ADIMMUNE 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.

ADIMMUNE CORPORATION

DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITORS' REPORT

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ADIMMUNE CORPORATION AND SUBSIDIARIES

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 Affiliates Enterprises," the entities that are required to be included in the consolidated financial statements of affiliates, are the same as the entities required to be included in the consolidated financial statements under International Financial Reporting Standard No.10. In addition, information required to be disclosed in the consolidated financial statements of affiliates is included in the aforementioned consolidated financial statements. Accordingly, it is not required to prepare a separate set of consolidated financial statements of affiliates.

Hereby declare,

Chi Steve Chan
Chairman
ADIMMUNE CORPORATION AND SUBSIDIARIES

March 15, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Adimmune Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Adimmune Corporation and its 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 significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 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.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with 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 judgement, 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:

Accuracy of sales revenue recognition

Description

For a description of the accounting policy on revenue recognition, please refer to Note 4(27). For a description of operating revenue, please refer to Note 6(18). The Group is engaged in the manufacture and distribution of vaccines. The export sales revenue accounted for 53% of the consolidated operating revenue for the year ended December 31, 2023. In terms of the trading conditions of certain export sales revenue, control over the goods is transferred when the goods are delivered to the forwarders designated by the customers. Considering the revenue recognition from export sales was material to the financial statements and involved manual control, we consider the accuracy of sales revenue recognition as a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding on and assessed the operating procedures and internal control of sales transactions to assess the effectiveness of the management’s control over sales revenue recognition.

2. Performed testing of export sales revenue and inspected relevant receipt documents and invoices of the cargo logistics agent to ascertain the accuracy of the revenue recognition from export sales.
3. Performed testing of significant export sales returns to ascertain the accuracy of the revenue recognition from export sales.

Assessment of allowance for inventory valuation losses

Description

For a description of the accounting policy on inventories, please refer to Note 4(12). For accounting estimates and assumption uncertainty in relation to the evaluation of inventories, please refer to Note 5(2). For a description of allowance for inventory valuation and obsolescence losses, please refer to Note 6(4). As of December 31, 2023, the cost of Group's inventories and allowance for inventory valuation losses amounted to NT$849,553 thousand and NT$323,147 thousand, respectively.

The Group is primarily engaged in the development, manufacturing and distribution of vaccines. The production time of vaccine is normally longer than in other industries, and the effectiveness of the vaccine is considered in the estimation of inventory valuation. The Group's inventories, which are over the specific inventory aging or identified as having value impairment, were measured at the lower of cost and net realisable value based on the Group's inventory valuation policy, and the Group's determination of net realisable value for inventories involves management's judgement. Considering the Group's inventories and the allowance for inventory valuation losses were both material to the financial statements, we determined the assessment of the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

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

1. Assessed the reasonableness of provision policies on allowance for inventory valuation losses and procedures based on our understanding of the Group's operation and industry.
2. Inspected the annual count inventory plan and observed the annual physical inventory count in order to assess how management controls aging inventory.
3. Obtained the valuation sheet of the lower of cost and net realisable value which was compiled by management, randomly checked selected individual inventory against sales documents and records, and checked the calculation accuracy of the sheet to assess the validity of net realisable value and the reasonableness of allowance for inventory valuation losses.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Adimmune 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 audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's 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 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 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 maintain 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Hsu, Chien-Yeh	Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 15, 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.

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

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,457,501	26	$ 2,857,083	31
1136	Financial assets at amortised cost - current	6(2) and 8	27,507	-	115,507	1
1150	Notes receivable, net	6(3)	15	-	620	-
1170	Accounts receivable, net	6(3)	1,308,076	14	534,349	6
130X	Inventories	6(4)	526,406	6	659,327	7
1410	Prepayments	6(5)	282,061	3	297,411	3
1470	Other current assets	8	97,761	1	27,038	1
11XX	**Current Assets**		4,699,327	50	4,491,335	49
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	105,860	1	100,251	1
1535	Financial assets at amortised cost - non-current	6(2) and 8	4,059	-	3,596	-
1560	Non-current contract assets	6(18)	334,933	4	326,656	4
1600	Property, plant and equipment	6(7) and 8	3,544,326	37	3,556,326	39
1755	Right-of-use assets		68,353	1	84,791	1
1760	Investment property, net		23,252	-	23,252	-
1780	Intangible assets	6(8)	70,465	1	93,293	1
1840	Deferred income tax assets	6(24)	227,602	2	227,590	2
1900	Other non-current assets	6(9) and 8	406,261	4	241,441	3
15XX	**Non-current assets**		4,785,111	50	4,657,196	51
1XXX	**Total assets**		$ 9,484,438	100	$ 9,148,531	100

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ADIMMUNE 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 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	$ 540,000	6	$ 20,000	-
2130	Current contract liabilities	6(18)	21,812	-	11,110	-
2150	Notes payable		-	-	30	-
2170	Accounts payable		42,351	-	48,813	1
2200	Other payables	6(11)	254,029	3	262,542	3
2280	Current lease liabilities		14,710	-	16,676	-
2320	Long-term liabilities, current portion	6(12)	669,931	7	125,006	1
2399	Other current liabilities, others	6(3)	244,113	3	16,309	-
21XX	**Current Liabilities**		1,786,946	19	500,486	5
	Non-current liabilities					
2540	Long-term borrowings	6(12)	1,869,284	20	2,039,214	22
2580	Non-current lease liabilities		48,705	-	61,654	1
2600	Other non-current liabilities	6(13)	1,937	-	2,351	-
25XX	**Non-current liabilities**		1,919,926	20	2,103,219	23
2XXX	**Total Liabilities**		3,706,872	39	2,603,705	28
	Equity					
	Share capital	6(15)				
3110	Share capital - common stock		4,295,078	45	4,295,078	47
	Capital surplus	6(16)				
3200	Capital surplus		835,406	9	849,049	9
	Retained earnings	6(17)				
3310	Legal reserve		145,781	2	116,539	1
3350	Unappropriated retained earnings		451,830	5	1,121,010	12
	Other equity interest					
3400	Other equity interest		38,943	-	34,623	1
3500	Treasury shares	6(15)	(292,538)	(3)	(292,538)	(3)
31XX	**Equity attributable to owners of the parent**		5,474,500	58	6,123,761	67
36XX	Non-controlling interest		303,066	3	421,065	5
3XXX	**Total equity**		5,777,566	61	6,544,826	72
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 9,484,438	100	$ 9,148,531	100

ADIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except (losses) earnings per share amount)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18)	$ 1,785,094	100	$ 2,251,624	100
5000	Operating costs	6(4)(8)(22)	(1,374,159)	(77)	(1,360,542)	(61)
5900	Net operating margin		410,935	23	891,082	39
	Operating expenses	6(8)(22)				
6100	Selling expenses		(129,632)	(7)	(150,791)	(7)
6200	General and administrative expenses		(313,240)	(17)	(295,318)	(13)
6300	Research and development expenses		(296,934)	(17)	(346,420)	(15)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(393,876)	(22)	(4,986)	-
6000	Total operating expenses		(1,133,682)	(63)	(797,515)	(35)
6900	Operating (loss) profit		(722,747)	(40)	93,567	4
	Non-operating income and expenses					
7100	Interest income	6(19)	18,222	1	6,911	1
7010	Other income	6(20)	22,683	1	27,045	1
7020	Other gains and losses	6(21)	(54,711)	(3)	51,285	2
7050	Finance costs	6(23)	(33,426)	(2)	(22,592)	(1)
7000	Total non-operating income and expenses		(47,232)	(3)	62,649	3
7900	**Profit (loss) before income tax**		(769,979)	(43)	156,216	7
7950	Income tax expense	6(24)	-	-	(10,000)	-
8200	**Profit (loss) for the period**		($ 769,979)	(43)	$ 146,216	7

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ADIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except (losses) earnings per share amount)

	Items	Notes	Year ended December 31 2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive (loss) income, before tax, actuarial gain on defined benefit plans	6(13)	($ 59)	-	$ 2,172	-
8316	Unrealized loss on valuation of equity instruments at fair value through profit or loss	6(6)	5,609	-	(19,086)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	12	-	(435)	-
8310	Components of other comprehensive loss that will be reclassified to profit or loss		5,562	-	(17,349)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		34	-	(4,836)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		34	-	(4,836)	-
8300	**Other comprehensive income (loss) for the period**		$ 5,596	-	($ 22,185)	(1)
8500	**Total comprehensive (loss) income for the period**		($ 764,383)	(43)	$ 124,031	6
	Profit (loss), attributable to:					
8610	Owners of the parent		($ 639,891)	(36)	$ 290,975	14
8620	Non-controlling interest		(130,088)	(7)	(144,759)	(7)
	Total		($ 769,979)	(43)	$ 146,216	7
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		($ 635,618)	(36)	$ 273,548	13
8720	Non-controlling interest		(128,765)	(7)	(149,517)	(7)
	Total		($ 764,383)	(43)	$ 124,031	6
	Basic (losses) earnings per share	6(25)				
9750	Total basic (losses) earnings per share		($ 1.52)		$ 0.68	
	Diluted (losses) earnings per share	6(25)				
9850	Diluted (losses) earnings per share		($ 1.52)		$ 0.68	

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

		Equity attributable to owners of the parent										
			Capital Reserves		Retained Earnings		Other equity interest					
	Notes	Share capital - common stock	Additional paid-in capital	Employee stock warrants	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
2022												
Balance at January 1, 2022		$4,295,078	$ 817,861	$ 37,259	$ 112,287	$ 832,550	$ -	$ 53,787	$ -	$6,148,822	$ 283,720	$6,432,542
Net profit (loss)		-	-	-	-	290,975	-	-	-	290,975	(144,759)	146,216
Other comprehensive income (loss) for the year	6(6)	-	-	-	-	1,737	(78)	(19,086)	-	(17,427)	(4,758)	(22,185)
Total comprehensive income		-	-	-	-	292,712	(78)	(19,086)	-	273,548	(149,517)	124,031
Appropriation and distribution of 2021 earnings												
Legal reserves		-	-	-	4,252	(4,252)	-	-	-	-	-	-
Share-based payments	6(14)	-	-	11,193	-	-	-	-	-	11,193	4,820	16,013
Stock repurchase		-	-	-	-	-	-	-	(292,538)	(292,538)	-	(292,538)
Non-controlling interest	6(26)	-	-	-	-	-	-	-	-	-	282,042	282,042
Capital surplus cover accumulated deficits		-	-	(17,264)	-	-	-	-	-	(17,264)	-	(17,264)
Balance at December 31, 2022		$4,295,078	$ 817,861	$ 31,188	$ 116,539	$1,121,010	($ 78)	$ 34,701	($ 292,538)	$6,123,761	$ 421,065	$6,544,826
2023												
Balance at January 1, 2023		$4,295,078	$ 817,861	$ 31,188	$ 116,539	$1,121,010	($ 78)	$ 34,701	($ 292,538)	$6,123,761	$ 421,065	$6,544,826
Net loss for the period		-	-	-	-	(639,891)	-	-	-	(639,891)	(130,088)	(769,979)
Other comprehensive income (loss) for the period	6(6)	-	-	-	-	(47)	(1,289)	5,609	-	4,273	1,323	5,596
Total comprehensive income (loss)		-	-	-	-	(639,938)	(1,289)	5,609	-	(635,618)	(128,765)	(764,383)
Appropriation and distribution of 2022 earnings												
Legal reserve	6(17)	-	-	-	29,242	(29,242)	-	-	-	-	-	-
Share-based payments	6(14)	-	-	3,621	-	-	-	-	-	3,621	10,766	14,387
Capital surplus cover accumulated deficits		-	-	(17,264)	-	-	-	-	-	(17,264)	-	(17,264)
Balance at December 31, 2023		$4,295,078	$ 817,861	$ 17,545	$ 145,781	$ 451,830	($ 1,367)	$ 40,310	($ 292,538)	$5,474,500	$ 303,066	$5,777,566

