



ENIMMUNE CORPORATION

2023 Annual Report

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Disclosures of annual reports and related data on: <http://www.enimmune.com.tw/>

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V. Name(s) of the exchange(s) where our securities are traded offshore, and the method(s) by which the information of the offshore securities is accessed: None.**VI. Company website: <http://www.enimmune.com.tw/>**

Enimmune corporation

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I. Statement to Shareholders

2023 Business Report

Ladies and gentlemen, shareholders, greetings to all!

First and foremost, welcome everyone to this year's shareholders' meeting amidst your busy schedules. On behalf of the company, I would like to extend our deepest gratitude to all shareholders for your unwavering support and encouragement. Please find below the report on the operating status and future outlook goals for the fiscal year 2023:

I. The operating results for the fiscal year 2023

1、The implementation results of the business plan for the fiscal year 2023

The company operates as a biopharmaceutical company, primarily engaged in the research, clinical execution, development, and sales of pharmaceuticals for human medical use. Our focus includes biopharmaceuticals, monoclonal antibodies, vaccines, and small molecule drugs. On February 8, 2023, the company obtained the Ministry of Health and Welfare's drug license for "Enterovirus A71 Vaccine (EnVAX-A71)". The vaccine was launched in Taiwan and sold out. The company is dedicated to deepening localization efforts domestically, strengthening connections with medical institutions, and promoting the prevention and treatment of Enterovirus vaccines, thus shouldering the mission of safeguarding children's health. Concurrently, it is actively expanding into overseas markets, having signed an exclusive distribution contract with Vabiotech, the largest state-owned vaccine company in Vietnam, for the Enterovirus A71 vaccine product in Vietnam.

The company is currently listed on the Emerging Stock Market and continues to receive guidance from securities firms to achieve the goal of entering the capital market. To fulfill the ongoing requirements for investment in new product development in the future, the company plans to conduct a cash capital increase in the fiscal year 2024.

In terms of product development progress, the company's first vaccine development product, the Enterovirus 71 Vaccine (EnVAX-A71), has passed the examination and registration of new drug by the Taiwan Food and Drug

Administration (TFDA) in 2023. It was officially launched in August 2023 and is intended for administration to infants and young children (2 months to 6 years old). The Phase III clinical trial conducted overseas was completed on June 28, 2023. The interim analysis in Vietnam is scheduled for the third quarter of 2024, with unblinding expected before the fourth quarter. The regulatory approval documents for the Enterovirus 71 Vaccine will now be handed over to our partner, Vabiotech. After communication with the competent authorities in Vietnam, the submission application will be formally submitted.

The new Japanese Encephalitis Virus (JEV) vaccine derived from cell culture process is currently under development. This product aims to replace the traditional Japanese Encephalitis vaccine prepared from mouse brains. The Japanese Encephalitis vaccine is routinely administered for preventive purposes domestically. It is suitable for infants, preschool children, and adults with insufficient antibody immune response. Animal testing has been completed, and currently, evaluations of the immunogenicity results are underway following the optimization of the production process.

The development of the Coxsackievirus A16 (CA16) vaccine has progressed with the initial selection of virus strains completed. At this stage, verification of the serum-free cell culture of virus strains and confirmation of cross-neutralization reactions are underway. Subsequently, pre-clinical studies will commence.

The company continues to sell quadrivalent influenza vaccines and Tetanus Toxoid vaccines to expand its vaccine product line and establish sales networks in the vaccine business. In addition, we are expanding into the medical device category by developing medical testing reagents. Since the outbreak of the COVID-19 pandemic, our company has acquired expertise in diagnostic reagents and possesses strong research and development capabilities as well as production platforms. Currently, we are developing rapid screening assays including Helicobacter pylori antigen rapid tests, Enterovirus EV71 antigen rapid detection assays, Dengue fever rapid tests, and so on. With the recent trend towards youthfulness and popularization in the medical aesthetics industry, our company has also ventured into the field of medical aesthetics. We have signed an exclusive distribution contract with Inibio from South Korea for botulinum toxin products in Taiwan. In the future,

we will establish a specialized marketing team for biopharmaceutical and strengthen our advanced biopharmaceutical product line.

Due to operational requirements and future development, our company will establish a subsidiary in Singapore named “ENIMMUNE-RMT BIOTECH PTE. LTD.”. This subsidiary will facilitate the entry of products such as the quadrivalent influenza vaccine, Enterovirus 71 Vaccine (EnVAX-A71), and Tetanus Toxoid vaccine into the regional market. This includes conducting clinical trials, obtaining drug approvals, and future market sales. The company’s initial focus will be on Southeast Asian markets, including Indonesia, Malaysia, and Singapore, among 11 other countries. By integrating upstream and downstream resources, we aim to strengthen cooperation and create a mutually beneficial situation in the Southeast Asian region.

2 、 Budget Execution Status

The company did not disclose financial forecasts for the fiscal year 2023, therefore there is no budget execution status available.

3 、 Analysis of Financial Income, Expenditure Situation, and Profitability

Enimmune is currently still in the product development stage, with significant annual expenditures on research and clinical trials. As the sales team is being established and additional product offerings are being introduced, along with the expected profitability after obtaining the Enterovirus vaccine drug license, the financial structure is expected to gradually improve, thus creating profits for shareholders. The financial situation for the year 2023 is as follows, please refer to the financial statement.

Unit: NT\$ thousand (except for loss per share in NT\$); %

Items 項目		2023	2022
Operating Revenue 營業收入		43,494	188,415
Operating Gross Profit (Loss) 營業毛利(損)		(108)	20,842
Operating Loss 營業損失		(220,043)	(286,416)
Net Loss After Tax 稅後淨損		(214,258)	(267,086)
Return on Assets (%) 資產報酬率(%)		(30.42)	(38.53)
Return on Equity (%) 股東權益報酬率(%)		(38.25)	(43.24)
To Paid-in Capital Ratio (%) 占實收資本比率(%)	Operating Loss 營業損失	(33.44)	(43.53)
	Net Loss After Tax 稅後淨損	(32.56)	(40.59)
Net Profit Margin (%) 純益率(%)		(492.62)	(141.75)
Loss per Share (NT\$) 每股虧損(元)		(3.04)	(3.88)

4、Research and Development Status

Unit: NT\$ thousand

<div>Items 項目</div> <div>Year 年度</div>	2023
Research and Development Expenses 研究發展費用	139,271
Paid-in Capital Amount at the End of the Period 期末實收資本額	658,000
Percentage of Research and Development Expenses to Paid-in Capital at the End of the Period (%) 研究發展費用占期末實收資本額比例(%)	21.17%

II. Overview of the Business Plan for Fiscal Year 2024

- (I) Domestic market launch and overseas marketing strategy for the Enterovirus 71 Vaccine (EnVAX-A71).
- (II) Completion of Phase III clinical trial enrollment for Enterovirus 71 Vaccine (EnVAX-A71) in Vietnam.
- (III) Completion of process optimization for the new Japanese Encephalitis Virus Vaccine (JEV).
- (IV) Continued progress in the development of Coxsackievirus A16 (CA16) vaccine and other new drug projects.
- (V) Development of Enterovirus 71 antigen rapid detection kits, dengue fever antigen-antibody rapid detection kits, and other disease detection projects.
- (VI) Domestic drug license application and market launch for botulinum toxin and other advanced biopharmaceuticals.
- (VII) Continued expansion of business marketing network team. In addition to the sales of Enterovirus 71 Vaccine (EnVAX-A71), quadrivalent influenza vaccines for the

self-pay market, tetanus vaccines, and rapid screening reagents, the company will gradually introduce new products for sale.

III. Future Company Development Strategy

Enimmune is committed to promoting public health and emphasizes both prevention and treatment. In order to mitigate the threats posed by diseases, we focus on the prevention and control of various emerging infectious diseases. Through the accelerated development of new drugs and vaccines, we aim to enhance the overall health and quality of life. Additionally, we develop medical testing reagents to enhance the efficiency of domestic medical capacity utilization, and by introducing advanced biopharmaceuticals for medical aesthetics, we are expanding into the medical aesthetics market.

In terms of business strategy and positioning, we collaborate with domestic and international industry, government, academia, and research institutions to introduce high-potential new drug and vaccine technologies. Through alliance cooperation across the upstream, midstream, and downstream sectors, we leverage various resources within the industry chain to efficiently bring new drug products to market. Additionally, interim results of the new drug development process can be licensed externally or marketed globally after obtaining drug approvals.

IV. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

Impact of External Competitive Environment: The domestic biotechnology industry has flourished in recent years, with the government releasing numerous incentives, including the Act For The Development Of Biotech And New Pharmaceuticals Industry and the Biological Economic Industrial Development Project. However, domestic market demand is inherently limited, and investment capital is substantial with long payback periods. Therefore, Enimmune must expand into international markets for development, facing challenges from global competitors. Facing the external competitive environment, Enimmune must exercise caution in risk-sharing strategies such as selecting appropriate new drugs and professional divisions of labor, especially when choosing CRO (Contract Research Organization) or CMO (Contract Manufacturing Organization) companies.

Impact of Regulatory Environment: The conservative regulatory environment in Taiwan makes it challenging for some high-tech new drugs or medical devices to undergo the examination and registration process as well as enter the market. This process can be exhausting and resource-intensive, consuming a significant amount of energy and resources before entering the market. Expanding into international markets also requires addressing the varying levels of understanding and breakthroughs in pharmaceutical regulations across different countries. Enimmune must continuously adapt its development strategy to comply with changes in both international and domestic pharmaceutical regulations in order to meet the demands of the evolving regulatory environment.

In the post-COVID-19 era, there has been a global surge in awareness and emphasis on disease prevention, leading to the rise of the overall vaccine and testing industries. Additionally, the aging population worldwide has led to an increase in healthcare costs, prompting a reliance on biotechnology in medicine and preventive healthcare. Investment in vaccine and testing development, as well as research on new drugs, has become an inevitable trend. Due to the Taiwanese market's limited economic scale and relatively weak cost competitiveness, Enimmune adopts the most economical division of labor model. This means avoiding involvement in basic scientific research and refraining from investing large amounts of capital in machinery and equipment. Instead, Enimmune engages in international cooperation to integrate upstream, midstream, and downstream resources for the joint execution of manufacturing, non-clinical, and human clinical development trials for new vaccine and drug candidates. This maximizes research and development resources to meet international regulatory standards, thereby accelerating the drug approval process and expediting product launch.

Lastly, once again, we would like to express our sincere gratitude to all the shareholders, ladies and gentlemen, as well as dedicated colleagues, for their support and encouragement to our company. We hold the utmost respect for each and every one of you! And we wish everyone

good health and may everything go your way.

Chairman: Chung-Cheng Liu

General Manager: Vic Chang

Accounting Supervisor: Yu-Kang Lin

II. Company Profile

1. Date of establishment

Established on January 10, 2014

2. Company history

Year	Milestone
2014	Established Enimmune corporation with paid-in capital of NTD 84,000 thousand.
	Capital increase of NTD 316,000 thousand in cash with paid-in capital of NTD 400,000 thousand after the capital increase.
	The Ministry of Health and Welfare approved the launch of Phase IIa enterovirus vaccine clinical trial.
2015	Enterovirus vaccine was administered to 126 people at Phase II clinical trial (phase IIa).
	A commissioned manufacturer completed the factory inspection by the Ministry of Health and Welfare.
	Public offering of shares.
2016	Subject enrollment for enterovirus vaccine Phase II clinical trial (bioreactor process) began.
	Finished the Phase II enterovirus vaccine clinical trial (Roller Bottle Process) by presenting the CSR.
2017	Approved as a biotechnology and new drug company in compliance with the Act for the Development of Biotech and New Pharmaceuticals Industry.
	Phase II enterovirus vaccine clinical trial (Bioreactor Process) CSR was presented.
2018	IND was approved by TFDA for the Phase III enterovirus vaccine clinical trial.
	Capital increase of NTD 40,000 thousand in cash with paid-in capital of NTD 440,000 thousand after the capital increase.
	Traded on the emerging market.
	Enterovirus Type 71 vaccine passed the Phase III clinical trial in Taiwan and received pre-IND approval from the Ministry of Health (MOH) of Vietnam
2019	The Company received a subsidy of NTD 24,107 thousand for the "Phase III Clinical Trial of Enterovirus Type 71 Vaccine Produced with Bioreactor in Healthy Children" under the A+ Industrial Innovation R&D Program (Fast Track) of the Ministry of Economic Affairs.
	The subject enrollment for the Phase III EV71 vaccine clinical trial of the Company was completed on April 29, 2019.

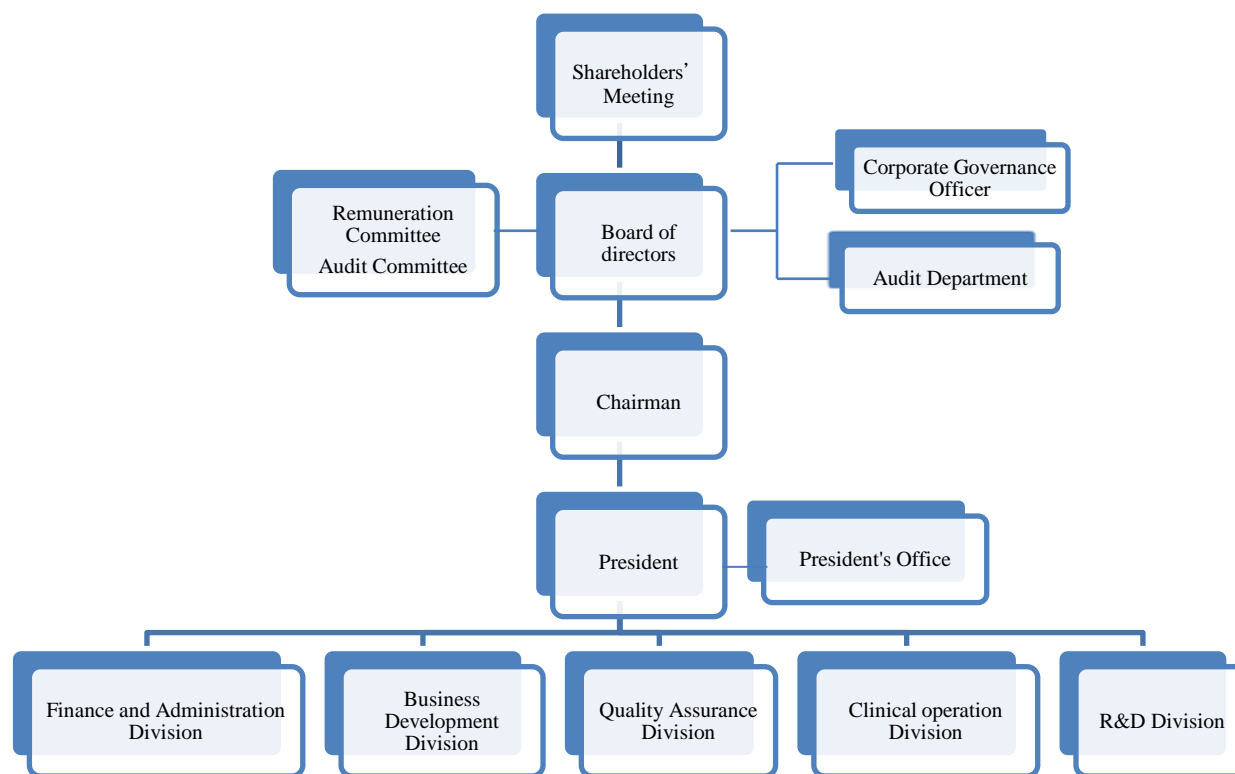
Year	Milestone
	Announced the Company's board resolution to issue new shares for capital increase in cash
2020	The Company finished the first interim analysis of the Phase III EV71 vaccine (EnVAX-A71) clinical trial in Taiwan. First interim analysis. Analysis results: The seroprotective rate induced by the vaccine reached the test standard set by the regulatory authorities, and there were no serious adverse reactions related to the vaccine within 196 days.
	Announced that the Company applied for new drug registration (NDA) to Taiwan Food and Drug Administration, Ministry of Health and Welfare, for the Company's EV71 vaccine (EnVAX-A71) on May 28, 2020.
	Capital increase of NTD 160,000 thousand in cash with paid-in capital of NTD 600,000 thousand after the capital increase.
	Formed joint venture with Abcombi Bioscience Inc. Entered into an agreement for joint development of pneumococcal conjugate vaccines.
	The Company's Speedy COVID-19 Ag Rapid Test received the European Union In Vitro Diagnosis Medical Device (CE-IVD) certificate.
2021	The Company signed a memorandum of cooperation with Medtecs International Corporation Limited.
	The Company's Speedy COVID-19 Ag Rapid Test received the export license issued by Taiwan Food and Drug Administration, Ministry of Health and Welfare.
	The Speedy COVID-19 Ag Rapid Test developed by the Company received the approval from the Ministry of Health and Welfare to sell under a medical device project.
	The Company signed a three-party memorandum of cooperation (MOU) with Innovalues Tech Pte Ltd., Singapore, and ADIMMUNE Corporation
	The Company's application for overseas Phase III EV71 vaccine (EnVAX-A71) clinical trial (IND) was approved by the Ministry of Health (MOH) of Vietnam.
	The Company's board of directors resolved to form a joint venture with AIOS BIOTECH PTE. LTD. , Singapore.
2022	The Quicksure COVID-19 Antigen Self Test (Home Rapid Test) developed by the Company received the approval from the Ministry of Health and Welfare as medical devices to be manufactured under a project..
	Capital increase of NTD 58,000 thousand in cash with paid-in capital of NTD 658,000 thousand after the capital increase.
	The PCL SELF TEST - COVID19 Ag imported by the Company under a project was sold in Taiwan.
	The Speedy COVID-19 Ag Rapid Test developed by the Company received the

Year	Milestone
	official medical device import permit from Indonesia and could be sold there.
2023	The Company's Enterovirus Type 71 vaccine (EnVAX-A71) was approved by Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare, for the prevention of Enterovirus Type 71 infection.
	The Data and Safety Monitoring Board (DSMB) assessed the interim analysis results of the Phase I/II human clinical trial of the COVID-19 vaccine (AdimrSC-2f) conducted by the subsidiary in Indonesia, and it was recommended to continue the clinical trial as planned.
	The Company completed the Phase III enterovirus vaccine clinical trial in Vietnam.
	The Company's Enterovirus Type 71 vaccine (EnVAX-A71) was officially supplied.
	The Company signed an exclusive distribution contract with VABIOTECH in Vietnam.
	The subsidiary carried out Phase I/II human clinical trial of COVID-19 vaccine (AdimrSC-2f) in Indonesia, and completed the debinding and data analysis of the immunogenicity and safety .
2024	The Company signed an exclusive distribution contract with Inibio in Korea

III. Corporate Governance Report

1. Organizational system

(1) The organizational chart of the Company:



(2) Major departments' activities:

Department	Function
President's Office	<ul style="list-style-type: none"> ➤ Planning and coordination of the goals and strategies of the Company. ➤ Collection of business information and implementation of improvement of business management and operation capabilities. ➤ Matters with regard to the contracts of the Company and government laws and regulations, and management of the Company's intellectual property rights. ➤ Responsible for collection of global market information and feedback, development of new customers and markets, and deployment and planning of new business. ➤ Responsible for matters related to government procurement, marketing services, business analysis, market development, etc. ➤ Matters with regard to planning and implementation of information electronization and management of communication, network and system management. ➤ Handling and execution of external public relations. ➤ Other matters as instructed by senior management. ➤ Stock administration
Finance and Administration Division	<p>Records and vouchers of accounting transactions; custody of books and documents; safekeeping of cash, notes and securities; issuance and recording of income and expenditure; processing of bank transactions; preparation and execution of accounting statements; control of all income and expenditure of the Company; analysis of financial and operating plans; compilation of budgets; fund raising and scheduling; coordination of audits with CPAs; processing of tax returns; calculation and analysis of product costs; and implementation of public information declaration on designated websites as required by laws and regulations.</p> <ul style="list-style-type: none"> ➤ Matters with regard to planning, establishment and management of the Company's organization and human resource pool. ➤ Raw materials, finished products, consumables, outsourced clinical trials, outsourced inspections, outsourced manufacturing, and outsourced research and development ➤ and other related matters, general affairs and procurement, and supplier management. ➤ Matters with regard to import and export. ➤ Coding, custody and filing of documents sent and received. ➤ Matters with regard to daily general affairs management of the Company.
Business Development Division	Responsible for marketing strategies and plans for new business development, implementing marketing activities, and reviewing the rationality of production and sale of products in a timely manner to ensure that goals are achieved.
Quality Assurance Division	<ul style="list-style-type: none"> ➤ Development and research of product process and mass production technology. ➤ Matters with regard to quality assurance system, technology development and management, outsourced GMP manufacture management, outsourced inspection management, and GDP operation, distribution and audit.

Department	Function
	<ul style="list-style-type: none"> ➤ Assessment of new technology development. ➤ Development and research of quality control inspection technology.
Clinical operation Division	Responsible for matters with regard to operations related to the clinical trial of the Company.
R&D Division	<ul style="list-style-type: none"> ➤ Responsible for application for domestic and foreign drug certification, registration of changes, planning and management of outsourced trials (pre-clinical animal study and human clinical trial), implementation of drug safety monitoring system, application for import and export of drugs and related raw materials to be used in the trial, and relevant government agencies. ➤ Responsible for development of applications and product process technologies as well as their transfer with regard to basic research.
Audit Department	Overall inspection of the Company's internal control system, including internal audit and self-inspection with regard to control environment, risk assessment, control operations, information and communication, and supervision.

2. Information of directors, president, vice presidents, assistant vice presidents, and heads of departments and branches

(1) Director

1. Information of directors

April 30, 2024

Title	Nationality or place of registration	Name	Gender Age	Date of election (inauguration) (Note 1)	Term of office	Date of initial election	Shares held at the time of election		Shares held		Shares held by spouse and minor children		Shares held in the name of others		Main experience/education background	Concurrent post in the Company or other companies	Other managers, directors or supervisors in a spousal relationship or within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Relationship	Name	Title	
Chairman	Taiwan	Liu, Chung-Cheng	Male 66~75	2023.06.16	3 years	2014.01.02	—	—	200,000	0.30%	—	—	—	—	.Ph.D. in Biochemistry, Princeton University, USA .Graduate. Department of Zoology, National Taiwan University .Senior Researcher, Genentech Inc. .Molecular Biotechnology Team Leader, Genencor International, USA .Deputy Director, Institute of Biomedical Sciences, Industrial Technology Research Institute .Director, Institute of Biomedical Sciences, Industrial Technology Research Institute	. President of Adimmune Corporation .Adjunct Professor, Institute of Systems Biology, National Central University .Adjunct Professor, Institute of Biochemistry, National Cheng Kung University .Chairman of EGGS Corporation .Chairman of Wei Mu Biological Technology Co., Ltd.	—	—	—	—
							30,600,000	51.00%	33,558,000	51.00%	—	—	—	—			—	—	—	—
Director	Taiwan	Pan, Fe	Male 56~65	2023.06.16	3 years	2014.01.02	—	—	7,000	0.01%	—	—	—	—	.LL.M., University of Pennsylvania, USA .California Attorney .Adjunct Lecturer, National Tsing Hua University .Corporate Investment Department of	. Vice President of Chief Legal Officer, Adimmune Corporation .Supervisor of Eggs Corporation	—	—	—	—

Remarks							
Other managers, directors or supervisors in a spousal relationship or within the second degree of kinship	Relationship						
	Name						
	Title						
Concurrent post in the Company or other companies							
Main experience/education background				Lee and Li, Attorneys-at-Law .Chief Legal Officer of Vanguard International Semiconductor Corporation			
				.Ph.D. in Cellular Molecular Biology, University of Massachusetts, USA .Adjunct Associate Professor, Fu Jen Catholic University .Adjunct Associate Professor, Providence University .Team Leader of Bureau of Controlled Substances Administration, Department of Health .Senior Technical Specialist of Drug and Food Inspection Bureau, Department of Health .Director of Taiwan Parental Drug Association			
Shares held in the name of others		Shareholding ratio					
		Number of shares					
Shares held by spouse and minor children		Shareholding ratio					
		Number of shares					
Shares held		Shareholding ratio					
		Number of shares					
Shares held at the time of election		Shareholding ratio					
		Number of shares					
Date of initial election							
Term of office							
Date of election (inauguration) (Note 1)							
Gender Age		corporate shareholder: ADIMMUNE Corporation		2023.06.16	3 years	2015.05.19	
Name							
Nationality or place of registration				Taiwan			
Title				Director			

Remarks		Relationship	Name	Title	Other managers, directors or supervisors in a spousal relationship or within the second degree of kinship	Concurrent post in the Company or other companies	Main experience/education background	Shares held in the name of others		Shares held by spouse and minor children		Shares held		Shares held at the time of election		Date of initial election	Term of office	Date of election (inauguration) (Note 1)	Gender Age	Name	Nationality or place of registration	Title
								Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares							
		—	—	—			.Master of Public Health, National Taiwan University .Deputy Director of Health, Executive Yuan .Chairman of the Taiwan Society of Regulatory Affairs for Medical Products. . Director of Center for Drug Evaluation, Taiwan	—	—	—	—	—	—	—	—	2020.06.17	3 years	2023.06.16	Female 66~75	Hsiao, Mei-Ling	Taiwan	Independent Director
		—	—	—			EMBA in College of Management, National Chung Hsing University HEP TECH CO., LTD Deloitte Acelon Chemicals & Fiber Corporation. .Progressive Optoelectronics Technology Co., LTD.	—	—	—	—	—	—	—	—	2020.06.17	3 years	2023.06.16	Male 56~65	Li, Chung-Chi	Taiwan	Independent Director
		—	—	—			Master of Comparative Law in University of Iowa Symbio,Inc. China Television Company, Ltd. Department of International Affairs in Financial Supervisory Commission R.O.C(Taiwan) CTV Cultural Enterprise Company Adjunct Lecturer of National Tsing Hua University Adjunct Lecturer of Tamkang University	—	—	—	—	—	—	—	—	2020.06.17	3 years	2023.06.16	Male 66~75	Ma, Ta-Wei	Taiwan	Independent Director

Table 1: Major shareholders of the corporate shareholder

April 30, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio (%)
Adimmune Corporation	National Development Fund, Executive Yuan	11.31%
	BioEngine Technology Development Inc	4.83%
	Management Committee of Yao Hua Glass Co., Ltd.	3.93%
	Lin, Jian-Hong	2.12%
	Center Laboratories, Inc.	1.93%
	JPMorgan Chase International Index Fund	1.10%
	Vanguard Emerging Markets Fund	1.07%
	Yu Chuan Culture Investment Co. Ltd.	0.87%
	Chan, Chi-Hsien	0.84%
	Lan, A-Wen	0.81%
	Lin, Min-Hsiung	0.81%
Director of Wen Teng Investment Co., Ltd.	Chen, Chien-Jun	58.67%
	Chen, Chien-Fu	28.99%
	Zeng Shu-Hui	6.17%
	Chen, Tien-Pu	6.17%

Note 1: If the director or supervisor is the representative of a corporate shareholder, the name of the corporate shareholder shall be provided.

Note 2: Fill in the names and shareholding ratios of the major shareholders (Top 10 shareholders in shareholding ratio) of the corporate shareholder and their shareholding ratio. If the dominant shareholder is a juridical person, please fill in the table on the next page.

Table 2: Major shareholders of the dominant shareholder who is a corporate shareholder

April 30, 2024

Name of corporate entity	Dominant shareholders of corporate entities	Shareholding ratio (%)
National Development Fund, Executive Yuan	Government Agencies	100.00
Management Committee of Yao Hua Glass Co., Ltd.	Management Committee of Yao Hua Glass Co., Ltd. is a management committee administered by the Ministry of Economic Affairs and currently consists of two to six representatives of private shares and eight representatives of government shares.	
Yu Chuan Culture Investment Co. Ltd.	Chen, Chien-Fu	100
	Zeng, Shu-Hui	0.00
Center Laboratories, Inc.	Jason Technology Co., Ltd.	22.51
	Wang, Su-Chi	1.22
	Po Chang Investment Co., Ltd.	0.08
	Chen, Chun-Hung	0.00
	Li Jung Technology Co., Ltd.	62.39
	Lin, Chia-Ling	4.85
	Tsai, Chang-Hai	0.00
	Chang, Po-Chih	1.97
	Wei Chen Investment Co., Ltd.	5.54
	Tsai, Pei-Chen	1.44

Note 1: If the dominant shareholder in the table is a juridical person, the name of the juridical person shall be provided.

Note 2: Fill in the names of the dominant shareholders (Top 10 shareholders in shareholding ratio) corporate entity and their shareholding ratio.

2. Disclosure of information on professional qualifications of directors and independence of independent directors

May 20, 2024

Identity	Name	Condition	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of other public companies where the person concurrently acts as an independent director
Chairman	Liu, Chung-Cheng		Chairman, Mr. Zhong-Cheng Liu, specializes in biochemical research and holds a doctoral degree in biochemistry from Princeton University, USA. He is currently the Chairman of the Company and the President of ADIMMUNE Corporation. After obtaining the doctorate in biochemistry in the United States, he is committed to contributing to the academic research of biochemistry. He served as an adjunct professor at National Central University and National Cheng Kung University. He not only has rich experience in academia, but also has many years of experience in the fields of commerce, corporate business, and biotechnology industry. Mr. Zhong-Cheng Liu is full of international perspective and capable of leading the Company toward the goal of sustainable operations.	None of the circumstances under Article 30 of the Company Act applies.	None
Director	Pan, Fei		Director, Mr. Pan, Fei, is a legal expert. He graduated from the University of Pennsylvania with a master's degree of law. He is currently the Vice President of the Legal Affairs Division, ADIMMUNE Corporation. With his law major, he worked as the Director of the Investment Department of Lee and Li, Attorneys-at-Law and the Chief Legal Officer of the Vanguard International Semiconductor Corporation. Mr. Pan, Fei has more than ten years of experience in commerce, legal affairs, and legal practices required for the business of the Company.	None of the circumstances under Article 30 of the Company Act applies.	None

Identity	Condition		Status of independence (Note 2)	Number of other public companies where the person concurrently acts as an independent director
	Name	Professional qualifications and experience (Note 1)		
Director	Chiu, Chin-Yi	Director, Mr. Chiu, Chin-Yi, specializes in Molecular Biology and received his Ph.D. in Cell and Molecular Biology from the University of Massachusetts. He is currently the Vice President of the Quality Assurance Division, ADIMMUNE Corporation; Mr. Chiu, Chin-Yi served in the Health and Drug Administration and the Food Inspection Administration. He contributes all of what he has learnt and is specialized in pharmaceutical regulations and pharmaceutical quality.	None of the circumstances under Article 30 of the Company Act applies.	None
Director	Chen, Chien-Run	Director, Mr. Chen, Chien-Run, is a medical expert. He graduated from Kaohsiung Medical University with a doctoral degree. He is currently the Chairman of Taiwan Jellyfig Biotechnology Co., Ltd. In addition to more than five years of work experience in commerce, biotechnology and any other fields required for the business of the Company, he has in-depth knowledge of relevant industries and market planning experience, and thus can provide substantive assistance to the operations of the Company.	None of the circumstances under Article 30 of the Company Act applies.	None

<div>Condition</div> <div>Identity Name</div>		Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of other public companies where the person concurrently acts as an independent director
Independent Director	Hsiao, Mei-Ling	Independent director, Ms. Hsiao, Mei-Ling, is a public health expert, She graduated from the Institute of Public Health, National Taiwan University, with a master's degree. She is a member of the Audit Committee and Remuneration Committee of the Company. Ms. Hsiao, Mei-Ling is currently the President of Taiwan Society of Regulatory Affairs for Medical Products, and has. The former Deputy Minister of the Department of Health, Executive Yuan, has in-depth professional knowledge of pharmaceutical regulations and drug inspection and more than ten years of practical experience, and thus can, as an expert, provide suggestions and consultations for the matters related to pharmaceutical regulations.	<p>All the independent directors meet the following independence assessment conditions at any time two years prior to the date of appointment and during the term of office.</p> <p>1. Not an employee of the Company or any affiliate of the Company.</p> <p>2. Not a director or supervisor of the Company or any affiliate of the Company. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country).</p> <p>3. Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of the top ten shareholders.</p> <p>4. Not a manager listed in (1) or a spouse or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of personnel listed in (2) and (3).</p> <p>5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks as one of the top five shareholders, or designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country).</p>	None

<div>Condition</div> <div>Identity Name</div>		Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of other public companies where the person concurrently acts as an independent director
Independent Director	Lee, Chong-Chi	Independent Director, Mr. Chong-Ji Lee, is a financial and accounting expert. He graduated from the College of Management, National Chung Hsing University, with a master’s degree of senior managers. He is the convener of the Company’s Audit Committee and a member of the Remuneration Committee. Mr. Chong-Ji Lee served as the Vice President and Director of Finance Department and spokesperson of HEP Tech Co., Ltd. He has more than 10 years of work experience in commerce, finance and any other fields required for the business of the Company. Mr. Chong-Ji Lee is specialized in financial analysis and accounting and has extensive industry experience.	6. In case a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person, not a director, supervisor, or employee of that other company. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country). 7. Not a director, supervisor or employee of any other company or institution who is the same person as the Company’s Chairman, President or person with equivalent position, or the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country). 8. Not a director, supervisor, or managerial officer, or a shareholder holding 5% or more of the shares, of any specific company or institution that has a business or financial relationship with the Company. (The same does not apply, however, in cases where the specific company or institution holds 20% or more and less than 50% of the total number of the Company's issued shares and is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country).	None

Identity	Name	Condition	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of other public companies where the person concurrently acts as an independent director
Independent Director	Ma, Ta-Wei		<p>Independent Director, Mr. Ma, Da-Wei, graduated from the University of Iowa with a master's degree in comparative law. He is the convener of the Company's Remuneration Committee and a member of the Audit Committee. He worked for the Department of International Affairs, FSC, Executive Yuan, and is specialized in both industries and legal affairs. Mr. Ma, Da-Wei has more than ten years of work experience in legal affairs and any other fields required for the business of the Company, and can give assistance in the legal affairs of the Company and provide suggestions and consultations as an expert.</p>	<p>9. Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the most recent two years with an accumulated service compensation of NT\$500,000 of less, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public purchase deliberation committee, or special merger and acquisition committee, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>10. Not a spouse or a relative within the second degree of kinship of another director.</p> <p>11. None of the circumstances under Article 30 of the Company Act applies.</p> <p>12. Not a government agency, juristic person or their respective representatives being elected according to Article 27 of the Company Act.</p>	None

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors are stated. For any member of the Audit Committee who has accounting or finance expertise, the accounting or finance background and work experience shall be disclosed. Whether none of the circumstances referred to in Article 30 of the Company Act exist shall also be stated.

Note 2: Independent directors shall state their independence status, including but not limited to whether the independent director, his/her spouse, or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or any affiliated companies of the Company; the number and proportion of the Company's shares held by the independent director, his/her spouse, or a relative within the second degree of kinship (or in the name of another person); whether the independent director, his/her spouse, or a relative within the second degree of kinship serves as a director, supervisor, or employee of the company having a special relationship with the Company (refer to Subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of the compensation received for provision of commercial, legal, financial, or accounting services to the Company or any affiliate of the Company in the most

recent two years.

3. Diversity and independence of the board of directors

The board of directors has established the "Director Election Procedure" to regulate the nomination, qualification and evaluation policies and standards of director candidates. The nomination of the Company's directors is subject to a rigorous selection process, which not only takes into account diverse backgrounds, professional capabilities and experience, but also strengthens corporate governance and promotes sound development of the composition and structure of the board of directors. It is believed that a diversity approach can help improve the overall performance of the Company. Board members are selected based on the principle of meritocracy and have diverse and complementary abilities across industries, including a basic composition (such as age, gender, and nationality). Every member has his/her own industry experience and related skills (such as accounting, legal affairs, information technology, biotechnology and medicine), as well as business judgment, business management, leadership and decision-making, crisis management and other abilities. In order to strengthen the functions of the board of directors and achieve the ideal goal of corporate governance, Article 7.19 of the "Corporate Governance Best Practice Principles" of the Company stipulates that the board of directors as a whole shall have the following capabilities:

- (1) Operational judgment ability
- (2) Accounting and financial analysis ability
- (3) Business management ability
- (4) Crisis management ability
- (5) Knowledge of industry
- (6) Understanding of international markets
- (7) Leadership ability
- (8) Decision-making ability

The Company's board of directors consists of 7 directors, including 3 independent directors and 1 director with employee status. The percentage of the directors with employee status is 14%, and the number of independent directors exceeds 1/3 of the directors. As of the end of 2023, all independent directors had complied with the requirements of independent director requirements of the Securities and Futures Bureau, Financial Supervisory Commission, and none of the circumstances specified in Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act exist among directors and independent directors. The Company also pays attention to the gender equality and diversity of the composition of the board of directors. The percentage of female directors is 14%. The qualifications of the three independent directors are in compliance with the laws and regulations. They are familiar with the finance and operation of the Company. The Audit Committee of the Company was established in June 2020. Directors, including independent directors, were reelected at the shareholders' meeting held in 2023.

The Company's board of directors is currently comprised of 7 directors. The specific management goals of the board's diversity policy and their achievements are described as follows:

Management goals	Status achievement
The number of independent directors exceeds one third of the total number of directors.	Achieved
It is advisable that the number of directors who also serve as managerial officers of the Company shall not exceed one third of the total number of directors	Achieved
Independent directors have served less than 3 terms	Achieved
Adequate and diversified professional knowledge and skills	Achieved

The current board member diversity policy of the Company and its implementation are as follows:

Industry experience and professional capability	Commerce, law, finance	Knowledge of industry or biotechnology	Basic composition											
			Service years of independent directors	3 to 9 years	3 years or less	Age	Employee status	Gender	Nationality	Title				
											66-75	56-65	46-55	36-45
Core of diversification	Name of director	Liu, Chung-Chen	Chairman	Taiwan	Male	V				V				
		Pan, Fei	Director	Taiwan	Male				V					
		Chiu, Chin-Yi	Director	Taiwan	Male					V				
		Chen, Chien-Run	Director	Taiwan	Male		V							
		Hsiao, Mei-Ling	Independent Director	Taiwan	Female					V			V	
		Lee, Chong-Chi	Independent Director	Taiwan	Male				V				V	
		Ma, Ta-Wei	Independent Director	Taiwan	Male						V		V	

(2) Information of president, vice presidents, assistant vice presidents, and heads of departments and branches

1. President, vice presidents, assistant vice presidents, and heads of departments and branches

March 31, 2024

Title	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouse and minor children		Shares held in the name of others		Main experience/education background	Concurrent post in other companies	Manager who is a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	Chang, Che-Wei	Male	2019.01.07	162,974	0.25%	—	—	—	—	MBA, University of Houston, USA International internal auditor Special Assistant to the Chairman, chief internal auditor, Director of Planning Department, and Chief Financial Officer of ADIMMUNE Corporation	Director, EGGS Corporation	—	—	—	
Director of R&D Division	Republic of China	Yang, Ching-Fen	Female	2014.07.21	64,975	0.10%	—	—	—	—	PhD, Microbiology, University of Massachusetts, USA Researcher, Aviron, USA R&D Manager, MedImmune, USA	None	—	—	—	
Director of Clinical Operation Division	Republic of China	Wu, Wei-Ping	Female	2023.01.09	—	—	—	—	—	—	Master in Food Nutrition, Indiana State University, USA Senior Director of Clinic Operations, Jiangxi Lungchang Director of Pharmaceutical Affairs Division, Papivax Biotech, Inc. Project Manager, QPS-QUALITIX Clinical Research CO., LTD.	None	—	—	—	
Assistant Vice President of Business Development Division	Republic of China	Li, Chia-Hui	Female	2023.05.15	2,000	0.00%	—	—	—	—	Master, Department of Veterinary Medicine, National Chung Hsing University Master, Department of Business Administration, National Taipei University Spectrum Brands/North Asia Pet Manager, USA Technical Manager, China Bestar Laboratories Ltd. Manager of International Business, Marketing Manager, Director of President Office, Reber Genetics Co., Ltd.	None	—	—	—	
Assistant Vice President, Finance and Administration	Republic of China	Hsu, Chieh-Yun	Female	2023.12.01	—	—	—	—	—	—	Master, Graduate Institute of Management, National Taiwan University of Science and Technology Deputy Manager of Finance	None	—	—	—	

Title	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouse and minor children		Shares held in the name of others		Main experience/education background	Concurrent post in other companies	Manager who is a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Division											Department, DOLPHIN LOGISTICS CO., LTD. Special Assistant to CEO and Assistant Vice President of Administration Department, Sunshine International Co., Ltd., Thailand Director of Administrative Office, Inmax Holding Co., Ltd. (Cayman Islands)					
Finance Manager	Republic of China	Chen, Hung-Tun	Male	2023.08.08	—	—	—	—	—	—	Auditing Manager and Acting Spokesperson, ICHIA TECHNOLOGIES, INC Deputy Manager, PwC Taiwan Master, College of Management, National Chung Hsing University	None	—	—	—	
Accounting Manager	Republic of China	Lin, Yu-Kang	Female	2023.08.08	1,000	0.00%	—	—	—	—	Master, Department of Accounting Information Special Assistant to Chief, Manager of Finance Department, Deputy Manager of Administration Department, ZHEN DING JI TEA COMPANY LIMITED	None	—	—	—	
Assistant President of Audit Department	Republic of China	Tang, Hsiang-Jung	Female	2015.05.19	—	—	—	—	—	—	Department of Accounting, National Chung Hsing University Administrative Management Department, Finance Department, Audit Department of ADIMMUNE Corporation	None	—	—	—	

*Note 1: The date elected (inauguration) is the date on which the Director of Finance Department takes office.

