted for using the equity method	(165,168)	(30,127)
Acquisition of property, plant and equipment	(38,409)	(54,875)
Decrease in refundable deposits	13,189	3,658
Acquisition of intangible assets	(3,494)	(3,214)
Decrease in other financial assets	77,354	-
Increase in other noncurrent assets	(9,016)	-
Increase in prepayments for equipment	-	(93,281)
Decrease in prepayments for equipment	42,919	-
Decrease in restricted assets	-	(8,198)
Increase in prepayments for investments	(2,215)	(17,731)
Net cash provided by (used in) investing activities	<u>497,660</u>	<u>(2,453,117)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	210,000	308,000
Decrease in short-term borrowings	(135,400)	(280,000)
Proceeds from issuing bonds	-	1,755,250
Increase in long-term borrowings	29,696	-
Repayments of long-term borrowings	(10,206)	(11,943)
Cash payment for the principal portion of the lease liabilities	(18,024)	(16,968)
Proceeds from exercise of employee stock options	3,285	2,410
Increase in deposits received	-	3,310
Disposal of ownership interests in subsidiaries (without losing control)	156,574	434,264
Changes in non-controlling interests	13,371	1,326,185
Redemption of restricted stock	(18,591)	-
Cash dividends paid to non-controlling interests	(37,553)	(30,042)
Net cash provided by financing activities	<u>193,152</u>	<u>3,490,466</u>
Effect of changes in exchange rate on cash and cash equivalents	(5,002)	(3,077)
Net increase (decrease) in cash and cash equivalents	182,293	(103,947)
Cash and cash equivalents at the beginning of the year	2,040,633	2,144,580
Cash and cash equivalents at the end of the year	<u>\$2,222,926</u>	<u>\$2,040,633</u>

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

[Attachment 5] List of nominees for Board Directors (including Independent Directors)

Job title & category	Name	Educational Background	Work experience	Positions currently held in other companies	Government or corporate names represented	Number of Shares Held
Director	Shi-Chung Chang	M.D., School of Medicine at National Taiwan University Ph.D., National Medical Laser Centre at University College London	Director, Tzu Chi University College of Medicine Director, Department of Urological Surgery, Tzu Chi Hospital Attending Physician, National Taiwan University Hospital General Manager, Medigen Biotechnology Corp.	Director, U-GEN BIOTECHNOLOGY INC.U-GEN Chairman, TBG Biotechnology Corp. Director, TBG Diagnostics Ltd. Chairman, Medigen Biotechnology Corp. (Beijing) Chairman, Medigen Biotechnology Corp. (Xiamen) Director, TBG Biotechnology (Xiamen) Inc. Chairman of Yingxin Investment (Stock) Company Representative of institutional shareholder, Winston Medical Supply Co, Ltd. Chairman, UMO International Co., Ltd. Chairman, Shiny Lily Co., Ltd. Director, MVC BioPharma Ltd. Director, TDL Holding Co.	None	1,802,064
Director	Tse-Ling Chang	Bachelor of Business Management, University of Sussex	Chairman, Everspring Industry Co., Ltd. Chairman, WorldTrend Co., Ltd.	Chairman and President, Everspring Industry Co., Ltd. Representative of Corporate Director and Chairman, WorldTrend Co., Ltd. Chairman and President, Everspring Industry (S) Pte Ltd Representative of Corporate Director and President, Everspring Tech USA Inc. Representative of Corporate Director, Tung Sheng Development Co., Ltd.	Everspring Industry Co., Ltd.	14,168,060

Job title & category	Name	Educational Background	Work experience	Positions currently held in other companies	Government or corporate names represented	Number of Shares Held
				Representative of Corporate Director and Chairman, Hua Chen Apartment Building Management and Maintenance Co., Ltd.		
Director	Tzu-Liang Huang	Bachelor of Tourism from the Chinese Culture University	Chairman, Hsu Chai Wealth Management Chairman and Director Representative of Zisheng Smart Technology (Stock) Company	Chairperson, Tung Chuang Investment Holding Co., Ltd. Chairman, Meta Biotechnology Company Limited Director, Everspring Industry Co., Ltd. Chairman, Everspring Cultural and Educational Foundation Representative of Corporate Director, WorldTrend Co., Ltd. Director, Tung Fu Construction Co., Ltd. Director, Tung Neng Construction Co., Ltd. Representative of Corporate Director, Hua Chen Apartment Building Management and Maintenance Co., Ltd. Representative of Corporate Director, Taiwan Lung Meng Advanced Composite Materials Co., Ltd.	WorldTrend Co., Ltd.	2,427,760
Director	Min-Lee Chuang	Bachelor of Social Sciences, National Open University Master of Political Science, University of Culture	Vice President/Director, Ta Ching Construction Co., Ltd. Director, Ta Ching Bills Finance Corporation	Vice President, Ta Ching Construction Co., Ltd. Vice Chairman, Good Finance Securities Co., Ltd.	Ta Ching Construction Co., Ltd.	4,371,763
Independent director	Shui-Ming Chuang	Bachelor of Laws, National Taiwan University	Prosecutor, Taipei District Prosecutors Office and Kaohsiung	Attorney, Pan Law Firm	None	0 shares