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 769,979)	$ 156,216
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets)	6(22)	199,347	234,237
Amortisation	6(22)	24,778	25,079
Expected credit loss	12(2)	393,876	4,919
Gain from lease modification	6(21)	(263)	-
Interest expense	6(23)	33,426	22,592
Interest income	6(19)	(18,222)	(6,912)
Dividend income	6(20)	(7,982)	(7,982)
Share-based payments	6(14)	21,617	16,013
Gain on disposal of property, plant and equipment	6(21)	36	(7)
Unrealised foreign exchange gain		-	(958)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		605	(620)
Accounts receivable, net		(1,167,603)	(434,644)
Inventories		132,921	(153,449)
Prepayments		15,350	(23,609)
Other current assets		(3,599)	(5,657)
Contract assets		(8,277)	(189,283)
Changes in operating liabilities			
Notes payable		(30)	30
Contract liabilities - current		10,702	(12,334)
Accounts payable, net		(6,462)	43,196
Other payables		35,020	45,773
Other current liabilities		227,804	1,249
Net defined benefit liabilities - non-current		(476)	(868)
Other non-current liabilities		274	447
Cash outflow generated from operations		(887,137)	(286,572)
Interest received		18,021	6,858
Interest paid		(31,215)	(20,233)
Dividends received		7,982	7,982
Net cash flows used in operating activities		(892,349)	(291,965)

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost-current		$ 88,000	$ 123,493
Decrease in financial assets at amortised cost- non-current		(463)	(1,610)
Acquisition of property, plant and equipment	6(27)	(220,414)	(341,058)
Proceeds from disposal of property, plant and equipment		7	7
Increase in prepaid equipment		(157,385)	(78,380)
Decrease in refundable deposits		(75,265)	(24,331)
Acquisition of intangible assests	6(8)	(1,043)	(187)
Net cash flows used in investing activities		(366,563)	(322,066)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(28)	520,000	20,000
Proceeds from long-term borrowings	6(28)	544,900	898,000
Repayment from long-term borrowings	6(28)	(169,905)	(41,087)
Decrease in guarantee deposits received	6(28)	-	(3,000)
Exercise of employee share options		(17,264)	(17,264)
Repayment of principal portion of lease liabilities	6(28)	(18,435)	(22,959)
Changes in non-controlling	6(26)	-	282,042
Stocks repurchased	6(15)	-	(292,538)
Net cash flows from financing activities		859,296	823,194
Effect of exchange rate changes on cash and cash equivalents		34	(4,097)
Net (decrease) increase in cash and cash equivalents		(399,582)	205,066
Cash and cash equivalents at beginning of year	6(1)	2,857,083	2,652,017
Cash and cash equivalents at end of year	6(1)	$ 2,457,501	$ 2,857,083

ADIMMUNE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED 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 ORGANISATION

Adimmune Co., Ltd. (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.) in 1965. The Company and its subsidiary (collectively referred herein as the "Group") are primarily engaged in the development, manufacture and distribution of vaccines and other biological products. The Company's shares were approved to be traded in the Taiwan Stock Exchange starting from May 3, 2012.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 13, 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 the 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 IFRSs 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
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

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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. Subsidiary included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2023	December 31, 2022	Footnote
Adimmune Corporation	Enimmune Corporation	Biotechnology industry	51	51	
Adimmune Corporation	Global Commonwealth Life Science (Holdings) Limited	General investment	100	100	
Adimmune Corporation	ADIMMUNE B.V.	General investment	100	100	
Adimmune Corporation	Eggs Corporation	Animal husbandry	100	100	
Adimmune Corporation	Adimmune Co., Ltd. Nanjing, China	Trading	100	100	
Eggs Corporation	Animmune Corporation	Biotechnology industry	51.22	51.22	
Enimmune Corporation	ENIMMUNE-RMT BIOTECH PTE. LTD.	Biotechnology industry	55	55	Note

Note:

1. For the operational needs and future development, on November 5, 2021, the Board of Directors of the Group’s subsidiary, Enimmune Corporation (“Enimmune”), resolved to jointly establish a company, Enimmune Biotech Pte. Ltd. (referred to herein as the “EB” company), in Singapore with a Singaporean company, Aios Biotech Pte. Ltd., the investment amounted to US$5,500 thousand and Enimmune acquired 55% of the outstanding shares of the company. The registration process of Enimmune Biotech Pte. Ltd. in Singapore was completed in June 2022, and the Group’s consolidated financial statements included Enimmune Biotech Pte. Ltd. while Enimmune completed the capital injection on June 10, 2022.
2. On September 30, 2022, the Board of Directors of EB company resolved to transfer 45% equity interests to Reliance Medical Technology (referred to herein as “RMT”) to participate in the joint ventures. On October 28, 2022, EB company received US$4.5 million for shares proceeds from RMT and RMT acquired 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 with the Accounting and Corporate Regulatory Authority Singapore. After the cooperation between the Company and RMT company, there were differences in theoperation 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: None.

(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 New Taiwan Dollars, which is the Company's functional and the Group's presentation currency. The policies regarding foreign currency transactions and balances are as follows:

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 retranslated 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.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are retranslated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

(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 fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) 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.

(9) Notes and accounts receivable

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

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

(10) 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.

(11) Derecognition of financial assets

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

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) 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:

Buildings and structures 10 ~ 56 years

Machinery and equipment 2 ~ 29 years

Transportation equipment 2 ~ 10 years

Other equipment 1 ~ 28 years

(14) 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 comprised of 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; and

(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.

(15) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. The land classified as investment property is not depreciated.

(16) Intangible assets

A. Authorization techniques

Authorization techniques are mainly technology know-how related to the manufacturing of influenza vaccines. Authorization techniques are stated at cost and amortised on a straight-line basis over its estimated useful life of 16 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 20 years. C. Internally generated intangible assets—research and development expenditures

(a) Research expenditures are recognised as an expense as incurred.

(b) Development expenditures that do not meet the following criteria are recognised as expenses as incurred, but are recognised as intangible assets when the following criteria are met:

i. It is technically feasible to complete the intangible asset so that it will be available for use or sale;

ii. An entity intends to complete the intangible asset and use or sell it;

iii. An entity has the ability to use or sell the intangible asset;

iv. It can be demonstrated how the intangible asset will generate probable future economic benefits;

v. Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and

vi. The expenditure attributable to the intangible asset during its development can be reliably measured.

(c) Upon being available for use, internally generated intangible assets are amortised on a straight-line basis over their estimated useful life of 10 to 16 years.