2. Where the Chairman of the Board of Directors and the General Manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed:

None

3. Remuneration paid to directors, supervisors, president, and vice presidents in the most recent year

(1)

1. Remuneration to ordinary and independent directors (2023)

Unit: NTD thousand; thousand shares

Title	Name	Remuneration to directors								The sum of A, B, C and D, and the percentage in net income after tax		Remuneration to directors serving as employees concurrently								The sum of A, B, C, D, E, F and G and the percentage in net income after tax		Remuneration from investees other than subsidiaries or from the parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution expense (D)				Salary, bonus and special allowances (E)		Severance pay and pension (F)		Remuneration to employees (G)						
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report			
Chairman	Representative of ADIMMUNE Corporation: Liu, Chung-Cheng	1,310	1,310					35	35	(0.01%)	(0.01%)											5,591
Director	Representative of ADIMMUNE Corporation: Pan, Fei	360	360	22	22			35	35	(0.01%)	(0.01%)											4,524
Director	Representative of ADIMMUNE Corporation: Chiu, Chin-Yi							35	35	(0.01%)	(0.01%)											5,385
Director	Representative of WenTang Investment Co., Ltd.: Chen, Chien-Jun							35	35	(0.01%)	(0.01%)											
Independent Director	Hsiao, Mei-Ling					600	600	35	35	(0.26%)	(0.26%)											
Independent Director	Lee, Chong-Chi					600	600	35	35	(0.26%)	(0.26%)											
Independent Director	Ma, Ta-Wei					600	600	35	35	(0.26%)	(0.26%)											

2. Remuneration to supervisors (2023): The Company established the Audit Committee in 2020 to replace the supervisor system, so this is not applicable.

3. Remuneration to President and Vice Presidents (2023)

Unit: NTD thousand; thousand shares

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and special allowance, etc. (C)		Amount of remuneration to employees (D)				The sum of A, B, C and D and the percentage in net income after tax (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Amount in cash	Amount of shares	Amount in cash	Amount of shares			
President	Chang, Che-Wei	3,204	3,204	108	108	964	964	532				(2.02%)	(2.02)	800

Remuneration Brackets Table

Bracket of remuneration to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company	All companies included in the financial statements
Less than NTD 1,000,000		
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)		
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)		
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Chang, Che-Wei	Chang, Che-Wei
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)		
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)		
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)		
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)		
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)		
Over NTD 100,000,000		

Bracket of remuneration to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company	All companies included in the financial statements
Total		

4. Remuneration to the Top-5 highest paid managerial officers of a public company: Not applicable.

5. Names of managerial officers entitled to employee remuneration and the distribution status: None.

- (2) Comparison and analysis of the total remuneration as a percentage of net income after tax stated in the separate or individual financial statements and paid by the Company and all the companies in the consolidated financial statements to the directors, supervisors, president, and vice presidents of the Company in the most recent two years, and description of the policies, standards, and portfolios for payment of the remuneration, the procedure for determining the remuneration, and the association with the operating performance and future risk exposure.
1. Analysis of the total remuneration as a percentage of net income after tax stated in the separate or individual financial statements and paid by the Company and all the companies in the consolidated financial statements to the directors, supervisors, president, and vice presidents of the Company in the most recent two years

Unit: NTD thousands

Title	2022				2023			
	Total remuneration		Total amount as a percentage of net income after tax (%)		Total remuneration		Total amount as a percentage of net income after tax (%)	
	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report
Director	1,905	1,905	(0.77%)	(0.71%)	2,045	2,045	(1.02%)	(0.95%)
Supervisor	—	—	—	—	—	—	—	—
President	4,453	4,453	(1.80%)	(1.67%)	4,809	4,809	(2.39%)	(2.24%)
Vice President	—	—	—	—	—	—	—	—

Note 1: The above remuneration includes travel allowance, salary, bonus and severance pay

2. The policies, standards, and portfolios for payment of the remuneration, the procedure for determining the remuneration, and the association with the operating performance and future risk
- (1) The Company has the "Articles of Association of Remuneration Committee" and set up a Remuneration Committee accordingly to evaluate the remuneration to directors, supervisors, and managerial officers.
- (2) Directors and supervisors: The remuneration to the directors of the Company is based on the Articles of Incorporation.
- (3) President and vice presidents: The remuneration to the president and vice presidents of the Company shall be determined in accordance with the positions held, the responsibilities assumed, the contributions to the Company, and with reference to the level of the industry.
- (4) Association with the operating performance and future risk exposure: The amount of the remuneration to the directors, president and vice presidents of the Company is determined in consideration of the factors including the operating performance of the Company; the risk of cyclical economic fluctuation in the future; the operating risk, trading risk, and financial risk that the Company may face in the future.

3. Implementation status of corporate governance

(I) Operation of the board of directors

The board held 7 meetings in 2023 (A). The attendance of directors is as follows:

Title	Name (Note 1)	Actual attendance times B	Attendance times by proxy	Actual attendance rate (%) "B/A" (Note 2)	Remarks
Chairman	ADIMMUNE Corporation Representative: Liu, Chung-Cheng	7	0	100%	
Director	ADIMMUNE Corporation Representative: Pan, Fei	7	0	100%	
Director	ADIMMUNE Corporation Representative: Chiu, Chin-Yi	6	1	86%	
Director	Wen Teng Investment Co., Ltd. Representative: Chen, Chien-Run	7	0	100%	
Independent Director	Hsiao, Mei-Ling	5	2	71%	
Independent Director	Lee, Chong-Chi	7	0	100%	
Independent Director	Ma, Ta-Wei	7	0	100%	

Note 1: If the director or supervisor is a juridical person, the name of the corporate shareholder and the name of its representative shall be disclosed.

Note 2: (1) If a director or supervisor terminates the appointment before the end of the year, the date of such termination shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings convened and the actual attendance times during his/her term of office.

(2) If there is a re-election of directors and supervisors before the end of the year, both new and old directors and supervisors shall be indicated and whether the director or supervisor takes the original term, is newly elected, or renews his/her term of office shall be described in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings convened and the actual attendance times during his/her term of office.

Other information to be stated:

1. Where any of the following circumstances occurs to any meeting of the board of directors, the date, term and proposal of the meeting as well as the opinions of all the independent directors and the actions taken by the Company on these opinions shall be stated:

(1) The matters referred to in Article 14-3 of the Securities and Exchange Act:

Date of board meeting	Compliance with the requirements specified in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions or objections/reservations	Resolution of the board of directors	Action of the Company
2023.02.24 16th meeting of the 4th term	•Subsidiary ENIMMUNE-RMT BIOTECH PTE. LTD. capital decrease in cash for cancellation of shares	None	Approved unanimously as proposed	Not applicable.
2023.03.08 17th meeting of the 4th term	•2022 business report and financial statements of the Company •In accordance with the laws and regulations governing public companies, the Company prepared the Statement of Internal Control for the year ended December 31, 2022 •Proposal on revision of the “General Principles for the Internal Control System” and “Enactment Rules for the Internal Control System” of the Company.	None	Approved unanimously as proposed	Not applicable.
2023.08.08 2nd meeting of the 5th board	•Proposal on changes of financial and accounting officers •Proposal on the Company's consolidated financial statements for 2023 Q2 •Proposal on the application for short-term bank revolving credit facility	None	Approved unanimously as proposed	Not applicable.
2023.11.10 3rd meeting of the 5th board	•Proposal on 2024 audit plan	None	Approved unanimously as proposed	Not applicable.
2023.12.22 4th meeting of the 5th board	•Proposal on 2024 operating plan and budget of the Company	None	Approved unanimously as proposed	Not applicable.
2024.03.12 5th meeting of the 5th board	•2023 business report and financial statements of the Company •In accordance with the laws and regulations governing public companies, the Company prepared the Statement of Internal Control for the year ended December 31, 2023 •Amendments to the Company's “Internal Control System Provisions” of the Company •Proposal on issuance of new shares for capital increase in cash	None	Approved unanimously as proposed	Not applicable.

(II) Other than the abovementioned matters, any objections or qualified opinions raised by the independent directors to a resolution of the board of directors with a record or a written statement: None.

2. Regarding implementation of director's recusal for avoidance of conflict of interest, the name of the director, proposal, reasons for the recusal, and participation in voting: None.
3. A TWSE/TPEx listed company shall disclose the interval, period, scope, method and items of evaluation for the self-evaluation (or peer evaluation) of the board of directors: Not applicable.
4. Evaluation of the goals (e.g. establishment of the Audit Committee, improvement of information transparency, etc). and implementation with respect to enhancement of the function of the board of directors in the current and most recent year
 - (I) The Company established the Audit Committee on June 17, 2020 to strengthen the independence of directors. Through the establishment and operation of the above functional committee, the functions of the board of directors are strengthened. The Company's major proposals (such as investment, acquisition or disposal of assets, loaning of funds, endorsements/guarantees, etc). are sent to the board of directors for full discussion before they are implemented.
 - (II) Enhancement of corporate governance: The board of directors appointed Mr. Chen, Hung-Tun, Manager of the Finance Department of the Company, as Corporate Governance Officer for addressing corporate governance-related affairs, including dealing with matters related to the meetings of the board of directors, Audit Committee, Remuneration Committee and shareholders' meeting according to laws; assisting directors in onboarding and continuing education; providing directors with the information needed to carry out their duties; and assisting directors in complying with laws and regulations. In addition, the board of directors adopted the "Corporate Governance Best Practice Principles" and the "Ethical Corporate Management Best Practice Principles" on March 23, 2020, and the adopted the "Sustainable Development Best Practice Principles" on March 8, 2023.
 - (III) Improvement of information transparency: There is an "Investor Relations" section on our website to provide the contact information of the spokesperson for shareholders to inquire about the Company's finance and business related information. The Company has established the "Management Procedures for Handling Material Insider Information and Prevention of Insider Trading" and designated a person to take the responsibility for collection and disclosure of information to ensure that all material information is disclosed in a timely manner; the website of the Company can be linked to the Market Observation Post System for shareholders and stakeholders to refer to the financial and business related information of the Company.

(II) Operation status of the Audit Committee or the participation of supervisors in the operation of the board of directors

1. Operation status of the Audit Committee: In 2023, the Audit Committee held 5 meetings (A) and the attendance of independent directors is as follows:

Title	Name	Actual attendance times (B)	Attendance times by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Hsiao, Mei-Ling	3	2	60%	
Independent Director	Lee, Chong-Chi	5	0	100%	
Independent Director	Ma, Ta-Wei	5	0	100%	

Other information to be stated:

(1) Where the operation of the Audit Committee meets one of the following requirements, the date, term and proposal of the meeting as well as the dissenting opinions, qualified opinions, or major recommendations of the independent directors, the resolution of the Audit Committee, and the actions taken by the Company on the opinions of the Audit Committee shall be stated.

(I) Circumstances referred to in Article 14-5 of the Securities and Exchange Act:

Date	Term	Proposal	Resolution of the Audit Committee	Company's action taken on the opinions of the Audit Committee
2023.03.08	13th meeting of the 1st term	<ul style="list-style-type: none"> •2022 business report and financial statements of the Company •In accordance with the laws and regulations governing public companies, the Company prepared the Statement of Internal Control for the year ended December 31, 2022 •Proposal on revision of the “General Principles for the Internal Control System” and “Enactment Rules for the Internal Control System” of the Company. 	Approved unanimously by all the present board members as proposed	Approved unanimously by all the present board member
2023.08.08	1st meeting of the 2nd term	<ul style="list-style-type: none"> •Proposal on changes of financial and accounting officers •Proposal on the Company's consolidated financial statements for 2023 Q2 	Approved unanimously by all the present board members as proposed	Approved unanimously by all the present board member
2023.11.10	2nd meeting of the 2nd term	<ul style="list-style-type: none"> •Proposal on 2024 audit plan 	Approved unanimously by all the present board members as proposed	Approved unanimously by all the present board member

Date	Term	Proposal	Resolution of the Audit Committee	Company's action taken on the opinions of the Audit Committee
2024.03.12	3rd meeting of the 2nd term	<ul style="list-style-type: none"> •2023 business report and financial statements of the Company •In accordance with the laws and regulations governing public companies, the Company prepared the Statement of Internal Control for the year ended December 31, 2023 •Proposal on the fees paid to PwC Taiwan for audit and certification in 2024 under the commission of the Company •Amendments to the Company's "Internal Control System Provisions" of the Company •Proposal on issuance of new shares for capital increase in cash •Proposal on Cash Capital Increase and New Share Issuance Proposal 	Approved unanimously by all the present board members as proposed	Approved unanimously by all the present board member

(II) In addition to the matters mentioned above, any resolution approved by more than two-thirds of all the directors but not approved by the Audit Committee: None.

- (2) Regarding implementation of independent director's recusal for avoidance of conflict of interest, the name of the independent director, proposal, reasons for the recusal, and participation in voting: None.
- (3) Communication of the independent directors with the chief internal auditor and CPAs (including important matters, methods and results with respect to communication of the company finances and operation status):

(I)The chief internal auditor regularly communicates with the members of the Audit Committee about the audit report results, and makes an internal audit report at the quarterly Audit Committee meeting. If there are special circumstances, chief internal auditor will also report to the members of the Audit Committee in a timely manner. There was no such special circumstances in 2023. The communication between the Audit Committee and the chief internal auditor is good.

(II)The Company's CPAs report the results of the audit or review of the quarterly financial statements and other communication matters required by relevant laws and regulations at each quarterly Audit Committee meeting. If there are special circumstances, they will also report to the Audit Committee members in a timely manner. There was no such special circumstances in 2023. The communication between the Audit Committee and the CPAs is good.

Communication of independent directors with chief internal auditor and CPAs is as follows:

Date	Term	Significant matters communicated with the chief internal auditor	Significant matters communicated with the CPAs
2023.03.08	13th meeting of the 1st term	<ul style="list-style-type: none"> •Internal audit report •2022 "Statement of Internal Control System" •Revision of internal control related policies and procedures 	Audit results of 2022 financial statements, including any audit questions or difficulties and the response of the management
2023.08.08	1st meeting of the 2nd term	<ul style="list-style-type: none"> •Internal audit report 	Audit status of the consolidated financial statements for 2023 Q2
2023.11.10	2nd meeting of the 2nd term	<ul style="list-style-type: none"> •Internal audit report •Presentation of the annual internal audit plan for 2022 	
2024.02.21	Company projects	<ul style="list-style-type: none"> •Internal audit project report (separate report) 	
Result: The above matters have been reviewed or approved by the Audit Committee, and the independent directors have not expressed dissenting opinions.			

2. Participation of the independent directors in the operation of the board of directors:

The 4th and 5th terms of the board of directors held 7 meetings (A) in 2023. The attendance status of independent directors is as follows:

Title	Name	Actual attendance times (B)	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Hsiao, Mei-Ling	5	71%	
Independent Director	Lee, Chong-Chi	7	100%	
Independent Director	Ma, Ta-Wei	7	100%	

(III) Status of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
I. Has the company established and disclosed its corporate governance best-practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		<p>(I) The Company has established the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". The Corporate Governance Best Practice Principles were approved by the board of directors on March 23, 2020. The second amendment to these principles took effect upon approval by the Board of Directors on March 25, 2022.</p> <p>(II) The Company's current operation is in line with the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. With reference to these Principles and in consideration of the actual operating needs, the Company has established the “Rules of Procedure for Shareholders’ Meeting”, “Rules of Procedures for Board of Directors Meeting”,</p>	Same as the summary

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
			<p>“Corporate Governance Best-Practice Principles”, “Procedures for Handling Material Inside Information and Preventing Insider Trading”, "Code of Ethical Conduct", “"Director Election Procedure", "Ethical Corporate Management Best Practice Principles", "Ethical Management Procedure and Conduct Guidelines”, and “Sustainable Development Best Practice Principles," and required all employees to act accordingly.</p> <p>(III) The Company's Corporate Governance Best Practice Principles and related corporate governance measures have been disclosed in the annual report and on the website of the Company as well as to the Market Observation Post System.</p>	
II. The shareholding structure of the Company and the shareholders' equity				
(I) Does the Company have an internal procedure and handle shareholders' suggestions, doubts, disputes,		V	(I) The Company has not yet formulated an internal procedure to handle shareholders'	(I) Same as the summary

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
and litigations accordingly?			suggestions, doubts, disputes and litigation matters. However, we have set up a spokesperson, deputy spokesperson and shareholders' affairs units to handle shareholders' suggestions and disputes in a timely manner.	
(II) Does the Company have the name list of the major shareholders who actually control the Company and the persons who have the ultimate control of the major shareholders?	V		(II) The Company keeps tracking the shareholdings of the directors and managerial officers, and reports changes in the shareholding of insiders in a timely manner.	(II) There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(III) Has the Company established and implemented risk control and firewall mechanisms between the Company and the affiliates?	V		(III) Business transactions, if any, between the Company and any affiliates are handled in accordance with relevant laws and regulations and internal administrative regulations.	(III) There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
(IV) Has the Company established internal regulations to prohibit insiders from using the information not available to the market to trade securities?	V		(IV) The Company has established the “Procedures for Handling Material Inside Information and Preventing Insider Trading” to prevent occurrence of insider trading, protect investors and safeguard the rights and interests of the Company. The Company also provides relevant information when new directors and managerial officers take office, and arranges education and training from time to time to provide precautions against insider trading.	Companies (IV) Same as the summary
III. Composition and duties of the board of directors (I) Has the board of directors established and implemented diversity policies and specific management objectives?	V		(I) The Company has established the "Corporate Governance Best Practice Principles" to require that the board of directors shall take diversity into account for its structure. Relevant regulations have been disclosed on the website of the Company and the Market Observation Company's Articles of Incorporation, the	(I) Same as the summary

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
			<p>candidates nomination system shall be used for election of directors. The educational background and experience of each candidate shall be assessed, and the "Corporate Governance Best Practice Principles" shall be observed to ensure diversity of the directors. Pursuant to Article 7, Paragraph 19 of the "Corporate Governance Best Practice Principles" of the Company, board members shall have the knowledge, skills, and literacy needed for implementation of their duties, with due consideration of the benefits that the diversity of the board of directors creates. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:</p> <ol style="list-style-type: none"> 1. Operational judgment ability. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis management ability. 	

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
(II) Does the company voluntarily form other functional committees similar to the Remuneration Committee	V		<p>5. Knowledge of industry. 6. Understanding of international markets. 7. Leadership ability. 8. Decision-making ability.</p> <p>Actually, the board of directors of the Company is formed based on different professional backgrounds, genders and fields of work. The board composition is diverse and meets the development needs of the Company. Every director has complete and extensive` experience, which enables the board of directors to exert the functions of business operation, decision-making, leadership, and supervision. For the education and experience of each director, please refer to pages 18 to 22 of the annual report.</p> <p>For the diversity of individual directors, please refer to page 23 to 24 of the annual report.</p>	(II) Same as the summary

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
<p>and Audit Committee set up pursuant to relevant laws and regulations?</p> <p>(III) Does the company have the regulations governing the performance evaluation of the board of directors and conduct regular performance evaluation every year? Does the Company submit the results of the performance evaluation to the board of directors? Are the results used as a basis for the remuneration to and nomination for re-election of individual directors?</p> <p>(IV) Does the Company review the independence of the CPAs on a regular basis?</p>		V	<p>mechanism, the Company has established the Remuneration Committee and the Audit Committee in accordance with the law. In the future, other functional committees will be established depending on the actual operational needs.</p> <p>(III) The Company has not yet formulated the board of directors' performance evaluation regulations or methods.</p> <p>(IV) The CPAs of PwC Taiwan have no conflict of interest with the Company and are strictly independent.</p>	<p>(III) To be determined based on the operating conditions and scale in the future.</p> <p>(IV) There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p>

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
IV. Does your TWSE/TPEX-listed company designate competent corporate governance personnel in an appropriate number along with a chief corporate governance officer responsible for related matters (including but not limited to providing information required for directors and supervisors to perform their duties, assisting directors and supervisors in compliance, handling matters related to the board of directors and shareholders' meetings and preparing minutes of the board of directors and shareholders' meetings)?	V		<p>The Finance and Administration Division of the Company is responsible for corporate governance affairs, including but not limited to:</p> <ol style="list-style-type: none"> 1. Handling company registration and change registration. 2. Handling matters related to the board of directors and shareholders' meetings in accordance with the law, and assisting the Company in complying with the relevant laws and regulations of the board of directors and shareholders' meetings. 3. Preparing board meetings and shareholders' meeting minutes. 4. Providing directors with the information needed to carry out their duties and on the latest development of laws and regulations related to the Company's management in order to assist the directors in complying therewith. 5. Handling matters related to investors. 6. Other matters stipulated in the Company's Articles of Incorporation or contracts. 	There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
V. Does the company establish channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), design special web pages for the stakeholders on the website, and appropriately respond to important CSR issues concerned about by the stakeholders	V		The Company has established a spokesperson and an email address to communicate with stakeholders.	There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VI. Does the company commission a professional stock service agent to deal with the matters of shareholders meetings?	V		Appointment of Concord Securities Co.,Ltd. as the stock service agent of the Company.	There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VII. Information disclosure				
(I) Has the company set up a website to disclose financial, business and corporate governance information?	V		(I) and (II) The Company's financial, business, insider shareholding, and corporate governance information are uploaded to the Market Observation Post System in accordance with regulations for timely disclosure of Company information; the spokesperson system	There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) Does the company adopt other means to disclose information (e.g., English website, designation of	V			

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
<p>specific personnel to collect and disclose corporate information, implementation of a spokesperson system, disclosure of investor conferences on the Company's website)?</p> <p>(III) Has the Company announced and reported annual financial reports within two months after the end of a fiscal year, and announced and reported Q1, Q2, Q3 financial reports and the operating status of each month in advance of the prescribed deadline ?</p>	V		<p>has also been implemented and the corporate website is set up to disclose partial information.</p> <p>(III)</p> <p>1. The Company announced and declared the 2023 second quarter financial statements on August 11, 2023; and announced and declared the 2023 financial statements on April 25, 2024.</p> <p>2. In accordance with Article 36 of the Securities and Exchange Act, the Company announces and declares the business operation status of the previous month before the 10th day of each month.</p>	<p>Except for the unpublished financial statements for the first and third quarters, the Company has complied with the requirements of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
VIII. Does the company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors and supervisors, implementation of risk management policies and risk	V		<p>VIII.</p> <p>1. Employee rights and employee care: The Company always treats employees in good faith and establishes good relationship with them through various welfare measures and education and training.</p> <p>2. Investor relations: In addition to the timely</p>	<p>There is no material deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p>

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
assessment standards, implementation of customer policies, and insuring against liabilities of directors and supervisors)?			<p>announcement of relevant information on the Market Observation Post System designated by the competent authority in accordance with relevant regulations, the Company has a spokesperson and an acting spokesperson to serve as the communication channel between the Company and investors.</p> <p>3. Supplier relations: The Company has established the "Purchase Request, Purchase, Acceptance and Inventory Management Procedure" and signed basic purchase contracts to ensure that the purchased materials meet the requirements. Smooth communication channels with suppliers are maintained in the hope to protect the rights and interests of that both parties should have on the basis of mutual trust and reciprocity.</p> <p>4. Stakeholders' rights: The Company maintains open communication channels with respect to the rights of stakeholders and respects their</p>	

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
			<p>legal rights. When legitimate rights and interests of stakeholders are infringed, the Company shall adhere to the principle of good faith and handle such matter appropriately.</p> <p>5. Continuing education for directors and supervisors: In the future, appropriate continuing education courses will be arranged for directors from time to time. The courses include those on corporate governance and business risk, and obligations and responsibilities of directors and supervisors.</p> <p>6. Implementation of risk management policies and risk measurement standards: All directors and supervisors attend the board meetings to assess and measure the risks of the Company, and to understand and analyze each major business.</p> <p>7. Implementation of customer policies: The Company strictly implements quality management, and actively assists customers in</p>	

Evaluation item	Operation status (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations
	Yes	No	Summary	
			<p>handling occasional customer complaints or defective products.</p> <p>8. Insuring against liabilities of directors and supervisors: The Company has effected liability insurance for directors, and reported the important information such as the insured amount, coverage and insurance premium to the board of directors on December 22, 2023.</p>	
9. On the basis of the result of corporate governance evaluation released by TWSE's Corporate Governance Center in the most recent year, please describe the matters for which improvements have been made. Regarding the matters for which improvements have yet to be made, please list those which have been selected as priorities and the measures to be taken. (Not required for companies not included in the evaluation list)		V	<p>The Company is a company on the emerging market and has not yet been included in the evaluation. Therefore, this is not applicable.</p>	Same as the summary

Note 1: No matter whether "Yes" or "No" is selected for the operation status, an explanation shall be provided in the summary description column.

(IV) Operation status of the remuneration committee:

1. Information on the members of the Remuneration Committee

(1) The Remuneration Committee of the Company had three members reelected on June 16, 2023.

(2) The current term of office of the members is from June 16, 2023 to June 15, 2026. In the most recent year (2023), the Remuneration Committee met 4 times (A). The qualifications and attendance status of the members are as follows:

Condition Identity Name		Professional qualifications and experience	Status of independence	Number of other public companies where the person concurrently acts as an independent director
Independent Director	Hsiao, Mei-Ling	Independent director, Ms. Hsiao, Mei-Ling, is a public health expert, She graduated from the Institute of Public Health, National Taiwan University, with a master's degree. She is a member of the Audit Committee and Remuneration Committee of the Company. Ms. Hsiao, Mei-Ling is currently the President of Taiwan Society of Regulatory Affairs for Medical Products, and has. The former Deputy Minister of the Department of Health, Executive Yuan, has in-depth professional knowledge of pharmaceutical regulations and drug inspection and more than ten years of practical experience, and thus can, as an expert, provide suggestions and consultations for the matters related to pharmaceutical regulations.	All the independent directors meet the following independence assessment conditions at any time two years prior to the date of appointment and during the term of office. 1. Not an employee of the Company or any affiliate of the Company. 2. Not a director or supervisor of the Company or any affiliate of the Company. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of the top ten shareholders. 4. Not a manager listed in (1) or a spouse or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of personnel listed in (2) and (3). 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks as one of the top five shareholders, or designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country).	None

Condition Identity Name		Professional qualifications and experience	Status of independence	Number of other public companies where the person concurrently acts as an independent director
Independent Director	Lee, Chong-Chi	Independent Director, Mr. Chong-Ji Lee, is a financial and accounting expert. He graduated from the College of Management, National Chung Hsing University, with a master's degree of senior managers. He is the convener of the Company's Audit Committee and a member of the Remuneration Committee. Mr. Chong-Ji Lee served as the Vice President and Director of Finance Department and spokesperson of HEP Tech Co., Ltd. He has more than 10 years of work experience in commerce, finance and any other fields required for the business of the Company. Mr. Chong-Ji Lee is specialized in financial analysis and accounting and has extensive industry experience.	<p>6. In case a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person, not a director, supervisor, or employee of that other company. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country).</p> <p>7. Not a director, supervisor or employee of any other company or institution who is the same person as the Company's Chairman, President or person with equivalent position, or the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country).</p> <p>8. Not a director, supervisor, or managerial officer, or a shareholder holding 5% or more of the shares, of any specific company or institution that has a business or financial relationship with the Company. (The same does not apply, however, in cases where the specific company or institution holds 20% or more and less than 50% of the total number of the Company's issued shares and is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country).</p> <p>9. Not a professional individual who, or an owner, partner, director, supervisor, or managerial</p>	None

Condition Identity Name		Professional qualifications and experience	Status of independence	Number of other public companies where the person concurrently acts as an independent director
Independent Director	Ma, Ta-Wei	Independent Director, Mr. Ma, Da-Wei, graduated from the University of Iowa with a master's degree in comparative law. He is the convener of the Company's Remuneration Committee and a member of the Audit Committee. He worked for the Department of International Affairs, FSC, Executive Yuan, and is specialized in both industries and legal affairs. Mr. Ma, Da-Wei has more than ten years of work experience in legal affairs and any other fields required for the business of the Company, and can give assistance in the legal affairs of the Company and provide suggestions and consultations as an expert.	<p>officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the most recent two years with an accumulated service compensation of NT\$500,000 of less, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public purchase deliberation committee, or special merger and acquisition committee, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>10. Not a spouse or a relative within the second degree of kinship of another director.</p> <p>11. None of the circumstances under Article 30 of the Company Act applies.</p> <p>12. Not a government agency, juristic person or their respective representatives being elected according to Article 27 of the Company Act.</p>	None

Note 1: Please specify the seniority, professional qualifications, experience, and independence of each Remuneration Committee member in the table. In the case of independent directors, a note of “please refer to Table 1, information on directors and supervisors, on pages 15-16” can be given in the remarks column. Please specify whether the person concerned is an independent director or an another person under Identity. (if the persons is the convener, please indicate).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Independence criteria: Describe the compliance of Remuneration Committee members with independence criteria, including but not limited to whether the member, his/her spouse, or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or any affiliated companies of the Company; the number and proportion of shares held by the member, his/her spouse, or a relative within the second degree of

kinship (or in the name of another person); whether the member, his/her spouse, or a relative within the second degree of kinship serves as a director, supervisor, or employee of the company having a special relationship with the Company (refer to Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of the compensation received for provision of commercial, legal, financial, or accounting services to the Company or any affiliate of the Company in the most recent two years.

2. Duties of the Remuneration Committee

On June 16, 2023, the Company's board of directors approved the appointment of Ma, Ta-Wei; Lee, Chong-Chi; and Hsiao, Mei-Ling as the members of the 4th Remuneration Committee, with a term of office from June 16, 2023 to June 15, 2026. Pursuant to the "Articles of Association of Remuneration Committee" of the Company, the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and submit its recommendations to the board of directors for discussion:

- (1) Regularly review the "Articles of Association of Remuneration Committee" and propose amendment recommendations.
- (2) Formulate and regularly review the performance evaluation standards, annual and long-term performance targets, and remuneration policies, systems, standards and structures with respect to the directors and managerial officers of the Company, and disclose the performance evaluation standards in the annual report.
- (3) Regularly evaluate the achievement of the directors and managerial officers in terms of the performance targets, and determine the scope and amount of their respective remunerations based on the results of the performance evaluation standards. The Company's annual report shall disclose the individual performance evaluation results of directors and managerial officers, as well as the scope and amount of respective remunerations and the relevance and reasonableness of the performance evaluation results. These shall be reported to the shareholders' meeting.

3. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members.
- (2) The current term of office of the members is from June 16, 2023 to June 15, 2026. The Remuneration Committee met 2 times (A) in the

most recent year (2023). The qualifications and attendance of the members are as follows:

Title	Name	Actual attendance times (B)	Attendance times by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Ma, Ta-Wei	2	0	100%	
Member	Hsiao, Mei-Ling	2	0	100%	
Member	Lee, Chong-Chi	2	0	100%	
<p>Other information to be stated:</p> <ol style="list-style-type: none"> 1. If the board of directors does not adopt or revise the suggestions of the Remuneration Committee, the date, term and proposal of the board of directors meeting, the board of directors resolution and actions taken by the Company on the Remuneration Committee's opinions shall be specified: None. 2. For any resolution of the Remuneration Committee for which dissent or reservation is expressed by any of the members and recorded in the minutes or a written statement, the date, term and proposal of the Remuneration Committee meeting, opinions of all members and actions taken on such opinions shall be specified: None. 					

Note 1: If a member of the Remuneration Committee terminates the appointment before the end of the year, the date of such termination shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Committee meetings convened and the actual attendance times during his/her term of office.

Note 2: If there is a re-election of the Remuneration Committee before the end of the year, both new and old members shall be indicated and whether the director or supervisor takes the original term, is newly elected, or renews his/her term of office shall be described in the remarks column. The actual attendance rate (%) is calculated based on the number of Committee meetings convened and the actual attendance times during his/her term of office.

(V) Implementation status of sustainable development, deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:

Items to be promoted	Status of implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:
	Yes	No	Summary	
I. Does the company have a governance structure that promotes sustainable development and have a dedicated (concurrent) unit for the task of sustainable development promotion? Does the board of directors of the Company authorize the top management to handle relevant matters? How does the board of directors conduct supervision?		V	1. The Finance and Accounting Department of the Company is a dedicated unit. It implements sustainable development under the authorization of the board of directors and reports to the board on a regular basis. 2. As of the publication date of the annual report, the Company has not yet reported its implementation status to the board of directors. However, in the future, the Company will arrange for a dedicated unit to report the implementation of sustainable development to the board of directors on a regular basis.	Same as the summary.
II. Does the company conduct risk assessment for environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Based on the principle of materiality, the management of the Company evaluates external factors and whether risk assessment is conducted for the internal management of the Company in consideration of the issues such as external environmental, society and internal corporate governance on an irregular basis. Therefore, the "Sustainable Development Best Practice	No significant deviations

Items to be promoted	Status of implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:
	Yes	No	Summary	
			Principles" and other related regulations are established. The Company will formulate relevant risk management policies or strategies if there are actual needs in the future.	
III. Environmental Issues				
(I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	V		(I) The Company develops new drugs and does not have factory production operations, and there have been no violations of environmental protection laws and regulations and no major leakage cases.	(I) No significant deviations
(II) Is the company dedicated to enhancing energy efficiency and using recycled materials with low impact on the environment?	V		(II) The Company is engaged in the R&D of drugs and has no production activities. Therefore, the Company does not use recycled materials with low impact on the environment. However, the Company continues to promote recycling and sorting of resources, restricts the use of air conditioners within a range of appropriate temperatures, and promotes use of environmentally friendly chopsticks and eco-friendly cups in the hope to save energy and reduce carbon.	(II) No significant deviations
(III) Does the company assess the current and	V		(III) The Company is engaged in the R&D of new	(III) No significant deviations

Items to be promoted	Status of implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:
	Yes	No	Summary	
<p>future risks and opportunities which climate change potentially brings to the Company and adopt corresponding measures?</p> <p>(IV) Does the company make statistics of the greenhouse gas emissions, water consumption and total waste weight in the past two years?</p> <p>Does the company have policies for the reduction of greenhouse gas emissions and water consumption or other waste management policies?</p>	V		<p>drugs and has no industry-specific environmental management issues. However, environmental protection issues are promoted from time to time and employees are required to comply.</p> <p>(IV) The Company is not a high energy consuming business, and does not set up, use or produce high energy consuming equipment. We have established greenhouse gas facilities, actively promoted energy conservation and carbon reduction in office areas, encouraging waste sorting and recycling, and encouraging use of environment-friendly chopsticks and reusable cups to reduce the impact on the environment.</p>	(IV) No significant deviations
<p>IV. Social Issues</p> <p>(I) Does the company have management policies and procedures in accordance with relevant regulations and international human rights conventions?</p>	V		<p>(I) The Company has established personnel management regulations in accordance with the Labor Standards Act, the Act of Gender Equality in Employment, and related laws and regulations, and has taken the necessary</p>	(I) No significant deviations

Items to be promoted	Status of implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:
	Yes	No	Summary	
(II) Has the company established and implemented reasonable employee benefit measures (including remuneration, leave and other benefits)? Is the operating performance or results properly reflected in the remuneration for employees?	V		measures to take out insurance for employees and set aside labor pension to ensure the rights and interests of employees. The employment policy does not discriminate or have differential treatment based on gender or other factors.	(II) No significant deviations
(III) Does the company provide a safe and healthy work environment to its employees and provide them with safety and health education?	V		(II) The Company has established a reasonable remuneration policy, and set up the Remuneration Committee to conduct performance evaluation of directors, supervisors and managerial officer and review remuneration policy. The Company has established the "Employee Work Rules" and set up a clear and effective rewarding and punishment system. (III) The Company attaches great importance to the safety and health of the employees and provides them with a warm, safe and comfortable office environment. The Company implements employee health examinations, employee group insurance, and employee trips every year to enable	

Items to be promoted	Status of implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:
	Yes	No	Summary	
(IV) Does the company have effective programs for development and training of employees' career skills?	V		employees to understand their own health, take care of them, and receive appropriate rest. (IV) The Company encourages employees to continue their studies at work and provides subsidies for overseas education and training courses to encourage employees to continue their studies and improve their personal skills.	(VI) No significant difference
(V) Does the company conform to the relevant regulations and international standards with respect to customer health and safety, customer privacy, marketing and labeling for products and services? Does the company establish the relevant consumer rights protection policies and complaint procedures?	V		(V) The Company audits suppliers regularly to ensure that they comply with the Company's policies in the production process, occupational safety, labor rights and other issues; the marketing and labeling of products and services follow relevant laws and regulations and international standards .	
(VI) Does the Company have a supplier management policy that requires suppliers to comply with the regulations	V		(VI) The Company has established the "Supplier Management Regulations", "Sustainable Development Best Practice Principles" and	

Items to be promoted	Status of implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:
	Yes	No	Summary	
concerning environmental protection, occupational safety and health or labor rights? What's the status of its implementation?			"Ethical Corporate Management Best Practice Principles" to regulate the internal personnel and require the suppliers of the Company and other enterprises or individuals to observe. Suppliers are fully informed before cooperating with the Company that they must comply with the honesty policy of the Company , offer reasonable quotations, and provide the best quality and services. Both parties are committed to enhancing corporate social responsibility.	
V. Does the company use internationally accepted standards or guidelines as a reference for preparation of the corporate sustainability report and other reports disclosing non-financial information of the company? Are assurance or guarantee opinions from any third-party verifying agent acquired for the aforementioned reports?		V	he Company is not currently required by law to prepare a sustainability report. In the future, the report will be prepared and disclosed as required by the competent authority or the law.	Same as the summary.

Items to be promoted	Status of implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:
	Yes	No	Summary	
VI. In the event that the Company has established sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between the implementation and the established principles: The Company has established the "Sustainable Development Best Practice Principles", and there is no significant deviation between the actual implementation and the established requirements.				
VII. Other information that enables a better understanding of the company’s promotion of sustainable development: 1. Comply with information security and related laws and regulations, and respect and protect the personal information provided by consumers. 2. In order to provide a safe and good place to work, and protect employees from harassment and illegal discrimination, the Company has established "Sexual Harassment Prevention Measures and Disciplinary Regulations" to protect the rights and interests of employees.				

(VI) Implementation status of corporate ethical management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations
	Yes	No	Summary	
<p>I. Formulation of the ethical corporate management policy and proposal</p> <p>(I) Has the Company established ethical management policies that have been approved by the board of directors and indicated them in the regulations and outward documents? Have the board of directors and the top management realized their commitments to these policies?</p>	V		<p>(I) The Company has formulated the "Sustainable Development Best Practice Principles", the "Ethical Corporate Management Best Practice Principles" and the "Ethical Management Procedure and Conduct Guidelines". For these, the board of directors made a resolution on March 23, 2020 to required that no directors, managerial officers, employees or the person with substantive control powers shall, directly or indirectly, promise, request or accept any improper benefits, or engage in any improper acts, such as unethical and unlawful acts, or those breaching entrusted duty, to obtain or maintain benefits.</p>	(I) No significant deviations

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations
	Yes	No	Summary	
(II) Has the company established an assessment mechanism for the risk of unethical conduct? Does the company regularly analyze and assess business activities with a higher risk of unethical conduct in the business scope, and formulate a plan to prevent such conduct, which at least covers the acts specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		(II) In addition to the promotion of ethical corporate management, the Company also conducts preventive effects through internal control design and contracts, and uses the audit mechanism of the internal audit unit and the grievance mechanism to prevent unethical business activities.	(II) No significant deviations
(III) Does the company establish procedures, conduct guides, disciplinary actions and complaint systems in the plans against unethical conduct? Are the plans implemented thoroughly and reviewed and modified regularly?	V		(III) The Company has established the "Ethical Corporate Management Best-Practice Principles", "Ethical Management Procedure and Conduct Guidelines", "Code of Ethical Conduct", and "Management Procedures for Handling Material Insider Information and Prevention of Insider Trading", and conducted periodical review thereof. These regulations stipulate strict ethical conducts. Employees shall not accept any	(III) No significant deviations

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations
	Yes	No	Summary	
			gifts related to their own duties, nor shall they take advantage of their duties to accept entertainment, gifts, kickbacks or embezzle public funds or receive other illegal benefits, in order to prevent unethical acts from affecting business relations or transactions Behavior.	
II. Implementation of ethical corporate management				
(I) Does the company assess the records of the counterparties regarding ethics? Do contracts between the company and the counterparties include clear clauses governing ethical conduct?	V		(I) Before conducting formal business activities with business partners, the Company conducts various evaluations including ethical conducts, and upon confirmation of cooperation, the Company asks the counterparty to sign a commitment letter to comply with the ethical regulations set forth by the Company.	(I) No significant deviations
(II) Has the company set up a dedicated unit directly subordinate to the board of directors for implementation	V		(II) The Company's "Ethical Corporate Management Best Practice Principles" has	(II) Same as the summary

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations
	Yes	No	Summary	
<p>of the corporate ethical management? Does the unit report to the board of directors about the supervision and implementation of the ethical management policies and the unethical conduct prevention plans on a regular basis (at least once a year)?</p> <p>(III) Has the company established policies to prevent conflict of interest, provided adequate communication channels, and implement the policies?</p>	V		<p>been approved by the board of directors, and the corporate governance officer is designated as the dedicated unit, with the support of the Administration Division, to take the responsibility for the formulation, supervision and implementation of the ethical corporate management policies and prevention programs. Prior to the adoption of the Act, the Company established the regulations governing ethical conduct and the management procedures for the board meetings. The audit unit shall report the implementation status to the board of directors on a regular basis.</p> <p>(III) The Company's "Ethical Corporate Management Best Practice Principles" has been approved by the board of directors. It provides various channels for employees to provide information at any time. The</p>	(III) No significant deviations

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations
	Yes	No	Summary	
<p>(IV) Has the Company established effective accounting and internal control systems for the implementation of the ethical management? Has the internal audit unit prepared audit plans according to the risk assessment result of unethical conduct and audited the compliance with the unethical conduct prevention plans, or hired external auditors to audit such compliance?</p> <p>(V) Does the Company organize internal or external education and training on a regular basis to maintain ethical management?</p>	V	V	<p>operation status is reported after the summarization.</p> <p>(IV) To ensure the implementation of ethical corporate management, the Company has established an effective accounting system and an internal control system. The internal audit unit regularly audits the compliance of the aforementioned system. The financial statements are audited (reviewed) by CPAs in accordance with the regulations of the competent authority.</p> <p>(V) The Company organizes internal education and training for employees on ethical management from time to time, and the corporate governance officer also participates in external education and training from time to time.</p>	<p>(IV) No significant deviations</p> <p>(V) Same as the summary</p>
<p>III. The operation of the Company's whistle-blowing system</p> <p>(I) Does the company have concrete systems for whistleblowing and rewards? Does the company have</p>	V		<p>(I) (II) (III) The Company has a suggestion box and accepts the ethical corporate management</p>	No significant difference

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations
	Yes	No	Summary	
<p>convenient channels in place for whistle-blowing and has it appointed appropriate personnel to deal with the persons who are the subject of whistle-blowing?</p> <p>(II) Has the Company developed any standard operating procedures for investigation of reported misconduct, defined follow-up actions to be taken following the completion of the investigation, or had a non-disclosure system in place?</p> <p>(III) Does the company take any measures to protect whistleblowers from improper treatment as a result of their whistle-blowing?</p>	V		violation cases via telephone or email. The Company protects the whistle-blower from improper treatment as a result of the whistle-blowing.	
<p>IV. Enhancement of information disclosure</p> <p>Does the company disclose the contents of its ethical management principles and outcome of implementation on its website and the Market Observation Post System?</p>	V		The Company's regulations and rules for ethical corporate management can be found on the Company's website. Appropriate disclosures have been provided on the Market Observation Post System and the annual report as a reference for shareholders and investors.	No significant difference

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Summary	
V. In the event that the company has established sustainable development best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the differences between the implementation and the established principles: The Company has "Code of Ethical Conduct," "Ethical Corporate Management Best-Practice Principles," and "Ethical Management Procedure and Conduct Guidelines”, and there is no significant deviation.				
VI. Other important information that is helpful to understand the implementation of the ethical corporate management: The Company has established the Ethical Corporate Management Best Practice Principles and the Ethical Management Procedure and Conduct Guidelines. These will be amended in a timely manner depending on the development of business operations.				

