



Stock Code: 1783

MAXIGEN BIOTECH INC.

2023 Annual Shareholders' Meeting

Meeting Handbook

Time: June 19, 2023, 9:00AM

Address: No. 88, Keji 1st Rd., Guishan District, Taoyuan City
(3rd Floor Meeting Room of the Company)

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Maxigen Biotech Inc.

Meeting Procedures for 2023 Shareholders' Meeting

Meeting time: June 19, 2023 (Monday), 9:00AM

Venue: 3rd floor meeting room of the Company (No. 88, Keji 1st Rd., Guishan District, Taoyuan City)

Convening method: physical Shareholders' Meeting

- I. Announcement of shares being represented in the Shareholders' Meeting
- II. Calling the Meeting to Order
- III. Chairperson Remarks
- IV. Status Report
- V. Matters for Ratification
- VI. Matters for Discussion
- VII. Extempore Motions
- VIII. Adjournment

Maxigen Biotech Inc.
Meeting Agenda for 2023 Shareholders' Meeting

I. Chairperson Remarks

II. Status Report

(1) The Company's 2022 Business Report

(2) Report by the Audit Committee on review of the 2022 Annual Accounting Final Reports and Statements

(3) Report on 2022 employees' profit-sharing bonus and Directors' compensation.

(4) Report on the remuneration of individual directors in 2022.

(5) Report on the Company's "Ethical Management Code of Conduct" and "Procedures for Ethical Management and Guidelines for Conduct"

(6) Report on the status of private placement of marketable securities

III. Matters for Ratification

(1) Adoption of 2022 Business Report and Financial Statements

(2) Adoption of the proposal for distribution of 2022 profits

VI. Matters for Discussion

(1) Converting surplus into capital and issuing new shares in 2023

V. Extempore Motions

VI. Adjournment

Status Report

Case 1: The Company's 2022 Business Report.

Explanation: (1) Please refer to Page 8 to 9 (Attachment 1) of the Handbook for the Business Report.
(2) Please refer to Page 11 to 31 (Attachment 3) of this Handbook for the Financial Statements.

Case 2: Report by Audit Committee on review of the 2022 Annual accounting Final Reports and Statements.

Explanation: (1) Please refer to Page 10 (Attachment 2) of the Handbook for the Report by Audit Committee.

Case 3: Report on 2022 employees' profit-sharing bonus and Directors' compensation.

Explanation: (1) Under Article 19 of the Company's Articles of Incorporation, not less than 5% of the Company's annual profits shall be appropriated as remuneration to employees, and not more than 5% of the Company's annual profits shall be appropriated as remuneration to directors.

(2) As approved by the Board of Directors' Meeting on March 22, 2023, the amount of employees' remuneration for 2022 is NT\$18,976,663, and the amount of Directors' remuneration is NT\$5,004,000, all of which is paid in cash.

Case 4: Report on the remuneration of individual directors in 2022.

Explanation: Please refer to Page 32 (Attachment 4) of the Handbook for the Report on the Remuneration of Individual Directors.

Case 5: Report on the Company's "Ethical Management Code of Conduct" and "Procedures for Ethical Management and Guidelines for Conduct."

Explanation: (1) To strengthen corporate governance and operational needs, revised some provisions of the "Ethical Management Code of Conduct" and "Procedures for Ethical Management and Guidelines for Conduct."

(2) Please refer to Pages 33 (Attachment 5) and 34 (Attachment 6) of the Handbook for the comparison table of "Ethical Management Code of Conduct" and the "Procedures for Ethical Management and Guidelines for Conduct" before and after the amendment.

Case 6: Report on the status of private placement of marketable securities

Explanation: (1) On July 12, 2021, the shareholders' meeting resolved the Company's private placement of marketable securities. In addition, on July 27, 2021, the Board of Directors resolved to increase capital by 7,534,235 shares at an issue price of NT\$32.83 per share, raising a total of NT\$247,348,935, all of which will be used to increase working capital to meet the needs of future business growth.

(2) As of December 31, 2022, the status of the private placement of marketable securities and the use of funds are as follows:

Unit: NT\$ thousand

Project	Execution status			Reasons for progress being ahead or behind schedule and improvement plans
	Expended amount	Reserved	247348	
Working capital replenishment (bank deposits)	Execution amount	Actual	247348	No such case
	Expended amount	Reserved	247348	
Total	Execution amount	Actual	247348	
	Expended amount	Reserved	247348	

Matters for Ratification

(Proposed by the Board)

Case 1: Please ratify the Company's 2022 business report and financial statements.

Explanation: (1) The Company's 2022 annual financial report, consolidated financial statements, and business report have been completed. The individual financial report and consolidated financial statements have been audited by Ming-Chuan Hsu, Certified Public Accountant, and Ping-Chun Chih, Certified Public Accountant, and approved by the Audit Committee and the Board of Directors on March 22, 2023.

(2) Please refer to Pages 8 to 9 (Attachment 1) and 11 to 31 (Attachment 3) of the Handbook for the 2022 Business Report, CPA Audit Report, and Individual Financial Report and Consolidated Financial Statements.

Resolution:

(Proposed by the Board)

Case 2: Adoption of the proposal for distribution of 2022 profits.

Explanation: (1) The proposed distribution of earnings is based on the total number of issued shares of 84,699,158 and a cash dividend of NT\$0.5 per share, totaling NT\$42,349,579. Stock dividends of NT\$0.5 per share (0.05 shares per share, i.e., 50 shares per thousand shares) were allotted.

(2) 2022 Earnings Distribution Statement is as below:

Maxigen Biotech Inc.
Earnings Distribution Table



Unit: NT\$ thousand

Beginning retained earnings		\$ 2,014,604
Defined benefit plan remeasurement reflected in retained earnings	1,126,916	
Employee stock options included in the retained balance	(4,027,497)	
2022 Net Profit after Tax	139,403,821	
The net profit after tax of current year plus the amount of items other than the net profit after tax of current year but included in the undistributed earnings of the current year		136,503,240
Provision for Legal Reserve (10%)		(13,650,324)
Special surplus reserve withdrawn according to law		(76,247)
Distributable surplus		124,791,273
Earnings distribution		
Cash dividends (\$0.50 per share)		(42,349,579)
Share dividends (\$0.5 per share) (Note)		(42,349,579)
Unappropriated retained earnings at the end of the period		\$ 40,092,115

Note: Stock dividends of NT\$0.5 per share (0.05 shares per share allotted and 50 shares per thousand shares allotted), estimated 4,234,957 new shares to be issued.

Chairman: Yung-Hsiang

LinManager: Ching-Ting Chen

Accounting Manager: Ruei-Yi Wu



- (3) After the proposal of the distribution of earnings has been approved in Shareholders' Meeting, the Chairman will be authorized to set an ex-dividend date, distribution date and decide on other related matters.
- (4) If the share capital is changed at a later date and affects the dividend rate of the shareholders' bonus, it is proposed that the Shareholders' Meeting authorize the Chairman of the Board to handle the situation at his sole discretion.
- (5) The cash dividends are calculated up to the dollar amount, and the amount below the dollar amount is unconditionally rounded off. The total monetary value of less than one dollar distribution is adjusted from the decimal point from the largest to the smallest and the account number from the front to the back to meet the total cash dividends distributed.

Resolution:

Matters for Discussion

(Proposed by the Board)

Case 1: The Company plans to handle the case of converting surplus into capital increase and issuing new shares in 2023

Explanation: (1) The Company allots 0.5 shares per share as a stock dividend of NT\$42,349,570 and is expected to issue 4,234,957 new shares with a par value of NT\$10 per share; according to the shareholding ratio recorded in the shareholder register on the basis of the allotment date, 50 shares per thousand shares will be distributed free of charge. Shares, the allotment of abnormal odd shares of less than 1 new share may be registered by the shareholder with the Company's stock agency within 5 days from the date of closing the transfer of ownership (To dollars), the Chairman of the Board will negotiate with a specific person to purchase at face value.

(2) When the Company subsequently changes the number of shares in circulation due to changes in share capital and changes the dividend rate of shareholders' allotment, it is proposed to request the general meeting of shareholders to authorize the Chairman of the Board to make adjustments.

(3) The rights and obligations of this capital increase and issuance of new shares are the same as those of the issued ordinary shares. If the relevant issuance details of this capital increase and issuance of new shares are required to be changed due to the requirements of the competent authority or the actual situation, it is proposed to request the general meeting of shareholders to authorize the Chairman of the Board to deal with related matters.

Resolution:

Extempore Motions

Adjournment

Maxigen Biotech Inc. Business Report

Dear Shareholders,

The core technology of Maxigen Biotech Inc. is collagen, Hyaluronic Acid, two types of biological polymer materials for use in used in the biomedical materials and aesthetic medicine skincare products. After years of hard work, the Biomedical Division of the company has successfully developed 23 high-level implantable medical materials for use in orthopedic, dental, ophthalmology, dermatology, and dermatology. And the U.S., Singapore, Singapore, and the U.S. 61 product licenses in Indonesia, Malaysia and the PRC. The goal of MBI is to work toward "joining & delighting human life"! In 2023, MBI will carry out the operation policy of "making good products, bring the customer to the world, and bring the world to the customer," and develop automated facilities and improve employee benefits to recruit elite talents.

As of the end of 2022, MBI established three major business teams to serve global customers, with 40 people in the global business center, namely the Taiwan direct sales team, the China business team, and the foreign business team, actively opening up markets around the world, and participating in 31 overseas and domestic exhibitions in 2022. In Taiwan, the Company continues to work with existing distributors to further develop the Taiwan market by organizing seminars, attending medical conferences, and targeting major medical centers, regional hospitals, and clinics. Healthcare products officially launched at the Taiwan Healthcare+ Expo in June 2022, and Formaderm® Young relaunched during the second half of 2022 to continue to expand the product line. The China business team has been recruited with extensive experience in the China medical device market. In 2022, MBI completed the essential work and held the Eastern Medical Plastic Surgery Conference. The Formaderm series dermal filler injection was heavily exposed at the conference. Despite the pandemic in China, the growth rate in 2022 moved against the tide and exceeded 100% compared to 2021. The foreign sales team laid out certifications in each country in 2022 and worked with TCI's sales team to build an integrated bioscience design trading company to develop global customers in Europe, America, Southeast Asia, the Middle East, Africa, etc. The Company will successively obtain certifications in 2023 and help customers globalize.

The research and design center combined TCI Group's 12 laboratories and related R&D resources, launching three new products in 2022: ABEX long-lasting 1-dose intra-articular injection, AAM Mini intra-articular injection, and SAB double-layer collagen wound dressing. Starting in 2022, there will be 16 large-scale projects and 4 clinical trials for new medical devices. The products will not be limited to orthopedics, surgery, aesthetics, ophthalmology, and dentistry and are expected to be available from 2023 to 2026. For the existing main products will also actively be laid out in Europe, America, Asia, Africa, and other places.

The Precise iManufacturing Center comprises short-, medium-, and long-term plans. In the short term, the Company will continue to optimize existing production capacity, introduce a new generation of automated machines in the medium term, and consider expanding and building additional factories in the long term. Multiple shifts will be planned in the short to medium term to meet market demand. Simultaneously, to leave a better living environment for the next generation, the Company also conducted greenhouse gas inventories and optimized the factory for energy saving.

The company will uphold the health needs of humankind and create solutions for diseases with hyaluronic acid and collagen to join and delight human lives.