Job title & category	Name	Educational Background	Work experience	Positions currently held in other companies	Government or corporate names represented	Number of Shares Held
			District Prosecutors Office Judge, Taiwan Taipei District Court, Banqiao District Court			
Independent director	Pei-Wei Chen	Master of Accounting, Chung Cheng University.	Deputy Manager, Deloitte & Touche CPA, Solomon & Co., CPAs Lecturer, Department of Accounting, Chungyu Institute of Technology Lecturer, National Taipei College of Business CPA, Wei Chuang CPA Firm	CPA, Weide CPAs Independent Director, Nanoplus Limited (Cayman) Taiwan Branch Chun Chuang Wealth Management Consulting Co., Ltd. Independent Director of Líyīng Fáng (Stock) Company	None	0 shares
Independent director	Sheue-Rong Lin	Bachelor of Public Health, National Taiwan University. Master of Epidemiology Research, Johns Hopkins University. Doctoral research in Epidemiology at National Taiwan University	Director/Division Chief at the Centers for Disease Control, Ministry of Health and Welfare Director of Taoyuan County Health Bureau Director of Food Hygiene Division, Department of Health, Executive Yuan Deputy Director-General of Food and Drug Administration, Department of Health, Executive Yuan Counselor	CEO for Public Health and Liver Disease Prevention and Control Promotion, Liver Disease Prevention and Treatment Research Foundation	None	0 shares

Job title & category	Name	Educational Background	Work experience	Positions currently held in other companies	Government or corporate names represented	Number of Shares Held
			at the Department of Health, Executive Yuan Director of New Taipei City Health Bureau			
Independent director	Jou-Kou Wang	Ph.D, Research Institute of Clinical Medicine, National Taiwan University. EMBA, Department of Accounting, National Taiwan University	Attending Physician, Department of Pediatrics, National Taiwan University Hospital. Professor of Pediatrics, National Taiwan University, College of Medicine. Vice Superintendent, National Taiwan University Hospital.	Chief of Pediatric Cardiology section, National Taiwan University Hospital. Director, Taiwan Society of Cardiology. Independent Director, Antec Inc.	None	0 shares

## IV. Appendix

[Appendix 1]

### Medigen Biotechnology Corp. Rules of Procedure for Shareholder Meetings

Formulated and approved by the annual shareholders' meeting on Aug. 13, 2001

Amendments approved by the annual shareholders' meeting on May 9, 2002

Amendments approved by the annual shareholders' meeting on June 29, 2007

Amendments approved by the annual shareholders' meeting on June 22, 2020

Amendments approved by the annual shareholders' meeting on Monday, August 02, 2021

- Article 1 These Rules have been formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, in an attempt to establish a sound system to administer the Company's shareholders' meetings, develop a robust oversight function, and strengthen the management mechanism.
- Article 2 Unless otherwise stipulated in regulations or the Articles of Incorporation, the Company's Rules of Procedure for Shareholders' Meetings shall be observed.
- Article 3 (Meeting notice for convening a shareholders' meeting)
- I. Unless otherwise stipulated in regulations, the Company's shareholders' meetings shall be convened by its Board of Directors.
  - II. The Company should convert the gist of and explanation for various resolutions such as shareholders' meeting notices, proxy forms, related adoptions, discussions, and Director appointment or discharge into electronic files, and upload them to the Market Observation Post System 30 days prior to an annual shareholders' meeting, or 15 days prior to an extraordinary shareholders' meeting. It should also convert shareholders' meeting handbooks and supplementary meeting data into electronic files and upload them to the Market Observation Post System 21 days prior to an annual shareholders' meeting, or 15 days prior to an extraordinary shareholders' meeting. It should prepare shareholders' meeting handbooks and supplementary meeting data 15 days prior to a shareholders' meeting, and make them readily available to shareholders upon request. They should also be on display at the Company and the professional stock transfer agency commissioned by the Company. They should also be distributed on site at the shareholders' meeting. Meeting notices and public announcements should clearly state the reason for convening a meeting: Such notices may be sent electronically with the consent of the counterpart.
  - III. Matters such as Director appointment or discharge, changes to the Articles of Incorporation, capital reduction, application for delisting, exclusion from non-compete cause for a Director, capitalization of retained earnings, capitalization of surplus, dissolution, merger, divestiture, or items stipulated in the Subparagraphs of Article 185, Paragraph 1 should be listed and summarized in the reasons for calling a meeting. They shall not be submitted as motions.
  - IV. In case a shareholders' meeting notice has clearly stated a complete reshuffle of the Board of Directors as well as the date for new Directors to take office, that date shall not be changed



by a motion or any other means in the same shareholders' meeting after reelection is concluded.

- V. Directors in possession of more than 1% of the total number of shares issued by the Company may propose as many as one bill in an annual shareholders' meeting. Proposed bills beyond the first shall not be admissible. However, in case a shareholder's proposal is a suggestion meant to encourage the Company to further public interest or perform its social responsibilities, the Board of Directors may still admit it. Furthermore, in case a shareholder's proposed bill falls into any of the situations stipulated in Article 172-1, Paragraph 4 of the Company Act, the Board of Directors may choose not to admit it.
- VI. Prior to the book closure day before an annual shareholders' meeting, the Company should publicly announce that it is prepared to entertain shareholders' proposals. It should also announce the method of accepting written or electronic proposals, locations where they can be submitted, and the submission time frame. The submission time frame shall be no less than 10 days.
- VII. A shareholder's proposed bill shall be limited to 300 words. Proposals in excess of 300 words shall not be admitted. A shareholder who has submitted a proposal should attend the annual shareholders' meeting in person, or commission a proxy to attend on his/her behalf. The shareholder should also participate in the discussion over the proposal in question.
- VIII. The Company should inform shareholders who have submitted proposals of its decision prior to sending shareholders' meeting notices. It should also itemize bills in compliance with this Article in the meeting notice. With respect to shareholders' proposals not included in a shareholders' meeting agenda, the Board of Directors should state the reasons for excluding them.