(VII) If the Company has established corporate governance best practice principles and relevant regulations, the ways through which they can be searched for shall be disclosed:

The Company has established the following regulations as required and disclosed them on the Market Observation Post System (<http://mops.twse.com.tw/>) and the website of the Company (<http://www.enimmune.com.tw/tw>).

1. Corporate Governance Best Practice Principles
2. Rules of Procedure for Shareholders’ Meeting
3. Rules of Procedures for Board of Directors Meeting
4. Director Election Procedure
5. Rules Governing the Scope of Powers of Independent Directors
6. Code of Ethical Conduct
7. Articles of Association of Audit Committee
8. Ethical Corporate Management Best Practice Principles

- 9. Articles of Association of Remuneration Committee
 - 10. Sustainable Development Best Practice Principles
 - 11. Ethical Management Procedure and Conduct Guidelines
- (VIII) Other important information helpful for increasing understanding of the company's corporate governance may be disclosed along with the above information: The Company has established the Sustainable Development Best Practice Principles, and the practical operations of the Company have been carried out in accordance with the spirit of corporate governance and related regulations. We will establish more regulations to improve the improve corporate governance continuously.

(IX) Implementation of the internal control system

1.Statement of Internal Control

Enimmune corporation
Statement of Internal Control System



Date: March 12, 2024

Based on the self-assessment findings, the Company states the following with regard to its internal control system during 2023:

- I. The Company acknowledges that the board of directors and managers are responsible for the establishment, implementation and maintenance of the internal control system, and has established such system. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance regarding the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may be altered as a result of changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism, and we take corrective actions immediately once a nonconformity is identified.
- III. The Company judges the effectiveness of the design and operation of the internal control system with reference to the judgment items for such effectiveness as specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”). The aforementioned items in “the Regulations” divide an internal control system into five components based on the processes of management and control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each component further includes several items. Please see the Regulations for the aforementioned items.
- IV. The Company has adopted the aforementioned judgment items to examine the effectiveness of the design and implementation of our internal control system.
- V. Based on the findings of such evaluation, the Company believes that effective design and implementation of the internal control system (including the supervision and management of the subsidiaries) have been maintained to provide reasonable assurance over the achievement of the aforementioned goals for the year ended on December 31, 2023, including the effectiveness and efficiency of the Company’s operations; the reliability, timeliness and transparency of reporting;, and compliance

with relevant rules and applicable laws and regulations.

- VI. This Statement will be the main part of our annual reports and prospectuses, and released to the public. If there is any misrepresentation, nondisclosure or other illegalities in the aforementioned disclosures, legal responsibilities specified in Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall apply.
- VII. This Statement was adopted by the board of directors at the meeting on March 12, 2024. All seven directors present at the meeting approved the contents of this Statement, and none of them expressed dissent.

Enimmune corporation

Chairman: Liu, Chung-Cheng (signature/stamp)

President: Chang, Che-Wei (signature/stamp)

2. If review of the internal control system has been conducted by CPAs, the CPAs' review report must be disclosed: None.

(X) Punishments received by the Company and the internal personnel thereof in accordance with laws or imposed by the Company on the internal personnel thereof violating the requirements of the internal control system in the most recent year up to the publication date of this annual report, as well as material deficiencies and improvements: None.

(XI) Important resolutions of the shareholders and board meetings in the most recent year up to the publication date of this annual report

1. Important resolutions of the shareholders' meeting

Date of meeting	Important resolution
2023.6.16 2023 Shareholders' meeting	<p>Ratification</p> <p>(1) 2022 business report and financial statements</p> <p>(2) The Company's 2022 compensation of loss</p> <p>Discussion and election</p> <p>(1) Election of directors and supervisors: Proposal on re-election of the 5th board of directors (including independent directors).</p> <p>Other proposals</p> <p>(1) Proposal on lifting the non-compete restriction on the newly elected directors</p>

2. Important resolutions of the board meetings in 2023 up to the publication date of this annual report

Date of meeting	Important resolution
2023.02.24	(1) Approval of the proposal on the subsidiary ENIMMUNE-RMT BIOTECH PTE. LTD. capital decrease in cash for cancellation of shares
2023.03.08	<p>Discussions</p> <p>(1) Approval of the proposal on the 2022 business report and financial statements of the Company</p> <p>(2) Approval of the proposal on the Company's 2022 compensation of loss</p> <p>(3) Approval of the 2022 "Statement of Internal Control System" of the Company.</p> <p>(4) Approval of the proposal on the partial amendment to the internal control related policies and procedures of the Company.</p> <p>(5) Approval of the proposal on the amendments to the "Rules of Procedures for Board of Directors Meeting" of the Company.</p> <p>(6) Approval of the proposal on the amendments to the "Corporate Governance Best Practice Principles" of the Company.</p> <p>(7) Approval of the proposal on the amendments to the "Corporate Social Responsibility Best Practice Principles" of the Company.</p> <p>(8) Approval of the proposal on the re-election of the Company's 5th board of directors (including independent directors).</p>

Date of meeting	Important resolution
	(9) Approval of the proposal on the matters in relation to the date, venue, and reason for convention of the 2023 shareholders' meeting as well as receipt of the proposals from directors and the location for receipt of these proposals.
2023.05.05	Discussions (1) Approval of the proposal on the list of candidates for directors (including independent directors) of the Company. (2) Approval of the proposal on the request to the shareholders' meeting for lifting the non-compete restriction on the new directors and their representatives. (3) Approval of the proposal on the amendments to the "Code of Ethical Conduct" of the Company. (4) Approval of the proposal on the 2022 distribution of special bonuses to the managers of the Company (5) Approval of the proposal on updating the reasons for convening the 2023 Shareholders' Meeting of the Company.
2023.06.06	(1) Approval of the proposal on the election of the Company's new Chairman. (2) Proposal on approval to appoint Remuneration Committee members of the Company.
2023.08.08	Discussions (1) Approval of the proposal on changes of financial and accounting officers. (2) Approval of the proposal on the 2023 Q2 consolidated financial statements of the Company. (3) Approval of the proposal on the application for short-term bank revolving credit facility.
2023.11.10	Discussions (1) Approval of the proposal on the 2024 audit plan.
2023.12.22	Discussions (1) Approval of the proposal on 2024 operating plan and budget of the Company. (2) Approval of the proposal on setting of the 2024 performance evaluation objectives for managerial officers of the Company.
2024.03.12	Discussions (1) Approval of the proposal on 2023 business report and financial statements of the Company. (2) Approval of the proposal on the Company's 2023 compensation of loss (3) Approval of the 2023 "Statement of Internal Control System" of the Company. (4) Approval of the proposal on partial amendment to the "Accounting System" of the Company (5) Approval of the proposal on partial amendments to the "Rules of Procedures for Board of Directors Meeting" of the Company. (6) Approval of the proposal on the partial amendment to the internal control related policies and procedures of the Company. (7) Approval of the proposal on establishment of the "Risk Management Policy and Procedure" of the Company. (8) Approval of the proposal on the establishment of the "Board Members

Date of meeting	Important resolution
	<p>and Key Management Successions Plan” of the Company.</p> <p>(9) Approval of the proposal on issuance of new shares for capital increase in cash.</p> <p>(10) Approval of the proposal on the matters in relation to the date, venue, and reason for convention of the 2024 shareholders’ meeting as well as receipt of the proposals from directors and the location for receipt of these proposals.</p>

- (XII) In the event that any director or supervisor expressed a dissenting opinion regarding any of the important resolutions adopted by the Board of Director in the most recent year up to the publication date of this annual report, and that the opinion was recorded or delivered in writing, please describe its main contents: None.
- (XIII) Summary of the resignation and dismissal of the Company’s Chairman, president, accounting officer, finance officer, chief internal auditor, chief corporate governance officer and chief R&D officer in the most recent year and up to the publication date of the annual report:

2024.04.30

Title	Name	Inauguration date	Dismissal date	Reasons for resignation or dismissal
Finance officer	Chang, Che-Wei	2019.01.07	2023.08.08	Job adjustment

5. Information on CPA fees

Units: NTD thousands

Name of CPA Firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remarks
PwC Taiwan	Liu, Mei-Lan	2023/1/1~2023/12/31	1,040	160	1,200	
	Hsu, Chien-Yeh					

- (I) When the accounting firm is changed and the amount of fees paid for auditing services in the year in which the change is made is lower than that in the previous year, the amounts before and after the change and the causes of such decrease shall be disclosed: None.
- (II) In the event the amount of audit professional fees is reduced by at least 10% in comparison with the previous year, the amount, percentage and reasons of the reduction must be disclosed: N/A.
- (III) The scope of main services under non-audit fees: Tax audit and certification for the 2023 corporate income Tax.

6. Information on change of CPA:

None.

7. The company's chairman, president, or managerial officers responsible for finance or accounting affairs working for the CPAs' firm(s) or any of its affiliates in the most recent year:

None.

8. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent in the most recent year and as of the date of publication of the annual report Changes in shareholdings of directors, supervisors, managerial officers and major shareholders

(I) Changes in Shareholdings of Directors, Supervisors, Managers and Major Shareholders

Unit: thousand shares

Title	Name	2023		2024 as of April 30, 2024	
		Shareholdin g increase (decrease)	Number of pledged shares Increase (decrease)	Shareholdin g increase (decrease)	Number of pledged shares Increase (decrease)
Chairman as major shareholder	ADIMMUNE Corporation	—	—	—	—
	Representative: Liu, Chung-Cheng	—	—	—	—
Director as major shareholder	ADIMMUNE Corporation	—	—	—	—
	Representative: Pan, Fei	—	—	—	—
Director as major shareholder	ADIMMUNE Corporation	—	—	—	—
	Representative: Chiu, Chin-Yi	(23)	—	—	—
Director	Wen Teng Investment Corporation	—	—	—	—
	Representative: Chen, Chien-Run	—	—	—	—
Independent Director	Hsiao, Mei-Ling	—	—	—	—
Independent Director	Lee, Chong-Chi	—	—	—	—
Independent Director	Ma, Ta-Wei	—	—	—	—
President	Chang, Che-Wei	(10)	—	—	—
Director of R&D Division	Yang, Qing-Fen	(18)	—	—	—
Director of Clinical Operation Division	Wu, Wei-Ping	—	—	—	—
Assistant Vice President of Business Development Division	Lee, Chia-Hui	—	—	—	—
Assistant Vice President, Finance and Administration Division	Hsu, Jie-yun	—	—	—	—
Finance Manager	Chen, Hung-Tun	—	—	—	—
Accounting Manager	Lin, You-Kang	—	—	—	—

(II) Information on transfer of equity from a director, supervisor, managerial officer, and

shareholder holding a stake of more than 10% if the counterparty is a related party:
None.

- (III) Information on pledge of equity by a director, supervisor, managerial officer, and shareholder holding a stake of more than 10% if the counterparty is a related party:
None.

9. Information on the top-10 shareholders who have a mutual relationship as a spouse or a relative within the second degree of kinship

April 30, 2024

Unit: thousand shares; %

Name	Shares held by shareholder		Shares held by spouse and minor children		Shares held in the name of others		Disclosure of the title, name and relationship among the top-10 shareholders who have a mutual relationship as a spouse or a relative within the second degree of kinship or a relationship defined under the Statement of Financial Accounting Standards No.6.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Adimmune Corporation	33,558	51.00%	—	—	—	—	Chan, Chi-Hsien	Chairman of ADIMMUNE Corporation	
							Wen Teng Investment Corporation	Director of ADIMMUNE Corporation	
							Chuan Pu Investment Holdings Corporation	Director of ADIMMUNE Corporation	
Wen Teng Investment Corporation	1,609	2.44%	—	—	—	—	Chuan Pu Investment Holdings Corporation	Control and affiliation	
							Xiangmao Investment Corporation	Mutual investment relationship	
Mega International Commercial Bank Co., Ltd.	1,511	2.30%	—	—	—	—	—	—	
Chuan Pu Investment Holdings Corporation	1,065	1.62%	—	—	—	—	Wen Teng Investment Corporation	Control and affiliation	
							Xiangmao Investment Corporation	Mutual investment relationship	
Xiangmao Investment Corporation	905	1.37%	—	—	—	—	Chuan Pu Investment Holdings Corporation	Mutual investment relationship	
							Wen Teng Investment	Mutual investment	

							Corporation	relationship	
Gains Investment Corporation	904	1.37%	—	—	—	—	—	—	
HER CHEE INDUSTRIAL CO.,LTD.	851	1.29%	—	—	—	—	—	—	
Weng, Ming-yuan	457	0.69%	—	—	—	—	—	—	
Liu,Sen-Yuan	318	0.48%	—	—	—	—	—	—	
Huang,Zheng-Yi	316	0.48%	—	—	—	—	—	—	

10. Shares held by the company and the directors, supervisors, managerial officers, and businesses that the company directly or indirectly controls in the same invested business and their shareholding ratio

None.

IV. Fundraising Status

1. Capital and shares

(I) Source of share capital

1. Share capital formation process

Unit: thousand shares; NTD thousand

Year/month	Issuing price	Authorized capital stock		Paid-in capital stock		Remarks		
		Number of shares (thousand shares)	Amount (NTD thousand)	Number of shares (thousand shares)	Amount (NTD thousand)	Source of share capital	Property other than cash as payment for shares	Others
2014.01	10	80,000	800,000	8,400	84,000	Share capital established in cash	—	Note 1
2014.03	15	80,000	800,000	40,000	400,000	Capital increase of NTD 316,000 thousand in cash	—	Note 2
2018.08	18	80,000	800,000	44,000	440,000	Capital increase of NTD 40,000 thousand in cash	—	Note 3
2020.06	23	80,000	800,000	60,000	600,000	Capital increase of NTD 160,000 thousand in cash	—	Note 4
2022.05	38	120,000	1,200,000	65,800	658,000	Capital increase of NTD 58,000 thousand in cash	—	Note 5

Note 1: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10380160310 of Taipei City Government dated 2014.01.10.

Note 2: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10382033010 of Taipei City Government dated 2014.03.21.

Note 3: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 10752703800 of Taipei City Government dated 2018.08.20.

Note 4: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10950163400 of Taipei City Government dated 2020.06.02.

Note 5: Approved by Letter Shun-Shang-Zi No. 11101083060 of the Ministry of Economic Affairs dated May 17, 2022.

2. Type of shares issued

April 30, 2024; Unit: share

Type of shares	Authorized capital stock			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	65,800,000	54,200,000	120,000,000	The Company's shares were traded on the Emerging Stock Market on September 18, 2018.

(II) Shareholder structure

April 30, 2024; unit: person; share: %

Shareholder structure Quantity	Government agency	Financial institution	Other corporate entities	Individual	Foreign institution and foreigner	Total
Number of persons	0	1	22	4,244	3	4,270
Number of shares held	0	1,510,575	38,868,658	25,409,767	11,000	65,800,000
Shareholding ratio	0.00	2.30	59.07	38.62	0.01	100

Note 1: No Chinese shareholders the above shareholder structure.

(III) Distribution of shareholdings

April 30, 2024; face value per share: NTD 10

Shareholding range	Number of shareholders (person)	Number of shares held (share)	Shareholding ratio (%)
1 to 999	615	124,715	0.19
1,000 to 5,000	2,764	5,562,141	8.45
5,001 to 10,000	438	3,267,738	4.97
10,001 to 15,000	143	1,796,103	2.73
15,001 to 20,000	81	1,443,168	2.19
20,001 to 30,000	80	2,005,608	3.05
30,001 to 40,000	42	1,453,979	2.21
40,001 to 50,000	31	1,420,068	2.16
50,001 to 100,000	42	2,970,094	4.51
100,001 to 200,000	17	2,572,570	3.91
200,001 to 400,000	9	2,325,148	3.53
400,001 to 600,000	1	456,728	0.69
600,001 to 800,000	0	0	0.00
800,001 to 1,000,000	3	2,659,345	4.04
Over 1,000,001	4	37,742,595	57.36
Total	0	65,800,000	100.00

(IV) List of major shareholders

Shareholders holding more than 5% of the shares or the names, the number of shares held and shareholding ratio of the top-10 shareholders

Shares	Number of shares held (share)	Shareholding ratio (%)
Name of major shareholder		

Adimmune Corporation	33,558,000	51.00
Wen Teng Investment Corporation	1,608,760	2.44
Mega International Commercial Bank Co., Ltd.	1,510,575	2.30
Chuan Pu Investment Holdings Corporation	1,065,260	1.62
Xiangmao Investment Corporation	904,525	1.37
Gains Investment Corporation	903,820	1.37
HER CHEE INDUSTRIAL CO.,LTD.	851,000	1.29
Weng, Ming-yuan	456,728	0.69
Liu, Sen-Yuan	318,000	0.48
Huang, Zheng-Yi	316,000	0.48

(V) Information on market price, net worth, earnings, dividends per share and related information in the most recent two years

Unit: NTD; thousand shares

Year			2022	2023
Item				
Market price per share	Maximum		75.3	72.6
	Minimum		34.3	35.05
	Average		55.07	52.48
Net worth per share	Before distribution		8.28	4.89
	After distribution		8.28	4.89
Earnings per share	Weighted average number of shares		63,867	65,800
	Earnings per share	Before adjustment	(3.88)	(3.40)
		After adjustment	(3.88)	(3.40)
Dividends per share	Cash dividend		—	—
	Bonus stock dividend	Stock dividend from earnings	—	—
		Stock dividend from capital reserve	—	—
	Accumulated unpaid dividends		—	—
Analysis of investment return	P/E ratio		—	—
	P/D ratio		—	—
	Cash dividend yield		—	—

(VI) Dividend policy of the Company and its implementation status

1. Dividend policy stipulated in the Articles of Incorporation

The dividend policy of the Company is set forth in Chapter 5 of the Articles of Incorporation. If there is a net profit after tax for the current period, the Company shall first make up the accumulated losses (including the adjusted amount of undistributed earnings) and set aside 10% of as legal reserve in accordance with the law. However, this does not apply of the accumulated legal reserve has reached the total paid-in capital of the Company. Then, set aside or reverse the special reserve in accordance with the law or as required by the competent authority. The board of directors shall set aside the remaining earnings together with the undistributed earnings at the beginning of the period (including the adjusted amount of undistributed earnings), prepare a proposal on distribution of earnings, and submit it to the shareholders' meeting for a resolution on the distribution of dividends and bonuses to shareholders.

The Company is in a growing industry. The dividend distribution policy depends on the Company's current and future investment environment, capital needs, domestic and international competition, capital budget, and other factors, while taking into account shareholders' interests, balanced dividends, and the Company's long-term financial planning. No less than 20% of the distributable earnings every year for distribution of dividends and bonuses; however, distribution may not be made if accumulated distributable earnings are less than 10% of the paid-in capital; dividends and bonuses may be distributed in the form of shares or cash, and the cash dividends shall not be less than 10% of the total dividends distributed for the year.

2. Dividend distribution discussed at the shareholders' meeting

Not applicable, as the Company has no earnings for the distribution of dividend in 2023.

3. If any material change in the dividend policy is expected, an explanation shall be provided

No material change in the dividend policy of the Company is expected as of the publication date of the annual report.

(VII) Impact of stock dividend issuance proposed at the current shareholders' meeting on business performance, and earnings per share

There is no stock dividend issuance for this year.

(VIII) Remuneration to employees, directors, and supervisors

1. The percentage or range of the remuneration to employees, directors and supervisors according to the Articles of Incorporation:

From the current pre-tax profit of the Company before deducting the remuneration to employees, directors and supervisors, 5% to 10% shall be set aside as remuneration to employees and no more than 5% shall be set aside as remuneration to directors and supervisors. The proposal on payment of remuneration to employees and directors shall be reported to the shareholders' meeting. However, if the Company has accumulated loss (including the adjusted amount of undistributed earnings), the earnings shall be reserved to make up the loss first, and then remuneration to employees, directors and

supervisors shall be set aside based on the aforementioned proportion.

2. For the current period, the basis for estimating the amount of remuneration to employees, directors and supervisors, the basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimate:

The basis for estimating the amount of remuneration to employees, directors and supervisors and the basis for calculating the number of shares to be distributed as employee remuneration are subjected to the Articles of Incorporation. From the current pre-tax profit of the Company before deducting the remuneration to employees, directors and supervisors, 5% to 10% shall be set aside as remuneration to employees, including the employees of the controlling or affiliated companies who meet the conditions set forth by the board of directors. Where the board of directors resolves to pay employee's remuneration in the form of shares, it may also resolve to set aside such remuneration by issuing new shares or repurchasing the shares of the Company. The Company may set aside no more than 5% of the above-mentioned profit as remuneration to directors and supervisors through resolution of the board of directors, but the remuneration to directors and supervisors shall only be paid in cash. The proposal on payment of remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting. However, if the Company has accumulated loss (including the adjusted amount of undistributed earnings), the earnings shall be reserved to make up the loss first. The board of directors resolved not to distribute 2023 earnings, so this is not applicable.

3. Payment of remuneration as approved by the board of directors:

- (1) If there is a difference between the amount of remuneration paid to employees (in cash or with shares), directors and supervisors and the amount estimated in the year the expense was recognized, the amount, reason and treatment of such difference shall be disclosed:

Employee cash remuneration: NTD 0.

Employee stock remuneration: NTD 0.

Remuneration to directors and supervisors: NTD 0.

- (2) There is no difference from the amount of expenses recognized by the Company.

The amount of the remuneration to the employees in the form of shares, and the share of that amount as a percentage of the sum of the net income after tax stated in the separate or individual financial reports for the current period, and total employee remuneration: The Company does not distribute stock dividends to employees, so this is not applicable.

4. Actual payment of remuneration to employees, directors and supervisors for the

previous year: Not applicable

The Company's 2022 earnings distribution proposal was adopted by the shareholders' meeting on June 16, 2023, and no remuneration was paid to employees, directors and supervisors. There is no difference between the actual distribution and the resolution approved by the shareholders' meeting.

(IX) Shares repurchased by the Company: None

2. Issuance of corporate bonds

None

3. Issuance of preferred shares

None

4. Issuance of global depository receipts

None

5. Issuance of employee stock options

Employee stock option compensation plan

April 30, 2024

Type of employee stock options	2021 employee stock option certificate	
Effective date of reporting and total number of units	2021.11.02	
Issuance (processing) date	2022.08.17	
Number of units issued	2,400 units	
Number of issuable units		
Ratio of shares issued for subscription to the total number of shares issued	3.65%	
Valid period	10 years	
Method of performance	Issuance of new common shares	
Restricted subscription period and ratio (%)	<u>Stick option schedule</u>	<u>Percentage of stock option</u>
	2 years	30%
	3 years	60%
	4 years	100%
Stock shares exercised	0	
Stock value exercised	0	
Unexercised underlying shares for the options	2,400,000 shares	
Stock option price of outstanding stock option	NTD 25	
Unexercised shares as a percentage of total shares issued (%)	3.65%	
Impact on shareholders' equity	The employee stock option is issued less than two years, so it has not yet been exercised and has no significant impact on shareholders' equity.	

6. Issuance of restricted stock awards

None

7. Issuance of new shares in connection with acquisition or assignment of shares of other companies

None

8. Implementation of capital utilization plan

- (1) The issuance of new shares for 2021 cash capital increase was completed on April 29, 2022.
1. Contents of the plan
- (1) The date and document number approved by the competent authority of the relevant industry:
Jin-Guan-Zheng-Fa-Zi No. 1100378779 dated January 5, 2022.
- (2) Total funds required for the plan: NTD 220,400 thousand.
- (3) Source of funds: Capital increase in cash by issuing 5,800 thousand shares of common stock at a par value of NTD 10 per share and at an issuance price of NTD 38 per share for a total amount of NTD 220,400 thousand. If the actual price per share of the common stock issued for this capital increase in cash is adjusted due to market fluctuations and thus results in insufficient funds raised, the Company will use its own funds or bank loans to give support; if the actual funds raised are higher than the expected amount, the additional portion will be fully used to enrich the working capital.
- (4) Progress of the planned items and use of funds:

Unit: NTD thousands

Planned items	Expected date of completion	Total funds required	Expected progress of fund utilization
			2022 Q2
Enrichment of working capital	2022 Q2	220,400	220,400

2. Implementation status and benefit analysis:

(1) Implementation status:

Unit: NTD thousands

Planned items	I m p l e m e n t a t i o n s t a t u s			Status of progress, ahead or behind, and the reason and corrective action plan
Enrichment of working capital	Amount used	Planned	NTD 220,400 thousand	Implemented as planned
		Actual	NTD 220,400 thousand	
	Progress (%)	Planned	100.00%	
		Actual	100.00%	

(2) Benefit analysis:

Unit: %

Item \ Year		June 30, 2021 (Before capital increase)	June 30, 2022 (After capital increase)
Financial structure	Debt-to-asset ratio (%)	6.25	23.40
Solvency	Current ratio (%)	1,510.42	363.69
	Quick ratio (%)	1,244.84	278.62

As can be seen from the above table, the Company's current ratio and quick ratio fall from 1,510.42% and 1,244.84% before the financing to 363.69% and 278.62% after the financing, and the debt-to-asset ratio increases from 6.25% before the financing to 23.40% after the financing. This is because of the Covid-19 related technologies obtained from the parent company and thus is normal according to the business plan; in addition, the operation and adaptability can be enhanced and the flexibility of financial scheduling can be improved, and this is beneficial to the Company's overall operation development and sound financial structure, resulting in a better overall competitiveness on the market and more favorable long-term development of the Company. Hence, the benefit of the capital increase is reasonable.

3. Changes in the plan, sources and uses of funds, reasons for the changes, benefits before and after the changes, and submission of the changes to the shareholders' meeting: Not applicable.
4. The date on which the information was entered into the information reporting website designated by the Securities and Futures Bureau: January 5, 2022.

V. Overview of Operations

1. Business Scope

(I) Business scope

1. The Company's main business activities

The Company is dedicated to new biotech drugs and the main business is the research and development, production and sale of new human drugs for medical use (including biologics, mAbs, vaccines, and small-molecule drugs). The business items are as follows:

- (1) IC01010 Medicine Inspection
- (2) IG01010 Biotechnology Services
- (3) F401010 International Trade
- (4) F108021 Wholesale of Western Pharmaceutical
- (5) F208021 Retail Sale of Western Pharmaceutical
- (6) F108031 Wholesale of Medical Devices
- (7) F208031 Retail Sale of Medical Apparatus
- (8) IG02010 Research and Development Services
- (9) I199990 Other Consulting Services
- (10) C802990 Other Chemical Products Manufacturing
- (11) F107990 Wholesale of Other Chemical Products
- (12) F299990 Retail Sale of Other Products
- (13) F199990 Other Wholesale Trade
- (14) IZ99990 Other Industrial and Commercial Services
- (15) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

2. Operating proportion

Unit: NTD thousands; %

Product name	2022		2023	
	Sales amount	Percentage in turnover	Sales amount	Percentage in turnover
Detection reagent (Note 1)	173,324	91.99%	7,232	16.63%
Vaccine product (Note 2)	15,091	8.01%	36,262	83.37%
Total	188,415	100%	43,494	100.00%

Note 1: The detection reagents include COVID-19 Antigen Detection Reagent and Tuberculin PPD RT23 SSI.

Note 2: Vaccine products refer to influenza vaccine, tetanus vaccine and Enterovirus Type 71 vaccine.

The Company was established in 2014 and is currently in the clinical development phase of new drugs. Initially, the Company set up a drug sales management mechanism and distribution channels and thus the only business performance in 2019 was the tuberculin PPD. AimFlu-S(QIS) and tetanus toxoid vaccine were added to the sale in 2020 and detection reagents were added to the sale in 2021. Enterovirus Type 71 vaccine (EnVAX-A71) was further added to the sale in 2023.

3. Current products (services)

AimFlu-S(QIS): This quadrivalent influenza vaccine can be used to protect children over the age of 3 and adults against influenza virus. The influenza virus is cultivated in chicken embryonated eggs for this product. It is then purified, split, and deactivated to make the product. The composition complies with the vaccine strain recommendations of the World Health Organization and contains a total of 4 vaccine strains. After vaccination, the human body's immune system will produce sufficient antibodies within two to three weeks to counteract the invading influenza viruses (Type A H1N1, Type A H3N2, Type B Yamagata strain, Type B Victoria strain). The protective ability of this vaccine can last for 6 to 12 months.

Tetanus toxoid vaccine: This vaccine is made from the tetanus toxin of the clostridium tetani. This toxin is attenuated with formaldehyde, purified, and then adsorbed to aluminum phosphate to obtain a sterile suspension for manufacture of the product. Vaccination is the most effective way to prevent tetanus. The clostridium tetani is a bacterium in the human gut. After the soil or medium is contaminated by animal or human feces, it can invade in the bloodstream through wounds, lacerations, burns or injection of contaminated medicine and secrete neurotoxins. This is the main cause of muscle spasms. After evaluation by the physician, patients are given tetanus toxoid injections depending on their conditions, and the expenses are covered by National Health Insurance.

In 2021, the Speedy COVID-19 Ag Rapid Test developed by the Company received the permit for the professional COVID-19 rapid testing reagent issued by Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare, and began to sell. The Quicksure COVID-19 Antigen Self Test (Home Rapid Test) was added to the sale in 2022. In 2023, the NDA of the Company's Enterovirus Type 71 vaccine (EnVAX-A71) was approved by Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare. The indication of this vaccine is mainly prevention of Enterovirus Type 71 infection and the product was introduced to the market in the same year.

4. New products (services) planned to be developed

(1) Vaccine products:

- EV71+CA16 bivalent vaccine
- Japanese Encephalitis Virus (JEV)
- Pneumococcal conjugate vaccine (PCV)

(2) Detection reagents:

In response to the global pandemic, in-vitro diagnostic reagents for infectious diseases have become an important part of disease prevention and treatment. At present, in-vitro diagnostic products used in clinics can be roughly divided into clinical biochemical tests, immune tests, and molecular diagnostics, etc., depending on the testing principle. Among them, the clinical biochemical diagnosis market is the most mature, accounting for the largest proportion, followed by immune tests. New types of immune tests and molecular diagnosis are fastest growing among all diagnostic reagent products and the mainstream in the market today. The products to be developed are as follows:

- Speedy COVID-19 Ag Rapid Test
- A+B Influenza Rapid Test
- Novel coronavirus loop-mediated isothermal amplification (LAMP) detection reagent
- Novel coronavirus, A+B influenza loop-mediated isothermal amplification saliva rapid test reagent (LAMP)
- Enterovirus Type 71 rapid test reagent

(3) Medical aesthetic products:

In recent years, the aesthetic medicine industry has gradually emerged, penetrated into the younger generation and become more popular. People care more about their appearance after taking off their masks. In 2022, the aesthetic medicine industry firmly positioned as the third largest industry in the world, following only to the aviation industry and the automobile industry. According to statistics, the global sales of non-intrusive medical aesthetic treatment is about US\$60 billion, and it is expected to reach more than triple that of the current market scale by 2030. The medical aesthetic market in Taiwan exceeds NTD 60 billion every year, mainly due to micro-surgical treatments including laser, botulinum toxin, and various dermal fillers. The products to be developed are as follows:

- Botulinum toxin injection:

At present, there are only 6 medical aesthetic product certificates for Type A botulinum toxin treatment in Taiwan. The emerging Type A botulinum toxin has a

longer acting duration and is a type of highly-pure lyophilization reagent with high stability and low drug resistance. It is suitable for beauty lovers to maintain their treatment effect longer.

●Hyaluronic acid implants:

Hyaluronic acid injection not only replenishes the hyaluronic acid lost from the skin immediately, but can, when injected into the dermis, also modify different depths of sunken wrinkle, fill the plump cheeks, apple muscle, lip, chin, tear trough, and create an “eye smile” effect to beautify the facial features and functions. Medium-molecule hyaluronic acid demonstrated the effectiveness right after injection. After about 24 weeks, the wrinkle is removed by 88% and the effectiveness lasts for about 6 months. The safety and effectiveness are proved in clinical trials: low rate of swelling, long maintenance duration, not easy to shift, and maintenance of a stable shape after the operation.

●Anti-wrinkle radio wave system:

The non-intrusive medical aesthetic market continues to grow rapidly. On the one hand, the consumer age group is extending downward, and at the same time, it is developing towards the mature age market, even expanding to male consumers. There is still a lot of room for the market development. A high-density energy wrinkle remover, it is equipped with micro-needle RF wave + low-temperature cooling probe, which can remove wrinkle, coagulation and improve hemostasis.

●Microneedle patch:

The use of microneedles can effectively penetrate whitening and lightening ingredients into the skin for better absorption and removal of fine lines around the eyes. Each patch contains 232 microneedles, combined with small hyaluronic acid and peptides, to moisturize and rejuvenate the skin , repair damaged skin, promote the production of collagen, soothe sensitive skin, and elevate the at-home beauty treatment to a higher level.

2. Industry overview

1. Current status and development of the industry



Though drug research (R) and development (D) are both something about drug study, they have different meanings and goals. The former is more focused on the exploration of drugs, and their effects and mechanism and thus the academic innovations, while the latter refers to the development for industrialization or commercialization of drugs with treatment application value, including manufacture of drugs, animal toxicity and observation of clinical efficacy. The overall process of new drug R&D includes: drug discovery and value validation, pre-clinical animal study for product development, and clinical trial. Only those with clinical efficacy can be registered and launched on the market. Overall, it takes 10 to 15 years for R&D of drugs, and each stage of the R&D requires a considerable amount of funds. However, once a new drug is successfully developed and launched on the market, its production value is huge.

● Status quo and development of the global pharmaceutical industry:

The growth of the world's population, the increasingly aging society, the enhancement of people's awareness of health care, and the change of the disease spectrum have made people pay more and more attention to the life and health. At the same time, the acceleration of global urbanization and the continuous improvement of medical insurance systems in various countries have promoted the development of the global pharmaceutical industry, which in turn drove the development of the global pharmaceutical market. In 2022, the global biopharmaceutical market reached US\$480 billion, accounting for 36% of the overall global pharmaceutical market. It is expected to exceed US\$700 billion five years later by 2028. This will further increase its share to more than 40%. In recent years, the global biosimilar drug market led by Europe and the United States has developed rapidly and grown steadily to a scale of nearly US\$20 billion. The growth is expected to exceed US\$70 billion by 2030.

The development factors of the global pharmaceutical market: First, the expansion of the generic drug market due to the concentration and expiry of patent drugs is one of the main driving factors for the growth of the global pharmaceutical expenditure, especially for the growth of the emerging pharmaceutical market. In 1984, the United States passed the "Hatch-Waxman Amendments" to regulate the application procedure for generic drugs, which became a turning point in the development of generic drugs and started the process of the vigorous development of generic drugs in the United States and around the world. Subsequently, countries around the world also passed legislation to support the

development of generic drug industry and simplify the approval process of generic drugs. Second, with the economic growth in Mainland China and other emerging countries, the increase in government capital investment in the medical and health sector, and the improvement of medical insurance coverage, emerging countries have become one of the main driving forces for the development of the global pharmaceutical market, resulting in increasing market demand year by year. Third, with the continuous development of biomedical technology, it is expected that a large number of patented drugs such as biological preparations and new preparations will be launched in the future to meet personalized medicine needs.

Under the background of strong economic recovery, R&D and promotion of new drugs, reduction in the number of expired patented drugs, and implementation of the "Patient Protection and Affordable Care Act", the United States will become the main growth point of the markets in the developed country. Thanks to the factors such as the aging society and the R&D and promotion of new drugs, the Japanese market will grow at a relatively fast rate. In the European market, due to the economic decline, high public debt, and low population growth rate, the consumption will grow slowly in terms of the overall pharmaceutical market, and there may even be negative growth in the future. Compared with the pharmaceutical markets in developed countries or regions, emerging markets currently account for a smaller proportion of the global pharmaceutical market. However, with the improvement of medical access, increase of national income, increase of population, and expiration of patent protection in the developed countries, emerging markets will have good development opportunities in the future.

●Biopharmaceutical market

The biopharmaceutical market includes mAb, rhGF, purified protein, recombinant protein, recombinant ferment, vaccine, cell and gene therapy, synthetic immune regulators, and other products; in terms of therapeutic application, the market can be segmented as follows: oncology, inflammatory and infectious diseases, autoimmune diseases, metabolic diseases, hormonal diseases, cardiovascular diseases, nervous system diseases and other diseases. According to its market overview, the market value of the biopharmaceutical market was about US\$321 billion in 2022, and it is expected to reach US\$535.5 billion by 2028, with a compound annual growth rate of 8.1% during 2023-2028.

The global COVID-19 pandemic has had a significant impact on the biopharmaceutical industry. Most biopharmaceutical companies are vigorously developing vaccines against SARS-COV2 virus. Some of the drug candidates are traditional types of vaccines, such as attenuated and inactivated products. However, most of the vaccine candidates under development are advanced DNA, RNA and recombinant protein vaccines. This factor is expected to boost the growth of the biopharmaceuticals market during the pandemic. However, as the focus of the healthcare system has shifted to reduce infection of patients during clinical trials, the clinical and regulatory procedures for drug candidates

for other indications may be slow.

The market of biotechnology pharmaceuticals will be driven by the increase in the elderly population, the increase in chronic diseases, the increase in acceptance of biopharmaceuticals, and the huge market demand. According to the GLOBOCAN 2020 report, a total of 19,292,789 new cancer cases were confirmed worldwide, including 9,958,133 death cases. The global population aged 80 or over is expected to triple from 143 million in 2019 to 426 million in 2050.

In terms of marketability, North America is the market leader, and the burden of chronic diseases in the United States has been increasing, especially in the most recent two years.

The investment in R&D activities has been increasing during the COVID-19 pandemic, and almost all biopharmaceutical companies in the region are working hard to develop effective treatments against COVID-19, which is expected to boost the research market under the pandemic situation in North America.



Figure 1. Global drug market growth rate

Source:

1. IMS institute , Global Outlook for Medicines Through 2018
2. Evaluate Pharma® World Preview 2017, Outlook to 2022
3. IMS institute, compiled by Biotechnology Industry Study Center
4. Evaluate Pharma® , compiled by Policy Center of National Applied Research Laboratories
5. Fierce Biotech report: 10 promising therapeutic vaccines
6. China Business Industry Research Institute

●Vaccine Market

The vaccine market is dominated by preventive vaccines, which can be divided into vaccines for adults and children. At present, the market share of vaccines for adults and children is about 50%. However, according to the latest report, the market growth rate of children's vaccines will increase year by year. Children's vaccines

include vaccines against Hepatitis, Influenza, Japanese Encephalitis, Diphtheria, Tetanus, Pertussis, Measles, Mumps, and Streptococcus pneumoniae. Among them, pneumococcal conjugate vaccine (PCV) has the largest global sales; Influenza vaccines, Hepatitis vaccines, and Pneumonia vaccines are mainly marketed in three major categories. Among them, influenza vaccines are the largest market.

According to the Aventis research report, influenza vaccine has been the main driver of the vaccine market growth in the past 10 years. It will be one of the main products driving the growth of the vaccine market in the next 10 years. The future is promising. The global influenza vaccination rate is low. It is expected that the influenza vaccine market will continue to expand in the future. Markets in China and India are very promising. Therefore, major influenza vaccine manufacturers have successively expanded their production capacity. It is expected that the world's top-3 production capacities can produce up to 200 million doses of influenza vaccines.

● Status quo and development of the test reagent market:

Two-thirds of global medical decisions are made based on a diagnosis. Accurate disease-related testing can be conducted at the early stage and improve the curative rate, thereby reducing subsequent health problems and related expenses. There are currently two different approaches in the diagnostic market: in vivo and in-vitro diagnostics. In vivo diagnosis is mainly based on imaging techniques, such as X-ray, CT scan, MR and nuclear imaging. In-vitro diagnostics, also known as IVD (In-VitroDiagnostics), generally refers to the use of diagnostic reagents, instruments or medical consumables in the process of diagnosing various diseases by collecting samples from the human body without the need for penetrating examination. It is also an important link in the process of treating diseases, and it is also one of the areas with the most development potential in the industry. According to the Markets and Markets 1 research report, due to the aging population and the consequent increase in the prevalence of chronic and infectious diseases, the in-vitro diagnostics market will grow from US\$107.76 billion in 2023 to US\$124.65 billion in 2032 with a compound annual growth rate (CAGR) of 1.6%; in addition, more and more fully automated instruments and the development of real-time test technology will drive the growth of the in-vitro diagnostics market.

North America is the world's largest consuming market of in-vitro diagnostic reagents (Figure 2) with a total consumption value over the years exceeding 30% of the global market. The USA is the country that has the largest quantity and type of diagnostic reagents in the world, and 7 out of the top-10 diagnostic reagent manufacturers are U.S. companies or cooperate with other companies. Therefore, the change trend of the diagnostic reagent market in North American has a great impact on the global diagnostic reagent market. In addition to the United States, the global diagnostic reagents market is concentrated in the following 11 countries. Japan,

Germany, Italy, France, Spain, the United Kingdom, Canada, China, Brazil, Turkey, and Australia, along with the United States, have a combined 81.4%. According to the report of the Foresight Industry Research Institute, the scale of China's in-vitro diagnostic market grew from US\$67.8 billion in 2019 to US\$89 billion in 2020, with a compound annual growth rate of 31.12%. It is estimated that the total revenue will grow by 8.81% from 2022 to 2029, reaching nearly \$62.15 billion. (Figure 3).