(17) 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. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-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.

(19) Notes and accounts payable

A. Notes 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.

(20) 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.

(21) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(22) 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

(a) Defined contribution plans

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.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of the currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation 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.

(23) 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 nonvesting conditions. Compensation cost is subject to adjustment based on the serv ice 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.

(24) 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 Group operates 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 provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. 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 income tax assets are reassessed.

E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(25) Share capital

A. 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.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. Sales of goods:

(a) The Group manufactures and sells vaccine related products. Sales are recognised when control of the products has been 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) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

(c) 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.

(d) Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period.

B. Filling service

The Group provides vaccine filling services. Revenue from providing service is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the filled amounts relative to the total amounts of vaccine needed to be filled. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

C. Sales of services

(a) The Group provides contract testing and development services for biopharmaceuticals. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual hours spent relative to the total expected hours. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) The Group's estimate about revenue, labour hours and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or labour hours due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(28) 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.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated 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:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The production time of vaccine is normally longer than other industries and the effectiveness of vaccine is considered in the estimate of inventory valuation. The Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation. As of December 31, 2023, the carrying amounts of inventories was $526,406 thousand.

B. Revenue recognition from sales of goods

The Company estimates sales discounts and allowances refund liabilities for sales discounts and allowances based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognised. The Company reassesses the reasonableness of estimates of discounts and returns periodically.

As of December 31, 2023, the Company recognised $238,338 thousand of refund liabilities for sales discounts and allowances (shown as other current liabilities, others).

C. Services revenue recognition

(a) Services revenue is recognised under the percentage-of-completion method. The Group establishes the significant assumptions for the estimation of future total labour hours based on the historical operating experience, and regularly reviews and assesses the reasonableness of relevant assumptions.

(b) For the year ended December 31, 2023, the Group's services revenue amounted to $8,277 thousand.

(3) Reasons and effects of changes in accounting estimates

The estimated useful lives of property, plant and equipment are reviewed at each balance sheet date. In order to truly reflect the actual use of main assets and truly report the Company's financial position, operating performance and changes in the Company's financial position, the Group extended the useful lives of certain production equipment to manufacture influenza vaccines, which were changed from 5 to 20 years to 7 to 28 years starting from January 1, 2023. The change in accounting estimate is expected to affect depreciation expense for the year ended December 31, 2023 and for the future years as follows:

	2023	2024	2025	2026	following years
Increase (decrease) in depreciation	($ 54,598)	($ 53,105)	($ 46,076)	($ 35,236)	$ 189,015

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 1,328	$ 1,249
Checking accounts and demand deposits	1,965,845	2,520,834
Time deposits	490,328	335,000
	$ 2,457,501	$ 2,857,083

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, and therefore, it expects that the probability of counterparty default is remote.

B. The Group classified time deposits with original maturities of more than three months that do not meet the definition of cash equivalent as 'financial assets at amortised cost - current'. Please refer to Note 6(2) for details.

C. The Group classified the pledged time deposits as 'financial assets at amortised cost'. Please refer to Notes 6(2) and 8 for details.

(2) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits with maturities of more than three months and not satisfy short-term cash flows commitments	$ 12,500	$ 100,500
Pledged time deposits	15,007	15,007
	$ 27,507	$ 115,507
Non-current items:		
Reserve accounts for syndicated loans	$ 4,059	$ 3,596

A. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

B. 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 deposit are financial institutions with high credit quality, so the Group 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	-	-
	$ 15	$ 620
Accounts receivable	$ 1,701,952	$ 534,349
Less: Allowance for uncollectible accounts	(393,876)	-
	$ 1,308,076	$ 534,349

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	$ 1,308,244	$ 15	$ 534,349	$ 620
Over 181 days	393,708	-	-	-
	$ 1,701,952	$ 15	$ 534,349	$ 620

The above ageing analysis is based on past due date.

B. As at December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables from contracts with customers amounted to $ 1,701,967 thousand, $534,969 thousand and $99,705 thousand, respectively.

C. The Group 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 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 $ 1,308,076 thousand and $534,349 thousand, respectively.

E. The Group recognised $238,338 thousand of refund liabilities for sales discounts and allowances that were expected to occur (shown as other current liabilities, others) as there was discrimination after the sales of goods between the Group's certain accounts receivable on December 31, 2023 and the customer's judgement based on the commercial conditions.

F. 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	$ 155,104	($ 16,979)	$ 138,125
Work in process	593,271	(252,124)	341,147
Finished goods	100,383	(54,036)	46,347
Merchandise	795	(8)	787
	$ 849,553	($ 323,147)	$ 526,406

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 191,559	($ 10,349)	$ 181,210
Work in process	571,746	(204,323)	367,423
Finished goods	147,976	(49,378)	98,598
Merchandise	12,818	(722)	12,096
	$ 924,099	($ 264,772)	$ 659,327

The cost of inventories recognised as expense for the period:

	Years ended December 31,	
	2023	2022
Costs of goods sold	$ 982,373	$ 963,384
Loss on decline in market value	58,375	60,126
Loss on inventory retirement	13,348	16,895
Revenue from sale of scraps	(13)	(5)
Unallocated overhead	320,076	320,142
	$ 1,374,159	$ 1,360,542

(5) Prepayments

	December 31, 2023	December 31, 2022
Supplies inventory	$ 155,925	$ 156,615
Prepaid purchase	87,686	93,657
Residual tax credit	30,257	42,721
Others	8,193	4,418
	$ 282,061	$ 297,411

(6) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Non-current items:		
Listed stocks	$ 61,129	$ 61,129
Unlisted stocks	4,421	4,421
	65,550	65,550
Valuation adjustment	40,310	34,701
	$ 105,860	$ 100,251

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $ 105,860 thousand and $100,251 thousand as at December 31, 2023 and 2022, respectively.

B. The Group recognised gain of $ 5,609 thousand and loss of $19,086 thousand in other comprehensive income (loss) for fair value change for the years ended December 31, 2023 and 2022, respectively.