Article 4 (Attendance of a shareholders' meeting by proxy & authorization)

- I. Before each shareholders' meeting, a shareholder may produce a proxy form issued by the Company and containing clearly stated scope of authorization to commission a proxy to attend a shareholders' meeting.
- II. Each shareholder is limited to providing one proxy form to commission one proxy only. The proxy form should be sent to the Company five days prior to a shareholders' meeting. In the event of duplicated proxy forms, the first that arrives shall prevail. However, such restriction does not apply to a shareholder who has declared to rescind his/her previous proxy request.
- III. After a shareholder's proxy form has been sent to the Company and the shareholder wishes to attend the shareholders' meeting in person, or exercise his/her voting rights in writing or electronically, he/she should submit a written request to rescind the proxy form two days prior to the shareholders' meeting. In case the deadline for rescinding a proxy form has passed, the voting rights of the proxy shall be honored.

Article 5 (Principles for choosing a location and time for a shareholders' meeting)

Shareholders' meetings should be held at the Company's location, or a location that is both convenient for shareholders to attend and appropriate for shareholder's meetings. These meetings shall not begin earlier than 9 a.m. or later than 3 p.m. When choosing a location

and time for a meeting, independent directors' opinions should be taken into full account.

Article 6 (Provision of documents such as sign in books)

- I. The Company should clearly state in the meeting notice the check-in time and place of shareholders, as well as other matters of note.
- II. The aforementioned shareholder check-in time shall be no later than 30 minutes prior to the start of the meeting. The check-in place should be clearly indicated, and should be manned by appropriate personnel.
- III. A shareholder or his/her proxy (referred to as shareholder hereafter) should present the certificate of attendance, attendance card or other attendance certificates for admission to a shareholders' meeting. With regard to such certificates, the Company shall not arbitrarily demand a shareholder to provide additional proof or other papers. Solicitors who solicit proxy forms should bring their IDs for verification.
- IV. The Company should prepare a sign in book for attending shareholders to check in. Alternatively, attending shareholders may submit their attendance cards.
- V. The Company should deliver the meeting handbook, annual report, certificate of attendance, speech notes, ballots and other meeting data to attending shareholders. In the event of a Director election, election ballots should also be attached.
- VI. In case a shareholder is a government agency or a juristic person, the number of representatives to a shareholders' meeting shall not be limited to one person. When a juristic person is commissioned to attend a shareholders' meeting, only one representative shall be allowed to attend.

Article 7 (Chairperson of a shareholders' meeting and attendants)

- I. When a shareholders' meeting is convened by the Board of Directors, the Chairman shall act as the chairperson of the meeting. When the Chairman is on leave or when he or she is unable to perform his or her duties, he or she may designate one Director to act as the chairperson on his or her behalf. In case the Chairman fails to designate a proxy, Directors will choose one from among themselves.
- II. When a Managing Director or Director acts as the aforementioned proxy chairperson, he/she should have served in that role for more than six months and be familiar with the Company's financial and business situations. The same rule applies to the situation where the chairperson is a representative of a corporate Director.
- III. The Chairman should personally preside over a shareholders' meeting convened by the Board of Directors. It is preferred that more than 50% of the Board members attend, and that at least one representative from each functional committee attend. Their attendance should be documented in the shareholders' meeting minutes.
- IV. In case a shareholders' meeting is convened by an individual outside the Board of Directors with the convening right, he/she shall act as the chairperson of that meeting provided, however, that if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.
- V. The Company may designate its commissioned lawyers, accountants or related individuals to

attend a shareholders' meeting.

Article 8 (Audio and video recording of a shareholders' meeting process for archival purposes)

- I. From the minute shareholders check in, the Company should make continuous and non-stop audio and video recordings of the shareholder check-in process, the meeting process, and the voting and vote counting process.
- II. The aforementioned audio and video recordings should be preserved for at least one year. However, in case a shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, they should be preserved until the termination of the lawsuit.

Article 9 (Tallying the number of shares in attendance at a shareholders' meeting & commencement of meeting)

- I. Attendance at a shareholders' meeting should be based on calculating the number of shares. The number of shares in attendance shall be tallied based on the sign-in books or submitted attendance cards plus those who exercise their voting rights in writing or electronically.
- II. When it is time to start a meeting, the chairperson should immediately call the meeting to order. In the meantime, he/she should also announce related information such as the number of shares with no voting rights and the number of shares in attendance. However, in case the number of shares held by attending shareholders is less than 50% of the total number of issued shares, the chairperson may announce to delay the meeting. However, such delays shall be limited to no more than two, and the total amount of time delayed shall not exceed one hour. In case the attending shareholders still fail to represent more than one third of the total number of issued shares after two delays, the chairperson shall announce that the meeting cannot be convened for failing to reach a quorum.
- III. In case the attending shareholders still fail to represent more than one third of the total number of issued shares after two aforementioned delays, a tentative resolution may be passed pursuant to Article 175, Paragraph 1 of the Company Act. A notice of such a tentative resolution shall be given to each of the shareholders, and a shareholders' meeting shall be reconvened within one month.
- IV. In case the number of shares represented by the attending shareholders has surpassed 50% of the total number of issued shares before the meeting is over, the chairperson may re-submit the tentative resolution to the shareholders' meeting for a vote pursuant to Article 174 of the Company Act.

Article 10 (Discussion of bills)

- I. In case a shareholders' meeting is convened by the Board of Directors, its agenda shall be formulated by the Board of Directors. Related bills (including motions and amendments to existing bills) should be put up to a vote on a one-by-one basis. The meeting should follow the set agenda, which should not be altered unless otherwise approved by the shareholders' meeting.
- II. In case a shareholders' meeting is convened by an individual outside the Board of Directors with the convening right, the regulation in the preceding paragraph may apply.
- III. With respect to bills scheduled in line with the previous two paragraphs, the chairperson shall

not arbitrarily announce that the meeting is over when meeting procedures (including motions) are still in progress, unless a resolution is otherwise passed. In case the chairperson violates these Rules of Procedure and announces that the meeting is over, other members of the Board of Directors should immediately help attending shareholders elect another person as chairperson with a majority vote of the voting shares in attendance, in accordance with legal procedures. The meeting, therefore, shall continue.