At present, there are more than 200 in-vitro diagnostic medical device companies in the world. The market is mainly led by Roche Diagnostics, Abbott Laboratories, Johnson & Johnson/Ortho, Beckman Coulter, and Bayer. With the diverse product lines and vast sales channels, big companies quickly acquire most of the market, and maintain its leading position through continuous mergers and acquisitions and R&D investment. However, there are many technology and service-oriented small companies, though the market share cannot be compared with that of large companies. With their advanced technology and unique products, and the flexibility that large companies do not have, they can adapt their strategies to the environment. These companies not only survive under the attack of the leading manufacturers, but also often has an amazing growth rate.

Among various IVD products, the traditional clinical biochemical diagnosis is the category with the highest sales ratio. Under the circumstance that the technology is mature, the new applications are limited, and the market growth is slowing down, the market is highly competitive and the profit is limited. A handful of large companies almost control the entire market. However, despite the limited growth of this market in the future, the development of various sub-segments of test products will be very different, and the growth of the blood glucose monitoring market is most promising. The second largest market in terms of sales is the immune test products. This type of product uses the specific reaction produced by the binding of the antibody to the antigen, and then conducts qualitative and quantitative analysis of the antigen or antibody in the sample based on the marker or signal. Because the immune test can be widely used in the traditional clinical chemistry test and the cost is lower than that of the clinical chemistry method, the usage of this type of product has been increasing and gradually replaced the clinical chemistry test. In the future, the trend of immune testing technology will be towards improving the sensitivity and reliability of the test. The detection methods are simple and real-time, such as Point of care (POC) and diagnostic testing products, which can detect multiple analytes at the same time. With the increasing number of infectious diseases, rapid, large-scale, highly specific, and highly sensitive rapid screening reagents will be the key tools for epidemic detection and early warning. In the face of epidemic threats, it will become an important disease prevention and control tool.

Molecular diagnostic tests will be the focus of the development in the future.

This is a method that detects the genetic material (RNA, DNA, CDMA) to analyze the specificity and difference of nucleic acid to achieve the functions of testing or auxiliary diagnosis. Although the technology is not yet mature, its high sensitivity and low risk are significantly better than traditional methods. With the advancement of technology, its application scope has gradually expanded. In addition to the existing infectious disease testing, kinship testing, and oncology and genetic disease testing, manufacturers have further extended the use of molecular diagnostics to basic medicine research and tracking of clinical ne drug study. Molecular tests will be developed in the direction of lower price and more convenience to use in the future. With their high-throughput detection characteristics, such products will play a pivotal role in shortening the time of new drug research and development and the development of personalized medicine.



Figure 2. IVD market size in various regions of the world (Source; Market and Market, 2023)

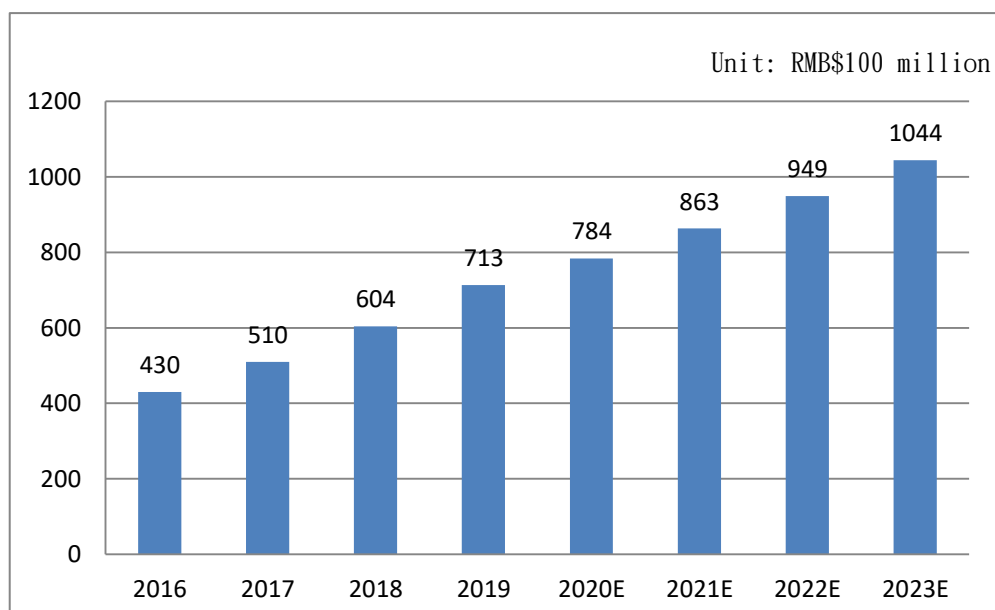


Figure 3. Market Scale of in vitro test reagent in China from 2016 to 2022
(Source: Foresight Industry Research Institute)

Source:

1. Marketandmarket, In Vitro Diagnostics Market by Product (Instruments, Reagents), Technology (Immunoassay, Clinical Chemistry, Molecular Diagnostics, Hematology, Urinalysis), Application (Diabetes, Oncology, Cardiology, Nephrology) - Forecast to 2023
2. Taiwan Institute of Economic Research, Council of Agriculture's Biotechnology Strategic Planning Report, 2004
3. Foresight Industry Research Institute, Analysis of the Development Status of Market Segments in China's Diagnostics Industry in 2022.

● Current Situation and Development of the Medical Aesthetics Market

The medical aesthetics industry is divided into major aesthetic treatments (surgical procedures that directly alter body parts, such as breast augmentation, double eyelid surgery, eye bag removal surgery, etc.) and minor aesthetic treatments (non-surgical procedures using non-invasive or minimally invasive treatments). According to research by the Royal Society for Public Health, the recent boom of visually-oriented social media (such as YouTube, Instagram, TikTok, etc.) has led people to pursue sharing perfect photos, reinforcing the emphasis on appearance in social settings and further exacerbating appearance anxiety. To address this appearance anxiety, in addition to skincare products, the concept of bodily autonomy has been gaining traction in recent years, leading to greater public acceptance of medical aesthetics. The total number of people seeking medical aesthetic treatments and the proportion of men have been rising, and the age range has expanded from the original 25-40 years old to 18-60 years old. As the penetration rate of medical aesthetics increases and technology advances, the phenomenon of appearance anxiety is further amplified due to the peer effect, where individuals feel they cannot match up to others, leading them to continuously seek medical aesthetic treatments. Coupled with technological advancements that reduce risks, the overall demand for the medical aesthetics industry continues to grow. Compared to countries with more developed medical aesthetics industries such as Japan (11.25%), the United States (17.1%), and South Korea (22.05%), the penetration rate of medical aesthetics in Taiwan is only 8%, and in China, it is only 4.5% (2022 data), indicating that there is still room for development in the medical aesthetics industries of Taiwan and China. Among these, minor aesthetic treatments have advantages such as faster recovery times, relatively lower prices and risks, and more natural-looking results, making them more accessible, and most require continuous treatments to maintain their effects. Therefore, it is expected that the growth trend of minor aesthetic treatments will outpace major aesthetic treatments in the future.

With advances in medical technology and the increasing average human lifespan, according to the latest statistics from the Ministry of the Interior in 2023, the elderly population aged 65 and above in Taiwan has already accounted for 17.81% of the total population, and the aging index (the percentage of the elderly population compared to the youth population) is 65.05%, second only to Japan in the Asian region, indicating that Taiwan is moving towards an aging society. However, the baby boomer generation born between 1946 and 1965 currently represents the age group with the highest income in Taiwanese society, presenting endless opportunities in the mature market. Among them, the medical aesthetics market aimed at combating aging is thriving. The global population of 200 million baby boomers (those born between 1946 and 1965) spends an average of around NT\$12,000 per person annually on the medical aesthetics industry, representing a massive market opportunity for anti-aging products and services. The European medical aesthetics market has already reached USD 2 billion and is expected to continue growing at an annual rate of 20%. In Taiwan, influenced by the trend of younger and more widespread adoption of medical aesthetics, the market value has reached a staggering NT\$60 billion annually. A significant portion of this market is dominated by minimally invasive treatments such as laser treatments, botulinum toxin injections, and various dermal fillers. Due to the characteristics of minimally invasive aesthetic treatments, including no visible wounds, shorter recovery periods, and reasonable prices, they are more widely accepted by the general public compared to traditional plastic surgery procedures, which tend to be perceived as invasive, unnatural, uncomfortable, and expensive.

2. Correlation between upstream, midstream and downstream of the industry

● Biotechnology and new drug industry

The biotechnology and new drug industry is different from other industries. The production of new drugs starts from discovery, pre-clinical development, and clinical development, including Phase 1, 2, and 3 clinical trials and new drug testing. From approval of NDA to marketing/sales, every link from academic research and development, drug manufacturing, quality control, regulatory, and clinical trial execution to distribution management and channel construction requires a high level of professional knowledge and experience (Figure 4).

In order to exert the highest professional benefits, the Company is positioned to create maximum benefits and results by integrating the biotechnology industry chain; that is, combining the use of the biotechnology industry chain from pre-clinical development, clinical phase, manufacturing to marketing/sales in order to make use of the most effective professionalism and create maximum benefits and results of new drug development as quickly as possible. At present, the focus is on the construction of a high-performance clinical trial platform, and the most streamlined professional teams are invested in the

planning of clinical trials and integration of all aspects: combination of clinical, regulatory professional/key opinion leaders (KOLs) and cross-strait clinical trial centers to accelerate completion of clinical trials for acquisition of drug licenses and marketing.

The new drug companies in Taiwan have a complete value chain. To speed up the R&D process, drug development is entrusted to the CRO company, drug manufacturing is entrusted to the CMO company, and drug sales was entrusted to the CSO company. Enimmune Corporation focuses on the development of new drug projects, vertically linking various professional fields, and creating a multi-win situation by connecting the two blocks of research and manufacturing in the new drug development chain.

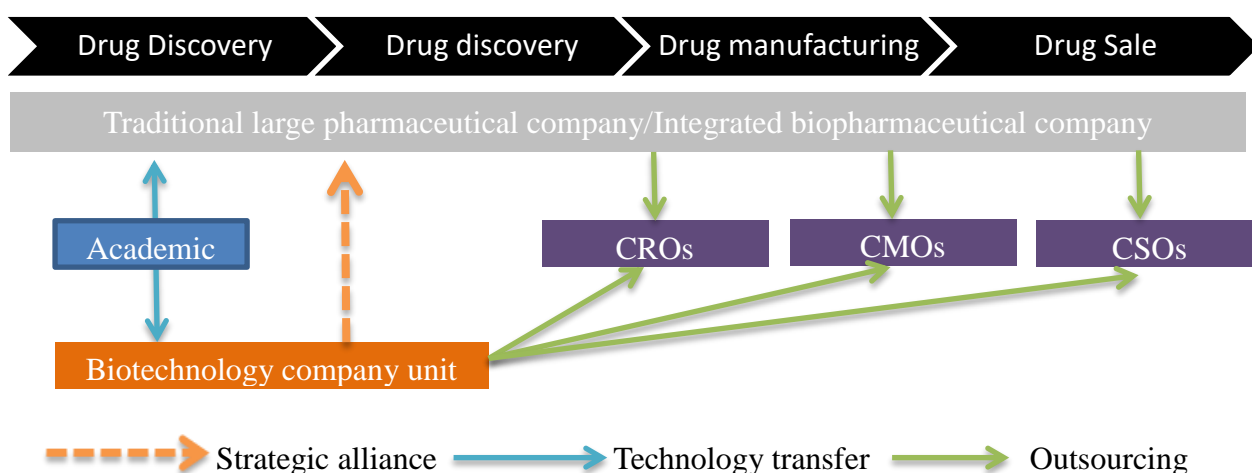


Figure 4. Participation model of the biopharmaceutical R&D value chain

The Company is actively looking for upstream, midstream and downstream industrial alliances at home and abroad. Production of INDs is outsourced to outstanding professional drug/biological agent manufacturers under technology transfer authorization. The Company cooperates with major clinical trial centers to complete clinical trials, and then develops and promotes new drugs through mass production and effective marketing strategies, in the hope to Connect R&D, clinical trials, manufacturing, and marketing in the most efficient manner. The Company develops new drugs with this model to ensure cost efficiency, move towards the goal of "Made in Taiwan", establish our own brand, and become a world-class biotechnology and new drug company with the base in Taiwan.

● Diagnostic medical materials

The upstream of the diagnostic medical materials industry is mainly the suppliers of raw materials and materials, such as antigen, antibody, test strips, reagent plates, and related chemical materials. Products are subjected to a series of R&D, design and testing. The midstream is the production of test reagents and test equipment. Usually, these testing reagents at the medical device grade are products that need to be reviewed and certified by local health authorities in various countries, such as the NDA subjected to the Ministry of Health and Welfare in Taiwan and the US FDA. Their production also needs to be

performed by the factory that meet the requirements of the Good Manufacturing Practice (GMP) to ensure the compliance. Therefore, the testing reagent development company may adopt different production plans for the production and manufacturing of testing reagents according to the needs of the business development progress. When the product range is limited and the sales volume has not yet reached the economies of scale in the early stage of business development, production can be outsourced to the factory that meet the GMP requirements; when the product items and sales volume reach the economies of scale, planning of self-owned plants can start. Downstream refers to the marketing of testing reagents, which are mainly used by distributors of testing reagents, laboratory departments of large hospitals, regional clinics, and related testing laboratories, or delivered to traders to expand trading targets to foreign customers.

●Medical Aesthetics

Compared to traditional biotech pharmaceutical companies, the medical aesthetics industry is closer to people's daily lives and can be easily accessed through various channels. In addition to the dissemination of information online, physical advertisements are also ubiquitous. In the upstream of the medical aesthetics industry, there are product suppliers responsible for product manufacturing, quality control, license application and registration, and compliance with relevant regulations. The midstream consists of medical aesthetics institutions that utilize professional knowledge and expertise to perform product operations and provide advice to consumers. The downstream comprises general consumers; some simple medical aesthetic procedures can be self-administered by consumers. Apart from finding relevant information on e-commerce channels, consumers can also browse online forums to learn about other users' experiences and opinions. Our company focuses on integrating the upstream, midstream, and downstream sectors. We seek out promising overseas medical aesthetics products and leverage our in-house regulatory expertise to assist in obtaining drug licenses and product importation. We then promote these products to medical institutions and consumers, increasing product exposure and enhancing consumer brand recognition and preference.

3.Product development trends

●Vaccine product

Since the world's first preventive vaccine, the anti-cholera vaccine, was successfully developed in 1879, the use and development of vaccines have increased unabated. The use of vaccines for human beings has effectively controlled many major infectious diseases and significantly reduced the incidence of infectious diseases. However, compared to new drug development, vaccine manufacturing requires high technology and hardware facilities, high product safety specifications, and the vaccine industry is fragile. Therefore, 90% of global vaccine production capacity is concentrated in a few international manufacturers. At present, the top-5

multinational vaccine manufacturers are Sanofi, GlaxoSmithKline, Merck, Wyeth, and Novartis. The top-3 vaccine companies, GlaxoSmithKline of the United Kingdom, Merck of the United States, and Sanofi of France, account for 85% of global vaccine market in terms of the sales amount.

The main purpose of vaccines is to stimulate the immune system to produce "memory cells" so that a strong immune response can be generated when the human body encounters a pathogen. Therefore, vaccines must be able to operate under the correct physiological trigger an effective immune response. In addition, the side effects caused by vaccines shall be minimized. Safety and effectiveness are the key factors for pharmaceutical companies to invest in the research and development of new vaccines. The traditional vaccines commonly used in the past were attenuated vaccines and inactivated vaccines. Attenuated vaccines refer to live microorganisms, such as viruses, bacteria or protozoa, the pathogenic effect of which on the original host is reduced through special means. Attenuated vaccines usually have better potential than inactivated vaccines because of better immune memory effect. However, because attenuated vaccines contain live pathogens, there is a risk of excretion or virus variation. In inactivated vaccines, the activity of disease-causing bacteria is completely eliminated. As far as inactivated vaccines are concerned, the possibility of residual pathogenic effect is extremely low. Therefore, the safety of inactivated vaccines is very high, but the immune responses elicited by inactivated vaccines are poor. They usually need to be used with adjuvant. Adjuvants can slowly release the antigen at the injection part to stimulate an immune response and activate cells. This increases the cost of inactivated vaccines, but because of their high stability, it has advantages in storage and safety.

In recent years, the improvement of biotechnology and the introduction of genetic engineering have mitigated the bottleneck of traditional vaccine development that existed in the past, and the main direction is the development of new vaccines to solve the problem that cannot be solved by traditional vaccine technology. In addition to cell culture vaccines, there are genetic vaccines, subunit vaccines, nucleic acid vaccines, synthetic vaccines, and antiidiotype vaccines. These are helpful to greatly improve the safety of vaccines. The use of cell culture method not only improves the throughput of traditional vaccines, but also effectively controls the stability of vaccines.

Since long, vaccines are always one of the most cost-effective methods of disease prevention, and the development of vaccines has also received extensive attention from academia, industry, and government agencies. How to increase the penetration rate of vaccines, reduce the price of vaccines, simplify the method of administration, and develop new effective vaccines have become the goals of vaccine research and development.

●Detection reagent

At present, in-vitro diagnostic products used in clinical practice can be roughly divided into clinical biochemical tests, immune tests, and molecular diagnostics based on different testing principles. Among them, the clinical biochemical diagnostic market is the most mature and accounts for the largest market share, followed by immune tests, new-type diagnostic tests, etc. Among all the diagnostic reagent products at present, the immune test and the molecular diagnosis are the fastest growing products and become the mainstream in the market today. A diagnostic reagent shall have the following characteristics: 1. specificity: able to highly identify the target substance; 2. sensitivity: able to detect a very small amount of the target substance; 3. simplicity: easy and fast to operate; 4. stability: able to be stored for a long time without deterioration; 5. Economy: affordable and convenient for screening in large quantities.

With the rapid development of biotechnology, the current in-vitro diagnostic products have changed from requiring the detection of a single target to achieve the goals of accuracy, speed, and simplicity to the expectation of detecting multiple targets at the same time. The development trend is gradually developing towards two polarities. One is highly professional, intensive and automated instrumental diagnosis, and another one is simple, rapid and easy-to-use for diagnosis. Due to the continuous research and development of genetic engineering, genetic recombination, and monoclonal antibody and other molecular biotechnologies, the R&D period has been greatly shortened and the speed of product update and application has been accelerated. Therefore, the development of highly sensitive, timely, rapid, and large-scale screening applications or personalized testing will be an important trend in the development of testing and diagnosis in the future.

●Medical Aesthetics

With the advent of the minimally invasive aesthetics era, non-surgical micro-treatments have gradually become the mainstream. The public values shorter recovery periods and natural-looking results, leading to an increase in the preference for laser treatments and injectables. Additionally, the average age of consumers seeking medical aesthetic and cosmetic treatments has dropped to 25 years old. With the trends of younger adoption and widespread acceptance, the medical aesthetics industry market is expanding year by year, becoming a new norm in daily grooming routines. In the case of hyaluronic acid, Taiwan's annual growth rate reaches 10%. The global hyaluronic acid market is projected to grow from \$9.4 billion in 2022 to \$16.8 billion in 2030 at a compound annual growth rate of 7.58%, with widespread applications in cosmetics and healthcare.

As for botulinum toxin, in the United States, approximately 6.5 million people receive botulinum toxin treatments annually. In 2017, the global market spent

approximately \$3.67 billion on botulinum toxin. In Taiwan, the annual expenditure on botulinum toxin treatments is around NT\$10 billion, indicating its prevalent use.

The global botulinum toxin market is expected to grow from \$4 billion in 2022 to approximately \$10 billion in 2033, with a compound annual growth rate of around 9%. Therefore, the medical aesthetics industry continues to develop, and with the advancement of social media, people can widely access and choose information, leading to a more open and diverse perception of aesthetics as they pursue their own definitions their own definitions.

4.Product competition

●Vaccine product

(1) Enterovirus Type 71 vaccine

The outbreak of hand, foot and mouth disease and herpangina in Taiwan in 1998 resulted in 78 deaths of children. It has been confirmed that this was caused by enterovirus type 71 (EV71) infection, and this attracted public attention to the epidemic. It is difficult to estimate the damage caused by enterovirus to infants and young children. Looking back at the enterovirus epidemic in the world, there are epidemics and cases reported in many countries. However, in recent years, Asian countries such as Vietnam and China have successively suffered large-scale epidemics. Even advanced countries in Asia, such as Japan, Singapore, Hong Kong, Malaysia, Australia, and Taiwan, have all reported severe EV71-related deaths of children. Enterovirus type 71 has a particularly high morbidity rate, especially for neurological disorders. The incidence rate in children under the age of 5 is 90%. It has often serious complications and the fatality rate is high, ranging from 1 in 100,000 to 1 in 10,000. Therefore, the high lethality makes enterovirus type 71 an important emerging infectious virus.

In order to prevent and control the epidemic caused by enterovirus EV71 infection, EV71 vaccines have been developed in many countries or regions. Vaccine types include inactivated whole virus vaccines, attenuated vaccines, subunit vaccines, DNA vaccines, peptide vaccines, and recombinant virus like particle (VLP) vaccine. The inactivated whole virus vaccine has the fastest progress. So far, three vaccine manufacturers worldwide have obtained certificates for EV 71. All of them are in China, but they only supply it for the domestic market. These manufactures are Chinese Academy of Medical Sciences in Kunming, Laboratories, Beijing Sinovac Biologics Co., Ltd., and Wuhan Biological Products Co., Ltd., and all of them produce inactivated vaccines. The Phase III clinical trials completed by them show that the vaccine prepared with the inactivated technology have good immune properties and is resistant to enterovirus with a protection rate of 90-95%. However, in terms of the production process, most of them are in the roller-bottle production

process (300-500ml per bottle) with low capacity and high cost. In addition, cell culture technology and even animal serum are used. This is different from the trend of using the serum-free process. The enterovirus vaccines marketed by these three companies in China are only intended for infants aged 6-35 months, and the virus strains used are not the same as the genotype of enterovirus 71 broken out in Taiwan in recent years. Effective protection is still unpredictable, so the development of effective vaccines suitable for the people in Taiwan remains a top priority.

The virus strains selected for the EV-71 vaccine developed by the Company conform to the B4 genotype prevalent in Taiwan. The Company adopts a novel bioreactor production process and uses serum-free cell culture technology to comply with the PIC/S GMP quality specifications and ensure product safety. The mass production of 50L is currently used to prepare clinical vaccine batches. In the future, the production process can be expanded to 200L and 1,000L to achieve high-yield and high-quality production, which has a very competitive advantage in the market. It is expected to help protect children in Taiwan from the threat of highly lethal enteroviruses.

(2) EV71+CA16 bivalent vaccine

HFMD caused by enterovirus type 71 (EV71) and coxsackievirus A16 (CA16) infections accounts for more than 80% of total HFMD infections. EV71 is highly prevalent and has a high lethality rate, while CA16 virus is highly transmissible. Although there are few severe cases, it severely affects young children's normal routines. However, at present, the EV71 vaccine only has protective effect against HFMD caused by EV71, and cannot prevent the symptoms caused by CA16 virus or other types of enterovirus. Children vaccinated with EV71 vaccine in China have a 50% chance of being infected with other viruses such as CA16. Therefore, the development of a bivalent vaccine against EV71 and CA16 at the same time can confer broader protection to children and is highly competitive in the market. This has great significance for the prevention and control of HFMD.

Considering that CA16 is the second most common virus to cause HFMD in China after EV71, there is currently no preventive vaccine available on the market, and there are only R&D data at the laboratory stage. Currently, there are three vaccine manufacturers in China that have started to research the CA16 monovalent vaccine, and there are another three manufacturers dedicated to the development of the EV71+CA16 bivalent vaccine. The recombinant virus like particle (VLP) is prepared using gene recombination expression technology and does not contain intact virus particles. It has the advantages of high yield, strong immunity and safety, and is one of the important directions for R&D of new CA16 vaccine. The Company has jointly developed the EV71+CA16 bivalent vaccine with domestic research institutes. Through a complete vaccine strain evaluation mechanism, three

candidates of coxsackievirus virus strains (CA16) have been selected. Currently, the antibody of these candidates performs as expected in mouse immunization experiments and preclinical animal tests will be conducted subsequently.

(3) Japanese encephalitis vaccine (JEV)

Japanese encephalitis (JE) is an acute meningoencephalitis caused by the Japanese encephalitis virus. Mosquitoes are the main infectious agent. The incubation period is about 5 to 15 days. Currently, it is prevalent in South Korea, Japan, the Philippines, Thailand, Indonesia and other western Pacific Islands and Southeast Asia. In Taiwan, the main endemic season of JE is late spring and early summer. Japanese encephalitis virus can multiply on pigs and cattle, and then infected by mosquitoes. Most of the infected people are asymptomatic, while people with weakened resistance will develop headache, fever, vomiting and other symptoms of aseptic meningitis. Some of them may be accompanied by drowsiness, convulsions, coma, paralysis of the limbs, abnormal personality or other symptoms of encephalitis, and even death.

According to the statistics of the World Health Organization (UNICEF/who) in 2014, there are about 70,000 cases of Japanese encephalitis infections worldwide each year, and 20,400 of them die as a result. The fatality rate is about 20-30%. There are 24 countries in the region, with a total of about 3 billion people still in the possible infection and endemic areas. At present, there is no complete curative treatment for Japanese encephalitis. Therefore, JE vaccination is still the main prevention method. As this unique disease is confined to the Western Pacific Region, the market segmentation is quite obvious. Therefore, manufacturers from developed countries such as Europe and the United States are not willing to enter this market. However, in recent years, due to climate warming, the geographical distribution of the virus has expanded. The Japanese encephalitis epidemic in India in 2006 made the disease a concern of people again.

At present, there are three main types of Japanese encephalitis vaccines (Table 3): inactivated mouse brain vaccine, inactivated cell cultured vaccine, and live attenuated vaccine. The traditional inactivated mouse brain cultured JE vaccine has been gradually discontinued in major producing countries due to ethical issues arising from its origin in animal bodies. In 2015, the World Health Organization (WHO) recognized that, in comparison with other new JEVs, the traditional mouse brain vaccine was less prone to adverse reactions after the inoculation, the manufacturing process was not standardized, and more doses of vaccination were needed. Therefore, WHO recommended to replace the traditional mouse brain vaccine with other new vaccines. The new vaccine is the live attenuated chimeric Japanese encephalitis vaccine produced in a cell culture process. It uses genetically recombined virus to enter the human body and causes the vaccinated to produce

specific antibodies. Its safety and the ability to induce an immune response is similar to the vaccine prepared with the traditional mouse brain. This new vaccine can be used to prevent the infection caused by Japanese encephalitis virus at a lower cost and with higher quality. This is the trend of JE vaccine production in the future. In response to changes in vaccine technology, Taiwan stopped administering the mouse brain-based Japanese encephalitis vaccine in 2017 and began importing the cell cultivated Japanese encephalitis vaccine.

At present, the manufacturers of JE vaccine are concentrated in Asian countries, including Taiwan, India, Japan, and South Korea. Vaccine manufacturers in European, Japan, and China have developed a new generation of JE vaccine using the cell process. In the market for Japanese encephalitis vaccines, vaccines prepared from mouse brain have been switched to cell-based vaccines. The Company works with well-known domestic biologics manufacturers to develop inactivated virus vaccines, and produces a new type of inactivated Japanese encephalitis vaccine in a cell culture process. Compared with the live attenuated vaccines already on the market, it has higher purity and efficacy with less side effects.

Table 3. Comparison of Japanese Encephalitis Vaccines on the Market

Type	Source of vaccine antigen	Virus strain	Feature
Inactivated vaccine	Mouse brain culture	- Beijing-1 - Nakayama	- Short protection duration - Multiple immunizations required - Stronger side effects
	Vero cell culture	- Beijing-1 - P-3 - Kolar (JEV 821564 XY) - SA 14-14-2	- Multiple immunizations required - Higher safety - Fewer side effects
Live attenuated vaccine	PHK cells	- SA 14-14-2	- Longer protection duration - Fewer immunizations
Live attenuated chimeric type (live recombinant)	Vero cell	- SA 14-14-2/YF17D	- Longer protective power - Fewer immunizations

(Source: WHO /UNICEF)

(4) Pneumococcal conjugate vaccine

The severity and mortality of a common cold are not high. However, streptococcus pneumoniae is highly lethal and dangerous. Vaccination is the best way to gain resistance. According to the statistics of the Ministry of Health and Welfare, pneumonia ranked the 3rd among the top-10 causes of death in Taiwan in 2016, and the increase in mortality rate ranked first among the top-10 causes of death. Influenza complicated by pneumonia was particularly significant in terms of mortality rate. Since 2015, pneumonia vaccine has been added as a regular vaccine for infants and young children. In recent years, the government has begun to

encourage senior citizens over 65 years old and people over 50 years old with rare diseases, serious injuries and high-risk chronic diseases to be vaccinated.

At present, there are two main categories of pneumococcal conjugate vaccines in Taiwan, namely 13-valent conjugate vaccine and 23-valent polysaccharide vaccine. The 23-valent polysaccharide serotype vaccine covers a wide range of serotypes and is relatively cheap, but it cannot activate memory cells and thus cannot maintain a longer protection duration, with a protective effect lasting for only 2-4 years on average; although the 13-valent conjugate vaccine covers fewer serotypes, it can activate the body to produce memory cells and has a protective effect lasting for about 10 years.

At present, the Company is working with a U.S. drug development company to develop a broader range of streptococcus pneumoniae vaccine. With the new technology of the target protein, the scope of protection exceeds various pneumonia vaccines currently on the market, and it can be administered to people under two years old. In terms of infants and young children, combining the advantages of the vaccines currently available on the market and covering a wider range of protection, the pre-clinical animal tests have also proved its safety and effectiveness. It is expected to become a new pneumonia vaccine product with emerging advantages, and is sufficient to occupy a place in the market.

(5) Rapid COVID-19 Antigen Test Reagent

COVID-19 is caused by the severe acute respiratory syndrome coronavirus 2 (SARS-cov-2) that started spreading in January 2020. Rising. The World Health Organization (WHO) classified the current epidemic as a global pandemic in March. This is the first time that the World Health Organization declares a global pandemic after the new type influenza epidemic (H1N1) in 2009, a difference of 11 years. The world seems to be facing the most severe crisis since the Spanish flu during the First World War.

According to the recommendations of the European Center for Disease Control and Prevention (ECDC) and the World Health Organization (WHO), the gold standard test method for COVID-19 is to use PCR to detect the RNA of the virus. This test requires well-equipped laboratory facilities, skilled technique personnel and different reagents. Thus, the test process is complicated and it usually takes 4 to 6 hours to operate. Due to the high price of related equipment and consumables, this method is only suitable for large central laboratories. Although RT-PCR is still the first choice for COVID-19 testing, the clinical diagnosis is indeed less intuitive.

For the growing global demand for COVID-19 diagnosis, COVID-19 PCR testing brings about limitation to the global testing capacity due to limited test

equipment and shortage in supply. To relieve the pressure on the central laboratories, the testing capacity of regional hospitals is expanded and a fast and reliable diagnostic reagent that can quickly detect COVID-19 antigen is developed. This is critical to meeting emergency medical and public health needs.

There are two types of COVID-19 rapid tests currently in use or under development, namely (1) SARS-COV-2 Antigen Test and (2) Indirect IgG/IgM Antibody Test. By detecting the nasopharyngeal discharge and other infected samples, SARS-CoV-2 can detect the components of the virus present during the virus infection and IgG/IgM test can detect whether COVID-19 IgG or IgM antibody is produced in the serum. This is used as the basis for determining whether a person is infected with virus. However, as COVID-19 infected patients may have coexisting antibody and virus, it is impossible to distinguish whether the patients are currently infected or have recovered using the antibody testing method. Therefore, the development of rapid screening reagents for the detection of virus antigens in samples is the direction of developing new coronavirus detection reagents.

According to the Foundation for Innovative New Diagnostics (FIND), there are currently 10 SARS-COV-2 rapid test reagents that comply with relevant EU regulations (IVD 98/79/EC). , and more than 60 SARS-COV-2 rapid antibody test reagents have been introduced to the market one after another. Although a large number of COVID-19 antigen and antibody test kits are already available on the market, they still need to be verified and validated according to the regulatory requirements.

Through technology licensing from domestic academic institutions, the Company has obtained a highly recognizable mAb. Based on SARS antibody, antibodies that can recognize the new coronavirus (SARS-CoV-2) can be selected. The prototype developed has been able to recognize the spike protein of the new coronavirus grown in the laboratory. It is expected that this antibody will be used in conjunction with the immunochromatographic analysis, and this method uses nasopharyngeal swabs to qualitatively detect whether patients carry novel coronavirus antigens. With this, it is possible to quickly engage in the development of rapid screening reagents for novel coronavirus.

●Medical Aesthetics

In Taiwan, hyaluronic acid (HA) falls under the third-class medical device category, classified as I0007 hyaluronic acid implant. Hyaluronic acid, also known as transparent quality acid or glyceric acid, is a naturally occurring substance in human body tissues. HA has properties of high viscosity and high water retention, and excellent biocompatibility. It is a fast and safe filler treatment that can immediately reduce the appearance of expression

lines, fine lines, wrinkles, fill tear troughs and dark eye circles, lift sagging skin, and improve and reshape facial contours, increasing personal confidence and radiance. It is also used to treat degenerative arthritis, acting as a lubricant for knee joints to reduce friction and pain. The fact that HA can be broken down and absorbed by the body, combined with the non-surgical injection process, makes HA treatments popular among many beauty seekers. Depending on the manufacturing process, the resulting HA varies in size, and then must be "cross-linked" with a cross-linking agent to produce products with different firmness, elasticity, and viscosity levels, resulting in what the market refers to as "high molecular" or "low molecular" HA. The HA product our company distributes is produced in South Korea. The medium molecular HA can meet all filler needs and contains lidocaine to effectively reduce pain. Clinical trials have shown that after 24 weeks, it maintains 68.16% efficacy, improves wrinkles by 88%, and enhances appearance by 95%, with effects lasting up to 6 months. It also has stable safety data, minimizing inflammation or allergic reactions.

Botulinum toxin is a neurotoxin produced by the bacterium *Clostridium botulinum*. It can block the nerve impulses between nerves and muscles, relaxing the facial muscles that contract excessively, thereby reducing or eliminating dynamic wrinkles. Botulinum toxin injections can target specific areas of wrinkles without affecting the surrounding muscles, which is why it is widely used in cosmetic medicine. Currently, there are only six botulinum toxin type A cosmetic product licenses in Taiwan, all of which are imported biological products. The botulinum toxin our company distributes is produced in South Korea and differs from the six existing marketed products, as it is derived from a novel strain and is a high-purity, vacuum-freeze-dried formulation with high stability and low drug resistance, allowing for longer-lasting cosmetic effects for beauty enthusiasts, making it highly competitive in the domestic medical aesthetics market.

III. Technology and R&D overview

1. R&D funds invested in the most recent five years up to the publication date of this annual report.

Unit: NTD thousands

Year	R&D funds	Net operating revenue	Percentage in net operating revenue (%)
2019	50,022	1,944	2,573.15
2020	58,852	22,876	257.27
2021	54,755	109,822	49.86
2022	101,233	188,415	53.73
2023	109,390	43,494	251.51

2. Successfully developed technologies or products

(1) COVID-19 antigen rapid test reagent

Through technology licensing from domestic academic institutions, the Company has obtained a highly recognizable mAb. It is expected that this antibody will be used in conjunction with the immunochromatographic analysis, and this method uses nasopharyngeal swabs to qualitatively detect whether patients carry novel coronavirus antigens. The Company has received the manufacture and export permit for professional and home-based test reagents from the competent authority in Taiwan in accordance with laws and regulations.

(2) Compliance with the Good Distribution Practice (GDP) issued by Taiwan Food and Drug Administration

The Company passed the assessment for conformity to "Good Distribution Practice" and received the "Distribution Permission Verification Letter" in 2020. Based on the strict quality management under GMP, the Company ensures that the drug quality and the completeness of the package can be maintained during the storage and transport.

(3) Compliance with the Regulations of Medical Device Good Distribution Practice issued by Taiwan Food and Drug Administration

The Company passed the assessment for conformity to "Regulations of Medical Device Good Distribution Practice" and received the "Medical Device Distribution Permit" in 2022. The purpose of the assessment is to establish flow management of medical equipment, understand the source and usage of products, and ensure that the quality of the medical device meets the requirements of the original manufacturer during the storage, transport, distribution and sales process in order to enhance the implementation of product traceability and related process outsourcing management, and thus provide the public with medical equipment of high quality.

IV. Long-term and short-term business development plans

1. Short-term development plan

(1) Introduction of mAb production technology

The Company builds a sound core technology platform for preparation of antibodies and the best technicians and equipment for the production, in addition to investing in the development of infectious disease detection reagents.

mAbs that has the neutralization capability can be screened out for use in the development of therapeutic antibody drugs in the future.

(2) Development and verification of test reagents

The Company works with external research and production units to implement the design, verification, process scale-up, product validation, clinical trial planning and regulatory certification of rapid test reagents to meet the requirements of domestic and foreign clinical evaluation and medical device regulations.

The Company has received the manufacture and export permit for professional

and home-based test reagents from the competent authority in Taiwan in accordance with laws and regulations. In the future, we will continue to collect clinical evaluation data and apply for official permits at home and abroad.

In addition, the Company has obtained the authorization of the rapid nucleic acid test technology from domestic academic research institutions to develop COVID-19 saliva nucleic acid rapid test reagents, which can quickly, easily and economically detect whether the saliva sample contains COVID-19 nucleic acid. The Company has the opportunity to replace the lengthy, cumbersome and expensive nucleic acid test conducted by traditional laboratories and provide a basis for confirming the diagnosis. At present, the clinical performance verification has been completed. The Company will apply to the competent authority in Taiwan for a manufacturing project permit.

The Company will continue to develop the following products in the future:

The Company has independently developed specific antibodies for the development of EV-71 rapid test reagents. These can help front-line medical personnel of medical institutions know immediately if a child is infected with EV-71, which is prone to severe illness, so that medical treatment can be arranged for him/her. At the same time, these reagents can be used in conjunction with the Company's Enterovirus Type 71 vaccine for prevention purposes to meeting the following two major aspects of prevention from infectious disease: "early diagnosis and early treatment" and "infection prevention and avoidance of severe illness."

The Company obtained the technology licensing for dengue fever antigen rapid test by type from the research institute of the government, in order to independently develop test reagents for testing blood samples from suspected dengue fever cases and identifying the type of dengue fever from which the patient suffers. This way, the risk of dengue hemorrhagic fever or shock syndrome in confirmed cases can be assessed in order to carry out proper preventive treatment and reduce the chance of severe illness. As the global warming becomes worse, the transmission of such mosquito-borne diseases will extend, and this product will be an important tool in the prevention and treatment of this infectious diseases.

(3) Introduction of quality system

Establish a quality system that complies with the international standard "ISO 13485" and the domestic regulation "Medical Device Quality Management System Regulations" to facilitate the deployment of the medical device products developed by the Company in the global market. It is expected to pass the "ISO 13485 International Certification" and the QMS audit under the "Medical Device Quality Management System Regulations" in 2025.

2. Long-term development plan

(1) Tetanus toxoid vaccine:

Considering the long-term domestic demand and evaluating future export opportunities, the Company has cooperated with domestic excellent vaccine manufacturers to expectedly commence the production in 2023 in line with their tetanus vaccine factory reconstruction project under the PIC/S GMP standards. In addition to meeting the domestic needs, the product can also be sold to foreign markets, allowing another

domestic vaccine to be introduced to the international market.

- (2) Link the biotechnology industry chain in R&D, clinical trials, production and marketing and establish a bio-alliance entity to maximize the benefit, develop from Taiwan to the world, and become a world-class biotechnology and new drug company with the base set up in Taiwan.
- (3) In addition to developing vaccine products that are urgently needed in domestic and overseas markets, we focus on new non-viral vaccine drug products, such as novel DNA & RNA vaccines, cancer vaccines, biosimilar drugs, therapeutic monoclonal antibodies, and small-molecule drugs to maximize overall profit.

2. Market, production and sales overview

(I) Market analysis

1. Sales regions of major products

Unit: NTD thousands

Region \ Year		2022		2023	
		Amount	Percentage (%)	Amount	Percentage (%)
Domestic market		187,499	99.51%	43,494	100%
Overseas market	Northeast Asia	—	— %	—	— %
	Southeast Asia	916	0.49%	—	— %
Total		188,415	100%	43,494	100%

The Company is a biotechnology and new drug development company. The vaccine products under development, such as Japanese encapsulation vaccine, EV71+CA16 bivalent vaccine, are still in the new drug development stage, and there is no sales of the above-mentioned products. The Company's existing business records include purified tuberculin, tetravalent influenza vaccine, tetanus vaccine, COVID-19 antigen test reagents, and Enterovirus Type 71 vaccine.

2. Market share

The Enterovirus Type 71 vaccine (EnVAX-A71) has recently received the certification and officially launched for shipment, occupying about 10% on the out-of-pocket market in 2023; enterovirus 71 infection mainly occurs in China and Southeast Asia and application for clinical trials and drug registration will be filed there. It is expected to acquire licenses from respective countries during the period from 2025 to 2026. Southeast Asia includes Vietnam, Malaysia, and Indonesia. The number of newborns each year is about 6.5 million. The number of newborns in China is about 12 million. The potential market in Southeast Asia and China is about 37 million doses per year. Compared to other similar products already on the market or under development, our Enterovirus Type 71 vaccine requires only two injections, has few side effects, and is very friendly to children.