2022 Financial Performance

1. Operational Results:

Unit: NT\$ thousand

Maxigen Biotech Inc.				
Consolidated Income Statement				
Item	2022	2021	Difference	%
Net Revenue	604431	511976	92455	18.1%
Operating Costs	230439	250949	-20510	-8.2%
Gross Profit	373992	261027	112965	43.3%
Operating Expenses	245376	171080	74296	43.4%
Income from Operations	128616	89947	38669	43.0%
Other Operating Income and Expenses	37164	7519	29645	394.3%
Pre-tax Income	165780	97466	68314	70.1%
Income Tax Expense	26376	9799	16577	169.2%
Net Income	139404	87667	51737	59.0%

2. Analysis of Financial Performance

- (1) The Company's net operating revenue for 2022 was NT\$604,431,000, an increase of NT\$92,455,000, or 18%, from NT\$511,976,000 in 2021. The revenue of the Biomedical Products Division increased by NT\$143,846,000, or 34.6%, to NT\$558,720,000 compared to NT\$414,874,000 in 2021, mainly due to the increase in the number of regions where the products were sold and the expansion of the customer base.
- (2) In 2022, operating expenses were NT\$245,376,000, an increase of NT\$74,296,000 compared to 2021, mainly due to increased investment in sales personnel, exhibitions, R&D clinical trials, biocompatibility, and certifications.
- (3) Gross profit for 2022 was NT\$373,992,000, an increase of NT\$112,965,000, or 43.3%, from NT\$261,027,000 in 2021. Net profit after tax was NT\$139,404,000, an increase of 59.0% compared to 2021.

Chairman: Yung-Hsiang Lin



Manager: Ching-Ting Chen



Accounting Manager: Ruei-Yi Wu



Audit Committee Report

The Audit Committee has audited the Company's 2022 financial statements, which have been audited by CPAs of PwC Taiwan, Ming-Chuan Hsu and Ping-Chun Chih, together with the Business Report and Distribution of Earnings, and has concluded that there are no discrepancies. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is submitted for examination and approval.

To

Maxigen Biotech Inc. 2023 Annual Shareholders' Meeting

Chairman of the Audit Committee: Sung-Yuan Liao



May 3, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Maxigen Biotech Inc.

Opinion

We have audited the accompanying consolidated balance sheet of Maxigen Biotech Inc. and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Existence and occurrence of top ten customers

Description

The Group is primarily engaged in the production and sale of biomedical materials and care products. Except for Taiwan, the Group's customers are spread in America, Europe, Mainland China and South East Asia, the transaction terms for each customer were not the same, the audit procedures required more human resource, and the revenue from the Group's top 10 customers presented significant proportion in the operating revenue of consolidated financial statements. Thus, we considered existence and occurrence of top 10 sales customers as a key audit matter.

Please refer to Note 4(25) for accounting policies on revenue recognition and Note 6(17) for details of sales revenue.

How our audit addressed the matter

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

- A. Understood and tested the internal control of sales revenue recognition of top 10 customers, and tested the effectiveness of internal control in relation to the sales revenue.
- B. Sampled and verified the sales orders and delivery documents of top 10 customers, and confirmed that the sales revenue transaction actually occurred.
- C. Sampled and verified the sales returns and discounts of top 10 customers, and confirmed the existence of sales revenue recognition.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Group as at and for the years ended December 31, 2022 and 2021.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsu, Ming-Chuan

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan
March 22, 2023

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

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

MAXIGEN BIOTECH INC.9 AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 790,948	55	\$ 513,305	41
1136	Current financial assets at amortised cost	6(2) and 8	10,316	1	26,872	2
1150	Notes receivable, net	6(3)	28,999	2	47,629	4
1170	Accounts receivable, net	6(3)	57,928	4	45,625	4
1180	Accounts receivable - related parties	7	11,928	1	16,692	1
1200	Other receivables		60	-	4,455	-
1210	Other receivables - related parties	7	1,162	-	5	-
130X	Inventories	6(4)	75,272	5	78,954	6
1410	Prepayments	6(5)	15,744	1	49,760	4
1470	Other current assets		889	-	256	-
11XX	Total current assets		<u>993,246</u>	<u>69</u>	<u>783,553</u>	<u>62</u>
Non-current assets						
1600	Property, plant and equipment	6(6)	434,622	30	456,062	36
1755	Right-of-use assets	6(7)	-	-	9,391	1
1760	Investment property, net	6(8)	8,828	1	8,859	1
1780	Intangible assets	6(9)	1,161	-	1,830	-
1840	Deferred income tax assets	6(24)	3,192	-	378	-
1900	Other non-current assets	6(5)	6,674	-	5,111	-
15XX	Total non-current assets		<u>454,477</u>	<u>31</u>	<u>481,631</u>	<u>38</u>
1XXX	Total assets		<u>\$ 1,447,723</u>	<u>100</u>	<u>\$ 1,265,184</u>	<u>100</u>

(Continued)

MAXIGEN BIOTECH INC.9 AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(17)	\$ 4,251	-	\$ 11,126	1
2150	Notes payable		-	-	100	-
2170	Accounts payable		14,313	1	16,772	1
2180	Accounts payable - related parties	7	21,626	1	23,281	2
2200	Other payables	6(10)	82,498	6	53,070	4
2220	Other payables - related parties	7	1,579	-	54	-
2230	Current income tax liabilities		27,169	2	9,281	1
2280	Current lease liabilities	6(7)	-	-	2,362	-
2399	Other current liabilities, others		64	-	22	-
21XX	Total current liabilities		<u>151,500</u>	<u>10</u>	<u>116,068</u>	<u>9</u>
	Non-current liabilities					
2570	Deferred income tax liabilities	6(24)	547	-	-	-
2580	Non-current lease liabilities	6(7)	-	-	7,278	1
2600	Other non-current liabilities		19	-	120	-
25XX	Total non-current liabilities		<u>566</u>	<u>-</u>	<u>7,398</u>	<u>1</u>
2XXX	Total liabilities		<u>152,066</u>	<u>10</u>	<u>123,466</u>	<u>10</u>
	Equity attributable to owners of parent					
	Share capital	6(13)				
3110	Share capital - common stock		846,991	59	769,992	61
	Capital surplus	6(14)				
3200	Capital surplus		281,902	19	264,392	21
	Retained earnings	6(15)				
3310	Legal reserve		28,322	2	19,604	1
3320	Special reserve		2,961	-	2,985	-
3350	Unappropriated retained earnings		138,518	10	87,706	7
	Other equity interest	6(16)				
3400	Other equity interest		(3,037)	-	(2,961)	-
31XX	Equity attributable to owners of the parent		<u>1,295,657</u>	<u>90</u>	<u>1,141,718</u>	<u>90</u>
3XXX	Total equity		<u>1,295,657</u>	<u>90</u>	<u>1,141,718</u>	<u>90</u>
	Significant events after the balance sheet date	9				
		11				
3X2X	Total liabilities and equity		<u>\$ 1,447,723</u>	<u>100</u>	<u>\$ 1,265,184</u>	<u>100</u>

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

MAXIGEN BIOTECH INC.9 AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(17)(19)	\$ 604,431	100	\$ 511,976	100
5000	Operating costs	6(4)(11)(21)	(230,439)	(38)	(250,949)	(49)
5900	Net operating margin		<u>373,992</u>	<u>62</u>	<u>261,027</u>	<u>51</u>
	Operating expenses	6(11)(21)(22)				
6100	Selling expenses		(78,015)	(13)	(39,533)	(8)
6200	General and administrative expenses		(63,013)	(10)	(52,842)	(10)
6300	Research and development expenses		(99,632)	(17)	(75,681)	(15)
6450	Expected credit impairment loss		(4,716)	(1)	(3,024)	-
6000	Total operating expenses		<u>(245,376)</u>	<u>(41)</u>	<u>(171,080)</u>	<u>(33)</u>
6900	Operating profit		<u>128,616</u>	<u>21</u>	<u>89,947</u>	<u>18</u>
	Non-operating income and expenses					
7100	Interest income	6(18)	3,181	1	481	-
7010	Other income	6(19)	1,110	-	11,454	2
7020	Other gains and losses	6(20)	32,941	5	(4,220)	(1)
7050	Finance costs	6(21)	(68)	-	(196)	-
7000	Total non-operating income and expenses		<u>37,164</u>	<u>6</u>	<u>7,519</u>	<u>1</u>
7900	Profit (loss) before income tax		<u>165,780</u>	<u>27</u>	<u>97,466</u>	<u>19</u>
7950	Income tax expense	6(24)	(26,376)	(4)	(9,799)	(2)
8200	Profit (loss) for the period		<u>\$ 139,404</u>	<u>23</u>	<u>\$ 87,667</u>	<u>17</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		\$ 1,127	-	\$ 269	-
	Other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(16)	(76)	-	24	-
8300	Total other comprehensive income for the period		<u>\$ 1,051</u>	<u>-</u>	<u>\$ 293</u>	<u>-</u>
8500	Total comprehensive income for the period		<u>\$ 140,455</u>	<u>23</u>	<u>\$ 87,960</u>	<u>17</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 139,404</u>	<u>23</u>	<u>\$ 87,667</u>	<u>17</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 140,455</u>	<u>23</u>	<u>\$ 87,960</u>	<u>17</u>
	Earnings per share (In dollars)					
9750	Basic earnings per share		<u>\$ 1.65</u>		<u>\$ 1.09</u>	
9850	Diluted earnings per share		<u>\$ 1.64</u>		<u>\$ 1.09</u>	

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

MAXIGEN BIOTECH INC.9 AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Equity attributable to owners of the parent						Financial statements translation differences of foreign operations	Total equity
		Capital		Capital surplus, additional paid-in capital	Retained Earnings				
		Share capital - common stock	Stock dividend to be distributed			Legal reserve	Special reserve	Unappropriated retained earnings	
<u>For the year ended December 31, 2021</u>									
Balance at January 1, 2021		\$ 694,650	\$ -	\$ 89,181	\$ 13,289	\$ 2,931	\$ 63,161	(\$ 2,985)	\$ 860,227
Profit for the year		-	-	-	-	-	87,667	-	87,667
Other comprehensive loss for the year	6(16)	-	-	-	-	-	269	24	293
Total comprehensive income (loss)		-	-	-	-	-	87,936	24	87,960
Appropriations of 2020 earnings									
Legal reserve		-	-	-	6,315	-	(6,315)	-	-
Special reserve		-	-	-	-	54	(54)	-	-
Cash dividends		-	-	-	-	-	(56,267)	-	(56,267)
Share-based payments		-	-	3,203	-	-	(755)	-	2,448
Seasoned equity offering		75,342	-	172,008	-	-	-	-	247,350
Balance at December 31, 2021		<u>\$ 769,992</u>	<u>\$ -</u>	<u>\$ 264,392</u>	<u>\$ 19,604</u>	<u>\$ 2,985</u>	<u>\$ 87,706</u>	<u>(\$ 2,961)</u>	<u>\$1,141,718</u>
<u>For the year ended December 31, 2022</u>									
Balance at January 1, 2022		\$ 769,992	\$ -	\$ 264,392	\$ 19,604	\$ 2,985	\$ 87,706	(\$ 2,961)	\$1,141,718
Profit for the year		-	-	-	-	-	139,404	-	139,404
Other comprehensive loss for the year	6(16)	-	-	-	-	-	1,127	(76)	1,051
Total comprehensive income (loss)		-	-	-	-	-	140,531	(76)	140,455
Appropriations of 2021 earnings									
Legal reserve		-	-	-	8,718	-	(8,718)	-	-
Reversal of special reserve		-	-	-	-	(24)	24	-	-
Stock dividends	6(15)	76,999	-	-	-	-	(76,999)	-	-
Share-based payments		-	-	17,510	-	-	(4,026)	-	13,484
Balance at December 31, 2022		<u>\$ 846,991</u>	<u>\$ -</u>	<u>\$ 281,902</u>	<u>\$ 28,322</u>	<u>\$ 2,961</u>	<u>\$ 138,518</u>	<u>(\$ 3,037)</u>	<u>\$1,295,657</u>