- IV. The chairperson should provide opportunities for bills, amendments or motions submitted by shareholders to be adequately expounded and discussed. When the chairperson deems the time is ripe for a vote, he or she may announce to stop the discussion, take it to a vote, and allocate an adequate amount of time for voting.

Article 11 (Discussion of bills)

- I. Before an attending shareholder speaks, he or she is required to fill out a speech note, which should clearly state the gist of the speech, shareholder serial number (or the number of his or her certificate of attendance), as well as account name. The chairperson shall decide the order of such speeches.
- II. In case an attending shareholder submits a speech note but fails to deliver a speech, the speech note shall be ignored. In the event of inconsistencies between the content of a speech and the corresponding speech note, the speech shall prevail.
- III. Each shareholder shall not speak more than twice with respect to the same bill, unless consent is granted by the chairperson. Each speech shall not exceed five minutes. The chairperson may stop a speech if the shareholder violates regulations or goes off topic.
- IV. When an attending shareholder speaks, other shareholders shall not interrupt and speak, unless consent has been granted by the chairperson as well as the shareholder delivering the speech. The chairperson should stop those in violation of this rule.
- V. In case a corporate shareholder has designated more than two representatives to attend a shareholders' meeting, only one representative shall be allowed to speak with respect to the same bill.
- VI. After an attending shareholder speaks, the chairperson may reply in person, or designate a related person/persons to reply.

Article 12 (Counting of voting shares & abstention)

- I. Voting at a shareholders' meeting should be based on calculating the number of shares.
- II. With respect to resolutions at a shareholders' meeting, the number of shares with no voting rights held by shareholders shall not be included in the total number of issued shares.
- III. In the event of a conflict of interest between a shareholder and any meeting agenda item which may be detrimental to the Company's interests, he or she shall be barred from voting and shall not exercise the voting rights of another shareholder.
- IV. The number of shares held by the aforementioned shareholder who is barred from exercising his or her voting rights shall not be included in the number of attending shareholders' voting shares.

- V. When an individual has been commissioned by more than two shareholders simultaneously, the proxy voting rights shall not exceed 3% of the voting rights of the total number of issued shares, with the exception of trust enterprises or stock transfer agencies approved by the securities regulator. The voting rights of shares exceeding this limit shall not count.

Article 13 (Voting on bills, scrutiny and method of vote counting)

- I. Each share held by a shareholder counts as one voting right. However, shares that are limited or shares with no voting rights as stipulated in Article 179, Paragraph 2 of the Company Act shall be excluded.
- II. When the Company convenes a shareholders' meeting, it should allow its shareholders to exercise their voting rights electronically or in writing. The method for shareholders to exercise their voting rights--electronically or in writing--shall be clearly stated in shareholders' meeting notices. Shareholders who exercise their voting rights electronically or in writing shall be deemed as attending a shareholders' meeting in person. However, with respect to motions and amendments to existing bills at that particular shareholders' meeting, they shall be deemed as abstainees.
- III. Those who wish to exercise their voting rights in writing or electronically as mentioned in the preceding paragraph are required to have their intentions delivered to the Company at least two days prior to the day of the shareholders' meeting. In the event of duplicated intentions, the first delivered intention shall prevail. However, such restriction does not apply to a shareholder who has declared to rescind his/her prior intention.
- IV. In case shareholders wish to attend a shareholders' meeting in person after exercising their voting rights in writing or electronically, they should rescind their intentions to exercise their voting rights in the same way that they exercise their voting rights at least two days prior to the day of the shareholders' meeting. In case the deadline for rescinding an intention has passed, the voting rights exercised in writing or electronically shall be honored. In case a shareholder decides to exercise his or her voting rights in writing or electronically while commissioning a proxy to attend a shareholders' meeting with a proxy form, the voting rights exercised by the proxy shall be honored.
- V. With respect to voting on a bill, a majority voting rights of attending shareholders in favor of the bill shall constitute consent, unless otherwise stipulated in the Company Act or the Company's Articles of Incorporation. The chairperson or the designated person should announce the total number of attending shareholders' voting rights for each bill at the time of voting, before shareholders vote on each bill on a one-by-one basis. Results of consent, objections and abstentions should be uploaded to the Market Observation Post System by the end of day of the shareholders' meeting.
- VI. In the event of an amendment bill or an alternative bill for the same bill, the chairperson should combine them with the existing bill and arrange the voting order. In case one of such bills have been approved, the other bills shall be deemed as being disapproved, and there is no need to vote on them.
- VII. The chairperson shall designate personnel in charge of scrutiny and vote counting for the

voting on bills. However, such scrutiny personnel must be the Company's shareholders.

VIII. Vote counting for voting on bills or elections at a shareholders' meeting should take place at a public place within the venue of the meeting. Voting results, including the tally of the number of voting rights, should be immediately announced on site at the conclusion of vote counting. Such results should also be documented as archives.

Article 14 (Election Matters)

- I. In the event of a Director election at a shareholders' meeting, related election regulations formulated by the Company should be followed. Election results should also be immediately announced on site, including the list of elected Directors and the number of their elected voting rights, as well as the list of candidates who have failed to be elected and the number of voting rights they have obtained.
- II. Ballots of the aforementioned elections should be sealed and signed by the scrutiny personnel, before being placed in appropriate custody. They should be preserved for at least one year. However, in case a shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, they should be preserved until the termination of the lawsuit.