3. Market supply, demand and growth in the future

The main product developed by the Company is used for EV71 and CA16 viruses, which have been regarded as important emerging infectious sources by Asian countries. So far, only three Chinese companies have released the enterovirus vaccine (Enterovirus Type 71 vaccine) in the world and there is no effective drugs to prevent and control the damage. As the enterovirus epidemic is dominated in Asia, major vaccine manufacturers in Europe and the United States have not actively invested in the development of enterovirus vaccines.

Based on the 5-year average prevalence rate of enteroviruses (about 5.5/1,000) and the 5-year average prevalence rate of HFMD (about 2.1/1,000) in Taiwan, the number of people infected with enterovirus each year is about 66,000 each year. In addition, due to global warming, the number of reported enteroviruses and HFMD cases in Taiwan in the most recent two years has exceeded the average of previous years;

For foreign markets, if the prevalence rate in Taiwan is used to estimate the number of people who may be infected with enteroviruses each year in China, it is about 6.6 million people; the number of people in Southeast Asia (excluding India) that may be infected with enteroviruses each year is about 5.8 million; by adding other large Asian countries such as India (1.245 billion), Japan (127 million), and Bangladesh (156 million), it is estimated that the annual number of enterovirus patients is likely to reach more than 15 million people, indicating a huge market base, which is the company's deployment of key areas.

4.Competitive niche

- High product quality, high output and meeting human safety requirements

The new drugs produced by the Company are produced with validated processes that comply with the international PIC/S GMP standards, and the products are produced and prepared to achieve the high quality level that meets the international standards. The Company also emphasizes cost efficiency and develops a high-volume bioreactor process to provide high throughput and reduce costs. During the clinical trial stage, we carefully evaluate and select the dose that meets the human safety requirements and efficacy in accordance with the strict regulations of Taiwan Food and Drug Administration. The Company's new drugs will be of high quality, in high volume and meeting the safety needs of human bodies as the highest principles.

- Connecting with professional industry chain platforms to accelerate the development and launch of new drugs

The Company has established collaborative relationships with well-known research units in Taiwan, such as the Academia Sinica and the National Institutes of Health, to develop potential new drug projects that meet the unmet medical needs. This can reduce the risk of R&D failures and increase probability of successful clinical trial. In the future, we will also establish a "clinical trial platform" through cooperation with international clinical trial centers and working with domestic medical centers with extensive experience in clinical trials and the professionals in the field of international regulations to accelerate the entry of new drugs into the international market. At present, the Company has established a manufacturing and production cooperation model with a well-known domestic biologics factory, and leveraged its mature technology in cell culture and bioreactor scale-up processes to provide high-quality pharmaceutical mass production in compliance with PIC/S GMP. The Bio-alliance Entity thus constructed

can achieve the maximum benefits and results of new drug development in a shortest time.

●Bioreactor production process

The Company's Enterovirus Type 71 vaccine is produced with a bioreactor process, which requires few human steps, low pollution risk, stable production process, consistent product quality, and does not use raw materials containing animal serum or has animal protein contamination risks. The manufacturing plant has passed the GMP certification of Taiwan, the United States and the European Union. Clinical trials have not shown any safety concerns.

5.Favorable and unfavorable factors of development and countermeasures

(1) Favorable factors

- The Company has a strong R&D team with many years of practical experience. we are familiar with the needs of each stage of new drug development, and understand the future development of the market, take the lead in the development of new potential drugs, and improve product quality with excellent technology to enhance the acceptance on the market.
- In the future, the "clinical trial platform" will be established through the cooperation with international clinical trial centers in multiple countries to quickly conduct multi-country clinical trials and promote the entry of new drugs into the international market and then promote to the world.
- The Company will play the role of connecting different fields of R&D, clinical trials, manufacturing and marketing, improve the situation that innovative R&D in the academic and research community is not easy to be used in clinical trials and the market, help the production and marketing community understand the action mechanism of new drugs, plan the most suitable clinical trials of drugs, and accelerate the process from R&D to market for new drugs.
- The products currently under clinical trials are progressing smoothly, and the preliminary results show that the drugs are highly safe and effective, which can greatly reduce the risk of failure.

(2) Unfavorable factors and countermeasures

- The aging population structure and low birth rate may affect the infant vaccines that the Company is currently developing.

Responsive measures:

At present, the birth rate in Taiwan has rebounded from the historical low of 167,000 in 2010 (number of births) to 175,000 in 2019. Under the government's active promotion of the birth encouragement policy, the birth rate is expected to

stabilize at 170,000 to 200,000 newborns per year. In the future, the Company will also actively coordinate with the government to include the vaccine for newborns in the regular injection. This can reduce the risk of infectious diseases among newborns and further reduce the health care expenses of newborns and the indirect social and economic impact arising from the parents taking care of newborns; in addition, the Company is also actively deploying overseas markets in Vietnam and Malaysia

In addition, the Company has also invested in the market of vaccines for adults, such as the quadrivalent influenza vaccine, tetanus vaccine and pneumococcal conjugate vaccine as well as various testing reagents in order to expand the customer base.

- The development of new drugs requires considerable manpower, material resources, capital and long-term investment, and there is a risk that the test will fail and will not be launched on the market.

Responsive measures:

The Company's shareholders have a strong lineup and most of them are long-term investments, providing the Company with stable working capital; in addition, during the clinical trials of new drugs, it is not ruled out that the Company will conduct joint development with international large pharmaceutical companies to reduce the cost, accelerate the test of new drugs and shorten the development time. The Company will do the most prudent and detailed evaluation when choosing new drugs, and will plan the most complete clinical trials with sound preparation and rigorous procedures to reduce the risk of failure of new drugs.

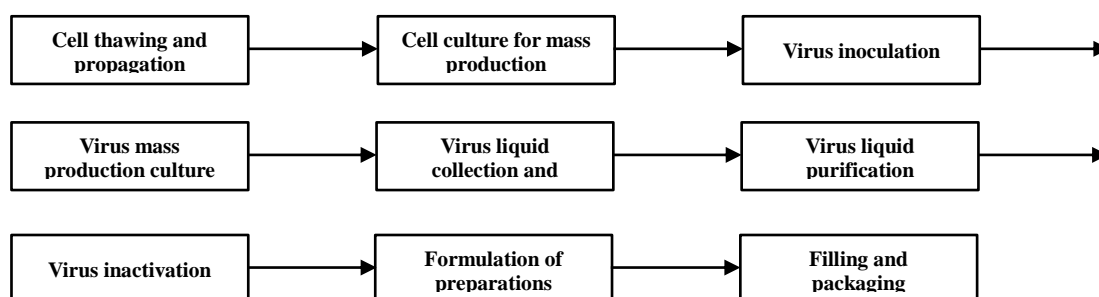
VI. Important uses and production processes of major vaccine products

1. Important uses of major vaccine products

The Enterovirus Type 71 vaccine developed by the Company is an inactivated vaccine containing deactivated intact virus particles and a serum-free culture process is used to avoid possible contamination from animal serum and improve the purity of the purification process, in the hope to create active immunity and long-term immune memory in the body to prevent virus infection and reduce the occurrence of severe illness after infection.

2. Production process of major vaccine products

- Enterovirus Type 71 vaccine



VII. Supply of main raw materials

The Company is currently conducting Enterovirus Type 71 vaccine clinical trials and developing new drugs. At present, the production of clinical trial drugs and the three consecutive batches of production records required by PIC/S GMP for drug inspection and registration to be prepared before launch have been completed. The process, output rate and quality test data at each stage are consistent and stable, which can ensure the supply of clinical trial drugs and connect to the mass production capacity for launch of the products in the future.

VIII. The name of the customer that accounted for more than 10% of the total purchase (sales) amount in any of the most recent two years, the proportion of the purchase (sales) amount, and the reason for the changes

1. The name list of the customer that accounted for more than 10% of the total purchase (sales) amount in any of the most recent two years and the reason for the changes

Unit: NTD thousands

Year	2022				2023			
Item	Name	Amount	Proportion to the net purchase of the whole year (%)	Relationship with the issuer	Name	Amount	Proportion to the net purchase of the whole year (%)	Relationship with the issuer
1	Company A	64,487	49.46%	None	ADIMMUNE Corporation	27,015	93.01%	Parent company
2	Company C	20,601	15.80%	None		-	-%	None
3	ADIMMUNE Corporation	18,661	14.31%	Parent company		-	-%	None
4	Company D	13,140	10.08%	None		-	-%	None
5	Others	13,504	10.35%	None	Others	2,030	6.99%	None
	Net purchase	130,393	100%		Net purchase	29,045	100%	

Note: Reason for changes: Due to the the newly added sales of the company in 2023, Enterovirus Type 71 vaccine and thus the increase in the purchase amount of raw materials from ADIMMUNE Corporation.

2. The name of the customer that accounted for more than 10% of the total sales amount in any of the most recent two years, the proportion of the sales amount, and the reason for the changes

Unit: NTD thousands

Year	2022				2023			
Item	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer
1	Customer A	103,500	54.93%	None	Customer C	36,221	83.28%	None
2	Customer B	19,549	10.38%	None	Customer B	564	1.30%	None
3	Customer C	15,202	8.07%	None	—	—	—%	
4	Customer D	—	—%	None	—	—	—%	
5	Customer E	2,689	1.43%	None	—	—	—%	
6	Others	47,475	25.19%	None	Others	6,709	15.42%	None
	Net sales	188,415	100%		Net sales	43,494	100%	

Note: The newly added product of the Company in 2022, "Quicksure COVID-19 Antigen Self Test", has different customer groups and thus the sales ratio in the most recent two years changes.

IX. Production volume and value in the most recent two years: Not applicable

X. Sales volume and value in the most recent two years

Unit: doses in thousand; NTD thousands

Year Sales volume and value Main product	2022				2023			
	Domestic market		Overseas market		Domestic market		Overseas market	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Detection reagent	2,182	172,408	11	916	129	7,232	—	—
Vaccine product	202	15,091	—	—	210	36,262	—	—
Total	2,384	187,499	11	916	339	43,494	—	—

3. Information on employees in the most recent two years up to the publication date of the annual report

Unit: Person

Year		2022	2023	2024 as of March 31
Number of employees	Managerial personnel	11	11	11
	Regular employee	9	14	15
	Production personnel	0	0	0
	R&D personnel	14	10	10
	Total	34	35	36
Average age		42.4	42.8	42.3
Average years of service		2.42	3.17	3.1
Education distribution ratio (%)	Doctoral degree	26%	17%	16%
	Master's degree	41%	45%	43%
	Junior college	29%	35%	38%
	Senior high School	4%	3%	3%
	Below high school	0%	0%	0%

4. Information on environmental protection expense

Losses (including compensation) for environmental pollution and total amount of penalties in the most recent year up to the publication date of this annual report; disclosure of future countermeasures (including improvement measures) and potential expenditures (including estimated amounts for potential losses, penalties, and compensations paid for future countermeasures; if difficult to estimate, describe the matters that are difficult to estimate): The Company has not suffered any losses due to environmental pollution in the most recent year up to the publication date of this annual report.

5. Labor/management relations

- (I) The implementation of the Company's employee welfare programs, continuing education, training, and retirement systems, as well as labor-management agreements and the protection of employees' rights and interests.

1. Employee benefits

The implementation of the Company's employee welfare programs, continuing education, training, and retirement systems, as well as labor-management agreements and the protection of employees' rights and interests. are listed as follows:

(1) Employee welfare program

The Company promotes various welfare measures. In addition to the three bonuses each year, the Company also strictly follows the regulations of the labor insurance, health insurance and group insurance systems, and regularly organizes the following events:

- A. Employee outings and employee dinner parties.
- B. Free health examination.

2. Continuing education and training system

The Company formulates training plans based on the company's development strategy, continues to improve, cultivate professional talents, ensures product quality, and refines R&D technology capabilities to maintain and enhance the company's competitiveness in the international market. We formulate the competency training and evaluation procedures, and assign personnel to take charge of pre-employment training, professional training and management training to cultivate the professional skills of employees. This allows employees to gradually realize their career plans as they grow with experience and skills.

3. Retirement system and implementation

The Company adopts a defined contribution system in accordance with the Labor Pension Act. For employees subject to the Act, the Company's monthly pension contribution rate shall not be less than 6% of the employees' monthly salary.

4. Agreements between labor and management and various measures to protect the rights and interests of employees

The Company operates in accordance with the Labor Standards Act and ensures the rights due to employees. The Company meets the needs of employees in a timely manner through mechanisms such as communication, incentives, services, education, and appropriate promotion channels, in order to enhance employees' loyalty and job satisfaction to the Company, so that they are willing to work harder for the Company and make more contribution and value, and ensure a harmonious relationship between employers and employees.

- (II) Losses arising as a result of labor-management disputes in the most recent year up to the publication date of the annual report, and disclosure of the estimated amount of the

losses that may incur currently or in the future and the responsive actions taken, and the reasons in case the losses cannot be reasonably estimate:

1. Losses arising as a result of labor-management disputes: None
2. Estimated amount of the losses that may incur currently or in the future and the responsive actions taken:

In addition to complying with the Labor Standards Act and other relevant regulations, the Company has established harmonious labor-management relations, and it is expected that losses due to labor disputes in the future is extremely low.

6. Cyber security management

1、Description of cyber security risk management structure, policy, specific management plans, and the resources input for the cyber security management:

(I) Cyber security risk management structure

1. Corporate information security governance organization

At present, the information security personnel are subordinate to the Administration Division. In order to coordinate the formulation and implementation of information security policies, such personnel have the permission for maintenance and operation of the Company's core information system and collection, management and analysis of the information security data. They comply with the audit and internal control cycle, conduct information security inspections, and evaluate the effectiveness of the Company's internal control over information operations.

(II) Cyber security policy

1. Completeness of the corporate information security management strategy and structure
2. Corporate information security risk management and continuous improvement of the structure
3. Specific management plan for information security
4. Continuous investment of resources in cyber security management
5. Ensuring the confidentiality and data completeness of information assets.
6. Ensuring that data access is regulated in accordance with the department's authorization.
7. Ensuring the maintenance and operation of the information system.
8. Strictly preventing unauthorized modification or data acquisition and maintaining the overall system security.
9. Conducting regular and irregular information security checks to ensure the implementation of information security policies.

(III) Specific management plan

Cyber security risk and responsive measures:

Information security control	Data access control	Response and recovery mechanism	Dissemination and checking
<ul style="list-style-type: none"> Firewall protection Regular virus scanning All online services must comply with the information security policy Regularly collect and analyze information security information 	<ul style="list-style-type: none"> Dedicated custody of computer equipment by setting user IDs and passwords and prohibiting transfer to others. Prohibition of unauthorized data access Remote login for 	<ul style="list-style-type: none"> Regular review of emergency response plans Annual system recovery drills Establishment of a system backup mechanism and implementation of off-site backup 	<ul style="list-style-type: none"> Regular and irregular promotion of information security information to raise employees' information security awareness Regular internal inspection of

management of information system shall be subject to the appropriate approval • Full data encryption system management	information security and completeness
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(IV) Investment of resources in cyber security management

Implementation status:

- (1) As of the date of publication of this annual report, the Company did not have major information security incidents resulting in business damage.
 - (2) The Company continues to implement information security management policy objectives, and IT personnel regularly implement recovery plan drills to protect the security of the Company's important systems and data.
 - (3) Information security inspection and control operations are an annual audit item, and the audit unit shall conduct an audit at least once a year; in addition, the Company's IT unit also conducts its own inspection operations in accordance with the internal control system, and submits the summary of the implementation of internal control to the board of directors and the Audit Committee for evaluation Result.
2. Material cyber security incidents (losses arising as a result of material cyber security incidents in the most recent year up to the publication date of this annual report, possible impact thereof and responsive actions therefor, and the reasons in case the losses cannot be reasonably estimated): None

7. Important contract

Nature of contract	Party	Start/end date of contract	Main content	Restrictive clauses
Licensing contract	ADIMMUNE Corporation	2014/06/05 - 25 years after the first drug certificate is obtained	The exclusive right to use the results of the Enterovirus Type 71 vaccine	<ol style="list-style-type: none"> Adimmune Corporation shall have the priority to contract the production of all Enterovirus Type 71 vaccines developed by the Company. The intellectual property rights of the technical data and technical know-how deriving from the technological achievements are owned by Adimmune Corporation.
Non-exclusive licensing	National Health Research Institutes	2020/09/29~2040/9/28	Specialized technology (COVID-19 DNA vaccine) + patents	<ol style="list-style-type: none"> The intellectual property rights of the technical data and technical know-how of the Licensed technology are owned by Industrial Technology Research Institute. During the validity period of this agreement, ITRI or its affiliated institutions may implement the licensed technology or sublicense it to a third party for implementation without any restriction.
Non-exclusive licensing	National Defense Medical Center National Health Research Institutes	2020/05/26-2040-05/25	Specialized technology (COVID-19 antigen rapid test reagent)	<ol style="list-style-type: none"> The intellectual property rights of the technical data and technical know-how of the Licensed technology are owned by the National Health Research Institutes/National Defense Medical Center.

Nature of contract	Party	Start/end date of contract	Main content	Restrictive clauses
Non-exclusive licensing	Agricultural Technology Research Institute	2020/07/31-2030/07/30	Specialized technology (monoclonal antibody and hybridoma technology)	1. Without the prior written consent of the ATRI, the Company shall not, during any commercial promotions, use the name of the employee, subordinate unit, and administrative agency of the ATRI, such as plant (site, center) emblems, trademarks, or in any other manner, that may make the public become aware of the association in business development between the ATRI and Enimmune Corporation.
Non-exclusive licensing	Industrial Technology Research Institute (ITRI)	2021/1/1~2040/12/31	Proprietary technology (creation of phage display antibody library and screening technology)	1. This license does not include any patent rights for the output. If Enimmune Corporation needs to implement the patent, a patent license contract must be signed with ITRI. 2. The results of this research and the resulting patents, copyrights, business secrets, and other intellectual property that may be obtained shall be owned by ITRI 3. Without the consent of ITRI, Enimmune Corporation shall not use the same or similar names, abbreviations, photos, trademarks or logos of ITRI, the employees of ITRI or any of ITRI's units.

Nature of contract	Party	Start/end date of contract	Main content	Restrictive clauses
Non-exclusive licensing	Industrial Technology Research Institute (ITRI)	2021/2/1~2040/1/31	Specialized technology (technology for the development of nucleic acid reagents for COVID-19 saliva detection)	<ol style="list-style-type: none"> 1. The R&D results and the patent rights, copyrights, business secrets and other intellectual properties that may be obtained shall belong to ITRI. 2. Without the consent of ITRI, Enimmune Corporation shall not use the same or similar names, abbreviations, photos, trademarks or logos of ITRI, the employees of ITRI or any of ITRI's units.
Licensing contract	ADIMMUNE Corporation	2021/11/22~2046/12/21	COVID-19 Vaccine Product Technical Achievement Cooperation Development and Licensing Agreement	<ol style="list-style-type: none"> 1. The parties agree that ENIMMUNE BIOTECH PTE. LTD. shall exclusively entrust the production business of the product to Adimmune Corporation for the purpose of conducting clinical trials and for sales after obtaining the drug license. 2. After the product is launched for sale, during the contract period, 4% of the net sales amount of such products shall be paid as royalties to Adimmune Corporation each year.

VI. Overview of Finance

1. Condensed balance sheet and income statement in the most recent five years

(I) Condensed balance sheet

1. Condensed balance sheet - IFRS - parent company only financial statements

Unit: NTD thousands

Item \ Year		Financial data for the most recent five years				
		2019	2020	2021	2022	2023
Current assets		200,330	523,588	483,552	411,543	260,371
Property, plant and equipment		—	6,104	5,146	4,092	3,279
Intangible assets		128,799	124,141	119,481	114,376	109,271
Other assets		247	3,792	1,886	67,327	46,062
Total assets		329,376	657,625	610,065	597,338	418,983
Current liabilities	Before distribution	5,714	32,270	34,821	47,067	95,272
	After distribution	5,714	32,270	34,821	47,067	95,272
Non-current liabilities		—	8,082	5,217	5,732	1,759
Total liabilities	Before distribution	5,714	40,352	40,038	52,799	97,031
	After distribution	5,714	40,352	40,038	52,799	97,031
Equity attributable to owners of the parent company		—	—	—	—	—
Share capital		440,000	600,000	600,000	658,000	658,000
Capital reserve		1,464	208,443	17,273	168,023	11,559
Retained earnings	Before distribution	(117,802)	(191,170)	(47,246)	(281,332)	(344,926)
	After distribution	(117,802)	(191,170)	(47,246)	(281,332)	(344,926)
Other equity		—	—	—	(152)	(2,681)
Treasury stock		—	—	—	—	—
Non-controlling interests		—	—	—	—	—
Total equity	Before distribution	323,662	617,273	570,027	544,539	321,952
	After distribution	323,662	617,273	570,027	544,539	321,952

2. Condensed balance sheet - IFRS - consolidated financial statements

Unit: NTD thousands

<div>Year</div> <div>Item</div>		Financial data for the most recent five years				
		2019	2020	2021	2022	2023
Current assets		—	—	—	627,869	465,214
Property, plant and equipment		—	—	—	4,092	3,279
Intangible assets		—	—	—	114,376	109,271
Other assets		—	—	—	28,753	27,063
Total assets		—	—	—	775,090	604,827
Current liabilities	—	—	—	—	103,951	171,704
	—	—	—	—	103,951	171,704
Non-current liabilities		—	—	—	5,732	1,759
Total liabilities	—	—	—	—	109,683	173,463
	—	—	—	—	109,683	173,463
Equity attributable to owners of the parent company		—	—	—	544,539	321,952
Share capital		—	—	—	658,000	658,000
Capital reserve		—	—	—	168,023	11,559
Retained earnings	—	—	—	—	(281,332)	(344,926)
	After distribution	—	—	—	(281,332)	(344,926)
Other equity		—	—	—	(152)	(2,681)
Treasury stock		—	—	—	—	—
Non-controlling interests		—	—	—	120,868	109,412
Total equity	Before distribution	—	—	—	665,407	431,364
	After distribution	—	—	—	665,407	431,364

(II) Condensed statement of comprehensive income

2. Condensed comprehensive income statement - IFRS - parent company only financial statements

Unit: NTD thousands

<div> <div>Year</div> <div>Item</div> </div>	Financial data for the most recent five years				
	2019	2020	2021	2022	2023
Operating revenue	1,944	22,876	109,822	188,415	43,494
Gross operating profit	769	8,219	38,723	20,842	(23,373)
Operating income	(71,866)	(82,722)	(58,671)	(140,061)	(212,670)
Non-operating income and expense	15,221	8,269	11,425	(107,902)	(11,073)
Net profit before tax	(56,645)	(74,453)	(47,246)	(247,963)	(223,743)
Net income from continuing operations	(56,645)	(74,453)	(47,246)	(247,963)	(223,743)
Loss from discontinued operations	—	—	—	—	—
Net income (loss) for the current period	(56,645)	(74,453)	(47,246)	(247,963)	(223,743)
Other comprehensive income for the current period (net amount after tax)	—	—	—	(152)	(2,529)
Total comprehensive income for the current period	(56,645)	(74,453)	(47,246)	(248,115)	(226,272)
Net profit attributable to the owners of the parent company	—	—	—	—	—
Net income attributable to non-controlling interests	—	—	—	—	—
Total comprehensive income attributable to owners of the parent company	—	—	—	—	—
Total comprehensive income attributable to non-controlling interests	—	—	—	—	—
Earnings per share	(1.29)	(1.40)	(0.79)	(3.88)	(3.40)

2. Condensed comprehensive income statement - IFRS - consolidated financial statements

Unit: NTD thousands

<div> <div>Year</div> <div>Item</div> </div>	Financial data for the most recent five years				
	2019	2020	2021	2022	2023
Operating revenue	—	—	—	188,415	43,494
Gross operating profit	—	—	—	20,842	(23,373)
Operating income	—	—	—	(286,416)	(243,475)
Non-operating income and expense	—	—	—	19,330	5,785
Net profit before tax	—	—	—	(267,086)	(237,690)
Net income from continuing operations	—	—	—	(267,086)	(237,690)
Loss from discontinued operations	—	—	—	—	—
Net income (loss) for the current period	—	—	—	(267,086)	(237,690)
Other comprehensive income for the current period (net amount after tax)	—	—	—	(4,836)	(38)
Total comprehensive income for the current period	—	—	—	(271,922)	(237,728)
Net profit attributable to the owners of the parent company	—	—	—	(247,963)	(223,743)
Net income attributable to non-controlling interests	—	—	—	(19,123)	(13,947)
Total comprehensive income attributable to owners of the parent company	—	—	—	(248,115)	(226,272)
Total comprehensive income attributable to non-controlling interests	—	—	—	(23,807)	(11,456)
Earnings per share	—	—	—	(3.88)	(3.40)

(III) Names of CPAs in the most recent five years and their audit opinions

Year	Name of CPA firm	Name of CPA	Audit opinions
2018	PwC Taiwan	Yang, Ming-Ching; Liu, Mei-Lan	Unqualified opinion
2019	PwC Taiwan	Yang, Ming-Ching; Liu, Mei-Lan	Unqualified opinion
2020	PwC Taiwan	Yang, Ming-Ching; Liu, Mei-Lan	Unqualified opinion
2021	PwC Taiwan	Liu, Mei-lan; Hsu, Chien-Yeh	Unqualified opinion
2022	PwC Taiwan	Liu, Mei-lan; Hsu, Chien-Yeh	Unqualified opinion
2023	PwC Taiwan	Liu, Mei-lan; Hsu, Chien-Yeh	Unqualified opinion

2. Financial analysis for the most recent five years

(I) 1. Financial analysis - IFRS - parent company only financial statements

Year (Note) Analysis Items		Financial analysis for the most recent five years				
		2019	2020	2021	2022	2023
Financial structure %	Debt to asset ratio	1.73	6.14	6.56	8.84	23.16
	Long-term capital to property, plant and equipment ratio	—	10,245.00	11,178.47	13,447.48	9,872.25
Solvency (%)	Current ratio	3,505.95	1,622.52	1,388.68	874.38	273.29
	Quick ratio	3,174.89	1,419.24	1,076.76	622.49	199.36
	Interest coverage ratio	(809,114)	(422.03)	(208.98)	(786.18)	(228.01)
Operating capacity	Accounts receivable turnover (times)	12.11	1.94	4.85	13.85	5.08
	Average collection days	30	188	75	26	72
	Inventory turnover (times)	14.69	0.69	1.41	2.82	1.76
	Payable turnover (times)	—	1.71	5.18	23.34	6.06
	Average days of sales	25	529	259	131	207
	Property, plant and equipment turnover (times)	—	3.75	21.34	46.04	13.26
	Total asset turnover (times)	0.005	0.046	0.173	0.312	0.086
Profitability	Return on assets (%)	(15.83)	(15.06)	(7.43)	(41.03)	(43.88)
	Return on equity (%)	(16.13)	(15.83)	(7.96)	(44.49)	(51.64)
	Percentage in paid-up capital (%)	Operating profit	(16.33)	(13.79)	(9.78)	(21.29)
		Net profit before tax	(12.87)	(12.41)	(7.87)	(37.68)
	Net profit margin (%)	(2,913.84)	(325.46)	(43.02)	(131.60)	(514.42)
	Earnings per share (NTD)	(1.29)	(1.40)	(0.79)	(3.88)	(3.40)
Cash flow	Cash flow ratio (%)	(1,048.70)	(332.88)	(205.48)	(243.07)	(133.10)
	Cash flow adequacy ratio (%)	(611.07)	(381.65)	(326.19)	(651.64)	(420.63)
	Cash reinvestment ratio (%)	(30.76)	(22.05)	(15.66)	(26.31)	(58.69)
Level of leverage	Operating leverage	0.57	0.55	0.14	0.63	0.72
	Financial leverage	1	1	1	1	1

Please explain the reasons for the changes in each financial ratio in the most recent two years (not required if the change is less than 20%):

1. Increase in debt-to-asset ratio and decrease in current ratio and quick ratio: due to the increase in total liabilities and current liabilities as a result of short-term borrowings for operating turnover.
2. Increase in the ratio of long-term capital to property, plant and equipment: due to the decrease in the net value of equipment as a result of depreciation.
3. Decrease in interest coverage ratio, return on assets, return on equity, pre-tax profit to paid-in capital ratio, net profit margin, and earnings per share: mainly due to expenses for Phase III enterovirus vaccine clinical trial in 2022 and investment in subsidiaries, resulting in a decrease in pre-tax profit and after-tax profit/loss.
4. Increase in accounts receivable turnover, decrease in average collection days, and increase in property, plant and equipment turnover and total asset turnover: mainly due to the increase in revenue in 2022 and the increase in net sales.
5. Increase in inventory turnover and accounts payable turnover and decrease in average days of sales: mainly due to the increase in revenue in 2022 and the increase in cost of sales.
6. Decrease in operating income to paid-in capital ratio and cash flow ratio, and decrease in operating leverage: mainly due to expense for Phase III enterovirus vaccine clinical trial in 2022, resulting in a decrease in operating income and an increase in net cash flow from operating activities.
7. Decrease in cash flow adequacy ratio and cash reinvestment ratio: mainly due to expenses for R&D of enterovirus vaccine, resulting in an increase in net cash flow from operating activities in the most recent five years.

Note: The following formula should be listed at the end of this annual report:

1. Financial structure

(1) Debt-to-assets ratio = total liabilities/total assets.

(2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

(1) Current ratio = current assets/current liabilities.

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.

(3) Average number of days of sales = net income before tax and interest expense / Interest expense of the current period.

3. Operating capacity

(1) Receivables (including accounts receivable and notes receivable from business operations) turnover = net sales / average receivables for each period (including accounts receivable and notes receivable from business operations).

(2) Average collection days = 365/accounts receivable turnover.

(3) Inventory turnover = cost of goods sold/average inventory value.

(4) Payables (including accounts payable and notes payable arising from business operations) turnover = cost of goods sold/average receivables for each period (including accounts payable and notes payable arising from business operations).

(5) Average days of sales = 365/inventory turnover.

(6) Property, plant and equipment turnover = net sales/average net property, plant and equipment.

(7) Total asset turnover = net sales/average total assets.

4. Profitability

(1) Return on assets = (after-tax profit/loss + interest expenses x (1 - tax rate)) / average total assets.

(2) Return on equity = after-tax profit/loss / average total equity.

(3) Net profit margin = after-tax profit/loss / net sales.

(4) Earnings per share = (profit or loss attributable to the owner of parent company - preferred dividend) /weighted average number of outstanding shares.

5. Cash flow

(1) Cash flow ratio = net cash flow from operating activities/current liabilities.

(2) Net cash flow adequacy ratio = net cash flow from operating activities for the most recent five years / (capital expenditure + increase in inventory + cash dividend) for the most recent five years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital).

6. Leverage:

(1) Operating leverage = (net operating revenue - variable operating cost and expense) / operating income.

(2) Financial leverage = operating income / (operating income - interest expense).

2. Financial analysis - IFRS - consolidated financial statements

Year (Note) Analysis Items			Financial analysis for the most recent five years				
			2019	2020	2021	2022	2023
Financial structure %	Debt to asset ratio		—	—	—	14.15	28.68
	Long-term capital to property, plant and equipment ratio		—	—	—	16,401.25	13,209.00
Solvency (%)	Current ratio		—	—	—	604.00	270.94
	Quick ratio		—	—	—	489.96	229.89
	Interest coverage ratio		—	—	—	(846.89)	(242.29)
Operating capacity	Accounts receivable turnover (times)		—	—	—	72.22	5.08
	Average collection days		—	—	—	5	72
	Inventory turnover (times)		—	—	—	5.54	1.76
	Payable turnover (times)		—	—	—	83.79	6.06
	Average days of sales		—	—	—	66	207
	Property, plant and equipment turnover (times)		—	—	—	46.04	13.26
	Total asset turnover (times)		—	—	—	0.486	0.063
Profitability	Return on assets (%)		—	—	—	(68.853)	(34.34)
	Return on equity (%)		—	—	—	(82.28)	(43.34)
	Percentage in paid-in capital (%)	Operating profit	—	—	—	(43.53)	(37.00)
		Net profit before tax	—	—	—	(40.59)	(36.12)
	Net profit margin (%)		—	—	—	(141.75)	(546.49)
	Earnings per share (NTD)		—	—	—	(3.88)	(3.40)

Cash flow	Cash flow ratio (%)	—	—	—	(193.01)	(80.45)
	Cash flow adequacy ratio (%)	—	—	—	—	—
	Cash reinvestment ratio (%)	—	—	—	(36.10)	(42.44)
Level of leverage	Operating leverage	—	—	—	0.82	0.75
	Financial leverage	—	—	—	1	1

Please explain the reasons for the changes in each financial ratio in the most recent two years (not required if the change is less than 20%):

Note:

- 1.**Debt-to-assets ratio , Current ratio , Quick ratio :mainly due to the company's normal operation and operation in 2023 have affected the decline in total assets and current assets.
- 2.**Average number of days of sales, Operating Income to Paid-in Capital Ratio , Return on assets, Earnings per share: mainly due to expense for Phase III enterovirus vaccine clinical trial in 2022, resulting in a decrease in Income before Tax, post-tax profit or loss, Operating Income, Total equity attributable to owners of parent.
- 3.**Receivable Turnover , Average collection days , Inventory turnover , Payables turnover, Average days of sales , Property, plant and equipment turnover , Total asset turnover , Net profit margin :mainly due to the increase in net sales and cost of goods sold in 2022 to sales of "Quicksure COVID-19 Antigen Self Test".

Note: The following formula should be listed at the end of this annual report:

1. Financial structure

- (1) Debt-to-assets ratio = total liabilities/total assets.
- (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

- (1) Current ratio = current assets/current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Average number of days of sales = net income before tax and interest expense / Interest expense of the current period.

3. Operating capacity

- (1) Receivables (including accounts receivable and notes receivable from business operations) turnover = net sales / average receivables for each period (including accounts receivable and notes receivable from business operations).
- (2) Average collection days = 365/accounts receivable turnover.
- (3) Inventory turnover = cost of goods sold/average inventory value.
- (4) Payables (including accounts payable and notes payable arising from business operations) turnover = cost of goods sold/average receivables for each period (including accounts payable and notes payable arising from business operations).
- (5) Average days of sales = 365/inventory turnover.
- (6) Property, plant and equipment turnover = net sales/average net property, plant and equipment.
- (7) Total asset turnover = net sales/average total assets.

4. Profitability

- (1) Return on assets = (after-tax profit/loss + interest expenses x (1 - tax rate)) / average total assets.

- (2) Return on equity = after-tax profit/loss / average total equity.
- (3) Net profit margin = after-tax profit/loss / net sales.
- (4) Earnings per share = (profit or loss attributable to the owner of parent company - preferred dividend) /weighted average number of outstanding shares.

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
- (2) Net cash flow adequacy ratio = net cash flow from operating activities for the most recent five years / (capital expenditure + increase in inventory + cash dividend) for the most recent five years.
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital).

6. Leverage:

- (1) Operating leverage = (net operating revenue - variable operating cost and expense) / operating income.
- (2) Financial leverage = operating income / (operating income - interest expense).

3. Supervisor's or Auditor Committee's review report on the financial statements for the most recent year

Enimmune Corporation

Audit Committee Review Report

The Board of Directors has submitted the Company's 2023 Business Report, financial statements, and proposal for making up losses. After examination by the Audit Committee, We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

2023 ENIMMUNE CORPORATION General Shareholders' Meeting

Chairperson of the Audit Committee:

Lee, Chong-Chi

Lee, Chong-Chi

March 12, 2024

4. Financial statements for the most recent year

Please refer to the appendix

5. In case of any financial difficulty of the company or any affiliates of the company in the most recent year up to the publication date of the annual report, the impact of such difficulty on the company's financial status

None

VII. Review and Analysis of the Financial Status and Financial Performance and Risk Issues

1. Financial status

Unit: NTD thousand, %

Item \ Year	2022	2023	Deviation	
			Amount	%
Current assets	627,869	465,214	(162,655)	(25.91%)
Non-current assets	147,221	139,613	(7,608)	(5.17%)
Total assets	775,090	604,827	(170,263)	(21.97%)
Current liabilities	103,951	171,704	67,753	65.18%
Non-current liabilities	5,732	1,759	(3,973)	(69.31%)
Total liabilities	109,683	173,463	63,780	58.15%
Share capital	658,000	658,000	—	— %
Capital reserve	168,023	11,559	(154,464)	(93.12%)
Retained earnings	(281,332)	(344,926)	(63,594)	22.60%
Total equity	665,407	431,364	(234,043)	(35.17%)

For the variations above 20% in the previous and current period and amounting to more than NT\$10 million, the main reasons are described below:

1. Decrease in current assets: mainly due to affected the company's normal operation and R&D in 2023.
2. Increase in current liabilities, total liabilities: mainly due to Enterovirus Type 71 vaccine in stock and the unpaid amount for R&D of the COVID-19 vaccine of the subsidiary.
3. Decrease in Capital reserve: mainly due to Capital surplus used to cover accumulated deficits in 2023.
4. Decrease in Retained earnings: mainly due to loss in 2022 and 2023.

2. Financial performance

1. Comparative analysis of consolidated financial performance

Unit: NTD thousands

Item \ Year	2022	2023	Increase (decrease) amount	Percentage of change
Operating revenue	188,415	43,494	(144,921)	(76.92%)
Operating cost	(167,573)	(66,867)	100,706	(60.10%)
Gross profit (loss)	20,842	(23,373)	(44,215)	(212.14%)
Operating expense	(307,258)	(220,102)	87,156	(28.37%)
Operating loss	(286,416)	(243,475)	42,941	(14.99%)
Non-operating income and expense	19,330	5,785	(13,545)	(70.07%)
Net loss before tax	(267,086)	(237,690)	29,396	(11.01%)
Net loss for the current period	(267,086)	(237,690)	29,396	(11.01%)
Total comprehensive loss for the current period	(271,922)	(237,728)	34,194	(12.57%)

For the variations above 20% in the previous and current period and amounting to more than NT\$10 million, the main reasons are described below:

1. Increase in operating revenue, decrease in operating cost, and in gross profit (loss): mainly due to the newly added "Quicksure COVID-19 Antigen Self Test" in 2022 and expanding the sales group will increase revenue and increase operating costs; the epidemic will slow down in 2023, and the COVID-19 Antigen Self Test will be scrapped after their expiration date, resulting in gross operating losses
2. Increase in operating expense, operating loss, and net loss before tax, net loss for the current period, and total comprehensive loss for the current period: mainly due to expenses for Phase III enterovirus vaccine clinical trial in 2022 and subsidiary's R&D of the COVID-19 vaccine.
3. Increase in non-operating revenue and expense: mainly due to the appreciation of the US dollar in 2022 and gains from exchange.

2. Expected sales volume and its basis

The Company's main products are currently in the stage of clinical trials. It is expected that the Company will be able to crease revenue and profit after the products are launched in the market.

3. Possible impact on the Company's future finance and business and responsive plans:

The Company's finances are sound, and it is expected that its future business operations should present a stable state. Therefore, there should be no significant uncertainties in the future financial operations.

3. Cash flow

(I) Analysis of cash flow changes in the most recent year

Unit: NTD thousands

Item \ Year	2022	2023	Increase (decrease) change
Net cash inflow (outflow) from operating activities	(200,636)	(138,133)	62,503
Net cash inflow (outflows) from investing activities	99,936	87,858	(12,078)
Net cash inflow (outflow) from financing activities	381,077	16,032	(365,045)
Analysis of changes in the percentage of increase or decrease:			
1. Operating activities: net cash outflow from operating activities due to payment for purchase of Quicksure COVID-19 Antigen Self Test in 2022.			
2. Investing activities: cash inflow from investing activities due to time deposit maturity in 2022.			
3. Fund-raising activities: cash inflow from capital increase in cash in 2022.			

(II) Improvement plan for insufficient liquidity: No such situation.

(III) Cash flow analysis for the coming year (2024)

Cash balance at the beginning of period (1)	Net cash flow from operating activities for the year (2)	Net cash flow from other activities for the year (3)	Cash surplus (shortage) amount (1)+(2)+(3)	Remedies for cash shortage	
				Investment plan	Financial plan
174,510	(165,532)	296,730	305,708	not applicable	not applicable
1. Analysis of changes in cash flow for the year:					
(1) Operating activities: The cash outflow from operating activities was mainly due to the payment for the Phase III clinical trial of EV71 vaccine in Vietnam.					
(2) Investing activities and fund-raising activities: mainly due to capital increase in cash.					
2. Remedies for expected cash shortage and liquidity analysis: Not applicable.					

4. Impacts of major capital expenditure in the most recent year on financial operations

The Company had no material capital expenditure in 2023, and there was no impact on financial operations.

5. Reinvestment policy in the most recent year, the main reason for its profit or loss, improvement plan, and investment plan for the coming year

(I) Reinvestment policy

The Company's decision-making authority makes investments based on operational needs or considerations of the Company's future growth. The relevant units provide professional information, and the finance unit aggregates the information and makes recommendations to the responsible officer. Once an investment recommendation is made, it should Evaluate the company's past and future prospects, market conditions, and operating strength, as the basis for the decision-making authority to make investment decisions.

(2) The main reasons for the profit or loss of the investees

Date: December 31, 2023; Unit: NTD thousands

Investee	Initial investment amount	Profit (loss) amount in the most recent year	reinvestment policy	Main reason for profit (loss)	Improvement plan	Other investment plans in the future
ENIMMUNE BIOTECH PTE. LTD.	165,000	(17,047)	R&D and trading of vaccines and biotechnology services, and trading of related western medicine	Still in the R&D phase	None	None

(III) Investment plan for the next year: None.

6. Analysis and assessment of risk matters in the most recent year up to the publication date of this annual report

(I) Impact of changes in interest rates, exchange rates and inflation on the Company's profit and loss, and future countermeasures

1. Interest rate

The Company's interest expenses for 2022 and 2023 was NTD 315 thousand and NTD 4,290 thousand, respectively. These accounted for 0.16% and 2.25% of the net operating revenue for that year, respectively. As the interest expense did not account for a high percentage of the net operating revenue, and the market capital continued to be easy, the overall interest rate remained low, so the interest rate change did not have a

significant impact on the Company.

2. Exchange rate

The Company's exchange gains and losses were NTD 148 thousand and NTD 4,290 thousand for 2022 and 2023, respectively, accounting for 0.08% and 9.86% of the net operating revenue for 2021, which were not high. Therefore, the impact of exchange rate changes on the Company was limited. The Company's specific measures in response to exchange rate changes are as follows:

Collect exchange rate changes from time to time, consult banks for professional advice, and stay on top of exchange rate trends to avoid exchange rate changes.