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

MAXIGEN BIOTECH INC.9 AND SUBSIDIARIES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 165,780	\$ 97,466
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	4,716	3,024
Loss on disposal of property, plant and equipment	6(20)	(1,026)	-
Gains arising from lease modifications	6(20)	(256)	-
Depreciation	6(6)(7)(22)	28,713	31,870
Amortisation	6(9)(22)	869	1,031
Interest income	6(18)	(3,181)	(481)
Interest expense	6(21)	68	196
Compensation cost arising from employee stock options	6(12)	13,484	2,448
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		18,630	(12,065)
Accounts receivable		(17,019)	4,253
Accounts receivable - related parties		4,764	(10,249)
Other receivables		4,395	2,569
Other receivables - related parties		(1,157)	(5)
Inventories		3,682	8,030
Prepayments		34,016	(29,815)
Other current assets		(633)	47
Changes in operating liabilities			
Contract liabilities - current		(6,875)	7,363
Notes payable		(100)	100
Accounts payable		(2,459)	(11,133)
Accounts payable - related parties		(1,655)	18,185
Other payables		29,657	12,971
Other payables - related parties		1,525	54
Other current liabilities		42	(32)
Cash inflow generated from operations		275,980	125,827
Interest received		3,181	481
Interest paid		(68)	(196)
Income tax paid		(10,755)	(8,519)
Net cash flows from operating activities		<u>268,338</u>	<u>117,593</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(6)	(11,819)	(14,258)
Proceeds from disposal of property, plant and equipment		6,281	-
Decrease in refundable deposits	6(9)	2,002	-
Acquisition of intangible assets	6(9)	(150)	(1,188)
Decrease in other non-current assets		35	26,412
Decrease (increase) in financial assets at amortised cost		16,556	(13,741)
Increase in prepayments for purchase of equipment		(2,473)	-
Net cash flows from (used in) investing activities		<u>10,432</u>	<u>(2,775)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in guarantee deposits		(101)	101
Lease liabilities paid	6(7)	(950)	(2,493)
Issuance of common stock		-	247,350
Cash dividends paid		-	(56,267)
Net cash flows (used in) from financing activities		<u>(1,051)</u>	<u>188,691</u>
Effects due to changes in exchange rate		(76)	34
Net increase in cash and cash equivalents		277,643	303,543
Cash and cash equivalents at beginning of year	6(1)	513,305	209,762
Cash and cash equivalents at end of year	6(1)	<u>\$ 790,948</u>	<u>\$ 513,305</u>

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Maxigen Biotech Inc.

Opinion

We have audited the accompanying parent company only balance sheet of Maxigen Biotech Inc., Ltd. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Maxigen Biotech Inc., Ltd as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the year then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

Basis for opinion

We conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and 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 Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2022 are outlined as follows:

Existence and occurrence of top ten customers

Description

The Company and its subsidiaries (listed as investments accounted for under equity method) are primarily engaged in production and sales of biomedical materials and care products. Except for Taiwan, the Company's and its subsidiaries' (listed as investments accounted for under equity method) customers are spread in America, Europe, Mainland China and South East Asia, the transaction terms for each customer were not the same, the audit procedures required more human resource, and the revenue from the Company's and its subsidiaries' (listed as investments accounted for under equity method) top 10 customers presented significant proportion in the operating revenue of consolidated financial statements. Thus, we considered existence and occurrence of top 10 sales customers as a key audit matter.

Please refer to Note 4(25) for accounting policies on revenue recognition and Note 6(18) for details of sales revenue and Note 6(5) for details of investments accounted for under equity method.

How our audit addressed the matter

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

- A. Understood and tested the internal control of sales revenue recognition of top 10 customers, and tested the effectiveness of internal control in relation to the sales revenue.
- B. Sampled and verified the sales orders and delivery documents of top 10 customers, and confirmed that the sales revenue transaction actually occurred.
- C. Sampled and verified the sales returns and discounts of top 10 customers, and confirmed the existence of sales revenue recognition.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Hsu, Ming-Chuan

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan
March 22, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Maxigen Biotech Inc.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 764,600	53	\$ 497,271	39
1136	Current financial assets at amortised cost	6(2)	10,316	1	26,872	2
1150	Notes receivable, net	6(3)	28,999	2	47,629	4
1170	Accounts receivable, net	6(3)	47,165	3	45,625	4
1180	Accounts receivable due from related parties, net	7	65,263	4	28,311	2
1200	Other receivables		17	-	4,110	-
1210	Other receivables due from related parties	7	1,205	-	46	-
130X	Current inventories	6(4)	63,657	4	78,954	6
1410	Prepayments	6(6)	11,942	1	49,759	4
1470	Other current assets		889	-	184	-
11XX	Current assets		<u>994,053</u>	<u>68</u>	<u>778,761</u>	<u>61</u>
Non-current assets						
1550	Investments accounted for using equity method	6(5)	8,511	1	8,496	1
1600	Property, plant and equipment	6(7)	434,622	30	456,062	36
1755	Right-of-use assets	6(8)	-	-	9,391	1
1760	Investment property, net	6(9)	8,828	1	8,859	1
1780	Intangible assets	6(10)	1,161	-	1,830	-
1840	Deferred tax assets	6(25)	3,164	-	393	-
1900	Other non-current assets	6(6)(12)	6,674	-	5,111	-
15XX	Non-current assets		<u>462,960</u>	<u>32</u>	<u>490,142</u>	<u>39</u>
1XXX	Current tax assets		<u>\$ 1,457,013</u>	<u>100</u>	<u>\$ 1,268,903</u>	<u>100</u>

(Continued)

Maxigen Biotech Inc.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(18)	\$ 3,690	-	\$ 9,822	1
2150	Notes payable		-	-	100	-
2170	Accounts payable		14,841	1	17,536	1
2180	Accounts payable to related parties	7	21,626	2	23,281	2
2200	Other payables	6(11)	75,587	5	52,610	4
2220	Other payables to related parties	7	1,579	-	54	-
2230	Current tax liabilities	6(25)	27,132	2	9,281	1
2280	Current lease liabilities		-	-	2,362	-
2300	Other current liabilities		63	-	21	-
21XX	Current liabilities		<u>144,518</u>	<u>10</u>	<u>115,067</u>	<u>9</u>
Non-current liabilities						
2570	Deferred tax liabilities		547	-	-	-
2580	Non-current lease liabilities		-	-	7,278	1
2600	Other non-current liabilities	6(5)	16,291	1	4,840	-
25XX	Non-current liabilities		<u>16,838</u>	<u>1</u>	<u>12,118</u>	<u>1</u>
2XXX	Liabilities		<u>161,356</u>	<u>11</u>	<u>127,185</u>	<u>10</u>
Equity						
	Share capital	6(14)				
3110	Ordinary share		846,991	58	769,992	61
	Capital surplus	6(15)				
3200	Capital surplus		281,902	19	264,392	20
	Retained earnings	6(16)				
3310	Legal reserve		28,322	2	19,604	2
3320	Special reserve		2,961	-	2,985	-
3350	Unappropriated retained earnings		138,518	10	87,706	7
	Other equity interest	6(17)				
3400	Other equity interest		(3,037)	-	(2,961)	-
3XXX	Equity		<u>1,295,657</u>	<u>89</u>	<u>1,141,718</u>	<u>90</u>
3X2X	Total liabilities and equity		<u>\$ 1,457,013</u>	<u>100</u>	<u>\$ 1,268,903</u>	<u>100</u>

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

Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18) and 7	\$ 521,159	100	\$ 511,304	100
5000	Operating costs	6(4)(14)(24)(25) and 7	(167,697)	(32)	(250,949)	(49)
5900	Net operating margin		353,462	68	260,355	51
5910	Unrealized profit from sales	6(5)	(13,818)	(3)	-	-
5950	Net operating margin		339,644	65	260,355	51
	Operating expenses	6(14)(24)(25)				
6100	Selling expenses		(46,269)	(9)	(39,032)	(8)
6200	General and administrative expenses		(62,684)	(12)	(52,457)	(10)
6300	Research and development expenses		(99,632)	(19)	(75,681)	(15)
6450	Impairment loss determined in accordance with IFRS 9		(4,716)	(1)	(3,024)	-
6000	Total operating expenses		(213,301)	(41)	(170,194)	(33)
6900	Operating profit		126,343	24	90,161	18
	Non-operating income and expenses					
7100	Interest income		3,084	1	470	-
7010	Other income	6(20) and 7	1,144	-	11,453	2
7020	Other gains and losses	6(21)	32,924	6	(3,205)	(1)
7050	Finance costs	6(22)	(68)	-	(194)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	6(5)	2,359	1	(1,285)	-
7000	Total non-operating income and expenses		39,443	8	7,239	1
7900	Profit (loss) before income tax		165,786	32	97,400	19
7950	Income tax expense	6(25)	(26,382)	(5)	(9,733)	(2)
8200	Profit (loss) for the year		\$ 139,404	27	\$ 87,667	17
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		\$ 1,127	-	\$ 269	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(5)(17)	(76)	-	24	-
8300	Other comprehensive loss for the year		\$ 1,051	-	\$ 293	-
8500	Total comprehensive income for the year		\$ 140,455	27	\$ 87,960	17
	Earnings per share (In dollars)					
9750	Basic earnings per share	6(26)	\$ 1.65		\$ 1.09	
9850	Diluted earnings per share	6(26)	\$ 1.64		\$ 1.09	

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

Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Share capital - common stock	Total capital surplus, additional paid- in capital	Retained Earnings		Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Amount
				Legal reserve	Special reserve			
<u>For the year ended December 31, 2021</u>								
Balance at January 1, 2021		\$ 694,650	\$ 89,181	\$ 13,289	\$ 2,931	\$ 63,161	(\$ 2,985)	\$ 860,227
Profit for the year		-	-	-	-	87,667	-	87,667
Other comprehensive loss for the year	6(17)	-	-	-	-	269	24	293
Total comprehensive income (loss)		-	-	-	-	87,936	24	87,960
Appropriations of 2020 earnings								
Legal reserve		-	-	6,315	-	(6,315)	-	-
Special reserve		-	-	-	54	(54)	-	-
Cash dividends		-	-	-	-	(56,267)	-	(56,267)
Share-based payments	6(13)(24)	-	3,203	-	-	(755)	-	2,448
Seasoned equity offering		75,342	172,008	-	-	-	-	247,350
Balance at December 31, 2021		\$ 769,992	\$ 264,392	\$ 19,604	\$ 2,985	\$ 87,706	(\$ 2,961)	\$ 1,141,718
<u>For the year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 769,992	\$ 264,392	\$ 19,604	\$ 2,985	\$ 87,706	(\$ 2,961)	\$ 1,141,718
Profit for the year		-	-	-	-	139,404	-	139,404
Other comprehensive income (loss) for the year	6(17)	-	-	-	-	1,127	(76)	1,051
Total comprehensive income		-	-	-	-	140,531	(76)	140,455
Appropriations of 2021 earnings								
Legal reserve		-	-	8,718	-	(8,718)	-	-
Reversal of special reserve		-	-	-	(24)	24	-	-
Stock dividends		76,999	-	-	-	(76,999)	-	-
Share-based payments	6(13)(24)	-	17,510	-	-	(4,026)	-	13,484
Balance at December 31, 2022		\$ 846,991	\$ 281,902	\$ 28,322	\$ 2,961	\$ 138,518	(\$ 3,037)	\$ 1,295,657