Article 15 (Meeting minutes & signatures)

- I. Meeting minutes should be kept to document the bills that have been voted on at a shareholders' meeting. They should bear the chairperson's signature or stamp. Such meeting minutes shall be distributed to each shareholder within 20 days of the meeting. The making and distribution of meeting minutes may be done electronically.
- II. For the sake of distributing the aforementioned meeting minutes, the Company may upload them to the public announcement area of the Market Observation Post System.
- III. Meeting minutes should faithfully record the date, location, chairperson's name, voting methods, gist of meeting procedures and voting results (including the tallied number of voting rights). In the event of a Director election, elected Directors' numbers of voting rights shall be disclosed. Meeting minutes shall be preserved as long as the Company continues to exist.

Article 16 (External announcements)

- I. With respect to the number of shares solicited by solicitors and the number of shares represented by commissioned proxies, the Company shall clearly display statistical charts it has compiled in accordance with the required format within the location of the shareholders' meeting on the day of the meeting.
- II. In case the resolution items of a shareholders' meeting are material information identified by regulators and the Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload them to the Market Observation Post System within the required time frame.

Article 17 (Maintaining meeting order)

- I. Personnel in charge of conducting a shareholders' meeting shall wear an ID badge or an armband.
- II. The chairperson may direct marshals or security personnel to help maintain order at a meeting. When helping to maintain order on site, marshals or security personnel should wear an armband that reads "Marshal" or an ID badge.

- III. In case the meeting venue is equipped with audio amplification equipment, the chairperson may stop a shareholder who uses any piece of equipment not provided by the Company from delivering a speech. In case a shareholder violates these Rules of Procedure, disobeys the chairperson's correction, and continues to obstruct meeting procedures despite being warned not to do so, the chairperson may instruct marshals or security personnel to escort him or her out of the meeting location.

Article 18 (Breaks & reconvene a meeting)

- I. The chairperson may announce a break during the course of a meeting at his or her discretion. In the event of force majeure, the chairperson may suspend the meeting and announce the time to resume the meeting, depending on the situation.
- II. In the event that a shareholders' meeting has failed to proceed to set agenda items (including motions), and that the meeting location is no longer available, the shareholders' meeting may take a vote to find another meeting location.
- III. A shareholders' meeting may take a vote on postponing or reconvening the meeting within five days pursuant to Article 182 of the Company Act.

Article 19 These Rules shall be enforced upon approval from the shareholders' meeting, and the same rule also applies to amendments.

[Appendix 2]

# Articles of Incorporation of Medigen Biotechnology Corporation

## Chapter 1 General Provisions

- Article 1 In accordance with the rules for organizing a company limited by shares under the Company Act, the Company is named Medigen Biotechnology Corporation.
- Article 2 The Company's business operation items are listed on the left:
- I. IZ99990 Other business and commercial services.
  - II. F401010 International Trade.
  - III. F107070 Animal Use Drugs Wholesale Industry.
  - IV. F207070 Retail Sale of Veterinary Drugs.
  - V. F108021 Wholesale of Drugs and Medicines.
  - VI. F208021 Retail Sale of Western Pharmaceuticals
  - VII. C802041 Manufacture of Drugs and Medicines.
  - VIII. C802990 Manufacture of Other Chemical Products
  - IX. F107990 Wholesale of Other Chemical Products
  - X. F108031 Wholesale of Medical Devices.
  - XI. F207990 Retail Sale of Other Chemical Products
  - XII. F208031 Retail Sale of Medical Equipment.
  - XIII. JE01010 Rental Business
  - XIV. IC01010 Testing of Pharmaceutical Drugs
  - XV. IG01010 Biotechnology Services.
  - XVI. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Company may endorse or reinvest in a third-party out of business needs. In case a reinvestment has made the Company a shareholder with limited liability of another company, the total amount of investment may be exempt from the restrictions stipulated in Article 13 of the Company Act.
- Article 3 The Company is headquartered in Taipei City. It may set up branch offices in appropriate locations in Taiwan and abroad, depending on the actual needs.
- Article 4 The Company makes public announcements in methods consistent with regulations stipulated in Article 28 of the Company Act.

## Chapter 2 Shares

- Article 5 The total amount of the Company's share capital is set at NT\$2,500,000,000. It is divided into 250 million shares. The par value of each share is NT\$10. The Board of



- Directors is authorized to take a vote on issuing them in several batches. In particular, 21 million shares are reserved for the issuance of employee stock option certificates.
- Article 6 The Company's stocks should be numbered and bear the signature or stamp of the Director that represents the Company. Before the stocks are issued, they should be underwritten by a bank certified by law to serve as underwriter in a new stock offering. After the IPO, the Company may choose against printing when it issues new stocks. It should approach a centralized securities depository enterprise to register the aforementioned shares that have been issued.
- Article 7 All of the Company's stocks are registered. Shareholders should provide their names, residence or addresses for the Company to log them in the shareholders' register. They should also provide their signature cards to the Company for archival purposes. In case a shareholder is a juristic person, a signature card bearing the full name of that juristic person should be provided to the Company for archival purposes. A corporate shareholder may request that a signature card of its representative be registered and sent to the Company for archival purposes.
- Article 8 In case a registered stamp in a shareholder's custody is lost, he or she should produce a letter of guarantee and submit an application to the Company to switch to another stamp.
- Article 9 In the event of a stock transfer, both the transferrer and the transferee should fill out and sign/stamp application forms, before applying for a transfer with the Company. Stock transfers not recorded in the shareholders' register shall not be used to challenge the Company.
- Article 10 Stock transfers shall be suspended within 60 days of each annual shareholders' meeting and 30 days within an extraordinary shareholders' meeting.
- Article 11 With respect to other matters relating to administration of shareholder services, the Company abides by the "Regulations Governing the Administration of Shareholder Services of Public Companies" formulated by regulators, unless otherwise stipulated in laws and securities regulations.