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(7) Property, plant and equipment

	Year ended December 31, 2023				
	Beginning balance	Additions	Disposals	Transfers	Ending balance
Cost					
Land	$ 14,357	$ -	$ -	$ -	$ 14,357
Buildings and structures	2,117,281	2,724	-	17,556	2,137,561
Machinery equipment	2,250,378	10,575	(454)	66,912	2,327,411
Transportation equipment	4,171	5,804	-	-	9,975
Other fixed assets	1,063,995	-	(2,732)	136,108	1,197,371
Construction in progress and equipment under acceptance	1,099,532	149,839	-	(220,576)	1,028,795
	6,549,714	$ 168,942	($ 3,186)	$ -	6,715,470
Accumulated depreciation					
Buildings and structures	(877,968)	($ 64,054)	$ -	$ -	(942,022)
Machinery equipment	(1,236,796)	(93,870)	411	-	(1,330,255)
Transportation equipment	(2,588)	(288)	-	-	(2,876)
Other fixed assets	(876,036)	(22,687)	2,732	-	(895,991)
	(2,993,388)	($ 180,899)	$ 3,143	$ -	(3,171,144)
	$ 3,556,326				$ 3,544,326

	Year ended December 31, 2022				
	Beginning balance	Additions	Disposals	Transfers	Ending balance
Cost					
Land	$ 14,357	$ -	$ -	$ -	$ 14,357
Buildings and structures	2,107,938	8,983	(2,189)	2,549	2,117,281
Machinery equipment	1,996,086	29,453	(2,205)	227,044	2,250,378
Transportation equipment	3,029	1,142	-	-	4,171
Other fixed assets	1,058,851	5,155	(762)	751	1,063,995
Construction in progress and equipment under acceptance	1,031,518	297,361	-	(229,347)	1,099,532
	6,211,779	$ 342,094	($ 5,156)	$ 997	6,549,714
Accumulated depreciation					
Buildings and structures	(816,572)	($ 63,585)	$ 2,189	$ -	(877,968)
Machinery equipment	(1,114,829)	(123,757)	2,205	(415)	(1,236,796)
Transportation equipment	(2,371)	(217)	-	-	(2,588)
Other fixed assets	(845,063)	(31,735)	762	-	(876,036)
	(2,778,835)	($ 219,294)	$ 5,156	($ 415)	(2,993,388)
	$ 3,432,944				$ 3,556,326

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Amount capitalised	$ 28,630	$ 20,596
Range of the interest rate for capitalisation	1.96% ~ 2.27%	1.80% ~ 2.02%

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Intangible assets

Year ended December 31, 2023	Beginning balance	Additions	Disposals	Transfers	Ending balance
Cost					
Authorization techniques	$ 427,828	$ -	$ -	$ -	$ 427,828
Internal production cost	232,706	-	-	-	232,706
Computer software	45,080	1,043	-	-	46,123
	705,614	$ 1,043	$ -	$ -	706,657
Accumulated amortisation					
Authorization techniques	(245,063)	(12,915)	-	-	(257,978)
Internal production cost	(207,390)	(5,957)	-	-	(213,347)
Computer software	(31,994)	(4,999)	-	-	(36,993)
	(484,447)	($ 23,871)	$ -	$ -	(508,318)
Accumulated impairment					
Authorization techniques	(127,874)	$ -	$ -	$ -	(127,874)
	$ 93,293				$ 70,465

	Year ended December 31, 2022				
	Beginning balance	Additions	Disposals	Transfers	Ending balance
Cost					
Authorization techniques	$ 427,828	$ -	$ -	$ -	$ 427,828
Internal production cost	232,706	-	-	-	232,706
Computer software	44,706	187	-	187	45,080
	705,240	$ 187	$ -	$ 187	705,614
Accumulated amortisation					
Authorization techniques	(232,148)	(12,915)	-	-	(245,063)
Internal production cost	(201,433)	(5,957)	-	-	(207,390)
Computer software	(26,694)	(5,300)	-	-	(31,994)
	(460,275)	($ 24,172)	$ -	$ -	(484,447)
Accumulated impairment					
Authorization techniques	(127,874)	$ -	$ -	$ -	(127,874)
	$ 117,091				$ 93,293

Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2023	2022
Operating costs	$ 18,873	$ 18,999
General and administrative expenses	4,998	5,173
	$ 23,871	$ 24,172

A. In March 2007, the Company entered into a technique transfer agreement with Crucell Switzerland AG (formerly Berna Biotech AG) in relation to flu vaccines and products. In accordance with the agreement, Crucell Switzerland AG transfers the manufacturing technique of flu vaccines to the Company and charges royalties. In addition, the Company commits to exclusively provide products manufactured with the transferred technique to Crucell Switzerland AG. After the technique is transferred, the royalty charge is capitalised and is amortised over the estimated economic life using the straight-line method. The significant terms and conditions under the agreement are set forth below:

(a) The Company manufactures the antigens needed for flu vaccine "Inflexal V" with the transferred technique which was acquired from Crucell Switzerland AG.

(b) The Company should build a plant which has sufficient capacity and complies with the European standards, such as GMP or Europe Pharmacopoeia, and acquire qualifications issued by domestic and foreign competent authorities to produce.

B. Intangible assets generated internally within the Company including all development, production and building up assets so that the intangible assets will be available for use, such as labour costs and materials costs, are amortised on a straight-line basis over the estimated economic life after mass production.

C. The future economic benefits of technique transferred from Crucell Switzerland AG has decreased under the Group's assessment, which resulted in the impairment loss of the intangible assets. The Group has adjusted the carrying amount based on the recoverable amount, and recognised impairment loss. The accumulated impairment loss of abovementioned technique is recognised in the amount of $127,874thousand as at December 31, 2023.

(9) Other non-current assets

	December 31, 2023	December 31, 2022
Prepaid equipment	$ 363,802	$ 206,417
Refundable deposits	36,545	28,203
Others	5,914	6,821
	$ 406,261	$ 241,441

(10) Short-term borrowings

Type of Borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 540,000	2.35%～2.40%	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 $11,017 thousand and $151 thousand for the years ended December 31, 2023 and 2022, respectively.