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

Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 165,786	\$ 97,400
Adjustments			
Adjustments to reconcile profit (loss)			
Impairment loss determined in accordance with IFRS 9	6(3)	4,716	3,024
Gain on disposal of property, plant and equipment	6(21)	(1,026)	(295)
Gains arising from lease modifications		(256)	-
Share of (profit) loss of subsidiaries accounted for under equity method	6(5)	(2,359)	1,285
Depreciation	6(6)(7)(23)	28,713	31,705
Amortisation	6(23)	869	1,031
Interest income	6(19)	(3,084)	(470)
Interest expense	6(22)	68	194
Compensation cost arising from employee stock options	6(15)	13,484	2,448
Unrealized profit from sales	6(5)	13,818	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		18,630	(12,065)
Accounts receivable		(6,256)	(1,922)
Accounts receivable due from related parties		(36,952)	(3,809)
Other receivables		4,093	1,548
Other receivables due from related parties	7	(1,159)	(6)
Inventories		15,297	8,030
Prepayments		37,817	(30,463)
Other current assets		(705)	235
Changes in operating liabilities			
Contract liabilities - current		(6,132)	7,405
Notes payable		(100)	100
Accounts payable		(2,695)	(10,369)
Accounts payable to related parties	7	(1,655)	18,185
Other payables		23,206	12,333
Other payables to related parties	7	1,525	54
Other current liabilities		42	10
Cash inflow generated from operations		<u>265,685</u>	<u>125,588</u>
Interest received		3,084	470
Interest paid		(68)	(191)
Income tax paid		(10,755)	(8,395)
Net cash flows from operating activities		<u>257,946</u>	<u>117,472</u>

(Continued)

Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortised cost		\$ 16,556	(\$ 13,741)
Acquisition of property, plant and equipment	6(27)	(11,819)	(14,258)
Proceeds from disposal of property, plant and equipment		6,281	295
Acquisition of intangible assets		(150)	(1,188)
Decrease (increase) in refundable deposits		2,002	(1,482)
Increase in prepayments for purchase of equipment		(2,473)	-
Decrease in other non-current assets		<u>35</u>	<u>27,877</u>
Net cash flows from (used in) investing activities		<u>10,432</u>	<u>(2,497)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of principal portion of lease liabilities	6(7)(28)	(950)	(2,320)
(Decrease) Increase in other non-current liabilities		(99)	99
Cash dividends paid		-	(56,267)
Proceeds from issuing shares	6(14)	<u>-</u>	<u>247,350</u>
Net cash flows (used in) from financing activities		<u>(1,049)</u>	<u>188,862</u>
Net increase in cash and cash equivalents		267,329	303,837
Cash and cash equivalents at beginning of year	6(1)	<u>497,271</u>	<u>193,434</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 764,600</u>	<u>\$ 497,271</u>

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

Remuneration of Individual Directors and Independent Directors

Unit: NT\$ Thousand, %

Title	Name	Director's Remuneration								A+B+C+D and their proportion to net income after tax (Note 10)	Related Remuneration received by part-time employees								Total Remuneration (A+B+C+D+F+G) and their proportion to net profit after tax (Note 10)		Receive remuneration from a foreign invested business or parent company (note 11)	
		Remuneration (A) (Note 2)		Retirement pension (B)		Directors' remuneration (C) (Note 3)		Business execution costs (D) (note 4)			Salaries, bonuses and special expenses, etc. (E) (Note 5)		Retirement pension (F)		Employee remuneration (G) (note 6)				MBI	All companies in the financial report		
		MBI	All companies included in the financial statements (note 7)	MBI	All companies included in the financial statements (note 7)	MBI	All companies in the financial report (Note 7)	MBI	All companies in the financial report (Note 7)		MBI	All companies in the financial report (Note 7)	MBI	All companies included in the financial statements (note 7)	Subsidiary of		All companies in the financial report (Note 7)					
													Cash	Stock	Cash	Stock						
Director	Global Investment Holdings (shares) Representative: Li-De Xu	1,277	1,277			210	210	20	20	1.71	1.71							1.71	1.71			
	Global Investment Holdings (shares) Representative: Shui-Quan Dai					140	140	15	15	0.17	0.17							0.17	0.17			
	Global Financial Services (shares) Representative: Chang-Bang Zhang					140	140	10	10	0.17	0.17							0.17	0.17			
	China Investment & Development (shares) Representative: Song-Qing Cheng					210	210	20	20	0.26	0.26	1970	1970	77	77	532	532			3.20	3.20	
	China Investment & Development (shares) Representative: Xiu-Yuan Li					600	600	60	60	0.75	0.75									0.75	0.75	
	TCI Co., Ltd. (shares) Representative: Yung-Hsiang Lin					342	342	40	40	0.43	0.43	386	386							0.87	0.87	
	TCI Co., Ltd. (shares) Representative: Jing-Ting Chen					70	70	10	10	0.09	0.09	540	540	32	32	750	750			1.59	1.59	
	TCI Co., Ltd. (shares) Representative: Zhen-Jia Huang					280	280	30	30	0.35	0.35									0.35	0.35	
	TCI Co., Ltd. (shares) Representative: Zhen-Zhen Fu					342	342	40	40	0.43	0.43									0.43	0.43	
Independent Director	Si-Tang Deng	269	269			210	210	65	65	0.62	0.62							0.62	0.62			
	Li-Yan Zhang					210	210	20	20	0.26	0.26							0.26	0.26			
	Shi-Xiong Deng	319	319			210	210	50	50	0.66	0.66							0.66	0.66			
	Zhao-Long Chen	319	319			210	210	60	60	0.67	0.67							0.67	0.67			
	Sung-Yuan Liao					342	342	120	120	0.52	0.52							0.52	0.52			
	Shih-Ming Li					342	342	120	120	0.52	0.52							0.52	0.52			
	Zhong-Ming Zeng					342	342	120	120	0.52	0.52							0.52	0.52			

Maxigen Biotech Inc.

Comparison Table of “Ethical Management Code of Conduct” before and after amendment

Before amendment	After amendment	Reason for amendment
<p>Article 17 (Organization and responsibility)</p> <p>The directors, managers, employees, appointees, and persons in effective control of the Company shall exercise due care of a good administrator to supervise the Company to prevent unethical conduct and to irregularly review the effectiveness of its implementation and continuous improvement to ensure the implementation of ethical management policies.</p> <p>To ensure sound ethical management, the Company shall establish a dedicated unit under the Board of Directors with sufficient resources and appropriate personnel to be responsible for the formulation and supervision of integrity management policies and preventive programs and to be in charge of the following matters and report to the Board of Directors regularly (at least once a year).</p>	<p>Article 17 (Organization and responsibility)</p> <p>The directors, managers, employees, appointees, and persons in effective control of the Company shall exercise due care of a good administrator to supervise the Company to prevent unethical conduct and to irregularly review the effectiveness of its implementation and continuous improvement to ensure the implementation of ethical management policies.</p> <p>To ensure sound ethical management, the Company shall establish a dedicated unit under the Board of Directors with sufficient resources and appropriate personnel to be responsible for the formulation and supervision of integrity management policies and preventive programs and to be in charge of the following matters and report to the Board of Directors regularly.</p>	<p>Since TCI has substantial control over MBI, this provision has been amended for consistency in the management of internal control procedures and per the intent of the “TCI Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct.”</p>
<p>Article 28</p> <p>The Article was first established on August 16, 2012. The first amendment was made on May 5, 2015. The second amendment was made on November 8, 2019.</p> <p>The third amendment was made on March 27, 2020.</p>	<p>Article 28</p> <p>The Article was first established on August 16, 2012. The first amendment was made on May 5, 2015. The second amendment was made on November 8, 2019.</p> <p>The third amendment was made on March 27, 2020.</p> <p><u>The fourth amendment was made on March 22, 2023.</u></p>	<p>Added the amendment date.</p>

Maxigen Biotech Inc.

Comparison Table of “Procedures for Ethical Management and Guidelines for Conduct” before and after amendment

Before amendment	After amendment	Reason for amendment
<p>Article 5 (Dedicated unit)</p> <p>The Company designated the <u>President’s</u> Office as the dedicated unit (hereinafter referred to as the dedicated unit), under the Board of Directors, with sufficient resources and appropriate personnel to handle the revision, implementation, explanation, consultation service, registration, and supervise the contents of the "Procedures for Ethical Management and Guidelines for Conduct," and is mainly responsible for the following matters, and shall regularly report to the Board of Directors (at least once a year).</p>	<p>Article 5 (Dedicated unit)</p> <p>The Company designated the <u>Chairman’s</u> Office as the dedicated unit (hereinafter referred to as the dedicated unit), under the Board of Directors, with sufficient resources and appropriate personnel to handle the revision, implementation, explanation, consultation service, registration, and supervise the contents of the “Procedures for Ethical Management and Guidelines for Conduct,” and is mainly responsible for the following matters, and shall regularly report to the Board of Directors.</p>	<p>Since TCI has substantial control over MBI, this provision has been amended for consistency in the management of internal control procedures and per the intent of the “TCI Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct.”</p>
<p>Article 25 (Supplementary provisions)</p> <p>The Procedures for Ethical Management and Guidelines for Conduct was first established on November 8, 2019. The first amendment was made on March 27, 2020.</p>	<p>Article 25 (Supplementary provisions)</p> <p>The Procedures for Ethical Management and Guidelines for Conduct was first established on November 8, 2019. The first amendment was made on March 27, 2020. <u>The second amendment was made on March 22, 2023.</u></p>	<p>Added the amendment date and adjusted the contents of the supplementary provision.</p>

Maxigen Biotech Inc.

“Ethical Management Code of Conduct” (revised)

Article 1 (Purpose and Scope of Applicability)

The Ethical Management Code of Conduct is hereby formulated to assist the Company to establish a corporate culture of honest operation and development and provide a reference framework for conducting good business operations.

The scope of application of the Ethical Management Code of Conduct applies to the Company and its subsidiaries.

Article 2 (Prohibition of Dishonest Conduct)

The directors, managers, employees, or persons with substantial control ability (hereinafter referred to as “significant controller”) of the Company shall not directly or indirectly offer, accept, promise or demand any illegitimate benefits to obtain or maintain benefits. They shall not engage in other conducts that violate integrity or illegal activities while conducting business or breach of fiduciary duty (hereinafter referred to as dishonest conduct).

The objects of the acts in the preceding paragraph include public officials, political candidates, political parties or party officials, as well as any public or private enterprise or institution and its directors, managers, employees, significant controllers or stakeholders.

Article 3 (Benefits)

The benefits mentioned in this Code refer to any form of value including money, gifts, commissions, positions, services, preferential treatment, rebates, etc. However, this limitation is not applicable if it is a social norm, incidental or does not affect specific rights and obligations.

Article 4 (Compliance with Laws and Regulations)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, these regulations or other acts relating to business conduct, as a basic prerequisite for the implementation of ethical management.

Article 5 (Policy)

Based on the business philosophy of integrity, transparency and responsibility, the Company shall formulate policies based on integrity, establish good corporate governance and risk control mechanisms to create a sustainable business environment.

Article 6 (Prevention Plan)

The Company’s ethical management policy shall clearly and thoroughly set forth specific ethical management measures and prevention plans for dishonest practices (hereinafter referred to as prevention plans), including operating procedures, conduct guidelines, and education and training.

The prevention plan formulated by the Company shall comply with the relevant local laws where the Company and its group companies and organizations operate.

In the process of formulating the prevention plan, the Company shall communicate with employees, labor unions, important business partners or other stakeholders.

Article 7 (Scope of the Prevention Plan)

The Company shall establish an evaluation mechanism for the risk of dishonest conduct, regularly analyze and evaluate the business activities within the scope of business that have a higher risk of dishonest conduct, formulate prevention plans accordingly, and regularly review the appropriateness and effectiveness of the prevention plans.

The Company shall establish a prevention plan with reference to domestic and international standards or guidelines, which shall at least cover the prevention measures of the following conducts:

1. Bribery
2. Illegal political donations.
3. Illegitimate charitable donations or sponsorships.
4. Offer or accept unreasonable gifts, entertainment or other illegitimate benefits.
5. Infringement of trade secrets, trademarks, patents, copyrights and other intellectual property rights.
6. Engage in unfair competition.
7. Products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders during research development, procurement, manufacture or sales.