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

- Article 12 Shareholders' meetings are divided into two types, namely annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings, held once every year, are convened by the Board of Directors within six months after the conclusion of each fiscal year. However, such restrictions do not apply when there is a just cause and regulatory approval has been granted. Matters relating to convening annual shareholders' meetings and extraordinary shareholders' meetings are conducted in accordance with Articles 172, 173, 220 and 245 of the Company Act.
- Article 12-1 The Company may conduct a shareholders' meeting via videoconferencing, or by other

methods promulgated by authorities at the national level. When a shareholders' meeting is conducted via videoconferencing, the Company should abide by related regulations in terms of the criteria, operating procedures and other items to be observed.

- Article 13 A resolution at a shareholders' meeting is only valid when the attending shareholders represent more than half of the issued shares, unless otherwise stipulated in related regulations. A resolution is approved when more than 50% of the attending shareholders' voting rights are in favor of it.
- Article 14 Unless otherwise stipulated as shares with no voting rights in Article 179 of the Company Act and other regulations, each share held by a shareholder counts as one voting right.
- Article 15 In case a shareholder is unable to attend a shareholders' meeting, he or she may produce a proxy form issued by the Company containing clearly stated scope of authorization and the stamp left with the Company, before commissioning a proxy to attend the shareholders' meeting. When a person has been commissioned by more than two shareholders simultaneously, the proxy voting rights shall not exceed 3% of the voting rights of the total number of issued shares. The voting rights of shares exceeding this limit shall not count.
- Article 16 When a shareholders' meeting is in session, the Chairman of the Board of Directors shall be the chairperson. When the Chairman is on leave or when he or she is unable to perform his or her duties, he or she may designate one Director to act as the chairperson on his or her behalf. In case the Chairman fails to designate a proxy, Directors will choose one from among themselves. In case a shareholders' meeting is convened by an individual outside the Board of Directors with the convening right, he/she shall act as the chairperson of that meeting provided, however, that if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.
- Article 17 Shareholders' meeting minutes should bear the chairperson's signature or stamp. Meeting minutes shall be distributed to each shareholder within 20 days of the meeting, and such distribution may be replaced with a public announcement.

#### **Chapter 4 Directors, Audit Committee and Managers**

- Article 18 The Company shall install seven to eleven Directors, with a tenure of three years. Directors who are reelected can continue to serve. The combined shareholding ratio of Directors shall be dictated by securities regulators. The Company may purchase insurance policies for its Directors against liabilities within the scope of their business operations, and in line with their compensation liabilities as required by law.
- Article 19 With respect to the aforementioned quota of Directors, the Company shall appoint no fewer than three independent directors, and their share shall be no less than one fifth of the seats on the Board of Directors. The Company shall abide by related regulations by

securities regulators with respect to independent directors' professional qualifications, shareholding, concurrent serving restrictions, methods of nomination and election, as well as other items that should be observed. The candidate nomination system shall be adopted for all Directors. Directors shall be elected from a list of candidates in a shareholders' meeting. The Company shall abide by the Company Act and related regulations, such as the Securities and Exchange Act with respect to administering and promulgating the nomination of candidates.

- Article 20                    The Board of Directors is made up of Directors, and its job functions are listed on the left:
- I.        Business plans drafting
  - II.       Submission of bills for surplus distribution or loss compensation
  - III.      Submission of bills for capital increase/reduction
  - IV.      Formulation of important rules and contract drafting
  - V.       Appointment and discharge of the Company's General Manager, Deputy General Managers, and Senior Managers
  - VI.      Review and confirmation of reinvestment in other businesses
  - VII.     Establishment and dissolution of branch offices
  - VIII.    Compilation of budgets and final accounts
  - IX.      Appointment and discharge of CPAs
  - X.       Other job functions that are invested in accordance with the Company Act and shareholders' meeting resolutions
- However, approval of a resolution to reinvest in other businesses requires a majority vote in a Board of Directors meeting attended by more than two thirds of its Directors.
- Article 21                    The Board of Directors shall elect a Chairman from among the Directors by a majority vote at a meeting attended by more than two thirds of the Directors. The Chairman represents the Company. In case the Chairman is on leave or unable to perform his or her job duties, the Company shall abide by Article 208 of the Company Act.
- Article 22                    Unless otherwise stipulated in the Company Act, the Board of Directors shall be convened by the Chairman. Approval of a resolution at the Board of Directors shall require a majority vote at a meeting attended by more than one half of the Directors, unless otherwise stipulated in the Company Act.
- Article 22-1                   All Directors should be notified at least seven days prior to a Board meeting, with reasons for convening such a meeting clearly stated. However, in the event of urgent matters, the meeting may be convened at any time. Notices for convening a Board meeting may be served in writing, by fax, or via emails.
- Article 23                    When a Director is unable to attend a Board meeting in person, he or she may commission another Director to attend as his or her proxy pursuant to law. However, the aforementioned proxy may only be commissioned by no more than one person.
- Article 24                    The Company has set up an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. With effect from the day the Audit Committee was

established, it has replaced Supervisors and their job duties stipulated in the Company Act, Securities and Exchange Act and other related regulations.

The Audit Committee shall be made up of all of the Company's independent directors. One of them shall serve as the convener. With respect to the number of members, tenure, job duties, rules of procedure and other matters that should be observed, the Audit Committee Organizational Rules shall be formulated separately.

Article 25 Deleted

Article 26 The Company shall install one General Manager, who shall be appointed or discharged with a majority vote at the Board of Directors. The General Manager shall follow Board of Directors resolutions to process the Company's business operations. His or her job duties are listed on the left:

- I. Responsible for administering and managing the Company's daily operations, including all R&D, clinical trials, technological cooperation, manufacturing, and the formulation, submission and execution of sales and operational plans
- II. Responsible for the Company's administrative management and formulation of related systems, including various systems, rules, measures, and the formulation, submission and execution of enforcement rules
- III. Responsible for managing the Company's financial and accounting operations, including regular compilation of financial statements, annual business plans and budgets, which shall be submitted to the Board of Directors for approval in accordance with regulations in the Articles of Incorporation
- IV. Oversight and management of responsible persons, as well as HR policy formulation, including confirmation of personnel appointment and discharge, transfer, assessment, and remuneration
- V. Other job duties assigned by the Board of Directors pertaining to corporate operation and management
- VI. The General Manager shall submit written reports to the Board of Directors on a regular basis, detailing progress and updates relating to the Company's business operations, and financial and administrative management.