3. Inflation

In the most recent year up to the publication date of the prospectus, there was no significant inflation, and the Company's past profit and loss were not affected significantly due to inflation.

(II) Policies on engaging in high risk and high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main reasons for profit and loss, and countermeasures in the future

1. The Company performs financial management prudently and does not engage in high-risk and highly leveraged investments. As for loaning funds to others, endorsement and guarantee as well as derivative transactions, the Company's policies and internal control procedures are based on the "Operational Procedures for Loaning Funds to Others," "Operational Procedures for Endorsements/Guarantees," and "Operational Procedures for Acquisition and Disposal of Assets".
2. So far, the Company has not loaned funds to others, provided endorsements/guarantees, or engaged in derivatives.

(III) Future R&D plans and expected R&D funds

1. The Company currently has the following new drugs under development:

● Enterovirus Type 71 vaccine:

Enterovirus Type 71 vaccine is aimed at overseas markets. Vietnam is currently conducting phase 3 clinical trials. It is expected to be completed in 2024 and launched in 2025 to acquire the first drug certificate for overseas market. Application for drug certificates has been filed in other ASEAN countries, including Indonesia, Thailand, and Malaysia. Application have been filed to China for clinical trial consultations. The application for drug certificates will be submitted to China after completion of the clinical trial in Vietnam to win the huge Chinese and ASEAN markets.

● EV71+CA16 bivalent vaccine:

The Company has worked with well-known domestic research institutions to develop EV71+CA16 bivalent vaccine, and has initiated the screening of coxsackievirus vaccine strains. Through a complete vaccine strain evaluation mechanism, three candidates of coxsackievirus virus strains (CA16) have been selected. Currently, the antibody of these candidates performs as expected in mouse immunization experiments and preclinical animal tests will be conducted subsequently.

●Novel Japanese encephalitis vaccine:

The Company will work with well-known domestic biologics manufacturers to develop inactivated Japanese encephalitis vaccine, and produce new vaccine products by combining cell culture with bioreactor production process to replace the traditional Japanese encephalitis vaccine. This project has obtained animal test data and completed preclinical toxicology tests. In 2021, the application for Phase I clinical IND has been started.

●Tetanus toxoid vaccine:

Considering the long-term domestic demand and evaluating future export opportunities, the Company has cooperated with domestic excellent vaccine manufacturers to commence the production and introduce the product to the market in 2023 in line with their tetanus vaccine factory reconstruction project under the PIC/S GMP standards. We will optimize the vaccine in the future packaging. In addition to the different forms of drugs filled in vials, we will offer pre-filled injection product, which can be conveniently used by medical institutions. In addition to meeting the domestic needs, we will apply for foreign drug certification and sell the product to foreign markets, allowing another domestic vaccine to be introduced to the international market.

●Pneumococcal conjugate vaccine:

The Company has formed a strategic alliance with new drug R&D companies in the United States to jointly develop a broad-spectrum Pneumococcal conjugate vaccine, which has a broader range of protection than the 23-valent vaccine currently available in the market and is proved safe and effective in the preclinical animal test. The resources required for the manufacturing process and clinical trial are all competitive in the industry. This is a new pneumonia vaccine product of great potential.

●COVID-19 spike protein RBD monoclonal antibody:

This is a murine monoclonal antibody that can specifically identify the RBD on the COVID-19 spike protein and has good affinity to the RBD recombinant protein of the COVID-19 variant, including beta strain (South Africa strain), gamma strain (Brazil strain) and delta strain (India strain). The antibody can be applied to the development of various types of immune detection methods, such as in-vitro

diagnostic reagent, ELISA, Western ink dotting method, and immune stain.

● **Enterovirus Type 71 antigen test Kit:**

The Company has independently developed a rapid test for enterovirus 71 antigen, which uses antigen-antibody reaction and lateral flow chromatography to detect the throat or anal swabs of sick children to confirm whether they are infected with enterovirus 71, which is prone to severe severe disease. Doctors can arrange treatment as early as possible, or it can be used together with our EV71 vaccine for prevention to satisfy the two major aspects of infectious disease prevention and treatment: "early diagnosis and early treatment" and "prevention of infection and avoidance of severe illness"; currently in clinical trial , and is expected to apply for listing in 2025.

● **Dengue fever 2-in-1 test kit:**

The Company has developed a 2-in-1 dengue fever (antigen and antibody) rapid test reagents, which can be used to test blood samples from suspected dengue fever cases by applying the A/A reaction and lateral flow chromatography technology for conformation of EV71 cases to make sure immediately whether there are dengue fever antigen and antibodies in the blood of the patient, and whether the patient is suffering from primary or secondary infection, ensuring early assessment of the probability of dengue hemorrhagic fever or shock syndrome and applying appropriate preventive and treatment measures to reduce the chance of serious illness. Currently, we have consulted with the competent authority to conduct efficacy test with existing specimens and exempt from clinical trials to accelerate the launch of the product.

● **Kawasaki disease testing and analysis software:**

The Company has developed Kawasaki disease testing and analysis software. It is designed to be used by pediatric clinicians or their assistants in their consultation rooms, or by medical technologists in the clinical laboratory. The risk of Kawasaki disease can be calculated by inputting a patient's blood biochemical test data into this software to assist clinicians in determining whether a patient is suffering from Kawasaki disease. Procedures for use are designed as follows: The most prominent feature of this software is AI medical diagnosis, which can integrate AI big data computing wisdom and provide physicians or professionals with data reports to determine diseases; the database has been established so far and the software application interface design has been started. An application will be filed to the competent authority for launch of the software.

2. **Estimated R&D expenses:**

According to the Company's R&D budget, the priority is to complete the Phase III clinical trial of Enterovirus Type 71 vaccine and apply for drug certification. It is estimated that the R&D expenses in Vietnam and overseas markets are about NTD 80,000 thousand - NTD 100,000 thousand. The second highest cost is the reagent

kits (including the EV-71 antigen test kit, the 2-in-1 dengue fever test kit, and the Kawasaki disease testing and analysis software) cost about NTD 5,000 thousand to 6,000 thousand.

- (IV) The impact of important domestic and foreign policies and legal changes on the finance and business of the company, and responsive measures

In the most recent year up to the publication date of this annual report, the Company's finance and business were not affected by important domestic and foreign policies and legal changes; the Company constantly pays attention to the changes in important domestic and foreign policies and laws, and takes the initiative to propose responsive measures in a timely manner.

- (V) Impacts of technological changes (including cyber security risk) and industry changes on the finance and business of the company, and responsive measures

The vaccine industry in which the Company is engaged has high entry threshold, long product development period and high added value. Therefore, it is not prone to significant changes in a short period of time. In addition, the Company always pays attention to the technological development and evolution of the biotechnology industry and assesses possible impact. Therefore, in the most recent year up to the publication date of this annual report, there were no significant changes in technology and industry that caused significant impact on the Company's finance and business.

- (VI) The impact of changes in corporate image on corporate crisis management and responsive measures

Since the establishment, the Company has been adhering to the business philosophy of "quality first", dedicated to protecting its corporate image, and focused on its core business. So far, the Company has won five awards, including: 2021 Taiwan BIO Awards - Potential Benchmark Award, 2023 TOP5000 - Enterprise with Outstanding Business Performance, National Biotechnology Award-EnVAX-A71 vaccine, 22nd Golden Peak Award-Outstanding Enterprise, Outstanding Product, and the 19th National Brand Yushan Award-Best Product.

There were no incidents of crisis management due to changes in corporate image.

- (VII) Expected benefits and possible risks of mergers and acquisitions and responsive measures

In the most recent year up to the publication date of this annual report, the Company has no plan to merge or merge other companies. If there is a plan of merger and acquisition in the future, the Company will carefully assess and consider the synergy of the merger to ensure the rights and interests of the original shareholders.

- (VIII) Expected benefits and possible risks associated with expansion of factory buildings, and

responsive measures

In the most recent year up to the publication date of this annual report, the Company did not expand factory buildings.

(IX) Risks associated with concentration of purchases or sales and responsive measures

Our main product lines can be divided into clinical development and agency sales. For clinical development, we develop and sell Enterovirus 71 vaccine and COVID-19 antigen rapid test kits. For agency sales, we sell quadrivalent influenza vaccine (QIS) and tetanus toxoid vaccine (TTA). Currently, our main sales are domestic sales. The sales channels for vaccine products are mainly hospitals and clinics. To continuously develop disease research and conduct clinical trials, save labor costs and related expenses, our business department focuses on marketing core products to teaching hospitals and medical centers. As for other sales channels such as hospitals, regional hospitals, and clinics, we operate through cold chain transportation and logistics cooperation, commissioning Yuli Corporation, the largest medical and healthcare service company in Asia, for cold chain distribution and collection.

The sales of COVID-19 antigen rapid test kits are dispersed among customers without concentration. Our company continues to expand domestic and overseas sales customers and actively develops other reagents and vaccine products to reduce the risk of single-domain sales.

Our main product lines can be divided into clinical development and agency sales. Starting from 2020, we have successively added agency sales of Adimmune's self-paid quadrivalent influenza vaccine (QIS) and tetanus toxoid vaccine (TTA) products, as well as Enterovirus 71 vaccine in 2023. In response to the COVID-19 pandemic, we have also developed our own COVID-19 antigen rapid test kits. Therefore, in 2023, 93% of our purchases came from Adimmune. In the future, we will evaluate and plan to apply for import drug licenses from the authorities to directly purchase from foreign manufacturers, reducing the purchase amount from Adimmune. Our company has established good cooperative relationships with major suppliers, and the delivery status of suppliers has been good in recent years without any shortage or interruption that would affect our business operations.

(X) Impacts and risks from large transfers or changes of shares held by directors, supervisors, or large shareholders holding more than 10% of the shares, and responsive measures:

In the most recent year up to the publication date of this annual report, there was no significant transfer of equity by the Company's directors, supervisors or major shareholders holding more than 10% of the shares.

(XI) Impact and risk from changes in management rights on the company, and responsive measures: None.

(XII) Litigation and non-litigation events

1. Outcomes of major litigious, non-litigious, or administrative disputes in the most recent year up to the publication date of this annual report that had been determined or were still proceeding and that might have serious impact on the shareholders' equity or the price of the securities:

On September 8, 2021, our company signed a tripartite agreement with Everrich Biomaterials Co., Ltd. (hereinafter referred to as Everrich) and Sam Chun Dang Pharm. Co., Ltd. (hereinafter referred to as SCD). As Everrich failed to pay our company the trade receivables of USD 1,437 thousand and the management service fee of NT\$10,782 thousand as stipulated in the tripartite agreement, our company filed a lawsuit against Everrich on November 7, 2021, demanding Everrich to pay the trade receivables of USD 1,437 thousand and the management service fee of NT\$10,782 thousand. Additionally, according to the terms of the tripartite agreement, our company was not obligated to pay SCD before receiving payment from Everrich. In this lawsuit, the amount affecting the consolidated financial statements was calculated based on the shipment ratio of the management service income, which was recorded as other receivables and other income of NT\$4,968 thousand in October 2021, and a full amount of allowance for doubtful accounts was provided.

On October 31, 2022, the Taiwan New Taipei District Court Civil Court ruled in the first instance that Everrich should pay our company USD 1,438 thousand (trade receivables) and NT\$10,782 thousand (handling fees), plus interest at an annual rate of 5% from September 18, 2021.

Everrich filed an appeal on November 28, 2022. As of March 12, 2023, and until the printing date of the prospectus, the aforementioned lawsuit is still ongoing.

2. The directors, supervisors, presidents, substantive responsible person, large shareholder holding more than 10% of the shares and affiliated companies that are involved in a litigation, non-litigation or administrative dispute event with affirmative judgment or pending in the court proceeding in the most recent year up to the publication date of this annual report, and the result may have substantial impact on the shareholder's equity or stock price: None

(XIII) Other important risks and responsive measures: None.

7. Other important matters:

Description of information security risk assessment and analysis:

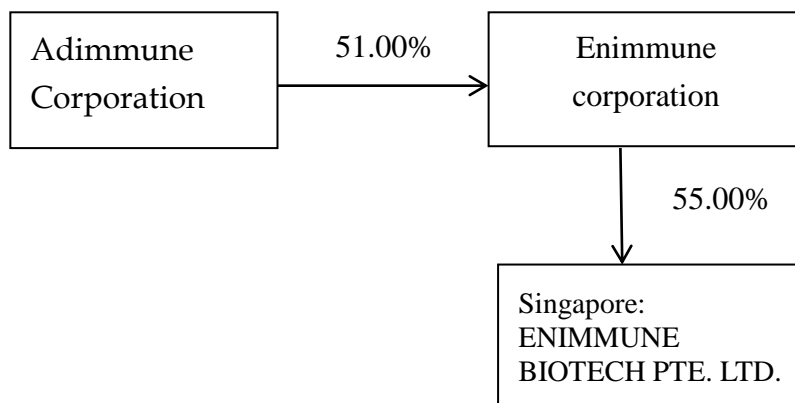
The Company has established a comprehensive information network computer

security protection system to control and maintain the Company's operational functions and reduce the risk of system interruption caused by unwarranted natural disasters and human negligence. In accordance with relevant laws and regulations and the Company's business needs, the Company has set up a computerized information system for internal control to regulate information security inspection and management matters, and requested all the employees to follow. In order to reduce the risk of information system damage, the Company continues to establish a highly reliable data backup and redundancy mechanism, and adopts relevant remedial and improvement measures to ensure normal operation of the information system and data security. In addition, the Company provides education for dissemination of information and network security protection from time to time, in order to strengthen and enhance the information security awareness of the employees.

VIII. Special Notes

1. Information on affiliated companies

(II) Organizational chart of affiliates (December 31, 2023):



(III) Basic information on affiliates (December 31, 2023):

Unit: NTD thousand

Company	Date of establishment	Address	Paid-up capital	Main business or production items
Adimmune Corporation (hereinafter referred to as Adimmune)	1965.12.22	No. 3, Section 1, Tanxing Road, Juxing Village, Tanzi District, Taichung City	4,295,078	1. R&D, processing, manufacturing, and trading of serum, vaccines, test kits, biological preparations, as well as bacterial fluids and raw materials thereof. 2. Processing and trading of Western pharmaceuticals, animal drugs, chemicals, and feed additives. 3. The import and export trade and agency of the above products.
ENIMMUNE BIOTECH PTE. LTD.	2021.10.22	121 WOODLANDS INDUSTRIAL PARKES WOODLANDS	USD10,000,000	1. R&D and trading of vaccines, test kits, biological preparations, as well as bacterial

Company	Date of establishment	Address	Paid-up capital	Main business or production items
		E-TERRACE SINGAPORE		fluids and raw materials thereof. 2. Trading of Western pharmaceuticals, animal drugs, chemicals, and feed additives. 3. The import and export trade and agency of the above products.

(IV) Please disclose the following in case of an entity presumed to have a parent-subsidiary relation according to Article 369-3 of the Company Act: None.

(V) Division of work among the affiliate companies that offer related services to each other:

The Company is engaged in R&D and trading of vaccines and biotechnology services, as well as trading of related western medicine.

The Company has obtained the exclusive transfer of vaccine technology results by signing a licensing contract with Adimmune Corporation. Adimmune Corporation shall have the priority to contract the production of the vaccine required for the implementation of clinical trials according to the contract and the commercial batches of vaccine required after acquisition of the drug certification.

(VI) Information on directors, supervisors, and presidents of affiliated companies (December 31, 2023):

Company	Title	Name or representative	Shareholding	
			Number of shares	Shareholding
Adimmune Corporation	Chairman	Chan, Chi-Hsien	3,693,941	0.86%
	Institutional director: National Development Fund , Executive Yuan	Tseng, Mei-Hsing	48,584,162	11.31%
	Institutional director: National Development Fund , Executive Yuan	Wang, Pi-Sheng		
	Institutional director: Yao Hua Glass Co., Ltd. Administration Committee	Lin, Der-Sheng	16,878,048	3.93%
	Institutional director: Jingmao Investment Corporation	Lin, Chi-Hung	3,000,850	0.70%

	Institutional director: Chuan Pu Investment Holdings Corporation	Chen, Chien-Fu	1,618,871	0.38%
	Institutional director: Chuan Pu Investment Holdings Corporation	Lin, Jung-Chin		
	Director (President)	Liu, Chung-Cheng	500,000	0.12%
	Independent Director	Hsu, Hsiao-Po	—	—
	Independent Director	He, Mei-Hsiang	77,425	0.02%
	Independent Director	Hsu, Yung-Sheng	—	—
ENIMMUNE-RMT BIOTECH PTE. LTD.	Institutional director: Enimmune corporation	Pan, Fei	55,000,000	55%
	Institutional director: Enimmune corporation	Chang, Che-Wei		
	Institutional director: RELIANCE MEDICAL TECHNOLOGY PTE. LTD.	CHANDRAN S/O URATH SANKARAN NAIR	45,000,000	45%

(VII) Operational overview of affiliates (December 31, 2023):

Unit: NTD thousand

Company	Paid-up capital Amount	Total asset value	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss	Earnings per share (NTD)
ADIMMUNE Corporation	4,295,078	9,484,438	3,706,872	5,777,566	1,785,094	(722,747)	(769,979)	(1.52)

Unit: US\$ thousand

Company	Paid-up capital Amount	Total asset value	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss	Earnings per share (US)
ENIMMUNE BIOTECH PTE. LTD.	10,000	7,058	1,862	5,196	—	(4,910)	(4,804)	(0.12)

2. Private placement of securities in the most recent year up to the publication date of this annual report

None

3. Holding or disposal of the company's shares by subsidiaries in the most recent year up to the publication date of this annual report

None

4. Other necessary supplementary statements

None

IX. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the last year up till the publication date of this annual report that significantly impacted shareholders' equity or the price of the securities

None

**ENIMMUNE CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

ENIMMUNE CORPORATION

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Company name: ENIMMUNE CORPORATION

Representative: Zhong Zheng Liu

March 12, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ENIMMUNE CORPORATION

Opinion

We have audited the accompanying consolidated balance sheets of ENIMMUNE CORPORATION and subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basic for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Impairment assessment of intangible asset - technology licensing

Description

Refer to Note 4(15) for accounting policies on impairment assessment of non-financial assets, Note 5 for uncertainty of impairment assessment of intangible assets - technology licensing, and Note 6(7) for details of significant accounts in intangible assets- technology licensing. As of December 31, 2023, the Group's intangible assets - technology licensing amounted to NTD 108,969 thousand, which accounted for 18.02% of the total assets in the consolidated financial statements.

The Group had assessed whether there was any impairment in the value-in-use of intangible assets - technology licensing based on external and internal information on the balance sheet date. As the assessment of the value-in-use of intangible assets involved subjective judgement of management and intangible assets were material to the Group's consolidated financial statements, we considered the impairment assessment of tangible assets - technology licensing as a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding on the reasonableness of the process of estimating future cash flows for cash-generating unit on which management's evaluation of intangible impairment - technology licensing was based.
2. Discussed financial forecasts with management and assessed the reasonableness by comparing with historical results.
3. Evaluated the evaluation report commissioned by the management from an external appraisal company, including the following procedures:
 - (1) The expert's qualifications and expertise in the relevant field and his or her independence and competence.
 - (2) The purpose and scope of the review of the expert's opinion and that the measurement methods used are commonly used in the industry.
 - (3) Checked the setting of the parameters and formulas of the valuation model.
 - (4) Assessed the reasonableness of the material assumptions used in the model.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of ENIMMUNE CORPORATION as at and for the years ended December 31, 2023 and 2022.

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 that came into effect 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 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.

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

Liu, Mei Lan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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

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

ENIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 359,893	60	\$ 394,174	51
1136	Current financial assets at amortised cost	6(2) and 8	19,907	3	107,907	14
1150	Notes receivable, net	6(3)	15	-	620	-
1170	Accounts receivable, net	6(3)	11,902	2	4,598	1
1180	Accounts receivable due from related parties, net	7	-	-	-	-
1200	Other receivables	9	249	-	366	-
1210	Other receivables due from related parties	7	174	-	115	-
130X	Inventories	6(4)	15,701	3	60,477	8
1410	Prepayments	6(5) and 7	54,789	9	58,078	7
1470	Other current assets		2,584	-	1,534	-
11XX	Current Assets		465,214	77	627,869	81
Non-current assets						
1600	Property, plant and equipment	6(6)	3,279	1	4,092	-
1755	Right-of-use assets		2,596	-	4,428	1
1780	Intangible assets	6(7)	109,271	18	114,376	15
1900	Other non-current assets	8	24,467	4	24,325	3
15XX	Non-current assets		139,613	23	147,221	19
1XXX	Total assets		\$ 604,827	100	\$ 775,090	100

(Continued)

ENIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 40,000	7	\$ 20,000	3
2150	Notes payable		-	-	30	-
2170	Accounts payable		-	-	3,970	-
2180	Accounts payable to related parties	7	18,062	3	-	-
2200	Other payables		32,385	6	16,522	2
2220	Other payables to related parties	7	76,593	13	47,057	6
2280	Current lease liabilities		1,844	-	1,824	-
2320	Long-term liabilities, current portion	6(9)	2,131	-	2,106	-
2399	Other current liabilities, others		689	-	12,442	2
21XX	Current Liabilities		171,704	29	103,951	13
Non-current liabilities						
2540	Long-term borrowings	6(9)	984	-	3,114	1
2580	Non-current lease liabilities		775	-	2,618	-
25XX	Non-current liabilities		1,759	-	5,732	1
2XXX	Total Liabilities		173,463	29	109,683	14
Equity						
	Share capital	6(12)				
3110	Ordinary share		658,000	109	658,000	85
	Capital surplus	6(13)				
3200	Capital surplus		11,559	2	168,023	22
	Retained earnings	6(14)				
3350	Accumulated deficits to be covered		(344,926)	(57)	(281,332)	(37)
	Other equity					
3400	Other equity interest		(2,681)	(1)	(152)	-
31XX	Equity attributable to owners of parent		321,952	53	544,539	70
36XX	Non-controlling interests	4(3)	109,412	18	120,868	16
3XXX	Total equity		431,364	71	665,407	86
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 604,827	100	\$ 775,090	100

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

ENIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except losses per share amounts)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(15) and 7	\$	43,494	100	\$ 188,415	100
5000 Operating costs	6(4) and 7	(	66,867)	(154)	(167,573)	(89)
5900 Gross (loss) profit		(	23,373)	(54)	(20,842)	(11)
Operating expenses	6(7)(19) and 7					
6100 Selling expenses		(	28,700)	(66)	(7,049)	(4)
6200 General and administrative expenses		(	51,963)	(120)	(47,914)	(25)
6300 Research and development expenses		(	139,271)	(320)	(247,376)	(131)
6450 Expected credit loss	12(2)	(	168)	-	(4,919)	(3)
6000 Total operating expenses		(	220,102)	(506)	(307,258)	(163)
6900 Operating loss		(	243,475)	(560)	(286,416)	(152)
Non-operating income and expenses						
7100 Interest income	6(16)		1,937	4	1,289	-
7010 Other income	6(17) and 7		5,163	12	10,904	6
7020 Other gains and losses	6(18)	(	338)	(1)	(7,452)	(4)
7050 Finance costs		(	977)	(2)	(315)	-
7000 Total non-operating income and expenses			5,785	13	19,330	10
7900 Loss before income tax		(	237,690)	(547)	(267,086)	(142)
7950 Income tax expense	6(20)		-	-	-	-
8200 Loss for the year		(	237,690)	(547)	(267,086)	(142)
Other comprehensive income						
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation		(	38)	-	(4,836)	(2)
8360 Components of other comprehensive income that will be reclassified to profit or loss		(	38)	-	(4,836)	(2)
8300 Other comprehensive loss		(	38)	-	(4,836)	(2)
8500 Total comprehensive loss for the year		(	237,728)	(547)	(271,922)	(144)
Loss attributable to:						
8610 Owners of the parent		(	223,743)	(515)	(247,963)	(132)
8620 Non-controlling interest		(	13,947)	(32)	(19,123)	(10)
Total		(	237,690)	(547)	(267,086)	(142)
Comprehensive loss attributable to:						
8710 Owners of the parent		(	226,272)	(521)	(248,115)	(131)
8720 Non-controlling interest		(	11,456)	(26)	(23,807)	(13)
Total		(	237,728)	(547)	(271,922)	(144)
Basic losses per share						
9750 Basic losses per share	6(21)	(	3.40)		(3.88)	
Diluted losses per share						
9850 Diluted losses per share	6(21)	(	3.40)		(3.88)	

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

ENIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
		Capital surplus				Exchange differences on translation of foreign financial statements	Total	Non-controlling interest	Total equity
Notes	Ordinary share	Share premium	Employee stock warrants	Accumulated deficits to be covered					
<u>2022</u>									
		\$ 600,000	\$ 17,273	\$ -	(\$ 47,246)	\$ -	\$ 570,027	\$ -	\$ 570,027
		-	-	-	(247,963)	-	(247,963)	(19,123)	(267,086)
		-	-	-	-	(152)	(152)	(4,684)	(4,836)
		-	-	-	(247,963)	(152)	(248,115)	(23,807)	(271,922)
		58,000	162,353	-	-	-	220,353	-	220,353
	6(14)	-	(17,273)	-	17,273	-	-	-	-
		-	199	5,471	(3,396)	-	2,274	-	2,274
	6(22)	-	-	-	-	-	-	144,675	144,675
		<u>\$ 658,000</u>	<u>\$ 162,552</u>	<u>\$ 5,471</u>	<u>(\$ 281,332)</u>	<u>(\$ 152)</u>	<u>\$ 544,539</u>	<u>\$ 120,868</u>	<u>\$ 665,407</u>
<u>2023</u>									
		\$ 658,000	\$ 162,552	\$ 5,471	(\$ 281,332)	(\$ 152)	\$ 544,539	\$ 120,868	\$ 665,407
		-	-	-	(223,743)	-	(223,743)	(13,947)	(237,690)
		-	-	-	-	(2,529)	(2,529)	2,491	(38)
		-	-	-	(223,743)	(2,529)	(226,272)	(11,456)	(237,728)
	6(14)	-	(162,552)	(5,471)	168,023	-	-	-	-
	6(11)	-	-	11,559	(7,874)	-	3,685	-	3,685
		<u>\$ 658,000</u>	<u>\$ -</u>	<u>\$ 11,559</u>	<u>(\$ 344,926)</u>	<u>(\$ 2,681)</u>	<u>\$ 321,952</u>	<u>\$ 109,412</u>	<u>\$ 431,364</u>

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

ENIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 237,690)	(\$ 267,086)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges (including depreciation charges on right-of-use assets)	6(19)	2,645	3,242
Amortisations	6(19)	5,105	5,105
Expected credit loss	12(2)	168	4,919
Interest expense		977	315
Interest income	6(16)	(1,937)	(1,289)
Share-based payments	6(11)	3,685	2,274
Unrealised foreign exchange gains		-	(249)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		605	(620)
Accounts receivable		(7,472)	17,277
Accounts receivable due from related parties		-	180
Other receivables (including related parties)		58	(3,671)
Inventories		44,776	(8,477)
Prepayments		1,573	(1,464)
Other current assets		(1,050)	(165)
Changes in operating liabilities			
Notes payable		(30)	30
Accounts payable		(3,970)	3,609
Accounts payable to related parties		18,062	(10,000)
Other payables		15,834	(2,615)
Other payables to related parties		29,547	46,831
Other current liabilities, others		(10,037)	10,206
Cash outflow generated from operations		(139,151)	(201,648)
Interest received		1,937	1,289
Interest paid		(919)	(277)
Net cash flows used in operating activities		(138,133)	(200,636)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in current financial assets at amortised cost		88,000	123,493
Acquisition of property, plant and equipment		-	(347)
Increase in guarantee deposits paid		(142)	(23,210)
Net cash flows from investing activities		87,858	99,936
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of long-term borrowings	6(23)	(2,105)	(2,087)
Payments of lease liabilities	6(23)	(1,863)	(1,864)
Proceeds from short-term borrowings	6(23)	20,000	20,000
Proceeds from issuing shares (net of issuance costs)	6(12)	-	220,353
Change in non-controlling interests	6(22)	-	144,675
Net cash flows from financing activities		16,032	381,077
Impact of changes in foreign exchange rate		(38)	(4,588)
Net (decrease) increase in cash and cash equivalents		(34,281)	275,789
Cash and cash equivalents at beginning of year		394,174	118,385
Cash and cash equivalents at end of year		\$ 359,893	\$ 394,174

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

ENIMMUNE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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

1. History and Organisation

ENIMMUNE CORPORATION (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the research and development and trading of vaccines, testing reagents and biotechnology services, etc., as well as trading of related western medicines. The public offering of the Company’s stocks were approved by Taipei Exchange on November 20, 2015, and the stocks had been traded as emerging stocks starting from September 18, 2018. ADIMMUNE CORPORATION holds 51% equity interest in the Company.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical

accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
ENIMMUNE CORPORATION	ENIMMUNE-RMT BIOTECH PTE. LTD.	Biotechnology industry	55%	55%	-

- (1) On September 30, 2022, the Board of Directors of EB company resolved that transferred 45% equity to Reliance Medical Technology ("RMT company") to participate in the joint ventures. On October 28, 2022, USD 4.5 million for shares proceeds was received from RMT company for 45% equity interests in EB company. The subsidiary, ENIMMUNE BIOTECH PTE. LTD., was renamed as ENIMMUNE-RMT BIOTECH PTE. LTD., and this event had been registered by the Accounting and Corporate Regulatory Authority Singapore.
- (2) After the cooperation between the Company and RMT company, there were differences in

the operation plan of EB Company. They considered the future operational development and at the same time safeguarded the shareholders' rights of the Company, the Board of Directors of the Company during their meeting on February 24, 2023 resolved that EB company carry out a capital reduction and shares retirement. The capital reduction amounted to USD 4.5 million with a capital reduction ratio of 45%. The Company holds 100% of EB company's shares after the capital reduction. Expects to return the proceeds of USD 4.5 million to RMT company. However, the capital reduction matters were still under negotiation by both parties as of March 12, 2024, so the capital reduction case had not yet been resolved by the EB Company's shareholders' meeting.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2023 and 2022 the non-controlling interest amounted to \$109,412 thousand and \$120,868 thousand, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2023		December 31, 2022	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
ENIMMUNE-RMT BIOTECH PTE. LTD.	Singapore	\$ 109,412	45%	\$ 120,868	45%

Summarised financial information of the subsidiaries:

Balance sheets

	ENIMMUNE-RMT BIOTECH PTE. LTD.	
	December 31, 2023	December 31, 2022
Current assets	\$ 205,345	\$ 216,652
Non-current assets	114	114
Current liabilities	(76,934)	(57,209)
Total net assets	\$ 128,525	\$ 159,557

Statements of comprehensive income

		ENIMMUNE-RMT BIOTECH PTE. LTD.	
		Year ended December 31	
		2023	2022
Revenue	\$	-	\$ -
Loss before income tax	(	30,995)	(143,192)
Income tax expense		-	-
Loss for the year from continuing operations	(	30,995)	(143,192)
Loss for the year from discontinued operations		-	-
Loss for the year	(	30,995)	(143,192)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year	(\$	30,995)	(\$ 143,192)
Comprehensive loss attributable to non-controlling interest	(\$	13,948)	(\$ 19,123)
Dividends paid to non-controlling interest	\$	-	\$ -

Statements of cash flows

		ENIMMUNE-RMT BIOTECH PTE. LTD.	
		Year ended December 31	
		2023	2022
Net cash used in operating activities	(\$	11,325)	(\$ 86,097)
Net cash provided by (used in) investing activities		-	-
Net cash (used in) provided by financing activities		-	307,585
Effect of exchange rates on cash and cash equivalents	(	37)	(4,836)
(Decrease) increase in cash and cash equivalents	(	11,362)	216,652
Cash and cash equivalents at beginning of year		216,652	-
Cash and cash equivalents at end of year	\$	205,290	\$ 216,652

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange

rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that

meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the latest selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation

to the total cost of the item must be depreciated separately.

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	10 years
Other equipment	4 ~ 7 years
Leasehold improvements	1~3 year(s)

(13) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(14) Intangible assets

- A. Technology licensing

Technology licensing pertained to obtaining the technology know-how in relation to the research and development of enterovirus vaccine production process. Technology licensing is stated initially at its cost and amortised on a straight-line basis over its estimated useful life of 28~30 years.

- B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 years.

(15) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use.

(16) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(17) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(20) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are

measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(21) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(22) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) Revenue recognition

Sales of goods

- A. The Group sells related products of vaccines and testing reagents. Sales are recognised when

control of the products has transferred. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- B. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(24) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

5. Critical Accounting Judgements, Assumptions and Key Sources of Estimation Uncertainty

The preparation of these financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Impairment assessment of intangible assets- technology licensing

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future. The Group assesses impairment based on its subjective judgement and determines the separate cash flows of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

As of December 31, 2023, the carrying amount of intangible assets - technology licensing was \$108,969 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Demand deposits	\$ 294,893	\$ 349,144
Checking accounts	-	30
Time deposits	<u>65,000</u>	<u>45,000</u>
	<u>\$ 359,893</u>	<u>\$ 394,174</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group's time deposits that had been pledged as collateral were classified as 'financial assets at amortised cost'. Details are provided in Note 8.
- C. The Group's time deposits with maturity over three months that did not meet short-term cash commitments were classified as 'current financial assets at amortised cost'.

(2) Current financial assets at amortised cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Time deposits maturing in excess of three months	\$ 4,900	\$ 92,900
Pledged time deposits	<u>15,007</u>	<u>15,007</u>
	<u>\$ 19,907</u>	<u>\$ 107,907</u>

- A. Time deposits maturing in excess of three months as of December 31, 2023 and 2022 were time deposits that did not meet short-term cash commitments.
- B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 15	\$ 620
Less: Allowance for uncollectible accounts	<u>-</u>	<u>-</u>
	<u>\$ 15</u>	<u>\$ 620</u>
Accounts receivable	\$ 12,070	\$ 4,598
Less: Allowance for uncollectible accounts	<u>(168)</u>	<u>-</u>
	<u>\$ 11,902</u>	<u>\$ 4,598</u>

- A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 12,070	\$ 15	\$ 4,598	\$ 620

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$12,085 thousand, \$5,218 thousand, and \$21,875 thousand, respectively.

C. The Group did not hold any collateral.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was \$15 thousand and \$620 thousand, respectively. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$11,902 thousand and \$4,598 thousand, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,840	(\$ 5,840)	\$ -
Finished goods	29,049	(29,049)	-
Merchandise	15,701	-	15,701
	<u>\$ 50,590</u>	<u>(\$ 34,889)</u>	<u>\$ 15,701</u>

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 13,413	(\$ 1)	\$ 13,412
Semi-finished goods	5,465	-	5,465
Finished goods	24,367	-	24,367
Merchandise	17,849	(616)	17,233
	<u>\$ 61,094</u>	<u>(\$ 617)</u>	<u>\$ 60,477</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	\$ 22,707	\$ 159,368
Loss on (gain on reversal of) decline in market value	34,272 (	5,821)
Loss on scrapping inventory	9,888	14,026
	<u>\$ 66,867</u>	<u>\$ 167,573</u>

The Group reversed from a previous inventory write-down and accounted for as reduction of cost of

goods sold for the year ended December 31, 2022 because the Group sold and scrapped obsolete and

slow-moving inventories, which had been previously provided with inventory valuation loss.

(5) Prepayments

	December 31, 2023	December 31, 2022
Excess business tax paid	\$ 27,955	\$ 28,072
Prepayments to suppliers	21,938	27,638
Other prepaid expenses	4,896	2,368
	<u>\$ 54,789</u>	<u>\$ 58,078</u>

(6) Property, plant and equipment

		Year ended December 31, 2023			
		Beginning balance	Additions	Decreases	Ending balance
Cost					
Mechanical equipment	\$	4,091	\$ -	\$ -	\$ 4,091
Other equipment		826	-	-	826
Leasehold improvements		2,599	-	-	2,599
	\$	<u>7,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,516</u>
Accumulated depreciation					
Mechanical equipment	(	847)	(\$ 409)	\$ -	(1,256)
Other equipment	(	266)	(154)	-	(420)
Leasehold improvements	(	2,311)	(250)	-	(2,561)
	(	<u>3,424</u>	<u>(\$ 813)</u>	<u>\$ -</u>	<u>(4,237)</u>
	\$	<u>4,092</u>			<u>\$ 3,279</u>
		Year ended December 31, 2022			
		Beginning balance	Additions	Decreases	Ending balance
Cost					
Mechanical equipment	\$	4,091	\$ -	\$ -	\$ 4,091
Other equipment		561	265	-	826
Leasehold improvements		2,517	82	-	2,599
	\$	<u>7,169</u>	<u>\$ 347</u>	<u>\$ -</u>	<u>\$ 7,516</u>
Accumulated depreciation					
Mechanical equipment	(	438)	(\$ 409)	\$ -	(847)
Other equipment	(	128)	(138)	-	(266)
Leasehold improvements	(	1,457)	(854)	-	(2,311)
	(	<u>2,023</u>	<u>(\$ 1,401)</u>	<u>\$ -</u>	<u>(3,424)</u>
	\$	<u>5,146</u>			<u>\$ 4,092</u>

(7) Intangible assets

Year ended December 31, 2023				
	<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending balance</u>
Cost				
Technology licensing	\$ 145,333	\$ -	\$ -	\$ 145,333
Computer software	852	-	-	852
	<u>\$ 146,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,185</u>
Accumulated amortisation				
Technology licensing	(31,411)	(\$ 4,953)	\$ -	(36,364)
Computer software	(398)	(152)	-	(550)
	<u>(31,809)</u>	<u>(\$ 5,105)</u>	<u>\$ -</u>	<u>(36,914)</u>
	<u>\$ 114,376</u>			<u>\$ 109,271</u>
Year ended December 31, 2022				
	<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending balance</u>
Cost				
Technology licensing	\$ 145,333	\$ -	\$ -	\$ 145,333
Computer software	852	-	-	852
	<u>\$ 146,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,185</u>
Accumulated amortisation				
Technology licensing	(26,458)	(\$ 4,953)	\$ -	(31,411)
Computer software	(246)	(152)	-	(398)
	<u>(26,704)</u>	<u>(\$ 5,105)</u>	<u>\$ -</u>	<u>(31,809)</u>
	<u>\$ 119,481</u>			<u>\$ 114,376</u>

Details of amortisation charges on intangible assets are as follows:

Year ended December 31		
	<u>2023</u>	<u>2022</u>
General and administrative expenses	\$ 152	\$ 152
Research and development expenses	4,953	4,953
	<u>\$ 5,105</u>	<u>\$ 5,105</u>

Technology licensing pertained to that the Group's parent company, ADIMMUNE, transferred its result of 'Technology know-how in the research and development of Enterovirus A71 Vaccine production process' and granted an exclusive right of use to the Company. Details of Enterovirus A71 Vaccine obtaining the approval by the review of new drugs registration are provided in Note 11 in the consolidated financial statements for the year ended December 31, 2022.

(8) Short-term borrowings

<u>Type of Borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 40,000	2.45%	None

Type of Borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 20,000	2.08% ~ 2.33%	None

Interest expense recognised in profit or loss amounted to \$831 thousand and \$151 thousand for the years ended December 31, 2023 and 2022, respectively.

(9) Long-term borrowings

Type of Borrowings	Borrowing period and repayment term	Collateral	December 31, 2023
Long-term bank borrowings			
-unsecured borrowings			
Chang Hwa Commercial Bank	Borrowing period is from May 28, 2020 to May 28, 2025; credit line is repayable in installments starting from June 2020.	Note	\$ 1,558
Taichung Commercial Bank Company	Borrowing period is from June 1, 2020 to June 1, 2025; credit line is repayable in installments starting from July 2020.	Note	1,557
			3,115
Less: Current portion			(2,131)
			\$ 984
Interest rate range			2.38% ~ 2.68%

Type of Borrowings	Borrowing period and repayment term	Collateral	December 31, 2022
Long-term bank borrowings			
-unsecured borrowings			
Chang Hwa Commercial Bank	Borrowing period is from May 28, 2020 to May 28, 2025; credit line is repayable in installments starting from June 2020.	Note	\$ 2,659
Taichung Commercial Bank Company	Borrowing period is from June 1, 2020 to June 1, 2025; credit line is repayable in installments starting from July 2020.	Note	2,561
			5,220
Less: Current portion			(2,106)
			\$ 3,114
Interest rate range			1.75% ~ 2.43%

Note: The borrowing was guaranteed by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan, and thus had no actual collateral.

(10) Pensions

- A. The Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were \$1,862 thousand and \$1,607 thousand, respectively.

(11) Share based payment

- A. For the years ended December 31, 2023 and 2022, the Group’s share-based payment transactions were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Description
Cash capital increase reserved for employee preemption	2022.2.24	240 units	-	Vested immediately	Note 1
Employee stock options for 2022~2032	2022.8.17	2,400 units	10 years	Service vested	Notes 2, 3 and 4

Note 1: There were no subscribed ordinary shares outstanding for the year ended December 31, 2022.

Note 2: After 2 years from the date of grant, subscribers may exercise the options based on the following time table. The option life is 10 years. Except for the regulations specified in the terms, the options cannot be transferred, pledged, donated or disposed in any other method.

The accumulated ratio of exercisable stock option during the granting period of employee stock options is as follows:

Employee service period (in years)	Vesting ratio
2 years	30%
3 years	60%
4 years	100%

Note 3: Upon granting the employee stock options by the Company, if the subscribers have gross negligence such as violating the employment contract or working policy, the Company has the right to redeem and retire those employee stock options which have not yet been exercised.

Note 4: The above service periods and ratios may be adjusted by the Board of Directors

depending on each of the issuance.