Article 8 (Commitment and Implementation)

The Company shall require directors and senior management to issue a statement of compliance with the Ethical Management Policy. In addition, require employees to comply with the Ethical Management Policy as a condition of employment.

The Company and its group companies and organizations shall state the ethical management policy in their regulations, external documents, and company website. Additionally, the Board of Directors and management's commitment to actively implement the ethical management policy and to do so in their internal management and business activities.

The Company shall document and maintain information regarding the first and second ethical management policies, statements, commitments and implementation.

Article 9 (Ethical Management Business Activities)

The Company shall conduct business activities in a fair and transparent manner based on the principle of ethical management. Before conducting business, the Company shall consider the legality of its agents, suppliers, customers, or other business partners and whether there are any dishonest conducts. The Company shall avoid conducting business with those involved in dishonest conduct. The contract signed by the Company with its

agents, suppliers, customers, or other business partners shall contain the terms of compliance with the ethical management policy. The terms shall include if any party is involved in dishonest conduct, the other party may terminate or end the contract at any time.

Article 10 (Prohibition of Bribery)

When conducting business, the Company and its directors, managers, employees and significant controllers shall not directly or indirectly provide, promise, demand, or accept any illegitimate benefits from customers, agents, contractors, suppliers, public officials or other stakeholders.

Article 11 Prohibition of (Illegal Political Donations)

Donations made directly or indirectly by the Company and its directors, managers, employees, appointees, and significant controllers to political parties or organizations or individuals participating in political activities shall comply with the Political Donations Act and relevant internal operating procedures of the Company. Donations made shall not be for commercial gain or trading advantages.

Article 12 (Prohibition of Improper Charitable Donations or Sponsorships)

The Company and its directors, managers, employees and significant controllers shall comply with relevant laws and internal operating procedures for charitable donations or sponsorships and shall not offer bribes in disguised form.

Article 13 (Prohibition of Unreasonable Gifts, Hospitality or Other Illegitimate Benefits)

The Company and its directors, managers, employees and significant controllers shall not directly or indirectly offer or accept any unreasonable gifts, entertainment or other illegitimate benefits in order to establish business relationships or influence business transactions.

Article 14 (Prohibition of Infringement of Intellectual Property Rights)

The Company and its directors, managers, employees, appointees, and significant controllers shall abide by relevant laws and regulations on intellectual property, the Company's internal operating procedures and contractual provisions. Without the consent of the owner of intellectual property rights, use, leak, disposal of, damage or infringement on intellectual property rights is prohibited.

Article 15 (Prohibition of Unfair Competition)

The Company shall conduct business activities in accordance with relevant competition laws and regulations. The Company shall not fix prices, manipulate bids, limit production and quotas, or share or divide the market by allocating customers, suppliers, operating areas or business types.

Article 16 (Prevent Products or Services from Harming Stakeholders)

The Company and its directors, managers, employees, appointees, and significant controllers shall comply with relevant regulations and international standards in the process of research development, procurement, manufacture, or sales of products and services to ensure information transparency and safety; formulate and disclose the protection policy of consumers or other stakeholders; and implement it in the operational

activities to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other stakeholders. If there are sufficient facts to verify that the Company's products and services may harm the safety and health of consumers or other stakeholders, the batch of products shall be recalled or the services shall be terminated.

Article 17 (Organization and Responsibility)

The directors, managers, employees, appointees, and significant controllers of the Company shall exercise due care of a good administrator to supervise the Company to prevent unethical conduct and to irregularly review the effectiveness of its implementation and continuous improvement to ensure the implementation of ethical management policies.

To ensure sound ethical management, the Company shall establish a dedicated unit under the Board of Directors with sufficient resources and appropriate personnel to be responsible for the formulation and supervision of integrity management policies and preventive programs and to be in charge of the following matters and report to the Board of Directors regularly:

1. Assist in the implementation of ethical and moral values into the Company's business strategy and formulate relevant fraud prevention measures to ensure that the operation is in accordance with laws and regulations.
2. Regularly analyze and assess the risk of dishonest conduct in the business scope, formulate plans for preventing dishonest conduct, and formulate business-related standard operating procedures and conduct guidelines for each plan.
3. Plan the internal organization, authorizations and responsibilities, and establish a mutual supervision of a check and balance mechanism for business activities with a high risk of dishonest conduct within the business scope.
4. Promotion and coordination of ethical policy advocacy training.
5. Plan the whistleblower system to ensure the effectiveness of the implementation.
6. Assist the Board of Directors and management to audit and evaluate whether the preventive measures established by the implementation of integrity management are operating effectively. Additionally, assist in routine evaluation of relevant business processes and create reports.

Article 18 (Compliance with Laws and Regulations when Conducting Business)

The directors, managers, employees, appointees, and substantial controllers of the Company shall abide by laws and regulations and preventive measures when conducting business.

Article 19 (Avoiding Conflicts of Interest)

The Company shall formulate policies to prevent conflicts of interest, so as to identify, monitor and manage the risks of dishonest conduct that may result from conflicts of interest. Additionally, provide appropriate channels for directors, supervisors, managers and other stakeholders to attend the Board of Directors meeting and proactively state any potential conflicts of interest. Directors, managers and other stakeholders present at the

Company's Board of Directors interested in the proposals listed by the Board of Directors, themselves or the legal person they represent, shall explain the important matters of their interest at the current Board of Directors meeting. If it is harmful to the interests of the Company, they shall not participate in discussion and voting; shall abstain from discussion and voting; and shall not exercise their voting rights on behalf of other directors. Directors shall also be self-disciplined and improper mutual support is prohibited.

The directors, managers, employees, appointees, and significant controllers of the Company shall not use their positions or influence in the Company to obtain illegitimate benefits for themselves, their spouses, parents, children or any other person.

Article 20 (Accounting and Internal Management)

The Company shall establish an effective accounting system and internal management system for business activities with high risk of dishonest conduct. The Company shall not have external accounts or keep secret accounts and shall review them at any time to ensure that the design and implementation of the system continues to be effective.

The Company's internal audit unit shall prepare an audit plan based on the assessment results of the risk of dishonest conduct, including the audit's target, scope, items, and frequency. They shall check compliance with the prevention plan accordingly and may appoint an accountant to perform the audit and, if necessary, may entrust professional assistance when necessary.

The results of the audits mentioned above shall be communicated to the senior management and the dedicated unit for ethical management, and an audit report shall be submitted to the Board of Directors.

Article 21 (Operating Procedures and Conduct Guidelines)

The Company shall formulate operating procedures and conduct guidelines in accordance with the provisions of Article 6. The Company shall specifically regulate matters that directors, supervisors, managers, employees and significant controllers shall follow when conducting business. The content shall at least cover the following matters:

1. Standards for offering or accepting illegitimate benefits.
2. Procedures for providing legal political donations.
3. Standards for providing legitimate charitable donations or sponsorship procedures and amount.
4. Provisions on avoiding conflicts of interest related to job duties, and procedures for reporting and handling them.
5. Confidentiality requirements for confidential and commercially sensitive information.
6. Regulations and handling procedures for suppliers, customers and business partners involved in dishonest conduct.
7. Procedures for discovering violations of the Integrity Management Code.
8. Disciplinary actions for violators.

Article 22 (Education Training and Assessment)

The Chairman, General Manager or senior management of the Company shall regularly communicate the importance of ethics to directors and employees.

The Company shall regularly conduct training and advocate the Company's commitment policies, prevention plan, and consequences of breach of dishonesty to directors, managers, employees, appointees, and significant controllers, and business partners.

The Company shall incorporate the ethical management policy with employee performance appraisal and human resource policies and establish a clear and effective reward and punishment system.

Article 23 (Whistleblower System)

The Company shall formulate a specific whistleblower system and implement it. The contents shall at least cover the following matters:

1. Establish and announce the internal independent reporting mailbox and special-purpose phone line or entrust external independent agencies to provide a reporting mailbox and special-purpose phone line for the Company's internal and external personnel to use.
2. Designate a person or unit in charge of handling such reports. The reports involving directors or senior executives shall be reported to independent directors or supervisors. In addition, formulate the standard operating procedures of the categories of the reported matters.
3. After the completion of the investigation of the reported case, take subsequent measures according to the severity of the situation, and if necessary, report to the competent authorities or refer to the judicial authorities for investigation.
4. Documentation of the acceptance report, investigation process, and the investigation results shall be kept.
5. The identity of the whistleblower and content exposed shall be kept confidential and allow anonymous reporting.
6. Protective measures for whistleblowers to prevent improper handling.
7. Incentive measures for whistleblowers.

The Company shall make a report immediately and notify the independent directors in writing if the Company finds a major violation of regulations or the Company is likely to suffer major damage after investigation.

Article 24 (Disciplinary and Complaint System)

The Company shall clearly define and announce the punishment and appeal system for violations of the integrity management regulations. The Company shall immediately disclose information such as the job title, name, date of violation, content of violation and handling of the violation on the Company's internal website.

Article 25 (Information Disclosure)

The Company shall establish quantitative data to continuously analyze and evaluate the effectiveness of the integrity policy to promote honest management. The Company shall disclose the integrity management measures, implementation status, quantitative data and results on the Company's website, annual report and prospectus. In addition, the information shall be disclosed on the Market Observation Post System.

Article 26 (Review and Amendment of Integrity Management Policies and Measures)

The Company shall always follow the development of relevant norms for domestic and international ethical management, and encourage directors, supervisors, managers and employees to make suggestions. Thus, review and improve the ethical management policy and promotion measures formulated by the Company and improve the Company's ethical management implementation.

Article 27 (Implementation)

The Company's Ethical Management Code of Conduct will be implemented after being approved by the Board of Directors and submitted to the Shareholders' Meeting. The same applies to amendments.

When the Company submits the Integrity Management Code to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, it shall fully consider the opinions of independent directors, and record their objections or reservations in the meeting minutes of the Board of Directors meeting. If an independent director cannot attend the Board of Directors meeting in person to express his or her objection or reservation, unless there are justifiable reasons, he or she shall issue a written opinion in advance, which shall be recorded in the meeting minutes of the board meeting.

Article 28

The Code was first established on August 16, 2012.

The first amendment was made on May 5, 2015.

The second amendment was made on November 8, 2019.

The third amendment was made on March 27, 2020.

The fourth amendment was made on March 22, 2023.

Maxigen Biotech Inc.
“Procedures for Ethical Management and Guidelines for Conduct”
(Revised)

Article 1 (Purpose of Adoption and Scope of Application)

The Company engages in business activities based on the principles of fairness, honesty, trustworthiness and transparency. To implement the ethical management policy and actively prevent dishonest conduct, the Company follows the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and related local laws and regulations where the Company, Group, and organizations operate. The Company hereby formulates the Procedures for Ethical Management and Guidelines for Conduct to regulate matters that the Company’s personnel shall pay attention to when conducting business.

The scope of application of the Procedures for Ethical Management and Guidelines for Conduct applies to the Company and its subsidiaries.

Article 2 (Applicable Subjects)

The company personnel mentioned in this operating procedure and conduct guideline refers to the directors, managers, employees, appointees, and significant controllers of the Company, group enterprises, and organizations. Any promises, requests, or acceptance of illegitimate benefits through a third party is presumed to have been acted by the company’s personnel.

Article 3 (Unethical Conduct)

The dishonest conduct mentioned in these Procedures and Conduct Guideline includes the company’s personnel who directly or indirectly offer, accept, promise or demand any illegitimate benefits to obtain or maintain benefits; engage in other acts that violate ethics or illegal activities when conducting business, or breach of fiduciary duty.

The objects of the acts in the preceding paragraph include public officials, political candidates, political parties or party officials, as well as any public or private enterprise or institution and its directors, managers, employees, significant controller or other stakeholders.