Article 27 Aside from one General manager, the Company shall install several Deputy General Managers, whose appointment, discharge and remuneration shall be conducted and decided upon in accordance with Article 29 of the Company Act.

Article 27-1 The Board of Directors is authorized to decide on the remuneration of the Chairman and Directors, which shall be commensurate with their level of involvement in the Company's operations as well as the value of their contribution. Industrial standards in Taiwan and abroad should also be taken into consideration.

## **Chapter 5 Accounting**

Article 28 The Company's fiscal year starts from January 1 of each year, and ends on December

31. Final accounts should be conducted at the end of each fiscal year. After the annual final accounts, the Board of Directors shall produce the following lists and documents pursuant to the Company Act, and submit them to the Audit Committee for consent. Upon approval from the Board of Directors, they shall be submitted to the annual shareholders' meeting for recognition:

- I. Business report
- II. Financial statements
- III. Bills pertaining to surplus distribution or loss compensation

Article 29 In case of a profit at the end of a fiscal year, the Company shall appropriate no less than 2% of the profit as employee remuneration. In addition, no more than 2% of the profit shall be appropriated as remuneration for Directors. However, an amount shall be set aside in advance to compensate for cumulative losses, if any. The remaining amount shall be distributed in accordance with the aforementioned ratio. The distribution of employee remuneration in stocks or cash in the preceding paragraph shall include employees of affiliated companies that satisfy certain criteria. If the Company has earnings in the final accounts of the year, the earnings shall first be used to offset the deficits in previous years. 10% of the remaining balance shall be appropriated as legal reserve. However, this requirement does not apply if the legal reserve has reached the total capital amount. In addition, after the Company appropriated or reversed the special surplus reserve in accordance with its needs and regulatory requirements, the Board of Directors shall draft the proposal for dividend allocation for any remaining profit and submit it along with accumulated undistributed earnings to the shareholder's meeting for a resolution on the distribution of earnings.

Article 29-1 The Company's dividend policy includes distribution of stock dividends (including stock dividends from surplus and capital reserves) or cash dividends. The Board of Directors should reference and evaluate the Company's operational situation, capital needs and surplus at the end of a fiscal year (after deducting required deposits, distribution of Director and Supervisor compensation and employee bonuses), before drafting and submitting a surplus distribution bill to the shareholders' meeting for approval. The total amount of shareholder dividend distribution shall be no less than 50% of the Company's distributable surplus at the end of a fiscal year. In principle, cash dividend shall be no less than 10% of all dividends distributed. However, in case the Company has a major capital outlay plan or foreseeable needs for operational cash in the future, dividends may be distributed entirely as stock dividends with consent from the shareholders' meeting.

Article 30 In case the Company's shareholders or Directors double as its managers or employees, they shall all be deemed as normal employees on company payroll.

## **Chapter 6 Supplementary Provisions**

- Article 31                    The Company's organizational rules and bylaws shall be formulated separately.
- Article 32                    In the event of inadequacies in these Articles of Incorporation, the Company shall abide by the Company Act entirely.
- Article 33                    These Articles of Incorporation were formulated on December 29, 1999 with consent from all the founders.
- Amended for the first time on Jan. 11, 2000;
- Amended for the second time on Aug. 23, 2000;
- Amended for the third time on Nov. 28, 2000;
- Amended for the fourth time on Aug. 13, 2001;
- Amended for the fifth time on May 9, 2002;
- Amended for the sixth time on June 9, 2003;
- Amended for the seventh time on June 20, 2006;
- Amended for the eighth time on June 29, 2007;
- Amended for the ninth time on Oct. 12, 2007;
- Amended for the tenth time on June 24, 2010;
- Amended for the 11th time on May 18, 2011;
- Amended for the 12th time on June 14, 2013;
- Amended for the 13th time on June 28, 2016;
- Amended for the 14th time on June 6, 2018;
- Amended for the 15th time on June 4, 2019;
- Amended for the 16th time on June 22, 2020;
- Amended for the 17th time on Aug. 2, 2021;
- Amended for the 18th time on June 6, 2023;

# Medigen Biotechnology Corp.

## Procedures for Election of Directors

Formulated and approved by the annual shareholders' meeting on Aug. 13, 2001

Amendments approved by the annual shareholders' meeting on May 9, 2002

Amendments approved by the annual shareholders' meeting on June 29, 2007

Amendments approved by the annual shareholders' meeting on June 22, 2020

Amendments approved by the annual shareholders' meeting on August 2, 2021

### Article 1

These Procedures have been formulated in accordance with Article 21 and Article 43 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", with the aim of electing the Company's Directors in a fair, just and open manner.

### Article 2

Election of the Company's Directors shall follow these Procedures, unless otherwise stipulated in laws or the Articles of Incorporation.

### Article 3

Election of the Company's Directors shall take into account the overall configuration of its Board of Directors. Diversity should be taken into consideration with respect to the composition of Board of Directors members. Appropriate diversity policies should be drafted in line with the Company's operation, operational patterns and development needs. Considerations may include--but not limited to--standards pertaining to the following two major aspects:

- I. Basic criteria and values: Gender, age, nationality and culture, etc.
- II. Professional knowledge and know-how: Professional background (such as law, accounting, industry, finance, marketing or technology), professional know-how and industrial experience, etc.