(11) Other payables

	December 31, 2023	December 31, 2022
Salaries payable	$ 106,670	$ 95,485
Royalty payables	20,177	28,088
Payables on equipment	18,238	69,710
Others	108,944	69,259
	$ 254,029	$ 262,542

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2023
Long-term bank borrowings			
Land Bank of Taiwan (lead and management bank)	From October 8, 2020 to October 7, 2030; Term loan A is to be repaid with installments starting from October 2022; Term loan B is to be repaid with installments starting from October 2023.	Land, buildings , machinery equipment	$ 2,536,100
Chang Hwa Bank	From May 28, 2020 to May 28, 2025; Repaid with installments starting from June 2020.	Note	1,558
Taichung Commercial Bank	From June 1, 2020 to June 1, 2025; Repaid with installments starting from July 2020	Note	1,557
			2,539,215
Less: Long-term liabilities due with one year			(669,931)
			$ 1,869,284
Interest rate range			2.18%~2.68%

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2022
Long-term bank borrowings Land Bank of Taiwan (lead and management bank)	From October 8, 2020 to October 7, 2030; Term loan A is to be repaid with installments starting from October 2022; Term loan B is to be repaid with installments starting from October 2023.	Land, buildings and machinery equipment	$ 2,159,000
Chang Hwa Bank	From May 28, 2020 to May 28, 2025; Repaid with installments starting from June 2020.	Note	2,659
Taichung Commercial Bank	From June 1, 2020 to June 1, 2025; Repaid with installments starting from July 2020	Note	2,561
			2,164,220
Less: Long-term liabilities due with one year			(125,006)
			$ 2,039,214
Interest rate range			1.75%~2.43%

Note: The guarantor is Small and Medium Enterprise Credit Guarantee Fund of Taiwan. Therefore, no collateral was pledged.

A. On July 14, 2020, the Company entered into a syndicated facility agreement with Land Bank of Taiwan as Management Bank and other banks, including First Commercial Bank, Mega International Commercial Bank, Taiwan Business Bank, Agribank, Bank of Panhsin, Taichung Commercial Bank and Chang Hwa Bank and Taiwan Cooperative Bank and obtained a credit line in the amount of $4,200,000 thousand, consisting of Tranche A: non-revolving long-term credit line of $1,300,000 thousand and Tranche B: non-revolving medium-term credit line of $1,400,000 thousand and Tranche C: revolving medium-term credit line of $1,500,000 thousand.

B. Under the syndicated secured facility agreement as stated above:

(a) The Company shall obtain, maintain, update or comply with any grant, approval and certification required by the competent authorities.

(b) The Company’s net tangible assets shall not be less than $370,000 thousand before the loan is settled.

(c) The Company has responsibility of notifying Management Bank via confirmation letters if any significant investment equivalent to or over $100,000 thousand is resolved by the Board of Directors.

(d) The fund obtained in this agreement shall not be illegally diverted to and used in Mainland

China.

(e) Before the syndicated facility agreement has made payment, the Company may not do the following without written approval by all banks:

i. The Company is not allowed to merge with other companies or split up.

ii. The Company is not allowed to change the main operating businesses.

iii. The Company is not allowed to sell, lease, transfer, lend, pledge or dispose of whole or main parts of its business assets.

iv. Unless allowed under the Operational Procedures for Lending of Company Funds and the Operational Procedures for Endorsements and Guarantees, the Company should not provide loans or endorsements and guarantees to others.

v. The Company is not allowed to distribute any cash dividends upon occurrence or expected occurrence of default on the contract.

(f) If the borrower fails to comply with any one of the above, the Company shall immediately repay interests and all outstanding balances of the loan. The Company did not violate above restrictions.

(13) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 12,460	$ 13,549
Fair value of plan assets	(11,314)	(11,993)
Net defined benefit liability	$ 1,146	$ 1,556

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	$ 13,549	($ 11,993)	$ 1,556
Interest expense (income)	182	(163)	19
Settlement profit or loss	(1,422)	1,305	(117)
	12,309	(10,851)	1,458
Remeasurements:			
Return on plan assets	-	(92)	(92)
Change in financial assumptions	145	-	145
Experience adjustments	6	-	6
	151	(92)	59
Pension fund contribution	-	(371)	(371)
Paid pension	-	-	-
At December 31	$ 12,460	($ 11,314)	$ 1,146

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	$ 15,223	($ 11,064)	$ 4,159
Interest expense (income)	108	(78)	30
Settlement profit or loss	(520)	428	(92)
	14,811	(10,714)	4,097
Remeasurements:			
Return on plan assets	-	(910)	(910)
Change in financial assumptions	(1,062)	-	(1,062)
Experience adjustments	(200)	-	(200)
	(1,262)	(910)	(2,172)
Pension fund contribution	-	(369)	(369)
Paid pension	-	-	-
At December 31	$ 13,549	($ 11,993)	$ 1,556

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,2023	Years ended December 31,2022
Discount rate	1.25%	1.35%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2022 and 2021, respectively.

(f) Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	(321)	333	329	(319)
December 31, 2022				
Effect on present value of defined benefit obligation	(371)	385	382	(370)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	255
1-2 year(s)	862
2-5 years	1,357
Over 5 years	11,329
	$ 13,803

(h) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $317.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute 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 $19,503 thousand and $18,326 thousand, respectively.

(14) Share-based payment

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

Type of arrangement	Grant date	Quantity granted	Vested period	Vesting conditions	Footnote
2020~2023 years issuance of employees bonus shares	2020.12.18	920 units	3 years	Service vested	Note 1
Cash capital increase reserved for employee preemption	2022.02.24	240 units	-	Vested	Note 2
2022~2032 years issuance of the employee stock options certificates	2022.08.17	2,400 units	10 years	Service vested	Notes 4 and 5
2023~2026 years issuance of employees bonus shares	2023.8.11	920 units	3 years	Service vested	Note 6

Note 1: For the years 2020~2023 issuance of employees bonus shares, the fair value of stock price of the Company was $56.60 (in dollars), and expected option life was not specified. For the years ended December 31, 2023 and 2022, the Company granted 305 units. As of December 31, 2023, the Company has ungranted 310 units.

Note 2: For the year ended December 31, 2022, the Company had no stock options outstanding.

Note 3: Subscribers can exercise stock options based on the following table after two years from the grant date. The duration of employee stock options is 10 years, and employee stock options cannot be transferred, pledged, donated, or disposed in any other method except for meeting the regulation specified in the terms.