Article 4 (Types of Benefits)

The benefits mentioned in these Procedures and Conduct Guideline refer to money, gifts, commissions, positions, services, preferential treatment, rebates, facilitation payments, entertainment, and other things of value in any form.

Article 5 (Dedicated Unit)

The Company designates the President’s Office as the designated unit (hereinafter referred to as the Company’s designated unit), under the Board of Directors, to handle the revision, implementation, interpretation, consulting services, and notification content registration and filing of the operating procedures and conduct guideline. The related operations and supervision are as follows and matters shall be regularly reported to the Board of Directors.

1. Assist in integrating integrity and moral values into the Company's business strategy and coordinate with laws and regulations to formulate relevant fraud prevention measures to ensure ethical management.
2. Regularly analyze and assess the risk of dishonest conduct in the business scope, formulate plans for preventing dishonest conduct, and formulate business-related standard operating procedures and conduct guidelines for each plan.
3. Plan the internal organization, authorizations and responsibilities, and establish a mutual supervision of a check and balance mechanism for business activities with a high risk of dishonest conduct within the business scope.
4. Promotion and coordination of ethical policy advocacy training.
5. Plan the whistleblower system to ensure the effectiveness of the implementation.
6. Assist management to audit and evaluate whether the preventive measures established by the implementation of ethical management are operating effectively. Additionally, assist in routine evaluation of relevant business processes and create reports.
7. The Company shall prepare and maintain documented information regarding the Ethical Management Policy and its compliance statement, commitments, and implementation status.

Article 6 (Prohibition of Providing or Accepting Improper Benefits)

Except for the following situations, when the company personnel directly or indirectly offer, accept, promise or request the benefits specified in Article 4, they shall comply with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and this Procedure and Conduct Guideline after relevant procedures have been followed.

1. Domestic (foreign) visits, reception of foreign guests, business promotion and communication shall be based on business obligations and conduct shall be based according to local courtesy or customs.
2. Participate in or invite others to participate in social activities based on social norms, business purposes or to promote relationships.
3. Customers are invited to participate in specific business activities, factory visits, etc. due to business obligations, and expense payment, number of participants, accommodation level and period, etc. are clearly established.
4. Participate in folk festivals that are held publicly and invite the public to participate.
5. Rewards, relief funds, condolences, etc. from supervisors.
6. Other regulations that comply with Company regulations.

Article 7(Procedures for Handling the Acceptance of Improper Benefits)

When company personnel encounter situations where other people directly or indirectly provide or promise to give benefits stipulated in Article 4, in addition to the circumstances specified in the preceding paragraphs, they shall follow the following procedures:

1. In a situation where someone with no professional interest provides or promises to give benefits to the company personnel, the personnel shall report to their immediate supervisor within three days from the date of receipt and notify the Company's designated unit if necessary.

2. In a situation where someone with professional interest provides or promises to give benefits to the company personnel, the personnel shall return or reject the benefits, report to their immediate supervisor, and notify the Company's designated unit.

The person who has professional interest as mentioned in the preceding paragraph refers to a person who has one of the following circumstances:

1. Those that have a business relationship, command, supervise, or provide subsidy (award).
2. Those that are seeking, conducting or have entered into a contract, sale or other contractual relationship.
3. Others that will be beneficially or adversely affected by the Company's business decision, execution or non-execution.

Depending on the nature and value of the first benefit, the Company's designated unit shall propose refund, payment, public return; donate to charitable organizations or other appropriate suggestions. The proposal will be implemented after approval by the General Manager.

Article 8 (Prohibition of and Handling Procedure for Facilitating Payments)

The Company shall not offer or promise any facilitation payments.

If company personnel offer or promise facilitation payment due to threats or intimidation, they shall record the course of events, report it to their immediate supervisor, and notify the Company's designated unit.

After receiving the notice in the preceding paragraph, the Company's designated unit shall immediately deal with the situation and review the relevant situation to reduce the risk of recurrence. If any illegal situation is found, it shall be immediately reported to the judicial unit.

Article 9 (Procedure for Handling Political Contributions)

The Company shall make political contributions per the following regulations, report to the Director for approval, and inform the Company's dedicated unit. If the amount exceeds NT\$100,000, it shall be submitted to the Board of Directors for approval before it can be made:

1. Confirm that it complies with the relevant laws and regulations of the country where the recipient of political donations is located, including the upper limit and form of political donation, etc.
2. Decisions shall be recorded in writing.
3. Political donations shall be accounted for in accordance with regulations and accounting-related processing procedures.
4. Avoid conducting business with government-related units, applying for licenses, or handling other matters involving the interests of the Company when providing political donations.

Article 10 (Procedures for Handling Charitable Donations or Sponsorships)

The Company shall make charitable donations or sponsorships per the following regulations, report to the Director for approval, and inform the Company's dedicated unit.

If the amount exceeds NT\$100,000, it shall be submitted to the Board of Directors for approval before it can be made:

1. Must comply with the local laws and regulations.
2. Decisions made shall be recorded in writing.
3. The object of charitable donations shall be to charitable organizations. Bribery in any form is prohibited.
4. The feedback obtained from sponsorship is clear and reasonable. The sponsorship shall not be the object of the Company's business transactions or interested parties of the Company's personnel.
5. After charitable donation or sponsorship, confirm that the purpose of the money flow is consistent with the purpose of the donation.

Article 11 (Recusal)

Directors, managers and other stakeholders present at the Company's Board of Directors shall explain the important contents of their interest at the current Board of Directors meeting, themselves or the legal person they represent, shall explain the important matters of their interest at the current Board of Directors meeting. If it is harmful to the interests of the Company, they shall not participate in discussion and voting; shall abstain from discussion and voting; and shall not exercise their voting rights on behalf of other directors. Directors shall also be self-disciplined and improper mutual support is prohibited.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a Director has interests in the matters under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.

When conducting business, if the company personnel finds that there is a conflict of interest with themselves or the legal person they represent, or a situation that may allow themselves, their spouses, parents, children or stakeholders to obtain improper benefits, they shall report to their immediate supervisor and the Company's designated unit simultaneously. The immediate supervisor shall provide appropriate guidance.

The company personnel shall not use Company resources for business activities outside of the Company and shall not affect their work performance by participating in business activities outside of the Company.

Article 12 (Organization and Responsibility of Confidentiality Mechanism)

The Company has designated the Legal Affairs Department responsible for formulating and implementing procedures for the management, retention, and confidentiality of the Company's intellectual property, such as trade secrets, trademarks, patents, and works. They shall regularly review the implementation results to ensure the procedures' continued effectiveness.

The company personnel shall strictly abide by the relevant operating regulations on the intellectual property in the preceding paragraph, and shall not disclose the Company's business secrets, trademarks, patents, literary works and other intellectual property, and shall not inquire or collect non-job-related Company business secrets, trademarks, patents, literary works and other intellectual property.

Article 13 (Prohibition Against Unfair Competition)

The Company's business activities shall be conducted in accordance with the Fair Trade Law and relevant regulations. The Company shall not fix prices, rig bids, limit production and quotas, or share or divide the market by allocating customers, suppliers, operating areas or business types.

Article 14 (Prevention of Damage Caused by Products and Services to Stakeholders)

The Company shall collect and understand the relevant regulations and international standards that the products and services provided shall follow. These matters shall be summarized and regulated, so as to encourage the company's personnel to ensure information transparency and safety of products and services during the process of research development, purchasing, manufacturing or sales.

The Company formulates and publishes a policy on the protection of the rights and interests of consumers or other stakeholders on the Company's website to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other stakeholders

In the event that there are media reports or other specific facts substantiated by confirmed facts, and it is determined that the Company's products or services are hazardous to the safety and health of consumers or other stakeholders, the Company shall, depending on the circumstances, take the initiative to cooperate with governmental authorities to recall the products or stop the services within the shortest possible time, investigate whether the facts are true, and propose a review and improvement plan.

Article 15 (Prohibition Against Insider Trading and Non-Disclosure Agreement)

Company personnel shall abide by the provisions of the Securities and Exchange Act. They shall not use the undisclosed information to engage in insider trading, and shall not disclose it to others, so as to prevent others from using the undisclosed information to engage in insider trading.

Other institutions or persons involved in the merger, division, acquisition and share transfer of the Company, important memorandums, strategic alliances, other business cooperation plans or important contracts shall sign a confidentiality agreement with the Company and promise not to disclose what they know about the Company's trade secrets or other information to others. The information shall not be used without the consent of the Company.

Article 16 (Compliance and Announcement of Policy of Ethical Management)

The Company shall require directors and senior management to issue a statement of compliance with the Ethical Management Policy. In addition, require employees to comply with the Ethical Management Policy as a condition of employment.

The Company shall disclose its Ethical Management Policy in internal regulations, annual reports, Company website, and announce it in product launch conferences, legal person briefings and other external activities in a timely manner. Thus, the suppliers, customers or other business-related institutions and personnel can clearly understand the Company's ethical management philosophy and norms.

Article 17 (Ethical Management Evaluation Prior to Development of Commercial Relationships)

Before establishing a business relationship with others, the Company shall first evaluate the legality and ethical management policies of agents, suppliers, customers or other business partners. In addition, evaluate whether there has been a record of dishonest conduct to ensure fair and transparent business operations. The Company will not ask, offer or accept bribes.

When the Company conducts the assessment in the preceding paragraph, it may adopt appropriate inspection procedures to examine the business partners with respect to the following matters to better understand the status of their business ethics.

1. The country location of the enterprise and operations, the organizational structure, the management policy and the place of payment.
2. Whether the Company has formulated an ethical management policy and the implementation situation.
3. Whether the Company operates in a country with a high risk of corruption.
4. Whether the business of the enterprise is in an industry with a high risk of bribery.
5. The Company's long-term operating conditions and business reputation.
6. Consult its business partners for their opinions.
7. Whether the Company has a history of dishonest conduct such as bribery or illegal political donations.

Article 18 (Statement of Ethical Management Policy to Counterparties in Commercial Dealings)

In the process of engaging in business activities, the Company personnel shall explain the Company's ethical management policy and relevant regulations to their business partner. Additionally, explicitly refuse to offer, promise, and demand or accept (directly or indirectly) any improper benefits in any form or name.

Article 19 (Avoidance of Commercial Dealings with Unethical Operators)

The company personnel shall avoid engaging in business transactions with agents, suppliers, customers or other business partners involved in dishonest conduct. If they find that business transactions or partners have dishonest conduct, they shall immediately terminate business, and list them as object of refusal; thus, implementing the Company's Ethical Management Policy.

Article 20 (Stipulation of Terms of Ethical Management in Contracts)

When the Company enters a contract with another party, the Company shall fully understand the ethics of the other party's business and incorporate the Company's Ethical Management Policy compliance into the terms of the contract. The contract shall at least specify the following matters:

1. When either party becomes aware of a breach of contract terms prohibiting the receipt of commissions, rebates or other illegitimate benefits, either party shall immediately and truthfully inform the other party of the identity of such personnel, the manner provided, promised, demanded or received, and the amount or other illegitimate benefits. In addition, they must provide relevant evidence and cooperate with the other

parties' investigations. If one party suffers damages, they may claim damages from the other party, which may be deducted from the contract price paid in full.

2. If either party is involved in dishonest conduct of business activities, the other party may unconditionally terminate or end the contract at any time.
3. Set clear and reasonable payment conditions, including payment location, method, relevant tax regulations to be complied with, etc.

Article 21 (Handling of Unethical Conduct by Personnel of the Company)

The Company encourages internal and external personnel to report dishonest conduct or misconduct and reward them based on the severity of the reports. If internal personnel create false reports or malicious accusations, they shall be subject to disciplinary action, and those with serious circumstances shall be dismissed from their posts.

The Company establishes and announces the internal independent reporting mailbox and special-purpose phone line on the Company website and internal website or entrusts external independent agencies to provide a reporting mailbox and special-purpose phone line for the Company's internal and external personnel to use.