B. Details of the share-based payment arrangements are as follows:

(a) Cash capital increase reserved for employee preemption

There were no such transactions on December 31, 2023: None

	2022	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	240	38
Options exercised	(240)	38
Options outstanding at December 31	-	
Options exercisable at December 31	-	

(b) Employee stock options for 2022~2032

	2023	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,310	\$ 25
Options forfeited	(215)	-
Options outstanding at December 31	2,095	
Options exercisable at December 31	-	

	2022	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,400	\$ 25
Options forfeited	(90)	-
Options outstanding at December 31	2,310	
Options exercisable at December 31	-	

C. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%)	Expected option life (in years)	Expected dividend rate (%)	Risk-free interest rate (%)	Fair value per unit
Cash capital increase reserved for employee preemption	2022.2.24	33.27	38	47.39%	0.14	-	0.40%	0.8278
Employee share options	2022.8.17	29.02	25	48.85~ 49.81%	6~7	-	1.1264~ 1.145%	14.7931~ 15.9028

- D. The Board of Directors of the Group's parent company during their meeting on June 9, 2022 resolved the incentive plan for senior employees and to set the Company's regulations on repurchasing shares and transferring to employees in according with the Article 28 of the R.O.C. Securities and Exchange Act and the 'Regulations Governing Share Repurchase by Exchange Listed and OTC-Listed Companies' issued by the Financial Supervisory Commission. In according with the regulations on repurchasing shares and transferring to employees of the Group's parent company for the year ended December 31, 2022, the employees of the Group and the employees of the parent company, ADIMMUNE CORPORATION, who joined the Company before the effective date of the subscription or the current employees (including part-time employees and consultants) of the Company and domestic and foreign controlled entities or subsidiaries who have made special contributions to the Company and reported to the chairman for approval, may entitle the subscription qualifications based on the subscription amount specified in Article 5 of the regulations.
- E. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2023	2022
Equity-settled	\$ 3,685	\$ 2,274

(12) Share capital

As of December 31, 2023, the Company's authorised capital was \$1,200,000 thousand, consisting of 120,000 thousand shares of ordinary stock with a par value of \$10 (in dollars) per share. The Board of Directors during their meeting on December 14, 2021 adopted a resolution to increase the Company's capital by issuing 5,800 thousand ordinary shares with a par value of \$10 (in dollars) per share at a premium price of \$38 (in dollars) per share, totalling \$220,400 thousand (excluding the issuance cost of approximately \$47 thousand). The paid-in capital after the capital increase was \$658,000 thousand. The registration for the change of the above capital increase was completed with the regulatory authority on May 17, 2022. Movements in the number of the Group's ordinary shares outstanding are as follows:

	2023 (in thousands)	2022 (in thousands)
At January 1	65,800	60,000
Cash capital increase	-	5,800
At December 31	65,800	65,800

(13) Capital surplus

- A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to

cover accumulated deficit unless the legal reserve is insufficient.

B. Details of capital surplus used to offset accumulated deficits are provided in Note 6(14).

(14) Accumulated deficit

- A. Under the Company's Articles of Incorporation, if the company has a net profit after tax for the current period in its annual final accounts, it should first make up for the accumulated losses (including adjusting the amount of undistributed surplus), and set aside 10% as a statutory surplus reserve in accordance with the law. However, this restriction shall not apply when the statutory surplus reserve has reached the Company's total paid-in capital. The remaining earnings, together with the undistributed earnings at the beginning of the period (including adjusting the amount of undistributed surplus), shall be drafted by the board of directors and submitted to the shareholders' meeting to resolve the distribution of dividends to shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. On March 25, 2022, the Board of Directors resolved to use the capital surplus to offset the deficits of \$17,273 thousand incurred for the year ended December 31, 2021. The aforementioned resolution was approved by the shareholders at their meeting on June 21, 2022.
- D. On March 8, 2023, the Board of Directors resolved to use the capital surplus to offset the deficits of \$168,023 thousand incurred for the year ended December 31, 2022. The aforementioned resolution was approved by the shareholders at their meeting on June 16, 2023.
- E. On March 12, 2024, the Board of Directors resolved not to distribute shareholders' bonus due to the losses incurred for the year ended December 31, 2023. The aforementioned resolution shall be resolved by the shareholders.

(15) Operating revenue

The Group is a single operating segment which is engaged in trading vaccines and testing reagents. The Group derives revenue from the transfer of goods at a point in time in the following major products:

	Year ended December 31	
	2023	2022
Testing reagents	\$ 7,225	\$ 172,934
Vaccines	36,262	15,091
Others	7	390
	<u>\$ 43,494</u>	<u>\$ 188,415</u>

(16) Interest income

	Year ended December 31	
	2023	2022
Interest income	\$ 1,937	\$ 1,289

(17) Other income

	Year ended December 31	
	2023	2022
Grant revenue (Note 1)	\$ 3,701	\$ 4,313
Other income, others (Note 2)	1,462	6,591
	\$ 5,163	\$ 10,904

Note 1: Details of the contract of grant revenue are provided in Note 9.

Note 2: Information on the amount of \$1,429 thousand in 2023 and the amount of \$848 thousand in 2022 are provided in Note 7(3).

(18) Other gains and losses

	Year ended December 31	
	2023	2022
Net currency exchange (losses) gains	(\$ 337)	\$ 7,453
Other expenses	(1)	(1)
	(\$ 338)	\$ 7,452

(19) Employee benefits, depreciation and amortisation charges

Nature	Year ended December 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Salary expenses	\$ -	\$ 39,741	\$ 39,741
Employee stock options	-	3,685	3,685
Labour and health insurance fees	-	3,479	3,479
Pension costs	-	1,862	1,862
Directors' emoluments	-	2,045	2,045
Other employee benefit expense	-	1,140	1,140
	\$ -	\$ 51,952	\$ 51,952
Depreciation charge	\$ -	\$ 2,645	\$ 2,645
Amortisation charge	\$ -	\$ 5,105	\$ 5,105

Nature	Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Salary expenses	\$ -	\$ 33,626	\$ 33,626
Employee stock options	-	2,274	2,274
Labour and health insurance fees	-	2,945	2,945
Pension costs	-	1,607	1,607
Directors' emoluments	-	1,905	1,905
Other employee benefit expense	-	1,025	1,025
	<u>\$ -</u>	<u>\$ 43,382</u>	<u>\$ 43,382</u>
Depreciation charge	\$ -	\$ 3,242	\$ 3,242
Amortisation charge	<u>\$ -</u>	<u>\$ 5,105</u>	<u>\$ 5,105</u>

A. In accordance with the Articles of Incorporation of the Group, the Group's annual pre-tax profits before deducting employee remuneration and directors and supervisors' remuneration shall allocate 5% to 10% of employee remuneration as employee remuneration and no more than 5% as employee remuneration. However, if the company still has accumulated losses (including adjusting the amount of undistributed surplus), it should reserve the compensation amount in advance.

The employee remuneration mentioned in the preceding paragraph may be in the form of stocks or cash, and the recipients of the payment may include employees of controlling or affiliated companies who meet the conditions set by the board of directors. The remuneration for directors and supervisors mentioned in the preceding paragraph shall only be paid in cash.

The first two items shall be implemented by the board of directors with resolutions approved by more than two-thirds of the directors present and approved by more than half of the directors present, and reported to the shareholders' meeting.

If the board of directors in the preceding paragraph resolves to pay employees remuneration in the form of stocks, they may make the same resolution to issue new shares or acquire their own shares.

B. No employees' compensation and directors' remuneration were accrued due to the net loss after tax incurred for the years ended December 31, 2023 and 2022. Information about employees' compensation and directors' remuneration of the Group as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Income tax

A. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	(\$ 50,018)	(\$ 73,936)
Expenses disallowed by tax regulation	5,501	25,395
Temporary differences not recognised as deferred tax assets	10,217	24,814
Loss carryforward not recognised as deferred tax assets	34,300	24,996
Change in assessment of realisation of deferred tax assets	-	(1,269)
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

B. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Expiry year	Amount filed/ assessed	Tax losses of unused amount	Unused tax losses of unrecognised deferred tax assets
2016	2024	Amount assessed	\$ 7,211	\$ 7,211
2015	2025	Amount assessed	43,140	43,140
2016	2026	Amount assessed	65,466	65,466
2017	2027	Amount assessed	32,185	32,185
2018	2028	Amount assessed	102,333	102,333
2019	2029	Amount assessed	56,240	56,240
2020	2030	Amount assessed	76,614	76,614
2021	2031	Amount assessed	42,779	42,779
2022	2032	Amount filed	124,997	124,997
2023	2033	Estimated filed amount	171,502	171,502
			<u>\$ 722,467</u>	<u>\$ 722,467</u>

December 31, 2022

Year incurred	Expiry year	Amount filed/ assessed	Tax losses of unused amount	Unused tax losses of unrecognised deferred tax assets
2014	2024	Amount assessed	\$ 7,211	\$ 7,211
2015	2025	Amount assessed	43,140	43,140
2016	2026	Amount assessed	65,466	65,466
2017	2027	Amount assessed	32,185	32,185
2018	2028	Amount assessed	102,333	102,333
2019	2029	Amount assessed	56,240	56,240
2020	2030	Amount assessed	76,614	76,614
2021	2031	Amount assessed	42,779	42,779
2022	2032	Amount filed	124,997	124,997
			<u>\$ 550,965</u>	<u>\$ 550,965</u>

C. The Company is eligible for research and development investment tax credits under the Statute for Biotech and New Pharmaceuticals Industry. Details are as follows:

December 31, 2023

Year incurred	Qualifying items	Amount filed/assessed	Unused amount	Unused tax credits of unrecognised deferred tax assets
2017	Research and development expenditure	Amount assessed	\$ 1,954	\$ 1,954
2018	Research and development expenditure	Amount assessed	12,073	12,073
2019	Research and development expenditure	Amount assessed	7,743	7,743
2020	Research and development expenditure	Amount assessed	11,076	11,076
2021	Research and development expenditure	Amount assessed	8,358	8,358
2022	Research and development expenditure	Amount filed	18,514	18,514
2023	Research and development expenditure	Estimated filed amount	18,332	18,332
			<u>\$ 78,050</u>	<u>\$ 78,050</u>

December 31, 2022

Year incurred	Qualifying items	Amount filed/assessed	Unused amount	Unused tax credits of unrecognised deferred tax assets
2017	Research and development expenditure	Amount assessed	\$ 1,954	\$ 1,954
2018	Research and development expenditure	Amount assessed	12,073	12,073
2019	Research and development expenditure	Amount assessed	7,743	7,743
2020	Research and development expenditure	Amount assessed	11,076	11,076
2021	Research and development expenditure	Amount assessed	8,358	8,358
2022	Research and development expenditure	Amount filed	18,514	18,514
			<u>\$ 59,718</u>	<u>\$ 59,718</u>

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	<u>\$ 176,381</u>	<u>\$ 125,338</u>

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(21) Losses per share

Year ended December 31, 2023			
		Weighted average number of ordinary shares outstanding	Losses per share
	Amount after tax	(share in thousands)	(in dollars)
<u>Basic and losses per share</u>			
Loss attributable to ordinary shareholders of the parent	<u>(\$ 223,743)</u>	<u>65,800</u>	<u>(\$ 3.40)</u>

Year ended December 31, 2022			
		Weighted average number of ordinary shares outstanding	Losses per share
	Amount after tax	(share in thousands)	(in dollars)
<u>Basic and losses per share</u>			
Loss attributable to ordinary shareholders of the parent	<u>(\$ 247,963)</u>	<u>63,867</u>	<u>(\$ 3.88)</u>

(22) Transactions with non-controlling interest

There was no such transaction for the year ended December 31, 2023.

On October 28, 2022, the Group's subsidiary, Enimmune Biotech Pte. Ltd. received USD 4.5

million for shares proceeds from RMT company. The subsidiary, Enimmune Biotech Pte. Ltd., was renamed as Enimmune-RMT Biotech Pte. Ltd., and this event had been registered by the Accounting and Corporate Regulatory Authority Singapore. The transaction increased non-controlling interest by \$144,675 thousand.

(23) Changes in liabilities from financing activities

	Year ended December 31, 2023			
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Liabilities from financing activities-gross
At January 1	\$ 20,000	\$ 5,220	\$ 4,442	\$ 29,662
Changes in cash flow from financing activities	20,000	(2,105)	(1,863)	16,032
Changes in other non-cash items	-	-	40	40
At December 31	<u>\$ 40,000</u>	<u>\$ 3,115</u>	<u>\$ 2,619</u>	<u>\$ 45,734</u>
Note: Including current portion				

	Year ended December 31, 2022			
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Liabilities from financing activities-gross
At January 1	\$ -	\$ 7,307	\$ 775	\$ 8,082
Changes in cash flow from financing activities	20,000	(2,087)	(1,864)	16,049
Changes in other non-cash items	-	-	5,531	5,531
At December 31	<u>\$ 20,000</u>	<u>\$ 5,220</u>	<u>\$ 4,442</u>	<u>\$ 29,662</u>
Note: Including current portion				

7. Related party Transactions

(1) The parent company

The Company is controlled by the parent company, ADIMMUNE CORPORATION (incorporated in the R.O.C.), which owns 51% of the Company' s shares.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
ADIMMUNE CORPORATION	The parent company

(3) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2023	2022
Sales of goods:		
The parent company	\$ -	\$ 365

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Net purchases

Accounts	Category of related party	Year ended December 31	
		2023	2022
Purchases	The parent company	\$ 27,016	\$ 18,661

The Company mainly purchases merchandise from the parent company. The transaction prices are calculated and paid based on the agreed prices and the payments are paid within three months after the date of purchase.

C. Other receivables

	December 31, 2023	December 31, 2022
Other receivables		
The parent company	\$ 174	\$ 115

Other receivables mainly pertains to the revenue from management services, etc. provided by the Company to support the parent company.

D. Prepayments

	December 31, 2023	December 31, 2022
Prepayments		
The parent company	\$ 21,938	\$ 21,938

Prepayments pertains to the advance payments for Enterovirus A71 Vaccine.

E. Accounts payable

	December 31, 2023	December 31, 2022
Accounts payable		
The parent company	\$ 18,062	\$ -

Accounts payable arise mainly from purchase transactions and are paid based on the agreement after the purchase date. The accounts payable bear no interest.

F. Other payables

	December 31, 2023	December 31, 2022
Other payables		
The parent company	\$ 76,593	\$ 47,057

Other payables mainly pertains to the rents of offices, administrative service fees, payments for clinical trials of COVID-19 vaccines and related technology authorisation fees, which are paid based on the payment schedule in the agreement. The other payables bear no interest.

G. Management service fees

Accounts		Year ended December 31	
		2023	2022
The parent company	General and administrative expenses	\$ 1,408	\$ 1,501

It pertained to that the Company commissioned the parent company to manage the Company's

administrative management services, including equipment maintenance and administrative expenses, etc. The management service fees are reimbursed based on the actual service hours. The contract period was starting from April 1, 2022 to March 31, 2023, and was renewable on April 1, 2023. The contract period was starting from April 1, 2023 to March 31, 2024, and the contract was terminated in advance on January 1, 2024.

H. Research and development expenses

	Accounts	Year ended December 31	
		2023	2022
The parent company	Research and development expenses	\$ 29,881	\$ 100,691

It pertains to the payments of technology know-how licensing fees for COVID-19 vaccines.

I. Rent expenses

	Accounts	Year ended December 31	
		2023	2022
The parent company	General and administrative expenses	\$ 768	\$ 1,086

It pertained to that the Company entered into a residential lease agreement with the parent company and leased offices in Taichung for business use. Rent expenses were paid \$67 thousand monthly (including tax). The lease term was starting from July 1, 2022 to June 30, 2023, and was renewable on June 30, 2023. The Company entered into a warehouse lease agreement with the parent company and leased warehouses in Taichung for warehousing use. The lease term was starting from December 1, 2021 to May 31, 2022.

J. Other income

	Accounts	Year ended December 31	
		2023	2022
The parent company	Other income	\$ 1,429	\$ 848

Other income mainly arises from the management service agreement which the Company entered into with the parent company, consulting services and the clinical development carried out.

(4) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	\$ 14,282	\$ 10,140
Post-employment benefits	381	224
Share based payment	949	331
	\$ 15,612	\$ 10,695

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Guarantee deposits paid (shown as other non-current assets)	\$ 24,467	\$ 24,325	Performance guarantee
Time deposits (shown as current financial assets at amortised cost)	15,007	15,007	Performance guarantee
	<u>\$ 39,474</u>	<u>\$ 39,332</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

On September 8, 2022, the Company entered into a tri-party agreement with Everhealth Biomedical Materials Co., Ltd. (“Everhealth”) and Sam Chun Drug Pham. Co., Ltd. (“SCD company”). Since Everhealth did not pay the Company US\$1,437 thousand for the goods and NT\$10,782 thousand for the management service fee to the Company in accordance with the tri-party agreement, the Company filed a complaint against Everhealth, requesting Everhealth to pay US\$1,437 thousand for the goods and NT\$10,782 thousand for the management service fee. Additionally, in accordance with the terms of tri-party agreement, the obligation of the Company for the goods payment to SCD company has not yet occurred until the Company has received the payment from Everhealth. On October 31, 2023, the civil court division of the Taiwan New Taipei District Court rendered a first-instance decision, affirming that Everhealth shall pay US\$1,437 thousand for the goods and NT\$10,782 thousand for the management service fee with interest at 5% per annum starting from September 18, 2022. On November 28, 2023, Everhealth filed an second-instance appeal for the above lawsuit. As of March 12, 2024, the above lawsuit is still in progress.

(2) Commitments

A. In 2022, the Company entered into an agreement with the Taipei Computer Association to implement the Phase 3 Clinical Testing Program of Enterovirus A71 Vaccine Manufactured from Bioreactors on Healthy Children. The plan period was from March 1, 2022 to February 28, 2025 with a total grant of \$15,007 thousand. The grant income recognised for the year ended December 31, 2022 was \$4,313 thousand and the grants for the year ended December 31, 2022 were received in December 2022. The grant income recognised for the year ended December 31, 2023 was \$3,701 thousand and the grants for the year ended December 31, 2023 were received in December 2023.

The main rights and obligations of the contract commitments are listed as follows:

- (a) The knowledge, technology, intellectual property rights and other research results obtained from execution of the plan belong to the Company, and the Company is responsible for management and utilisation.
- (b) If the source of the Taipei Computer Association’s grant is the Executive Yuan’s National Science and Technology Development Fund, the Company’s ownership, management, and application of the research results shall be governed by the terms of Executive Yuan’s

National Science and Technology Development Fund Grant Contract.

B. On November 22, 2021, the Company's subsidiary, ENIMMUNE-RMT BIOTECH PTE. LTD., entered into an agreement of COVID-19 vaccine technology know-how licensing with the Company's parent company, ADIMMUNE CORPORATION, to use the technology know-how for carrying out clinical trials in Southeast Asia and obtained the sales rights in the local after the receipt of drug permit license. Details of the technology licensing agreement are as follows:

- (a) Contract period: effective for 25 years starting from the date when the both parties signed the contract.
- (b) Scope of licensing: the licensed technology is used for clinical trials, drug permit applications, marketing development and sales in Southeast Asia.
- (c) Licensing fees: royalty fees are paid based on the payment milestones agreed in the agreement and the net sales royalties after the products are launched in the future.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors of the Company during their meeting on March 12, 2024 adopted a resolution to increase the Company's capital by issuing 6,250 thousand ordinary shares with a par value of \$10 (in dollars) at a tentative issue price of NT\$32 (in dollars) per share, and the expected amount to be raised amounting to NT\$200,000 thousand. The paid-in capital after the capital increase was NT\$720,500 thousand. The above capital increase is still pending for the approval from the competent authority and the share subscription and the effective date for the share subscription and the capital increase are be set additionally.

12. Others

(1) Capital management

The Group's capital management is based on the industry where the Group is in, industry's future growth and product development to set an appropriate market share, set a corresponding capital expenditure. The management is also based on operating funds calculated based on financial operation plans and consideration of operating profit and cash flow generated by product competitiveness to determine an appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 359,893	\$ 394,174
Current financial assets at amortised cost	19,907	107,907
Notes receivable, net	15	620
Accounts receivable, net	11,902	4,598
Other receivables	249	366
Other receivables due from related parties, net	174	115
Guarantee deposits paid (shown as other non-current assets)	24,467	24,325
	<u>\$ 416,607</u>	<u>\$ 532,105</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 40,000	\$ 20,000
Notes payable	-	30
Accounts payable	-	3,970
Accounts payable to related parties	18,062	-
Other payables	32,385	16,522
Other payables to related parties	76,593	47,057
Long-term borrowings (including current portion)	3,115	5,220
	<u>\$ 170,155</u>	<u>\$ 92,799</u>
Lease liabilities (including current portion)	<u>\$ 2,619</u>	<u>\$ 4,442</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Group treasury identifies, evaluates and hedges financial risks, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity, in close co-operation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group manages their foreign exchange risk against their functional currency. The Group is required to hedge their entire foreign exchange risk exposure with the Group treasury.
- ii. Foreign exchange risk between USD with NTD is mainly from exchange loss or profit arising from conversion of other payables denominated in USD.
- iii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; subsidiaries' functional currency: USD). The information on liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023						
			Sensitivity analysis			
Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD:USD	\$ 76,906	1.00	\$ 76,906	1%	\$ 769	\$ -

	December 31, 2022					
	Sensitivity analysis					
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial liabilities						
Monetary items						
NTD:USD	\$ 46,834	1.00	\$ 46,834	1%	\$ 468	\$ -

The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to (\$337 thousand) and \$7,453 thousand, respectively.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term and short-term borrowings. Long-term and short-term borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value risk.
- ii. If the interest rate had increased/decreased by 25 basis point, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by \$86 thousand and \$50 thousand, respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the financial instruments reclassified as financial assets stated at amortised cost.
- ii. The Group's cash and cash equivalents and financial assets at amortised cost are deposited in financial institutions with optimal credit quality. In order to prevent excessive concentration and to disperse credit risk, the Group manages the deposit ratio in each financial institution, and the credit quality of banks and financial institutions the Group trades with is optimal. According to credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The Group has screened credit quality of trade counterparties, thus, counterparties are all with credit ranking above certain level and the Group expects that credit risk is remote.
- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group classifies customer's accounts receivable by applying the modified approach using a provision matrix to estimate the expected credit loss, taking into consideration the assessment of past default experience of the customer, an analysis of the customer's current financial position, and assessment of general economic conditions. As the Group's historical credit experience does not show significantly different loss patterns for different customer segments, provision matrix has not been further classified based on customer groups. The Company estimates expected credit loss based on the past due date of accounts receivable.
- v. For the years ended December 31, 2023 and 2022, no credit limits were exceeded during

the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

- vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. The Group has no significant overdue aging and thus the amount of expected credit loss is small.
- vii. Movements in relation to the Group applying the modified approach to provide loss allowance for the receivables are as follows:

	2023		2022	
	Accounts receivable	Other receivable	Accounts receivable	Other receivable
At January 1	\$ -	\$ 4,986	\$ 67	\$ -
Provision for impairment	168	-	-	4,986
Reversal of impairment loss	-	-	(67)	-
At December 31	<u>\$ 168</u>	<u>\$ 4,986</u>	<u>\$ -</u>	<u>\$ 4,986</u>

- viii. The Group used the forecastability of economic forecasting announced by the Directorate General of Budget, Accounting and Statistics of the Executive Yuan to adjust historical and timely information to assess the default possibility of debt instrument on December 31, 2023 and 2022 in order to estimate expected credit loss.

(c) Liquidity risk

- i. Group treasury monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at any time to comply with the Group's internal balance sheet ratio targets.
- ii. As of December 31, 2023 and 2022, the Group had undrawn borrowing facilities of \$60,000 thousand and \$80,000 thousand, respectively.
- iii. The analysis of the Group's non-derivative financial liabilities based on the remaining period between the balance sheet date and the contractual maturity date are as follows:

	Between 3				
	Less than 3 months	months and 1 year	Between 1 and 3 years	Over 3 years	Total
December 31, 2023					
Short-term borrowings	\$ 244	\$ 40,277	\$ -	\$ -	\$ 40,521
Accounts payable to related parties	18,062	-	-	-	18,062
Other payables	32,385	-	-	-	32,385
Other payables to related parties	76,593	-	-	-	76,593
Long-term borrowings (Note)	539	1,634	989	-	3,162
Lease liabilities (Note)	466	1,398	777	-	2,641
Note: including current portion					

December 31, 2022	Between 3				Total
	Less than 3 months	months and 1 year	Between 1 and 3 years	Over 3 years	
Short-term borrowings	\$ 115	\$ 20,190	\$ -	\$ -	\$ 20,305
Notes payable	30	-	-	-	30
Accounts payable	3,970	-	-	-	3,970
Other payables	16,522	-	-	-	16,522
Other payables to related parties	47,057	-	-	-	47,057
Long-term borrowings (Note)	554	1,655	3,172	-	5,381
Lease liabilities (Note)	466	1,398	2,640	-	4,504
Note: including current portion					

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 1.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 2.

(3) Information on investments in Mainland China

- A. Basic information: None.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The Company's Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the

Group has only one reportable operating segment.

(2) Information on products and services

Revenue from external customers is mainly from trading vaccines and testing reagents, etc. Details of revenue are as follows:

	Year ended December 31	
	2023	2022
Testing reagents	\$ 7,225	\$ 172,934
Vaccines	36,262	15,091
Others	7	390
	<u>\$ 43,494</u>	<u>\$ 188,415</u>

(3) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 43,494	\$ 115,147	\$ 187,499	\$ 122,896
Hong Kong	-	-	916	-
Japan	-	-	-	-
Singapore	-	-	-	-
	<u>\$ 43,494</u>	<u>\$ 115,147</u>	<u>\$ 188,415</u>	<u>\$ 122,896</u>

The Group's geographic revenue is calculated based on countries where sales incur. Non-current assets included property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, excluding financial instruments, guarantee deposits paid and deferred tax assets.

(4) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31			
	2023		2022	
	Revenue	Proportion (%)	Revenue	Proportion (%)
Customer A	\$ 36,221	83%	\$ 15,202	55%
Customer B	3,503	8%	11,837	10%
Customer C	-	0%	103,500	8%
	<u>\$ 39,724</u>	<u>91%</u>	<u>\$ 130,539</u>	<u>73%</u>

ENIMMUNE CORPORATION and subsidiaries
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 1		Expressed in thousands of NTD (Except as otherwise indicated)				
		Transaction				
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 4)	Transaction terms
0	ENIMMUNE CORPORATION	Adimmune Corporation	2	Prepayments	\$ 21,938	In accordance with contractual terms
0	ENIMMUNE CORPORATION	Adimmune Corporation	2	Net purchases	27,016	Net 60 end of the month
0	ENIMMUNE CORPORATION	Adimmune Corporation	2	Accounts payable	18,062	Net 60 end of the month
1	Enimmune-RMT Biotech PTE. LTD.	Adimmune Corporation	2	Other payables	76,400	In accordance with contractual terms
						Percentage of consolidated total operating revenues or total assets (Note 3)
						3.63
						4.47
						2.99
						12.63

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions.

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Only transaction amounts that reaching 1% of the consolidated total assets are disclosed.

ENIMMUNE CORPORATION and subsidiaries

Information on investees

Year ended December 31, 2023

Table 2

		Initial investment amount		Shares held as at December 31, 2023			Net loss of the investee for the year ended		Investment loss recognised by the Company for the year ended		Expressed in thousands of NTD (Except as otherwise indicated)	
Investor	Investee	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	Footnote	Note 1
ENIMMUNE CORPORATION	Enimmune-RMT Biotech PTE. LTD.	\$ 162,910	\$ 162,910	55,000,000	55.00	\$ 19,113	\$ 30,995	\$ 17,047				
	Main business activities											
	Biotechnology industry											
	Location											
	Singapore											

Note 1: It is a subsidiary of the Company.

ENIMMUNE CORPORATION
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

ENIMMUNE CORPORATION
DECEMBER 31, 2023 AND 2022 FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ENIMMUNE CORPORATION

Opinion

We have audited the accompanying parent company only balance sheets of ENIMMUNE CORPORATION and its subsidiaries (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material 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 Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants” and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the those 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 judgement, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Impairment assessment of intangible asset - technology licensing

Description

Refer to Note 4(14) for accounting policies on impairment assessment of non-financial assets, Note 5 for uncertainty of impairment assessment of intangible assets – technology licensing, and Note 6(8) for details of significant accounts in intangible assets- technology licensing. As of December 31, 2023, the Company's intangible assets - technology licensing amounted to NTD 108,969 thousand, which accounted for 26.01% of the total assets in the financial statements.

The Company had assessed whether there was any impairment in the value-in-use of intangible assets - technology licensing based on external and internal information on the balance sheet date. As the assessment of the value-in-use of intangible assets involved subjective judgement of management and intangible assets were material to the Company's financial statements, we considered the impairment assessment of tangible

assets - technology licensing as a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding on the reasonableness of the process of estimating future cash flows for cash-generating unit on which management's evaluation of intangible impairment - technology licensing was based.
2. Discussed financial forecasts with management and assessed the reasonableness by comparing with historical results.
3. Evaluated the evaluation report commissioned by the management from an external appraisal company, including the following procedures:
 - (1) The expert's qualifications and expertise in the relevant field and his or her independence and competence.
 - (2) The purpose and scope of the review of the expert's opinion and that the measurement methods used are commonly used in the industry.
 - (3) Checked the setting of the parameters and formulas of the valuation model.
 - (4) Assessed the reasonableness of the material assumptions used in the model.

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.

Auditor's responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
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 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.

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.

Liu, Mei Lan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

May 12, 2024

The accompanying 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 financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

ENIMMUNE CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 154,603	37	\$ 177,522	30
1136	Current financial assets at amortised cost	6(2) and 8	19,907	5	107,907	18
1150	Notes receivable, net	6(3)	15	-	620	-
1170	Accounts receivable, net	6(3)	11,902	3	4,598	1
1180	Accounts receivable - related parties	7	-	-	-	-
1200	Other receivables	9	249	-	366	-
1210	Other receivables - related parties	7	677	-	441	-
130X	Inventories	6(4)	15,701	4	60,477	10
1410	Prepayments	6(5) and 7	54,733	13	58,078	10
1470	Other current assets		2,584	-	1,534	-
11XX	Current Assets		260,371	62	411,543	69
Non-current assets						
1550	Investments accounted for under equity method	6(6)	19,113	4	38,689	6
1600	Property, plant and equipment	6(7)	3,279	1	4,092	1
1755	Right-of-use assets		2,596	1	4,428	1
1780	Intangible assets	6(8)	109,271	26	114,376	19
1900	Other non-current assets	8	24,353	6	24,210	4
15XX	Non-current assets		158,612	38	185,795	31
1XXX	Total assets		\$ 418,983	100	\$ 597,338	100

(Continued)

ENIMMUNE CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(9)	\$ 40,000	10	\$ 20,000	3
2150	Notes payable		-	-	30	-
2170	Accounts payable		-	-	3,970	1
2180	Accounts payable - related parties	7	18,062	4	-	-
2200	Other payables		32,353	8	16,522	3
2220	Other payables- related parties	7	193	-	223	-
2280	Current lease liabilities		1,844	-	1,824	-
2320	Long-term liabilities, current portion	6(10)	2,131	1	2,106	-
2399	Other current liabilities, others		689	-	2,392	1
21XX	Current Liabilities		95,272	23	47,067	8
Non-current liabilities						
2540	Long-term borrowings	6(10)	984	-	3,114	1
2580	Non-current lease liabilities		775	-	2,618	-
25XX	Non-current liabilities		1,759	-	5,732	1
2XXX	Total Liabilities		97,031	23	52,799	9
Equity						
	Share capital	6(13)				
3110	Share capital - common stock		658,000	157	658,000	110
	Capital surplus	6(14)				
3200	Capital surplus		11,559	3	168,023	28
	Retained earnings	6(15)				
3350	Accumulated deficit		(344,926)	(82)	(281,332)	(47)
	Other equity interest					
3400	Other equity interest		(2,681)	(1)	(152)	-
3XXX	Total equity		321,952	77	544,539	91
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 418,983	100	\$ 597,338	100

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

ENIMMUNE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(16) and 7		\$ 43,494	100	\$ 188,415	100
5000 Operating costs	6(4) and 7		(66,867)	(154)	(167,573)	(89)
5900 Gross loss from operations			(23,373)	(54)	(20,842)	(11)
Operating expenses	6(20) and 7					
6100 Selling expenses			(28,701)	(66)	(7,049)	(4)
6200 General and administrative expenses			(51,038)	(117)	(47,702)	(25)
6300 Research and development expenses			(109,390)	(252)	(101,233)	(54)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)		(168)	-	(4,919)	(3)
6000 Total operating expenses			(189,297)	(435)	(160,903)	(86)
6900 Operating loss			(212,670)	(489)	(140,061)	(75)
Non-operating income and expenses						
7100 Interest income	6(17)		1,937	4	1,289	1
7010 Other income	6(18) and 7		5,163	12	10,904	6
7020 Other gains and losses	6(19)		(149)	-	4,289	2
7050 Finance costs			(977)	(2)	(315)	-
7070 Share of loss of associates and joint ventures accounted for using equity method, net	6(6)		(17,047)	(39)	(124,069)	(66)
7000 Total non-operating income and expenses			(11,073)	(25)	(107,902)	(57)
7900 Loss before income tax			(223,743)	(514)	(247,963)	(132)
7950 Income tax expense	6(21)		-	-	-	-
8200 Loss for the year			(\$ 223,743)	(514)	(\$ 247,963)	(132)
Other comprehensive income						
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation	6(6)		(\$ 2,529)	(6)	(\$ 152)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss			(2,529)	(6)	(152)	-
8300 Other comprehensive loss for the year			(\$ 2,529)	(6)	(\$ 152)	-
8500 Total comprehensive loss for the year			(\$ 226,272)	(520)	(\$ 248,115)	(132)
Basic losses per share	6(22)					
9750 Total basic losses per share			(\$ 3.40)		(\$ 3.88)	
Diluted losses per share	6(22)					
9850 Diluted losses per share			(\$ 3.40)		(\$ 3.88)	

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

ENIMMUNE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Notes	Share capital - common stock	Capital surplus			Retained earnings		Total equity
		Additional paid-in capital	Employee stock warrants	Others	Accumulated deficit	Exchange differences on translation of foreign financial statements	
<u>2022</u>							
Balance at January 1, 2022	\$ 600,000	\$ 17,273	\$ -	\$ -	(\$ 47,246)	\$ -	\$ 570,027
Net loss for the year	-	-	-	-	(247,963)	-	(247,963)
Other comprehensive loss for the year	-	-	-	-	-	(152)	(152)
Total comprehensive loss	-	-	-	-	(247,963)	(152)	(248,115)
Issuance of shares	6(13)	58,000	162,353	-	-	-	220,353
Capital surplus used to offset accumulated deficits	6(15)	-	(17,273)	-	17,273	-	-
Share-based payments	6(12)	-	199	5,471	(3,396)	-	2,274
Balance at December 31, 2022	\$ 658,000	\$ 162,552	\$ 5,471	\$ -	(\$ 281,332)	(\$ 152)	\$ 544,539
<u>2023</u>							
Balance at January 1, 2023	\$ 658,000	\$ 162,552	\$ 5,471	\$ -	(\$ 281,332)	(\$ 152)	\$ 544,539
Net loss for the year	-	-	-	-	(223,743)	-	(223,743)
Other comprehensive loss for the year	-	-	-	-	-	(2,529)	(2,529)
Total comprehensive loss	-	-	-	-	(223,743)	(2,529)	(226,272)
Capital surplus used to offset accumulated deficits	6(15)	-	(162,552)	(5,471)	168,023	-	-
Share-based payments	6(12)	-	-	11,559	(7,874)	-	3,685
Balance at December 31, 2023	\$ 658,000	\$ -	\$ 11,559	\$ -	(\$ 344,926)	(\$ 2,681)	\$ 321,952

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

ENIMMUNE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 223,743)	(\$ 247,963)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including depreciation charge of right-of-use assets)	6(20)	2,645	3,242
Amortisation	6(20)	5,105	5,105
Expected credit loss	12(2)	168	4,919
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	17,047	124,069
Interest expense		977	315
Interest income	6(17)	(1,937)	(1,289)
Share-based payments	6(12)	3,685	2,274
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		605	(620)
Accounts receivable		(7,472)	17,277
Accounts receivable - related parties		-	180
Other receivables (including related parties)		(119)	(3,998)
Inventories		44,776	(8,477)
Prepayments		1,629	(1,464)
Other current assets		(1,050)	(165)
Changes in operating liabilities			
Notes receivable		(30)	30
Accounts payable		(3,970)	3,609
Accounts payable - related parties		18,062	(10,000)
Other payables		15,813	(2,615)
Other payables- related parties		(30)	(3)
Other current liabilities - Other		13	156
Cash outflow generated from operations		(127,826)	(115,418)
Interest received		1,937	1,289
Interest paid		(919)	(277)
Net cash flows used in operating activities		(126,808)	(114,406)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in non-current financial assets at amortised cost		88,000	123,493
Acquisition of property, plant and equipment		-	(347)
Increase in investments accounted for using equity method		-	(162,910)
Increase in guarantee deposits paid		(143)	(23,095)
Net cash flows from (used in) investing activities		87,857	(62,859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings	6(23)	(2,105)	(2,087)
Payments of principal portion of lease liabilities	6(23)	(1,863)	(1,864)
Proceeds from short-term borrowings	6(23)	20,000	20,000
Proceeds from issuing shares (net of issuance costs)	6(13)	-	220,353
Net cash flows from financing activities		16,032	236,402
Net (decrease) increase in cash and cash equivalents		(22,919)	59,137
Cash and cash equivalents at beginning of year		177,522	118,385
Cash and cash equivalents at end of year		\$ 154,603	\$ 177,522

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

ENIMMUNE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. History and Organization

ENIMMUNE CORPORATION (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the research and development and trading of vaccines, testing reagents and biotechnology services, etc., as well as trading of related western medicines. The public offering of the Company’s stocks were approved by Taipei Exchange on November 20, 2015, and the stocks had been traded as emerging stocks starting from September 18, 2018. ADIMMUNE CORPORATION holds 51% equity interest in the Company.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorized for issuance by the Board of Directors on March 12, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendment to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.	

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of

applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity,
or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(4) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(5) Financial assets at amortised cost

The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(6) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(7) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(8) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(9) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the latest selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments accounted for using equity method / associates

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the

parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(11) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	10 years
Other equipment	4 ~ 7 years
Leasehold assets	1 ~ 3 years

(12) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.
The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(13) Intangible assets

A. Technology licensing

Technology licensing pertained to obtaining the technology know-how in relation to the research and development of enterovirus vaccine production process. Technology licensing is stated initially at its cost and amortised on a straight-line basis over its estimated useful life of 28~30 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 years.

(14) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use.

(15) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(16) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is either discharged or cancelled or expires.

(18) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be

recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(19) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(20) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal

taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(21) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(22) Revenue recognition

Sales of goods:

- (a) The Company sells related products of vaccines and testing reagents. Sales are recognised when control of the products has transferred. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(23) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Impairment assessment of intangible assets- technology licensing

The Company assesses impairment based on its subjective judgement and determines the separate cash flows of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic

circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future. The Company assesses impairment based on its subjective judgement and determines the separate cash flows of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

As of December 31, 2023, the carrying amount of intangible assets - technology licensing was \$108,969 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Demand deposits	\$ 89,603	\$ 132,492
Checking accounts deposits	-	30
Time deposits	65,000	45,000
	<u>\$ 154,603</u>	<u>\$ 177,522</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Company's time deposits that had been pledged as collateral were classified as 'financial assets at amortised cost'. Details are provided in Note 8.
- C. The Company's time deposits with maturity over three months that did not meet short-term cash commitments were classified as 'current financial assets at amortised cost'.

(2) Current financial assets at amortised cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Time deposits maturing in excess of three months	\$ 4,900	\$ 92,900
Pledged time deposits	15,007	15,007
	<u>\$ 19,907</u>	<u>\$ 107,907</u>

- A. Time deposits maturing in excess of three months as of December 31, 2023 and 2022 were time deposits that did not meet short-term cash commitments.
- B. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).
The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	\$ 15	\$ 620
Less: Allowance for uncollectible accounts	—	—
	<u>\$ 15</u>	<u>\$ 620</u>
Accounts receivable	\$ 12,070	\$ 4,598
Less: Allowance for uncollectible accounts	(168)	—
	<u>\$ 11,902</u>	<u>\$ 4,598</u>

A. The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	<u>\$ 12,070</u>	<u>\$ 15</u>	<u>\$ 4,598</u>	<u>\$ 620</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and December 31, 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$12,085 thousand, \$5,218 thousand, and \$21,875 thousand, respectively.

C. The Company does not hold any collateral as security.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable was \$15 thousand and \$620 thousand, respectively. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was \$11,902 thousand and \$4,598 thousand, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,840	(\$ 5,840)	\$ -
Finished goods	29,049	(29,049)	-
Merchandise	15,701	-	15,701
	<u>\$ 50,590</u>	<u>(\$ 34,889)</u>	<u>\$ 15,701</u>

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 13,413	(\$ 1)	\$ 13,412
Semi-finished goods	5,465	-	5,465
Finished goods	24,367	-	24,367
Inventory in transit	17,849	(616)	17,233
	<u>\$ 61,094</u>	<u>(\$ 617)</u>	<u>\$ 60,477</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31,	
	2023	2022
Cost of goods sold	\$ 22,707	\$ 159,368
Loss on (gain on reversal of) decline in market value	34,272 (	5,821)
Loss on scrapping inventory	9,888	14,026
	<u>\$ 66,867</u>	<u>\$ 167,573</u>

The Company reversed of inventory sluggish losses for the year ended December 31, 2022 because the Company sold and scrapped obsolete and slow-moving inventories, which had been previously provided with inventory valuation loss.

(5) Prepayments

	December 31, 2023	December 31, 2022
Excess business tax paid	\$ 27,899	\$ 28,072
Prepayments to suppliers	21,938	27,638
Other prepaid expenses	4,896	2,368
	<u>\$ 54,733</u>	<u>\$ 58,078</u>

(6) Investments accounted for using equity method

	2023	2022
At January 1	\$ 38,689	\$ -
Addition of investments accounted for using equity method	-	162,910
Share of profit or loss of investments accounted for using equity method	(17,047)	(124,069)
Changes in other equity items	(2,529)	(152)
At December 31	<u>\$ 19,113</u>	<u>\$ 38,689</u>

Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.