Cumulatively exercisable ratio of employee stock options during the grant period is as follows:

Service periods of employees (year)	Vesting ratio
2 years	30%
3 years	60%
4 years	100%

Note 4: 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 5: The aforementioned periods and ratio of rights can be adjusted by the Board of Directors, depending on the condition of each issuance.

Note 6: For the years 2023~2026 issuance of employees bonus shares, the fair value of stock price of the Company was $33.85 (in dollars), and expected option life was not specified. For the year ended December 31, 2023, the Company granted 920 units. As of December 31, 2023, the Company has ungranted 920 units.

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	
	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 (year)	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
Issuance of the employee stock options certificates	2022.8.17	29.02	25	48.85~49.81%	6~7	-	1.1264~1.1450%	14.7931~15.9028

D. On June 9, 2022, the Board of Directors of the Group's parent company resolved to implement a long-service incentive plan and make a plan for transferring shares to employees through repurchasing shares in accordance with the Securities and Exchange Act Article 28 and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies". According to the plan of transferring shares to employees through repurchasing shares of 2022 of the Group's parent company, employees of the Group and the parent company, Adimmune Corporation, who are on board before the effective date of share subscription or employees of the Company and foreign and domestic controlled companies or subsidiaries (including part-time employees and consultants) who have specific contribution to the Company and have been reported to and approved by the Chairman are entitled to subscribe to shares based on the subscription amount specified in Article 5 of the plan.

E. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2023	2022
Compensation cost	$ 21,617	$ 16,013

(15) Share capital

A. As of December 31, 2023, the Company's authorised capital was $7,000,000 thousand, consisting of 700,000 thousand shares of ordinary stock (including 15,000 thousand shares reserved for employee stock options), and the paid-in capital was $4,295,078 thousand with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023 (thousand shares)	2022 (thousand shares)
At January 1	421,508	429,508
Purchase of treasury shares	-	(8,000)
At December 31	421,508	421,508

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		At December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount
Adimmune Corporation	To be reissued to employees	8,000	$ 292,538

		At December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount
Adimmune Corporation	To be reissued to employees	8,000	$ 292,538

(b) To motivate employees and enhance their team cohesiveness, on June 9, 2022 and November 11, 2022, the Board of Directors resolved repurchasing of treasury shares in the expected amount of 8,000 thousand shares in order to transfer them to employees. As of December 31, 2023, the balance of the treasury shares repurchased was $ 292,538 thousand.

(c) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of per 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 Law 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.

(17) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and recover prior year's losses and then 10% of the remaining amount shall be appropriate as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

B. The Company operates in the biotechnology industry, which has the industry life cycle. Dividends shall be allocated after taking into consideration several factors including current and future investment environment, capital requirements, domestic and foreign competition, capital budget, shareholders' interests, balanced dividends, and the Company's long-term financial plan. Dividend distribution plans are to be proposed by the Board of Directors and presented for a final resolution in the shareholders' meeting on a yearly basis.

C. 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.

D. On March 13, 2024, the Board of Directors of the Company proposed not to distribute dividends after taking into account the distributable profit of the current year. The aforementioned proposal of 2022 earnings distribution is pending receipt of approval from the shareholders' meeting.

E. On March 14, 2023, the Board of Directors of the Company proposed not to distribute dividends and proposed to provide legal reserve in the amount of $29,242 thousand in accordance with laws after taking into account the distributable profit for the year ended December 31, 2022. The aforementioned proposal of 2022 earnings distribution obtained approval from the shareholders' meeting on June 21, 2023.

F. On March 29, 2022, the Board of Directors of the Company proposed not to distribute dividends.

The aforementioned proposal of 2021 earnings distribution has been approved at the shareholders' meeting on June 29, 2022.

G. Information relating to employees' compensation and directors' remuneration is provided in Note 6(22).

(18) Operating revenue

Information on products and services

A. The Group engages in the manufacture and trade of vaccines, modern medicine products and testing reagents. Details of revenue are as follows:

	Year ended December 31, 2023		
	Adimmune Corporation	Enimmune Corporation	Total
Sales revenue	$ 1,156,122	$ 43,494	$ 1,199,616
Revenue from professional packing service	466,238	-	466,238
Service revenue	8,277	-	8,277
Other revenue	110,963	-	110,963
	$ 1,741,600	$ 43,494	$ 1,785,094

	Year ended December 31, 2022		
	Adimmune Corporation	Enimmune Corporation	Total
Sales revenue	$ 1,455,886	$ 188,050	$ 1,643,936
Revenue from professional packing service	414,937	-	414,937
Service revenue	189,282	-	189,282
Other revenue	3,469	-	3,469
	$ 2,063,574	$ 188,050	$ 2,251,624

	Year ended December 31, 2023		
	Adimmune Corporation	Enimmune Corporation	Total
Timing of revenue recognition			
Over time	$ 1,255,588	$ 43,494	$ 1,299,082
At a point in time	486,012	-	486,012
	$ 1,741,600	$ 43,494	$ 1,785,094

	Year ended December 31, 2022		
	Adimmune Corporation	Enimmune Corporation	Total
Timing of revenue recognition			
Over time	$ 604,219	$ -	$ 604,219
At a point in time	1,459,355	188,050	1,647,405
	$ 2,063,574	$ 188,050	$ 2,251,624

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Service	$ 334,933	$ 326,656	$ 137,373
Contract liabilities:			
Advance sales receipts	$ 21,812	$ 11,110	$ 23,444

(b) Revenue recognised that was included in the contract liability balance at the beginning of the years ended December 31, 2023 and 2022 was $7 thousand and $898 thousand, respectively .

(c) Long-term contracts that are fully unsatisfied

Aggregate amount of the transaction price and each milestone payment allocated to long-term contract development and manufacturing services agreements that are fully unsatisfied as at December 31, 2023 amounted to $1,638,813 thousand, and the management expects to recognise those amounts in the future years. The services revenue recognised according to the completion of contract amounted to $8,277 thousand and $189,282 thousand for the years ended December 31, 2023 and 2022.