The whistleblower shall at least provide the following information:

1. The whistleblower's name and ID number, which can be made anonymous, contact address, phone number, and e-mail address.
2. The name of the accused person or other information sufficient to identify the accused person's identity.
3. Specific evidence for investigation.

The relevant personnel of the Company handling the whistleblower situation shall declare in writing that the whistleblower identity and the content shall be kept confidential.

The Company's designated unit will handle the reported matters according to the following procedures:

1. If the report involves general employees, the situation shall be reported to the department head. If the report involves a director or senior executive, the situation shall be reported to an independent director.
2. The Company's designated unit and the supervisor or personnel reported in the preceding paragraph shall immediately investigate relevant facts. Compliance and relevant departments shall provide assistance if necessary.
3. If it has been confirmed that the accused person has violated relevant laws and regulations or the Company's ethical management policies and regulations, the accused person shall be immediately asked to stop the conduct and take appropriate measures. If necessary, apply for damages through legal procedures to protect the Company's reputation and rights.
4. Written documents of the acceptance report, investigation process, and the investigation results shall be kept for five years and can be preserved electronically. In the event of a lawsuit related to the content of the report before the expiration of the retention period, the relevant information shall be kept until the end of the lawsuit.

5. If the reported situation is verified to be true, the relevant units of the Company shall be responsible for reviewing the relevant internal control system and operating procedures, and propose improvement measures to prevent the same conduct from occurring again.
6. The Company's designated unit shall report the reported situation, the handling method, follow-up review, and improvement measures to the Board of Directors.

Article 22 (Actions Upon Event of Unethical Conduct by Others Towards the Company)

In the event that the company personnel engage in dishonest conduct against the Company or if their conduct involves illegal activities, the Company shall notify the Judicial and Prosecutors Office. If any government institutions or civil servants are involved, they shall notify the government integrity institution.

Article 23 (Internal Awareness Sessions and Establishment of a System for Rewards, Penalties, and Complaints, and Related Disciplinary Measures)

The Company's dedicated unit and Human Resources Department shall irregularly conduct internal advocacy or arrange for the Chairman, General Manager, or senior management to convey the importance of ethics to directors, employees, and appointees.

The Company shall incorporate ethical management into employee performance appraisal and human resource policies, and establish clear and effective reward, punishment and complaint systems. In regards to any personnel who violate ethics, the Company shall dismiss of them in accordance with relevant laws and regulations or with the company's personnel regulations.

The Company shall disclose information such as the job title, name, and date of the violation, content of the violation and the handling of the violation on the internal website.

Article 24 (Implementation)

These Procedures and Conduct Guidelines shall be implemented after resolution by the Board of Directors and reported to the shareholders' meeting. The same shall apply for amendments.

When submitting this Procedure and Conduct Guideline to the Board of Directors for discussion, the opinions of independent directors shall be fully considered. Their objections or reservations shall be recorded in the meeting minutes of the Board of Directors meeting. If an independent director cannot attend the Board of Directors meeting in person to express his or her objection or reservation, unless there are justifiable reasons, he or she shall issue a written opinion in advance, which shall be recorded in the meeting minutes of the board meeting.

Article 25 (Supplementary Provisions)

The Procedures for Ethical Management and Guidelines for Conduct was first established on November 8, 2019. The first amendment was made on March 27, 2020.

The second amendment was made on March 22, 2023.

Maxigen Biotech Inc.

Articles of Incorporation

Chapter I: General Provisions

- Article 1: The Company is organized under the Company Act of the Republic of China (R.O.C.), and the Company name is 和康生物科技股份有限公司 in Chinese, and Maxigen Biotech Inc. in English.
- Article 2: The scope of the Company's registered business is as follows:
1. F108031 Wholesale of Medical Devices
 2. F108011 Wholesale of Traditional Chinese Medicine
 3. F108021 Wholesale of Western Pharmaceutical
 4. F108040 Wholesale of Cosmetics
 5. IG01010 Biotechnology Services
 6. C802100 Cosmetics Manufacturing
 7. C801030 Precision Chemical Material Manufacturing
 8. CF01011 Medical Devices Manufacturing
 9. CE01030 Optical Instruments Manufacturing
 10. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
 11. C802060 Veterinary Drug Manufacturing
 12. F102040 Wholesale of Nonalcoholic Beverages
 13. F102170 Wholesale of Foods and Groceries
 14. F107070 Wholesale of Veterinary Drugs
 15. F203010 Retail sale of Food Products and Groceries
 16. F207070 Retail Sale of Veterinary Drugs
 17. F208031 Retail sale of Medical Equipments
- Article 2-1: By resolution of the Board of Directors, the Company may become a limited liability shareholder of another company. The total investment amount shall not be limited to 40% of the Company's paid-in capital but shall not exceed the Company's paid-in capital unless otherwise stipulated by law. The preceding resolution of the Board of Directors shall be made with the presence of two-thirds or more of the Directors and the approval of a majority of the Directors present.
- Article 3: The headquarters of the Company is set in Taoyuan City and may set a branches or offices domestically or overseas if necessary by resolution of the Board of Directors. The establishment or cancellation of a branch office shall be subject to the resolution of the Board of Directors or the approval of the competent authority.
- Article 4: The Company's announcement method shall follow Article 28 of the Company Act.
- Article 4-1: The Company may provide external endorsement for business purposes.

Chapter II: Shares

Article 5: The total capital of the Company shall be in the amount of NT\$1,000,000,000,000 and divided into 100,000,000 shares at par value of NT\$10,000,000 per share. The shares mentioned above may be issued as preferred shares. The Board of Directors is authorized to issue the shares in installments as necessary.

The previous capital amount of NT\$80 million is reserved for issuing employee stock options for a total of 8 million shares, which may be issued in installments upon resolution of the Board of Directors.

When the Company issues employee stock options not subject to the restrictions of Article 53 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” or transfers them to employees at a price lower than the average price of the shares bought back, the Company shall obtain consent of two-thirds voting rights represented at a shareholders’ meeting attended by shareholders representing a majority of the total issued shares

Article 5-1: The Company may issue registered preferred shares A with the following rights, obligations, and principal conditions of issue:

1. Preferred Share Dividend

The preferred share dividend shall bear interest at 1% per annum, calculated based on the issue price per share and the actual number of days of issuance, and shall be paid in cash in one lump sum after the approval of the prior year's financial statements and the resolution to distribute earnings at the annual Shareholders' Meeting, and the Board of Directors is authorized to separately set the ex-dividend base date for the annual dividend of the preferred shares. Except for statutory reasons, the Company may not withhold the distribution of earnings in violation of a standing resolution. The distribution of cash dividends in the year of issuance shall be calculated based on the ratio of the actual number of days of issuance to the number of days of the year from the date of issuance. The date of issuance is defined as the reference date of the capital increase.

If there is no surplus or insufficient surplus to distribute dividends on the preferred shares in the final accounts of the year, or if the Company resolves not to distribute the surplus, the undistributed or insufficient dividends shall be accumulated and paid up in priority in subsequent years when there is surplus. In addition to receiving the aforementioned dividends, the preferred shares shall not participate in the distribution of common shares with respect to earnings and capital surplus. However, when the annual dividend allotted to common shares exceeds 1% of par value, this special shareholder shall be entitled to participate in the distribution in proportion to his or her shareholding.

2. Preferred Stock Conversion

The preferred shares may be converted into common shares in the ratio of 1 common share for every 1 preferred share from the day after the six month period after the issuance. The rights and obligations of the common shares converted from these preferred shares (except for transfer restrictions and unlisted circulation as stipulated in laws and regulations) are the same as those of other issued common shares of the Company.

3. Election and Right to be Elected

The preferred shareholders shall have the right to vote and elect at the shareholders' meeting and the right to be elected as directors.

4. Liquidation Priority

The preferred shares shall have priority over the common shares in the distribution of the Company's remaining property to the extent that each share shall not exceed the issue price plus the total amount of unpaid dividends payable. In addition to participating in the aforementioned remaining property distribution, the preferred shares shall not participate in the remaining property distribution of the common shares.

5. Issuance Period and Recovery

The preferred shares shall be issued for a period of four years and shall expire four years from the reference date of the capital increase, at which time the Company shall recover the preferred shares in cash at the issue price per share plus accrued dividends on the preferred shares. Upon the recovery of the preferred shares, the cash dividends payable as of the recovery date shall be calculated based on the ratio of the actual number of days of issuance to the number of days in the year.

6. New Share Warrants

When the Company issues new shares with additional cash, preferred shareholders have the same preferential warrants for new shares as common shareholders.

7. Capital Reduction

If, during the issuance of the preferred shares, the Company intends to make a capital reduction that would result in a proportional reduction in the number of preferred shares at the expense of the rights of the preferred shareholders, the Company shall obtain the consent of two-thirds voting rights represented at a preferred shareholders' meeting attended by preferred shareholders representing a majority of the total issued preferred shares.

8. Issuing Preferred Shares

Any preferred shares issued by the Company before the total recovery and/or conversion of the preferred shares, if the preferred shares have the same rights or priority over the outstanding preferred shares, the Company shall obtain the consent of two-thirds voting rights represented at a preferred shareholders' meeting attended by preferred shareholders representing a majority of the total issued preferred shares.

Article 6: The Company's share certificates are name-bearing, affixed with the signatures or seals of the directors representing the Company and with the authorization of a bank legally authorized to act as the issuer of the shares.

The Company does not need to print the share certificates but a centralized securities depository enterprise shall be contacted for registering these shares.

The Company shall not increase its capital unless the total number of shares required is issued.

The total number of shares after the capital increase shall be issued in installments.

The Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the securities regulatory authorities.

Article 7: Any the record of Shareholders Register shall cease within 60 days before convening of an annual shareholders' meeting, or within 30 days before convening a special shareholders' meeting or within 5 days before the reference day of the Company deciding distribution of share interests, dividend or other benefit.

Article 7-1: The treasury shares acquired by the Company in accordance with the Company Act shall be transferred to employees of the controlling or affiliated companies who meet certain conditions.

The Company's employee stock options shall be issued to employees of the controlling or affiliated companies who meet certain conditions.

When the Company issues new shares, the employees that have taken up the shares shall include employees of the controlling or affiliated companies who meet certain conditions.

The subjects of the Company's issuance of new shares with restricted employee rights include employees of controlling or affiliated companies who meet certain conditions.

Chapter III: Shareholders' Meeting

Article 8: Shareholders' meetings of the Company are of two types:

1. Annual shareholders' meeting.
2. Special shareholders' meeting.

Annual meetings shall be convened within six (6) months after the end of each fiscal year as required by law. Special meetings shall be convened as required by law if necessary.

Article 9: Shareholders, unable to attend shareholders' meeting, may provide Shareholder Proxy Form printed by the Company, stating the scope of authorization and delegated person to attend. The rules for delegating an agent to attend shareholders' meetings other than complying with the regulations under Article 177 of Company Act, shall be pursuant to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Shareholders holding at least one percent of the total number of issued shares shall be allowed to propose a motion for an annual shareholders' meeting in writing. However, each motion shall be limited to one motion, each motion shall be limited to 300 words, and any motion with more than one proposal shall not be included.

Article 9-1: Shareholders' meetings shall be convened by the Board, and the Chairman of the Board shall preside shareholders' meetings. If the Chairman of the Board is on leave or absent, the Chairman of the Board shall designate one Board Director to act on behalf of the Chairman of the Board. For shareholders' meetings convened by others with the right to convene, the convener shall preside the meeting, and if there are more than two conveners, than they should should one from themselves to preside the meeting.