(7) Property, plant and equipment

		Year ended December 31, 2023			
		<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending balance</u>
Cost					
Machinery equipment	\$	4,091	\$ -	\$ -	\$ 4,091
Other equipment		826	-	-	826
Leasehold improvements		2,599	-	-	2,599
		<u>7,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,516</u>
Accumulated depreciation					
Machinery equipment	(	847)	(\$ 409)	\$ -	(1,256)
Other equipment	(	266)	(154)	-	(420)
Leasehold improvements	(	2,311)	(250)	-	(2,561)
	(	<u>3,424</u>	<u>(\$ 813)</u>	<u>\$ -</u>	<u>(4,237)</u>
	\$	<u>4,092</u>			<u>\$ 3,279</u>
		Year ended December 31, 2022			
		<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending balance</u>
Cost					
Machinery equipment	\$	4,091	\$ -	\$ -	\$ 4,091
Other equipment		561	265	-	826
Leasehold improvements		2,517	82	-	2,599
		<u>7,169</u>	<u>\$ 347</u>	<u>\$ -</u>	<u>7,516</u>
Accumulated depreciation					
Machinery equipment	(	438)	(\$ 409)	\$ -	(847)
Other equipment	(	128)	(138)	-	(266)
Leasehold improvements	(	1,457)	(854)	-	(2,311)
	(	<u>2,023</u>	<u>(\$ 1,401)</u>	<u>\$ -</u>	<u>(3,424)</u>
	\$	<u>5,146</u>			<u>\$ 4,092</u>

(8) Intangible assets

		Year ended December 31, 2023			
		<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending balance</u>
Cost					
Technology licensing	\$	145,333	\$ -	\$ -	\$ 145,333
Computer software		852	-	-	852
		<u>146,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>146,185</u>
Accumulated amortisation					
Technology licensing	(	31,411)	(\$ 4,953)	\$ -	(36,364)
Computer software	(	398)	(152)	-	(550)
	(	<u>31,809</u>	<u>(\$ 5,105)</u>	<u>\$ -</u>	<u>(36,914)</u>
	\$	<u>114,376</u>			<u>\$ 109,271</u>

Year ended December 31, 2022				
	Beginning balance	Additions	Decreases	Ending balance
Cost				
Technology licensing	\$ 145,333	\$ -	\$ -	\$ 145,333
Computer software	852	-	-	852
	<u>146,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>146,185</u>
Accumulated amortisation				
Technology licensing	(26,458)	(\$ 4,953)	\$ -	(31,411)
Computer software	(246)	(152)	-	(398)
	<u>(26,704)</u>	<u>(\$ 5,105)</u>	<u>\$ -</u>	<u>(31,809)</u>
	<u>\$ 119,481</u>			<u>\$ 114,376</u>

Details of amortisation charges on intangible assets are as follows:

Year ended December 31,			
	2023		2022
General and administrative expenses	\$ 152	\$	152
Research and development expenses	4,953		4,953
	<u>\$ 5,105</u>	<u>\$</u>	<u>5,105</u>

Technology licensing pertained to that the Company's parent company, ADIMMUNE, transferred its result of 'Technology know-how in the research and development of Enterovirus A71 Vaccine production process' and granted an exclusive right of use to the Company. Enterovirus A71 Vaccine (EnVAX-A71) passed the new drug inspection and registration review by the Taiwan Food and Drug Administration on January 18, 2012.

(9) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 40,000</u>	2.45%	None
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 20,000</u>	2.08% ~ 2.33%	None

Interest expense recognised in profit or loss amounted to \$831 thousand and \$151 thousand for the years ended December 31, 2023 and 2022, respectively.

(10) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2023
Long-term bank borrowings			
- unsecured borrowings			
Chang Hwa Commercial Bank	Borrowing period is from May 28, 2020 to May 28, 2025; credit line is repayable in installments starting from June 2020.	Note	\$ 1,558
Taichung Commercial Bank Company	Borrowing period is from June 1, 2020 to June 1, 2025; credit line is repayable in installments starting from July 2020.	Note	1,557
			3,115
Less: Current portion			(2,131)
			\$ 984
Interest rate range			2.38%~2.68%

Type of borrowings	and repayment term	Collateral	December 31, 2022
Long-term bank borrowings			
- unsecured borrowings			
Chang Hwa Commercial Bank	Borrowing period is from May 28, 2020 to May 28, 2025; credit line is repayable in installments starting from June 2020.	Note	\$ 2,659
Taichung Commercial Bank Company	Borrowing period is from June 1, 2020 to June 1, 2025; credit line is repayable in installments starting from July 2020.	Note	2,561
			5,220
Less: Current portion			(2,106)
			\$ 3,114
Interest rate range			1.75%~2.43%

Note: The borrowing was guaranteed by the Small & Medium Enterprise Credit Guarantee Fund of

Taiwan, and thus had no actual collateral.

(11) Pensions

A. The Company established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under

the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were \$1,862 thousand and \$1,607 thousand, respectively.

(12) Share-based payment

- A. For the years ended December 31, 2023 and 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Vesting period	Vesting conditions	Footnote
Cash capital increase reserved for employee preemption	2022.02.24	240 units	-	Vested immediately	Note 1
Employee stock options for 2022~2032	2022.08.17	2,400 units	10 years	Service vested	Notes 2, 3 and 4

Note 1: There were no subscribed ordinary shares outstanding for the year ended December 31, 2022.

Note 2: After 2 years from the date of grant, subscribers may exercise the options based on the following time table. The option life is 10 years. Except for the regulations specified in the terms, the options cannot be transferred, pledged, donated or disposed in any other method.

The accumulated ratio of exercisable stock option during the granting period of employee stock options is as follows:

Service periods of employees (year)	Vesting ratio
2 year	30%
3 year	60%
4 year	100%

Note 3: Upon receiving the restricted stocks, if employees violate the employment contract, working policy or have other significant defaults, the Company has the right to recover and retire the employee stock options which have no exercise right yet.

Note 4: The above service periods and ratios may be adjusted by the Board of Directors depending on each of the issuance.

- B. Details of the share-based payment arrangements are as follows:

(a) Cash capital increase reserved for employee preemption

There were no such transactions on December 31, 2023.

	2022	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	240	38
Options exercised	(240)	38
Options outstanding at December 31	\$ -	-
Options exercisable at December 31	\$ -	-

(b) 2022~2032 years issuance of the employee stock options certificates

	2023		2022	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	\$ 2,310	\$ 25	\$ 2,400	\$ 25
Options forfeited	(215)	-	(90)	-
Options outstanding at December 31	\$ 2,095	-	\$ 2,310	-
Options exercisable at December 31	\$ -	-	\$ -	-

C. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model or other. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected volatility(%)	Expected life(year)	Expected dividends(%)	Risk-free interest rate(%)	Fair value per unit
Cash capital increase reserved for employee preemption	2022.2.24	33.27	38	47.39%	0.14	-	0.40%	0.8278
Employee share options	2022.8.17	29.02	25	48.85~49.81%	6~7	-	1.1264~1.1450%	14.7931~15.9028

D. The Board of Directors of the Company's parent company during their meeting on June 9, 2022 resolved the incentive plan for senior employees and to set the Company's regulations on repurchasing shares and transferring to employees in according with the Article 28 of the R.O.C. Securities and Exchange Act and the 'Regulations Governing Share Repurchase by

Exchange Listed and OTC-Listed Companies' issued by the Financial Supervisory Commission. In accordance with the regulations on repurchasing shares and transferring to employees of the Company's parent company for the year ended December 31, 2022, the employees of the Company and the employees of the parent company, ADIMMUNE CORPORATION, who joined the Company before the effective date of the subscription or the current employees (including part-time employees and consultants) of the Company and domestic and foreign controlled entities or subsidiaries who have made special contributions to the Company and reported to the chairman for approval, may entitle the subscription qualifications based on the subscription amount specified in Article 5 of the regulations.

E. Expenses incurred on share-based payment transactions are shown below:

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Equity-settled	\$ 3,685	\$ 2,274

(13) Share capital

As of December 31, 2023, the Company's authorised capital was \$1,200,000 thousand, consisting of 120,000 thousand shares of ordinary stock with a par value of \$10 (in dollars) per share. The Board of Directors during their meeting on December 14, 2021 adopted a resolution to increase the Company's capital by issuing 5,800 thousand ordinary shares with a par value of \$10 (in dollars) per share at a premium price of NT\$38 (in dollars) per share, totaling NT\$220,400 thousand (excluding the issuance cost of approximately \$47 thousand). The paid-in capital after the capital increase was NT\$658,000 thousand. The registration for the change of the above capital increase was completed with the regulatory authority on May 17, 2022.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>2023(thousand shares)</u>	<u>2022(thousand shares)</u>
At January 1	\$ 65,800	\$ 60,000
Cash capital increase	-	5,800
At December 31	\$ 65,800	\$ 65,800

(14) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. Details of capital surplus used to offset accumulated deficits are provided in Note 6(15).

(15) Accumulated deficit

A. Under the Company's Articles of Incorporation, if the company has a net profit after tax for the current period in its annual final accounts, it should first make up for the accumulated losses

(including adjusting the amount of undistributed surplus), and set aside 10% as a statutory surplus reserve in accordance with the law. However, this restriction shall not apply when the statutory surplus reserve has reached the Company's total paid-in capital. The remaining earnings, together with the undistributed earnings at the beginning of the period (including adjusting the amount of undistributed surplus), shall be drafted by the board of directors and submitted to the shareholders' meeting to resolve the distribution of dividends to shareholders.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. On March 25, 2022, the Board of Directors resolved to use the capital surplus to offset the deficits of \$17,273 thousand incurred for the year ended December 31, 2021. The aforementioned resolution was approved by the shareholders at their meeting on June 21, 2022.
- D. On March 8, 2023, the Board of Directors resolved to use the capital surplus to offset the deficits of \$168,023 thousand incurred for the year ended December 31, 2022. The aforementioned resolution was approved by the shareholders at their meeting on June 16, 2023.
- E. On March 12, 2024, the Board of Directors resolved not to distribute shareholders' bonus due to the losses incurred for the year ended December 31, 2023. The aforementioned resolution shall be resolved by the shareholders.

(16) Operating revenue

The Company is a single operating segment which is engaged in trading vaccines and testing reagents. The Company derives revenue from the transfer of goods at a point in time in the following major products:

	Year ended December 31, 2023	Year ended December 31, 2022
Testing reagents	\$ 7,225	\$ 172,934
Vaccines	36,262	15,091
Others	7	390
	<u>\$ 43,494</u>	<u>\$ 188,415</u>

(17) Interest income

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income	<u>\$ 1,937</u>	<u>\$ 1,289</u>

(18) Other income

	Year ended December 31, 2023	Year ended December 31, 2022
Grant revenue (Note 1)	\$ 3,701	\$ 4,313
Other income, others (Note 2)	1,462	6,591
	<u>\$ 5,163</u>	<u>\$ 10,904</u>

Note 1: Details of the contract of grant revenue are provided in Note 9.

Note 2: Information on the amount of \$1,429 thousand in 2023 and the amount of \$848 thousand is

2022 are provided in Note 7(3).

(19) Other gains and losses

	Year ended December 31, 2023	Year ended December 31, 2022
Net currency exchange (losses) gains	(\$ 148)	\$ 4,290
Other expenses	(1)	(1)
	<u>(\$ 149)</u>	<u>\$ 4,289</u>

(20) Employee benefit expense, depreciation and amortisation

Nature	Year ended December 31, 2023		
	Operating cost	Operating expense	Total
Employee benefit expense			
Salary expenses	\$ -	\$ 39,741	\$ 39,741
Employee stock options	-	3,685	3,685
Labour and health insurance fees	-	3,479	3,479
Pension costs	-	1,862	1,862
Directors' remuneration	-	2,045	2,045
Other employee benefit expense	-	1,140	1,140
	<u>\$ -</u>	<u>\$ 51,952</u>	<u>\$ 51,952</u>
Depreciation charge	\$ -	\$ 2,645	\$ 2,645
Amortisation charge	<u>\$ -</u>	<u>\$ 5,105</u>	<u>\$ 5,105</u>

Nature	Year ended December 31, 2022		
	Operating cost	Operating expense	Total
Employee benefit expense			
Salary expenses	\$ -	\$ 33,626	\$ 33,626
Employee stock options	-	2,274	2,274
Labour and health insurance fees	-	2,945	2,945
Pension costs	-	1,607	1,607
Directors' remuneration	-	1,905	1,905
Other employee benefit expense	-	1,025	1,025
	<u>\$ -</u>	<u>\$ 43,382</u>	<u>\$ 43,382</u>
Depreciation charge	<u>\$ -</u>	<u>\$ 3,242</u>	<u>\$ 3,242</u>
Amortisation charge	<u>\$ -</u>	<u>\$ 5,105</u>	<u>\$ 5,105</u>

A. In accordance with the Articles of Incorporation of the Company, the Company's annual pre-tax profits before deducting employee remuneration and directors and supervisors' remuneration shall allocate 5% to 10% of employee remuneration as employee remuneration and no more than 5% as employee remuneration. However, if the company still has accumulated losses (including adjusting the amount of undistributed surplus), it should reserve the compensation amount in advance.

The employee remuneration mentioned in the preceding paragraph may be in the form of stocks or cash, and the recipients of the payment may include employees of controlling or affiliated companies who meet the conditions set by the board of directors. The remuneration for directors and supervisors mentioned in the preceding paragraph shall only be paid in cash.

The first two items shall be implemented by the board of directors with resolutions approved by more than two-thirds of the directors present and approved by more than half of the directors present, and reported to the shareholders' meeting.

If the board of directors in the preceding paragraph resolves to pay employees remuneration in the form of stocks, they may make the same resolution to issue new shares or acquire their own shares.

B. No employees' compensation and directors' remuneration were accrued due to the net loss after tax incurred for the years ended December 31, 2023 and 2022. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

C. As of December 31, 2023 and 2022, the Company had approximately 38 and 45 employees, including 5 non-employee directors.

(21) Income tax

A. Reconciliation between income tax benefit and accounting profit

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	(\$ 44,749)	(\$ 49,593)
Expenses disallowed by tax regulation	232	1,052
Temporary differences not recognised as deferred tax assets	10,217	24,814
Tax exempt income by tax regulation	-	-
Loss carryforward not recognised as deferred tax assets	34,300	24,996
Change in assessment of realisation of deferred tax assets	-	(1,269)
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

B. Expiration dates of unused net operating loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Usable until year	Amount filed/ assessed	Unused tax losses of loss carryforward	Unused tax losses of unrecognised deferred tax assets
Year 2014	Year 2024	Amount assessed	\$ 7,211	\$ 7,211
Year 2015	Year 2025	Amount assessed	43,140	43,140
Year 2016	Year 2026	Amount assessed	65,466	65,466
Year 2017	Year 2027	Amount assessed	32,185	32,185
Year 2018	Year 2028	Amount assessed	102,333	102,333
Year 2019	Year 2029	Amount assessed	56,240	56,240
Year 2020	Year 2030	Amount assessed	76,614	76,614
Year 2021	Year 2031	Amount assessed	42,779	42,779
Year 2022	Year 2032	Amount filed	124,997	124,997
Year 2023	Year 2033	Estimated filed amount	171,502	171,381
			<u>\$ 722,467</u>	<u>\$ 722,346</u>

December 31, 2022

Year incurred	Usable until year	Amount filed/ assessed	Unused tax losses of loss carryforward	Unused tax losses of unrecognised deferred tax assets
Year 2014	Year 2024	Amount assessed	\$ 7,211	\$ 7,211
Year 2015	Year 2025	Amount assessed	43,140	43,140
Year 2016	Year 2026	Amount assessed	65,466	65,466
Year 2017	Year 2027	Amount assessed	32,185	32,185
Year 2018	Year 2028	Amount assessed	102,333	102,333
Year 2019	Year 2029	Amount assessed	56,240	56,240
Year 2020	Year 2030	Amount assessed	76,614	76,614
Year 2021	Year 2031	Amount assessed	42,779	42,779
Year 2022	Year 2032	Amount filed	124,997	124,997
			<u>\$ 550,965</u>	<u>\$ 550,965</u>

C. The Company is eligible for research and development investment tax credits under the Statute for Biotech and New Pharmaceuticals Industry. Details are as follows:

December 31, 2023

Year incurred	Qualifying items	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets
Year 2017	Research and development	Amount assessed	\$ 1,954	\$ 1,954
Year 2018	Research and development	Amount assessed	12,073	12,073
Year 2019	Research and development	Amount assessed	7,743	7,743
Year 2020	Research and development	Amount assessed	11,076	11,076
Year 2021	Research and development	Amount assessed	8,358	8,358
Year 2022	Research and development	Amount filed	18,514	18,514
Year 2023	Research and development	Estimated filed amount	18,332	18,332
			<u>\$ 78,050</u>	<u>\$ 78,050</u>

December 31, 2022

Year incurred	Qualifying items	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets
Year 2017	Research and development	Amount assessed	\$ 1,954	\$ 1,954
Year 2018	Research and development	Amount assessed	12,073	12,073
Year 2019	Research and development	Amount assessed	7,743	7,743
Year 2020	Research and development	Amount assessed	11,076	11,076
Year 2021	Research and development	Amount assessed	8,358	8,358
Year 2022	Research and development	Amount filed	18,514	18,514
			<u>\$ 59,718</u>	<u>\$ 59,718</u>

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 176,381	\$ 125,338

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(22) Losses per share

Year ended December 31, 2023			
	Weighted average number of ordinary shares outstanding	Losses per share	
<u>Amount after tax</u>	<u>(share in thousands)</u>	<u>(in dollars)</u>	
<u>Basic and diluted losses per share</u>			
Losses attributable to the parent	(\$ 223,743) 65,800	(\$ 3.40)	
Year ended December 31, 2022			
	Weighted average number of ordinary shares outstanding	Earnings per share	
<u>Amount after tax</u>	<u>(share in thousands)</u>	<u>(in dollars)</u>	
<u>Basic and diluted losses per share</u>			
Losses attributable to the parent	(\$ 247,963) 63,867	(\$ 3.88)	

(23) Changes in liabilities from financing activities

2023				
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Liabilities from financing activities- gross
At January 1	\$ 20,000	\$ 5,220	\$ 4,442	\$ 29,662
Changes in cash flow from financing activities	20,000	(2,105)	(1,863)	16,032
Changes in other non-cash items	-	-	40	40
At December 31	<u>\$ 40,000</u>	<u>\$ 3,115</u>	<u>\$ 2,619</u>	<u>\$ 45,734</u>

Note: including current portion

	2022			
	Short-term borrowings	Long-term borrowings	Lease liabilities (Note)	Liabilities from financing activities-gross
At January 1	\$ -	\$ 7,307	\$ 775	\$ 8,082
Changes in cash flow from financing activities	20,000	(2,087)	(1,864)	16,049
Changes in other non-cash items	-	-	5,531	5,531
At December 31	<u>\$ 20,000</u>	<u>\$ 5,220</u>	<u>\$ 4,442</u>	<u>\$ 29,662</u>

Note: including current portion

7. Related Party Transactions

(1) The parent company

The Company is controlled by the parent company, ADIMMUNE CORPORATION (incorporated in the R.O.C.), which owns 51% of the Company's shares.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
Adimmune Corporation	The parent company
Enimmune-RMT Biotech PTE. LTD.	The subsidiary of the Company

(3) Significant related party transactions

A. Operating revenue:

	Year ended December 31, 2023	Year ended December 31, 2022
Sales of goods:		
The parent company	<u>\$ -</u>	<u>\$ 365</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Net purchases:

Accounts	Category of related party	Year ended December 31, 2023	Year ended December 31, 2022
Purchases	The parent company	<u>\$ 27,016</u>	<u>\$ 18,661</u>

The Company mainly purchases merchandise from the parent company. The transaction prices are calculated and paid based on the agreed prices and the payments are paid within three months after the date of purchase.

C. Other receivables:

	Year ended December 31, 2023	Year ended December 31, 2022
Other receivables		
The parent company	\$ 174	\$ 115
The subsidiary of the Company	<u>503</u>	<u>326</u>
	<u>\$ 677</u>	<u>\$ 441</u>

Other receivables mainly pertains to the revenue from management services, etc. provided by the Company to support the parent company and expenses incurred during the preparation period of the subsidiary.

D. Prepayments:

	December 31, 2023	December 31, 2022
Prepayments		
The parent company	<u>\$ 21,938</u>	<u>\$ 21,938</u>

Prepayments pertains to the advance payments for Enterovirus A71 Vaccine.

E. Accounts payables:

	December 31, 2023	December 31, 2022
Accounts payables		
The parent company	<u>\$ 18,062</u>	<u>\$ -</u>

Accounts payable arise mainly from purchase transactions and are due three months after the purchase date. The accounts payable bear no interest.

F. Other payables:

	December 31, 2023	December 31, 2022
Other payables		
The parent company	<u>\$ 193</u>	<u>\$ 223</u>

Other payables mainly pertains to the rents of offices, administrative service fees, which are paid based on the payment schedule in the agreement. The other payables bear no interest.

G. Management service fees:

	Accounts	Year ended December 31, 2023	Year ended December 31, 2022
	General and		
The parent company	administrative expenses	<u>\$ 1,408</u>	<u>\$ 1,501</u>

It pertained to that the Company commissioned the parent company to manage the Company's administrative management services, including equipment maintenance and administrative expenses, etc. The management service fees are reimbursed based on the actual service hours. The contract period was starting from April 1, 2022 to March 31, 2023, and was renewable on April 1, 2023. The contract period was starting from April 1, 2023 to March 31, 2024, and the contract was terminated in advance on January 1, 2024.

H. Rent expenses:

	Accounts	Year ended December 31, 2023	Year ended December 31, 2022
The parent company	General and administrative expenses	\$ 768	\$ 1,086

It pertained to that the Company entered into a residential lease agreement with the parent company and leased offices in Taichung for business use. Rent expenses were paid \$67 thousand monthly (including tax). The lease term was starting from August 1, 2022 to July 31, 2023, and was renewable on July 1, 2023. The lease term was starting from July 1, 2023 to June 30, 2024.

I. Other income:

	Accounts	Year ended December 31, 2023	Year ended December 31, 2022
The parent company	Other income	\$ 1,429	\$ 848

Other income mainly arises from the management service agreement which the Company entered into with the parent company, consulting services and the clinical development carried out.

(4) Key management compensation

	Year ended December 31, 2023	Year ended December 31, 2022
Short-term employee benefits	\$ 14,282	\$ 10,140
Post-employment benefits	381	224
Share based payments	949	331
	<u>\$ 15,612</u>	<u>\$ 10,695</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Time deposits (shown as current financial assets at amortised cost)	\$ 15,007	\$ 15,007	Performance guarantee
Guarantee deposits paid (shown as other non-current assets)	24,353	24,210	Performance guarantee
	<u>\$ 39,360</u>	<u>\$ 39,217</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

On September 8, 2022, the Company entered into a tri-party agreement with Everhealth Biomedical Materials Co., Ltd. ("Everhealth") and Sam Chun Drug Pham. Co., Ltd. ("SCD company"). Since Everhealth did not pay the Company US\$1,437 thousand for the goods and NT\$10,782 thousand for the management service fee to the Company in accordance with the tri-party agreement, the Company

filed a complaint against Everhealth, requesting Everhealth to pay US\$1,437 thousand for the goods and NT\$10,782 thousand for the management service fee. Additionally, in accordance with the terms

of tri-party agreement, the obligation of the Company for the goods payment to SCD company has not yet occurred until the Company has received the payment from Everhealth. On October 31, 2023,

the civil court division of the Taiwan New Taipei District Court rendered a first-instance decision, affirming that Everhealth shall pay US\$1,437 thousand for the goods and NT\$10,782 thousand for the management service fee with interest at 5% per annum starting from September 18, 2022. On November 28, 2023, Everhealth filed an second-instance appeal for the above lawsuit. As of March 12, 2024, the above lawsuit is still in progress.

(2) Commitments

A. In 2022, the Company entered into an agreement with the Taipei Computer Association to implement the Phase 3 Clinical Testing Program of Enterovirus A71 Vaccine Manufactured from Bioreactors on Healthy Children. The plan period was from March 1, 2022 to February 28, 2025 with a total grant of \$15,007 thousand. The grant income recognised for the year ended December 31, 2022 was \$4,313 thousand and the grants for the year ended December 31, 2022 were received in December 2022. The grant income recognised for the year ended December 31, 2023 was \$3,701 thousand and the grants for the year ended December 31, 2023 were received in December 2023.

The main rights and obligations of the agreement are listed as follows:

- (a) The knowledge, technology, intellectual property rights and other research results obtained from execution of the plan belong to the Company, and the Company is responsible for management and utilisation.
- (b) If the source of the Taipei Computer Association's grant is the Executive Yuan's National Science and Technology Development Fund, the Company's ownership, management, and application of the research results shall be governed by the terms of Executive Yuan's National Science and Technology Development Fund Grant Contract.

B. On May 26, 2019, the company signed a technology licensing contract for the new coronavirus antigen rapid screening test reagent with the National Defense Medical College and the National Institutes of Health, and jointly developed the new coronavirus antigen rapid screening test reagent through the cooperation of the three parties. Apply for sale after passing the Ministry of Health and Welfare's project manufacturing or inspection registration. Details of the technology licensing agreement are as follows:

- (a) Contract period: effective for 20 years from May 26, 2019, as signed by the three parties.
- (b) Restrictions: None.

C. On November 22, 2021, the Company's subsidiary, ENIMMUNE-RMT BIOTECH PTE. LTD., entered into an agreement of COVID-19 vaccine technology know-how licensing with the

Company's parent company, ADIMMUNE CORPORATION, to use the technology know-how for carrying out clinical trials in Southeast Asia and obtained the sales rights in the local after the receipt of drug permit license. Details of the technology licensing agreement are as follows:

- (a) Contract period: effective for 25 years starting from the date when the both parties signed the contract.
- (b) Scope of licensing: the licensed technology is used for clinical trials, drug permit applications, marketing development and sales in Southeast Asia.
- (c) Licensing fees: royalty fees are paid based on the payment milestones agreed in the agreement and the net sales royalties after the products are launched in the future.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors of the Company during their meeting on March 12, 2024 adopted a resolution to increase the Company's capital by issuing 6,250 thousand ordinary shares with a par value of \$10 (in dollars) at a tentative issue price of \$32 (in dollars) per share, and the expected amount to be raised amounting to \$200,000 thousand. The paid-in capital after the capital increase was \$720,500 thousand. The above capital increase is still pending for the approval from the competent authority and the share subscription and the effective date for the share subscription and the capital increase are be set additionally.

12. Others

(1) Capital management

The Company's capital management is based on the industry where the Company is in, industry's future growth and product development to set an appropriate market share, set a corresponding capital expenditure. The management is also based on operating funds calculated based on financial operation plans and consideration of operating profit and cash flow generated by product competitiveness to determine an appropriate capital structure.

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(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 154,603	\$ 177,522
Current financial assets at amortised cost	19,907	107,907
Notes receivable, net	15	620
Accounts receivable, net	11,902	4,598
Other receivables	249	366
Other receivables due from related parties, net	677	441
Guarantee deposits paid (shown as other non-current assets)	24,353	24,210
	<u>\$ 211,706</u>	<u>\$ 315,664</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 40,000	\$ 20,000
Notes payable	-	30
Accounts payable	-	3,970
Accounts payable to related parties	18,062	-
Other accounts payable	32,353	16,522
Other payables to related parties	193	223
Long-term borrowings (including current portion)	3,115	5,220
	<u>\$ 93,723</u>	<u>\$ 45,965</u>
Lease liabilities (including current portion)	<u>\$ 2,619</u>	<u>\$ 4,442</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.
- (b) Company treasury identifies, evaluates and hedges financial risks, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity, in close co-operation with the Company's operating units..

C. Significant financial risks and degrees of financial risks

(a) Market risk

Cash flow and fair value Interest rate risk

- i. The Company's interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow

interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

- ii. At December 31, 2023 and 2022, if the interest rate had been 25 basis point higher/lower, posttax profit would have decreased/increased by \$86 thousand and \$50 thousand.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the financial instruments reclassified as financial assets stated at amortised cost.
- ii. The Company's cash and cash equivalents and financial assets at amortised cost are deposited in financial institutions with optimal credit quality. In order to prevent excessive concentration and to disperse credit risk, the Company manages the deposit ratio in each financial institution, and the credit quality of banks and financial institutions the Company trades with is optimal. According to credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The Company has screened credit quality of trade counterparties, thus, counterparties are all with credit ranking above certain level and the Company expects that credit risk is remote.
- iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition
- iv. The Company classifies customer's accounts receivable by applying the modified approach using a provision matrix to estimate the expected credit loss, taking into consideration the assessment of past default experience of the customer, an analysis of the customer's current financial position, and assessment of general economic conditions. As the Company's historical credit experience does not show significantly different loss patterns for different customer segments, provision matrix has not been further classified based on customer groups. The Company estimates expected credit loss based on the past due date of accounts receivable.
- v. For the years ended December 31, 2023 and 2022, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. The Company has no significant

overdue aging and thus the amount of expected credit loss is small.

vii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2023		2022	
	Accounts receivable	Other receivables	Accounts receivable	Other receivables
At January 1	\$ -	\$ 4,986	\$ 67	\$ -
Provision for impairment	168	-	-	4,986
Reversal of impairment loss	-	-	(67)	-
At December 31	<u>\$ 168</u>	<u>\$ 4,986</u>	<u>\$ -</u>	<u>\$ 4,986</u>

viii. The Company used the forecastability of economic forecasting announced by the Directorate General of Budget, Accounting and Statistics of the Executive Yuan to adjust historical and timely information to assess the default possibility of debt instruments as of December 31, 2023 and 2022, in order to estimate expected credit losses.

(c) Liquidity risk

- i. Company treasury monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at any time to comply with the Company's internal balance sheet ratio targets.
- ii. As of December 31, 2023 and 2022, the Company had undrawn borrowing facilities amounting to \$60,000 thousand and \$80,000 thousand, respectively.
- iii. The analysis of the Company's non-derivative financial liabilities based on the remaining period between the balance sheet date and the contractual maturity date are as follows:

Non-derivative financial liabilities

December 31, 2023	Between 3 months and 1 year		Between 1 and 3 years		Over 3 years	Total
	Less than 3 months					
Short-term borrowings	\$ 244	\$ 40,227	\$ -	\$ -	\$ -	\$ 40,471
Accounts payable- related parties	18,062	-	-	-	-	18,062
Other payables	32,353	-	-	-	-	32,353
Other accounts payable- related parties	193	-	-	-	-	193
Long-term borrowings (Note)	539	1,634	989	-	-	3,162
Lease liability (Note)	466	1,398	777	-	-	2,641
Note: including current portion						

December 31, 2022	Between				Total
	Less than 3 months	3 months and 1 year	Between 1 and 3 years	Over 3 years	
Short-term borrowings	\$ 115	\$ 20,190	\$ -	\$ -	\$ 20,305
Notes payable	30	-	-	-	30
Accounts payable	3,970	-	-	-	3,970
Other payables	16,522	-	-	-	16,522
Other accounts payable- related parties	223	-	-	-	223
Long-term borrowings (Note)	554	1,655	3,172	-	5,381
Lease liability (Note)	466	1,398	2,640	-	4,504
Note: including current portion					

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 1.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 2.

(3) Information on investments in Mainland China

- A. Basic information: None.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Segment Information

(1) General information

The Company operates business only in a single industry. The Company's Board of Directors, who

allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Information on products and services

Revenue from external customers is mainly from trading vaccines and testing reagents, etc. Details of revenue are as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Testing reagents	\$ 7,225	\$ 172,934
Vaccines	36,262	15,091
Others	7	390
	<u>\$ 43,494</u>	<u>\$ 188,415</u>

(3) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 43,494	\$ 115,147	\$ 187,499	\$ 122,896
Hong Kong	-	-	916	-
Japan	-	-	-	-
Singapore	-	-	-	-
	<u>\$ 43,494</u>	<u>\$ 115,147</u>	<u>\$ 188,415</u>	<u>\$ 122,896</u>

The Company's geographic revenue is calculated based on countries where sales incur. Non-current assets included property, plant and equipment, right-of-use assets, intangible assets and other noncurrent assets, excluding financial instruments, guarantee deposits paid and deferred tax assets.

(4) Major customer information

Major customer information of the Company for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
Customer A	\$ 36,221	83%	\$ 15,202	8%
Customer B	3,503	8%	11,837	6%
Customer C	-	0%	103,500	55%
	<u>\$ 39,724</u>	<u>91%</u>	<u>\$ 130,539</u>	<u>69%</u>

ENIMMUNE CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

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

Statement 1

Item	Description	Amount
Demand deposits	New Taiwan Dollar	\$ 88,257
Foreign currency deposits	GBP 2 thousand at exchange rate of 39.49	
	USD 37 thousand at exchange rate of 30.68	
	SGD 6 thousand at exchange rate of 23.20	1,346
Checking accounts		-
Time deposits	interest rate : 1.160%~1.165%	65,000
		<u>\$ 154,603</u>

ENIMMUNE CORPORATION
STATEMENT OF ACCOUNTS AND NOTES RECEIVABLE, NET
DECEMBER 31, 2023

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

Statement 2

Client Name	Description	Amount	Note
Notes Receivable		\$ 12	
A Company		3	
Others		15	
Accounts receivable			
B Company		\$ 11,907	
Others		163	
		12,070	
Less: Allowance for uncollectible accounts		(168)	
		<u>\$ 11,902</u>	

ENIMMUNE CORPORATION
STATEMENT OF INVENTORIES
DECEMBER 31, 2023

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

Statement 3

Item	Amount		Determination of Net	
	Cost	Net Realizable Value	Realisable Value	Collateral
Raw materials	\$ 5,840	\$ -	Replacement cost	Note
Finished goods	29,049	-	Net Realisable Value	Note
Merchandises	15,701	36,118	Net Realisable Value	Note
	50,590	<u>\$ 36,118</u>		
Less: Allowance for inventory valuation losses and obsolescence loss	(34,889)			
	<u>\$ 15,701</u>			

ENIMMUNE CORPORATION
STATEMENT OF PREPAYMENTS
DECEMBER 31, 2023

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

Statement 4

<u>Item</u>	<u>Amount</u>
Please refer to Note 6(5) for related information.	

ENIMMUNE CORPORATION
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Ending Balance</u>
Please refer to Note 6(7) for related information.					

ENIMMUNE CORPORATION
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND
EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending Balance</u>
Please refer to Note 6(7) for related information.				

ENIMMUNE CORPORATION
STATEMENT OF CHANGES IN INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Beginning Balance	Addition	Decrease	Ending Balance	Note
Please refer to Note 6(8) for related information.					

ENIMMUNE CORPORATION
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023

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

Statement 8

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
First Bank	Unsecured borrowings	\$ 20,000	2023.04.17~ 2024.04.17	2.45%	Note	
First Bank	Unsecured borrowings	20,000	2023.07.28~ 2024.07.28	2.45%	Note	
First Bank	Unsecured borrowings	10,000	2023.09.28~ 2024.09.27	2.45%	Note	

ENIMMUNE CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023

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

Statement 9

<u>Creditor</u>	<u>Description</u>	<u>Amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>Note</u>
Chang Hwa Bank	Unsecured borrowings	\$ 1,558	2020.05.28 ~ 2025.05.28	2.38%~2.50%	Note	
Taichung Commercial Bank	Unsecured borrowings	1,557	2020.06.01~ 2025.06.01	2.46%~2.68%	Note	
		3,115				
Less: Current portion		(2,131)				
		<u>\$ 984</u>				

Note: The borrowing was guaranteed by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan, and thus had no actual collateral.

ENIMMUNE CORPORATION
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Statement 10

<u>Item</u>	<u>Unit</u>	<u>Volume</u>	<u>Amount</u>
AimFlu-S(QIS)	Dose	5,622	\$ 2,046
Tetanus vaccine adsorbed suspension for injection (TTA)	Dose	196,051	15,356
Testing reagent	Box	107,005	7,240
Enteroviral vaccine (EVVA01)	Dose	8,070	18,956
Others		-	7
Less: Sales returns and discounts			(111)
Operating revenue, net			<u>\$ 43,494</u>

ENIMMUNE CORPORATION
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Statement 11

Item	Amount
Beginning merchandises	\$ 17,849
Add: Purchase for the year	27,016
Merchandises scrapped	(9,708)
Less: Ending merchandises	(15,701)
Transfers to expenses	(868)
Purchasing and selling costs	18,588
Beginning raw materials	13,413
Add: Raw materials purchased	133
Less: Ending raw materials	(5,840)
Raw materials scrapped	(161)
Transfers to expenses	(408)
Consumption of raw materials for the year	7,137
Outsourcing processing fee	5,634
Royalty cost	198
Manufacturing cost	12,969
Add: Beginning semi-finished goods	5,465
Semi-finished goods purchased	2,604
Less: Ending semi-finished goods	-
Semi-finished goods scrapped	(19)
Transfers to expenses	(18)
Cost of finished goods	21,001
Add: Beginning finished goods	24,367
Less: Ending finished goods	(29,049)
Transfers to expenses	(12,200)
Manufacturing and selling costs	4,119
Inventory scrapping	9,888
Loss on decline in market value and obsolete and slow-moving inventories	34,272
Total operating cost	\$ 66,867

ENIMMUNE CORPORATION
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Statement 12

Item	Description	Amount	Note
Wages and salaries		\$ 4,871	
Commission expense		4,294	
Advertisement expense		14,408	
			None of the balance of each amount is greater than 5% of this account balance
Other expenses		5,128	
		<u>\$ 28,701</u>	

ENIMMUNE CORPORATION
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Statement 13

Item	Description	Amount	Note
Wages and salaries		\$ 21,337	
Cost of services		7,218	
Advertisement expense		5,447	
Management service fee		1,408	
			None of the balance
			of each amount is
			greater than 5% of
Other expenses		15,628	this account balance
		<u>\$ 51,038</u>	

ENIMMUNE CORPORATION
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Statement 14

Item	Description	Amount	Note
Clinical trials cost		\$ 75,251	
Wages and salaries		19,263	
Amortisation		4,953	
			None of the balance of each amount is greater than 5% of this account balance
Other expenses		9,923	
		<u>\$ 109,390</u>	

ENIMMUNE CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION,
DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Statement 15

Year ended December 31, 2023				Year ended December 31, 2022			
Classified as		Classified as	Total	Classified as		Classified as	Total
Nature	Operating Costs	Operating Expenses		Nature	Operating Costs	Operating Expenses	

Please refer to Note 6(22) for related information.

ENIMMUNE CORPORATION

Significant inter-company transactions during the reporting periods
For the year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms		
0	ENIMMUNE CORPORATION	Adimmune Corporation	2	Prepayments	21,938	In accordance with contrual terms		3.63
0	ENIMMUNE CORPORATION	Adimmune Corporation	2	Net purchases	27,016	Net 60 end of the month		4.47
0	ENIMMUNE CORPORATION	Adimmune Corporation	2	Accounts payable	18,062	Net 60 end of the month		2.99
1	Adimmune Corporation	Adimmune Corporation	2	Other payables	76,400	In accordance with contrual terms		12.63

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: : Only disclose transactions that amounting over 1% of total assets.

ENIMMUNE CORPORATION

Information on investees

For the year ended December 31, 2023

Table 2

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income(loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Expressed in thousands of NTD (Except as otherwise indicated)
				Balance 2023	Balance 2022	Number of shares	Ownership (%)	Book value			
ENIMMUNE CORPORATION	Enimmune-RMT Biotech PTE. LTD.	Singapore	Biotechnology industry	\$ 162,910	\$ 162,910	55,000,000	55.00	\$ 19,113	\$ 30,995	\$ 17,047	Footnote Note 1

Note 1: It is a subsidiary of the Company.

Appendix II. 2023 Affiliation Report Declaration

ENIMMUNE CORPORATION AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year 2023 (from January 1 to December 31, 2023) 2023, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” and There is no material discrepancy between the information disclosed and the relevant information disclosed in the notes to the financial reports for the previous period

Hereby declare,

ENIMMUNE CORPORATION

Liu, Chung-Cheng

March 12, 2024

ENIMMUNE CORPORATION
Consolidated Business Reports and Consolidated Financial Statements
2023

I.Affiliated Companies Conditions

Unit : shares;%

Parent company	the reason that affiliation is presumed	details of shareholding and pledges			Information of the directors, supervisors, and presidents Of parent company	
		Number of shares	Shareholding	Pledge of Shares	Title	Name
ADIMMUNE Corporation	holds a 51% equity interest in the Company as of December 31, 2023	33,558,000	51%	0	President Director Director	Liu, Chung-Cheng Pan, Fe Chiu, Chin-I

II.business transactions

(1) Purchase (sale) of goods :

Unit: NTD thousands;%

business transactions				Transaction terms and conditions		Ordinary transaction terms and conditions		Reasons for deviations	Period-end balances of accounts receivable (payable) and notes receivable (payable)		Bad debt			Note
Purchase (sale) of goods	Amount	Ratio of total purchase (sale)	Gross Profit	Unit price (NTD)	Credit period	Unit price (NTD)	Credit period		Period-end balances of accounts receivable (payable)	Ratio of total receivable (payable)	Amount	Treatment adopted	Amount of bad debt	
Purchase	27,016	93%	11,315	(Note)				There is no material deviation	18,062	100%	-	-	-	

Note : The products purchased by our company from Adimmune corporation are priced according to general commercial terms, and the payment terms are determined according to the agreement between the two parties. The payment terms are monthly settlement of 60 days.

(2) Property transactions : None °

(3) Financing : None °

(4) Asset leasing :

Unit: NTD thousands

Type of transaction (rent or lease)	Object leased		Lease period	Nature of the leasing	Which the leasing price was determined	Collection (payment) method	Comparison leasing price levels	Total leasing price for the current period	Collection/payment status	Other special stipulations
	Name	Location								
Lease	Office	Taichung	1 year	Operational leasing	According to market conditions	Monthly payment	There is no material deviation	768	Normal	None

(五) Other significant business transactions : None °

III.Information regarding financing, endorsements, and guarantees : None °

IV.Oher matters with a significant effect on their finances and business : None °

ENIMMUNE CORPORATION

Liu, Chung-Cheng

March 12, 2024



Enimmune corporation

Chairman: Liu, Chung-Cheng