Members of the Board of Directors generally should be equipped with the knowledge, know-how and literacy necessary to perform their job duties. Overall, they should possess the following capabilities:

- I. Capability of operational judgment
- II. Accounting and financial analysis capabilities
- III. Administrative management capability
- IV. Crisis management capability

V. Industrial knowledge

VI. International market perspectives

VII. Leadership

VIII. Decision-making capability

No more than 50% of Directors shall be related in terms of kinship including spouses and second-degree relatives.

The Company's Board of Directors should consider adjusting members or composition of the Board of Directors based on performance evaluation results.

#### Article 4

With respect to qualifications and election of the Company's independent directors, the Company shall abide by the "Regulations Governing Appointment of independent directors and Compliance Matters for Public Companies" as well as "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

#### Article 5

With respect to election of the Company's Directors, the Company shall abide by the candidate nomination system and procedures stipulated in Article 192-1 of the Company Act.

In case the total number of Directors has dropped to fewer than five people as a result of discharges, the Company shall hold a by-election in the very next shareholders' meeting. However, in case the Director shortfall has reached one third of the number of seats stipulated in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting for by-election within 60 days from the day of occurrence.

In case the number of independent directors has fallen short of regulatory requirements, the Company shall hold a by-election in the very next shareholders' meeting. In case all independent directors have been discharged, the Company shall convene an extraordinary shareholders' meeting for by-election within 60 days from the day of occurrence.

#### Article 6

Election of the Company's Directors shall adopt the cumulative voting system, where each share has the voting rights identical to the number of Directors that should be elected. Votes can concentrate on one candidate, or they can be distributed across several candidates.

#### Article 7

The Board of Directors shall produce and prepare several types of ballots identical to the number of Directors that should be elected. Additionally, each ballot should bear the corresponding number of voting rights, and they should be distributed to the



shareholders attending the shareholders' meeting. Voter registration may be replaced with the certificate of attendance number printed on the ballot.

#### Article 8

The Company's Directors shall separately calculate the voting rights of independent directors and non-independent directors based on the quota set in the Articles of Incorporation. Candidates receiving higher numbers of voting rights represented by each vote shall be elected. In case more than two candidates receive identical number of voting rights and the quota has been exceeded, the candidates receiving identical number of voting rights may enter a lucky draw to break the tie. In case such a candidate is absent, the chairperson may draw on his or her behalf.

#### Article 9

Before the election, the chairperson shall designate several shareholders to be responsible for executing related job duties such as scrutiny and vote counting. The Board of Directors shall produce and prepare ballot boxes, which shall be opened and examined by scrutiny personnel before voting.

#### Article 10

A voter shall fill in the name or account name of the candidate he or she wishes to vote for in the candidate column on the ballot. However, in case a government agency shareholder or a corporate shareholder is a candidate, the name of the agency or juristic person shall be filled in the candidate column on the ballot. Alternatively, a voter may also fill in the name of the agency or juristic person as well as the name of their representative. In case there are several representatives, each of their names should be filled in.

#### Article 11

In case a government agency or a juristic person is also a shareholder of another publicly listed company, their representatives shall not be elected or serve as the Company's Directors concurrently without regulatory approval. Article 27, Paragraph 2 of the Company Act does not apply.

#### Article 12

A ballot shall be deemed invalid in the event of any of the situations listed on the left:

- I. A ballot not produced and prepared by the person with the convening right is used.
- II. A blank ballot is cast into the ballot box.
- III. Handwriting is blurry, unintelligible, or has been altered.
- IV. After double-checking, the name of the candidate that has been filled in is inconsistent with the Director candidate list.
- V. Words other than candidate's name/account name and the number of allocated voting rights are filled in.

VI. The names of two or more candidates have been filled in on the same ballot.

Article 13

Ballots shall be accounted on site after voting is completed. The chairperson shall announce the voting results on site, including the list of elected Directors and the numbers of voting rights they have won.

Ballots of the aforementioned elections should be sealed and signed by the scrutiny personnel, before being placed in appropriate custody. They should be preserved for at least one year. However, in case a shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, they should be preserved until the termination of the lawsuit.

Article 14

In case a candidate's qualifications are inconsistent with the requirements stipulated in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act, his or her election shall be deemed null and void.

Article 15

The Company's Board of Directors shall send each elected Director a notice of appointment.

Article 16

These Procedures shall be enforced upon approval from the shareholders' meeting, and the same rule also applies to amendments.

[Appendix 4]

## Medigen Biotechnology Corp.

### Details of Number of Shares Held by Board Directors

Book Closure Date: March 30, 2024

Title	Name	Date of Appointment	Number of Shares Held at the Time of Appointment	Number of Shares Held on the Book Closure Day
			Number of Shares	Number of Shares
Chairman	Shi-Chung Chang	2021.08.02	1,802,064	1,802,064
Director	Everspring Industry Co., Ltd. Representative: Tse-Ling Chang	2021.08.02	14,093,380	14,168,060
Director	Ta Ching Construction Co., Ltd. Representative: Min-Lee Chuang	2021.08.02	4,371,763	4,371,763
Director	WorldTrend Co., Ltd. Representative: Tzu-Liang Huang	2021.08.02	2,427,760	2,427,760
Independent director	Por-Hsiung Lai	2021.08.02	0	0
Independent director	Shui-Ming Chuang	2021.08.02	0	0
Independent director	Pei-Wei Chen	2021.08.02	0	0
Independent director	Sheue-Rong Lin	2023.06.26	0	0
Tally of Directors' Combined Holdings			22,694,967	22,769,647

Note I. The Company has issued a total of 139,229,755 shares as of March 30, 2024.

II. The minimum number of combined shares Directors are required to hold as required by law: 8,365,785 shares.