- Article 10: Each shareholder of the Company shall have one vote per share unless otherwise stipulated by law. The shareholders may exercise their voting rights in writing or electronically, and the method of exercising their voting rights in writing or electronically shall be set forth in the notice of the shareholders' meeting. A shareholder who exercises his or her voting rights in writing or electronically as described above shall be deemed to have personally attended the shareholders' meeting. However, it shall be regarded as abstaining from voting on the extempore motion of the Shareholders' Meeting and the amendment of the original motion.
- Article 11: Except as otherwise stipulated in the Company Act, a resolution at a Shareholders' Meeting shall be made with the presence of a majority of the shareholders representing the total number of outstanding shares and the consent of a majority of the attending shareholders.
- Article 11-1: Resolution of Shareholders' Meeting shall be reduced into minutes signed or affixed with seal by Chairman of the meeting and shall be distributed to every shareholder within 20 days after the meeting. It shall be retained in perpetuity for the duration of the Company's existence. The production and distribution of the minutes shall be made in accordance with the provisions of Article 183 of the Company Act.
- Article 11-2: Any revocation of the Company's public issuing, shall firstly be approved by the Board of Directors, and then be approved by the shareholders' meeting.

Chapter IV: Directors and Board of Directors

- Article 12: The Company shall have seven to nine directors, who shall be elected for a term of three years and shall be eligible for re-election under the candidate nomination system stipulated in Article 192 of the Company Act. The total shareholdings of all Directors of the Company shall be in accordance with the regulations of the competent securities authorities.

The Company may purchase liability insurance for Directors during their term of office to the extent that they are legally liable for compensation in connection with the performance of their business.

- Article 12-1: The number of independent director among the Directors mentioned above shall not be less than three and shall not be less than one-fifth of entire board member. The professional qualification, shareholding, restriction on sideline work, manner of nomination and election manner and other items to be complied shall follow related provisions of securities competent agency.

- Article 12-2: In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, the Securities and Exchange Act and other relevant regulations.

The Company's Board of Directors may establish other committees, the number of members, terms of office, and authorities of which shall be set forth in the organizational rules of each committee and resolved by the Board of Directors.

Article 13: The Board of Directors shall be organized with directors. The Chairman of the Board shall be elected by and among directors in a board meeting attended by more the two-third of directors and with consent of more than one-half of attending directors. The Chairman of the Board shall represent the Company externally.

The Board of Directors may, if necessary, establish an additional Vice Chairman of the Board, who shall be elected by and from among the Directors in accordance with the preceding method.

Article 14: The Board of Directors shall carry out the business of the Company in accordance with the relevant laws and regulations, the Articles of Incorporation, and the resolutions of the shareholders' meeting.

Article 15: In case of the Chairman's personal leave or other causes preventing him/her from performing its duty, the deputy shall be arranged pursuant to Article 208 of Company Act.

Article 15-1: The Board of Directors shall be convened by the Chairman of the Board of Directors, upon written notice, E-mail, or fax to all the other Directors, at least seven days prior to the date of meeting, unless in case of urgent circumstances.

When Directors attend the Board Meeting, their representation shall be handled pursuant to Article 205 of the Company Law.

Article 16: The compensation of all directors of the Company shall be determined by the Board of Directors on the basis of the value of the Directors' participation in and contribution to the Company's operations, and with reference to the usual level of compensation in the industry. The Director's traveling expenses may be paid at the usual rate in the industry.

Chapter V: Management of the Company

Article 17: The Company may appoint a General Manager and several managers, and the appointment, removal and remuneration shall be handled in accordance with Article 29 of Company Act.

Article 17-1: The Company may purchase liability insurance for managers during their term of office to the extent that they are legally liable for compensation in connection with the performance of their business.

Chapter VI: Accounting

Article 18: The Company shall compile and prepare at the end of each fiscal year by the Board of Directors: (1) Business Report, (2) Financial Statements and (3) Proposal Concerning Appropriation of Earnings or Covering of Losses and submit to Shareholders' Meeting and request for recognition.

Article 19: If the Company makes a profit in a year, it shall set aside not less than 5% as employee compensation, which shall be distributed in shares or cash by resolution of the Board of Directors to employees of the subordinate companies who meet certain criteria; the Company may set aside not more than 5% of the above-mentioned profit as remuneration to Directors by resolution of the Board of Directors. The remuneration to employees and remuneration to Directors shall be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount of compensation shall be retained in advance, and the compensation to employees and Directors shall be provided in proportion to the aforementioned amount.

Article 19-1: If the Company's annual final accounts have net profit after tax, they should first pay taxes to make up for past losses and set a 10% of their balance as statutory surplus reserve, but the statutory surplus accumulation has reached the Company. When the total amount of capital is exceeded, this is not the limit. The special surplus reserve is proposed or reversed in accordance with the relevant laws and regulations. If there is a balance, and the available-distributed surplus calculated from the undistributed surplus at the beginning of the period, the Board of Directors proposes a surplus distribution case, which is distributed after the resolution of the shareholders' meeting.

Article 19-2: The Company is a technology and capital-intensive business and is in a growth phase. In order to meet the Company's long-term capital planning for sustainable operation and stable growth, the dividend policy is to adopt a residual dividend policy.

The amount of dividends to shareholders shall be at least 50% of the current year's net income, after setting aside all the reserves required by law. Under the principle of balanced dividends, undistributed earnings from prior years may be used to offset any shortfall in the current year's net income after tax. Dividends are paid primarily in consideration of the Company's future expansion plans and cash flow requirements, with at least 50% stock dividends and a portion of cash dividends.

The types and percentages of the appropriation of earnings may be adjusted by a resolution of the shareholders' meeting, depending on the actual profit and capital situation of the year.

Chapter VII: Supplementary Provisions

Article 20: All matters not specifically provided for herein shall be dealt with in accordance with the regulations of the Company Act and other relevant laws and regulations.

Article 21: These Articles of Incorporation were first established on November 27, 1998.

The first amendment was made on May 2, 2000.

The second amendment was made on August 31, 2001.

The third amendment was made on July 29, 2002.

The fourth amendment was made on May 3, 2003.

The fifth amendment was made on September 25, 2003.

The sixth amendment was made on May 18, 2004.

The seventh amendment was made on June 24, 2005.

The eighth amendment was made on June 29, 2006.

The ninth amendment was made on January 19, 2007.

The tenth amendment was made on June 29, 2007.

The eleventh amendment was made on June 23, 2008.

The twelfth amendment was made on June 28, 2010.

The thirteenth amendment was made on May 25, 2011.

The fourteenth amendment was made on June 7, 2012.

The fifteenth amendment was made on June 22, 2015.

The sixteenth amendment was made on December 25, 2015.

The seventeenth amendment was made on June 24, 2016.

The eighteenth amendment was made on June 26, 2017.

The nineteenth amendment was made on June 26, 2018.

The twentieth amendment was made on June 26, 2019.

The twenty-first amendment was made on June 29, 2020.

The twenty-second amendment was made on July 12, 2021.

The twenty-third amendment was made on June 21, 2022.

Maxigen Biotech Inc.

Rules of Procedure of the Shareholders' Meeting

Article 1: (Legal Basis)

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: (Scope)

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: (Convening Shareholders' Meeting and Shareholders' Meeting notices)

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the Shareholders' Meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular Shareholders' Meeting or before 15 days before the date of a special Shareholders' Meeting. The Company shall prepare electronic versions of the Shareholders' Meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular Shareholders' Meeting 15 days before the date of the Shareholders' Meeting, the Company shall also have prepared the Shareholders' Meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time and shall be issued at the shareholders' meeting.

The notice and announcement shall state the reason for the convening; the notice shall be given electronically with the consent of the relative parties.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the Shareholders' Meeting. None of the above matters may be raised by an extempore motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the Shareholders' Meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular Shareholders' Meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular Shareholders' Meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular Shareholders' Meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a Shareholders' Meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the Shareholders' Meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: (Attendance by Proxy at Shareholders' Meetings and Authorization)

For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given Shareholders' Meeting, and shall deliver the proxy form to the Company before five days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

Article 5: (Principles Determining the Time and Place of a Shareholders' Meeting)

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

Article 6: (Preparation of Documents such as the Attendance Book)

The Company shall specify in its Shareholders' Meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Shareholders or their proxies shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. When the government or a legal person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a legal person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7: (Chairperson and Non-voting Participants of a Shareholders' Meeting)

If a Shareholders' Meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairperson, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the vice Chairman, the Chairperson shall appoint one of the managing directors to act as Chairman, or, if there are no managing directors, one of the directors shall be appointed to act as Chairman. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as Chairperson.

When a managing director or a director serves as Chairperson, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a legal person director that serves as Chairperson.

It is advisable that shareholders meetings convened by the Board of Directors be chaired by the Chairman of the Board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a Shareholders' Meeting is convened by a party with power to convene but other than the board of directors, the convening party shall Chairperson the meeting. When there are two or more such convening parties, they shall mutually select a Chairperson from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting in a non-voting capacity.

Article 8: (Documentation of a Shareholders' Meeting by Audio or Video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: (Calculation of the Number of Shares Attending the Shareholders' Meeting and the Meeting)

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Chairperson shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chairperson shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chairperson may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.

Article 10: (Discussion of Proposals)

If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors.

The Chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. If the Chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the Chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: (Shareholder Speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the Chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chairperson and the shareholder that has the floor; the Chairperson shall stop any violation.

When a legal person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the Chairperson may respond in person or direct relevant personnel to respond.

Article 12: (Calculation of Voting Shares)

Voting at a Shareholders' Meeting shall be calculated based the number of shares.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: (Voting on Motions, Monitoring and Counting)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the

Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chairperson or a person designated by the Chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the Chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairperson, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for Shareholders' Meeting proposals or elections shall be conducted in public at the place of the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: (Election)

The election of directors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15:(Minutes and Signatures)

Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Article 16: (Public Disclosure)

On the day of a Shareholders' Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the Shareholders' Meeting.

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

Article 17: (Maintaining Order at the Meeting Place)

Personnel handling administrative affairs of a Shareholders' Meeting shall wear identification cards or arm bands.

The Chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a Shareholders' Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the Chairperson may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the Chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the Chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: (Recess and Resumption)

When a meeting is in progress, the Chairperson may announce a break based on time considerations. If a force majeure event occurs, the Chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 19: (Supplementary Provisions)

These Rules shall take effect after having been submitted to and approved by a Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20:

These Rules were first established on June 18, 2010.

The first amendment was made on June 18, 2013.

The second amendment was made on June 22, 2015.

The third amendment was made on June 26, 2018.

The fourth amendment was made on June 29, 2020.

The fifth amendment was made on July 12, 2021.

Share Ownership of Directors

1. The statutory ratio and number of shares of the Company's current Directors are as follows:

The number of common shares issued by the Company: 84,699,158 shares.

The statutory minimum number of shares that Directors as a whole should hold: 6,775,933 shares (10% * 80%)

2. Upon the date for suspension of share transfer for this Shareholders' Meeting (April 21, 2023), the shareholding of all Directors. Shares held as below table:

Title	Name	Number of Shares Held (Share)	Percentage (%)
Chairman of the Board	TCI Co., Ltd. Representative Yung-Hsiang Lin	19,337,869	22.83%
Director	TCI Co., Ltd. Representative Jing-Ting Chen		
Director	TCI Co., Ltd. Representative Zhen-Zhen Fu		
Director	TCI Co., Ltd. Legal Director Representative Cong-Jie Qiu		
Director	China Investment and Development Co., Ltd. Representative Xiu-Yuan Li	1,311,132	1.55%
Director	Formosa Biomedical Technology Corp. Legal Director Representative Shi-Ming Lai	8,287,658	9.78%
Independent Director	Sung-Yuan Liao	0	0.00%
Independent Director	Shih-Ming Li	0	0.00%
Independent Director	Zhong-Ming Zeng	0	0.00%
Number of Shares Held by All Directors		28,936,659	34.16%