(19) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 18,190	$ 6,892
Other interest income	32	19
	$ 18,222	$ 6,911

(20) Other income

	Years ended December 31, 2023	Years ended December 31, 2022
Dividend income	$ 7,982	$ 7,982
Grant revenue	6,878	5,823
Other non-operating income	7,823	13,240
	$ 22,683	$ 27,045

For the years ended December 31, 2023 and 2022, the grant revenue are all government grant revenue.

(21) Other gains and losses

	Years ended December 31, 2023	Years ended December 31, 2022
Gains arising from lease modifications	$ 263	$ -
Gains (losses) on disposal of property, plant and equipment	(36)	7
Net currency exchange (losses) gains	(31,384)	52,623
Other gains and losses	(23,554)	(1,345)
	($ 54,711)	$ 51,285

(22) Employee benefit expense, depreciation and amortisation

	Year ended December 31, 2023		
Nature	Operating cost	Operating expense	Total
Employee benefit expense			
Wages and salaries	$ 275,445	$ 166,309	$ 441,754
Employee stock options	2,345	19,272	21,617
Labor and health insurance fees	27,532	13,657	41,189
Pension costs	12,166	7,239	19,405
Directors' remuneration	-	6,063	6,063
Other personnel expenses	5,918	12,100	18,018
	$ 323,406	$ 224,640	$ 548,046
Depreciation	$ 166,572	$ 32,775	$ 199,347
Amortisation	$ 18,872	$ 5,906	$ 24,778

	Year ended December 31, 2022		
Nature	Operating cost	Operating expense	Total
Employee benefit expense			
Wages and salaries	$ 258,546	$ 189,095	$ 447,641
Employee stock options	920	15,093	16,013
Labor and health insurance fees	25,065	13,275	38,340
Pension costs	11,179	7,083	18,262
Directors' remuneration	-	5,794	5,794
Other personnel expenses	5,756	11,537	17,293
	$ 301,466	$ 241,877	$ 543,343
Depreciation	$ 202,735	$ 31,502	$ 234,237
Amortisation	$ 18,999	$ 6,080	$ 25,079

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1%~10% for employees' compensation and shall not be higher than 5% for directors' remuneration.

B. For the year ended December 31, 2023, there were no employees' compensation and directors' remuneration accrued as the Company generated loss before tax. For the year ended December 31, 2022, employees' compensation was accrued at $15,940 thousand. The aforementioned amounts were recognised in salary expenses. The employees' compensation was estimated and accrued based on 5.2% of distributable profit of current year for the year ended December 31, 2022. The employees' compensation resolved by the Board of Directors was $15,940 thousand, and the employees' compensation will be distributed in the form of cash. Employees' compensation of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

For the years ended December 31, 2023 and 2022, the Company did not accrue directors' remuneration..

Information regarding employees' compensation and directors' remuneration as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Finance costs

	Years ended December 31, 2023	Years ended December 31, 2022
Interest expense:		
Bank borrowings	$ 60,556	$ 42,077
Interest expense on lease liabilities	1,500	1,111
Less: Capitalisation of qualifying assets	(28,630)	(20,596)
Finance costs	$ 33,426	$ 22,592

(24) Income tax

A. Income tax expense

The income tax charge relating to components of other comprehensive income is as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Remeasurement of defined benefit obligations	($ 12)	$ 435

B. Reconciliation between income tax benefit and accounting profit:

	Years ended December 31, 2023	Years ended December 31, 2022
Tax calculated based on loss before tax and statutory tax rate	($ 182,042)	($ 16,269)
Expenses disallowed by tax regulation	31,177	49,903
Tax exempted income by tax regulation	(1,596)	(1,596)
Temporary difference not recognised as deferred tax assets	153,692	34,817
Change in assessment of realisation of deferred tax assets	(38,193)	(83,512)
Loss carryforward not recognised as deferred tax assets	36,962	26,657
Income tax expense	$ -	$ 10,000

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, and loss carryforward are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised loss on inventory obsolescence	$ 11,695	$ -	$ -	$ 11,695
Loss on inventory	210,666	-	-	210,666
Others	5,229	-	12	5,241
	$ 227,590	$ -	$ 12	$ 227,602

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised loss on inventory obsolescence	$ 11,695	$ -	$ -	$ 11,695
Loss on inventory	210,666	-	-	210,666
Others	5,664	-	(435)	5,229
	$ 228,025	$ -	($ 435)	$ 227,590

D. The Group 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 2011	Research and development	Amount assessed	$ 31,076	$ 31,076
Year 2012	Research and development	Amount assessed	15,490	15,490
Year 2013	Research and development	Amount assessed	15,696	15,696
Year 2014	Research and development	Amount assessed	14,737	14,737
Year 2015	Research and development	Amount assessed	31,878	31,878
Year 2016	Research and development	Amount assessed	20,364	20,364
Year 2017	Research and development	Amount assessed	20,841	20,841
Year 2018	Research and development	Amount assessed	25,598	25,598
Year 2019	Research and development	Amount assessed	55,623	55,623
Year 2020	Research and development	Amount assessed	55,332	55,332
Year 2021	Research and development	Amount assessed	23,446	23,446
Year 2022	Research and development	Amount filed	50,244	50,244
Year 2023	Research and development	Estimated filed amount	36,633	36,633
			$ 396,958	$ 396,958

December 31, 2022				
Year incurred	Qualifying items	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets
Year 2011	Research and development	Amount assessed	$ 31,076	$ 31,076
Year 2012	Research and development	Amount assessed	15,490	15,490
Year 2013	Research and development	Amount assessed	15,696	15,696
Year 2014	Research and development	Amount assessed	14,737	14,737
Year 2015	Research and development	Amount assessed	31,878	31,878
Year 2016	Research and development	Amount assessed	20,364	20,364
Year 2017	Research and development	Amount assessed	20,841	20,841
Year 2018	Research and development	Amount assessed	25,598	25,598
Year 2019	Research and development	Amount assessed	55,623	55,623
Year 2020	Research and development	Amount assessed	55,332	55,332
Year 2021	Research and development	Amount assessed	23,446	23,446
Year 2022	Research and development	Amount filed	50,244	50,244
			$ 360,325	$ 360,325

E. Expiration dates of unused net operating loss carryfoward 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	$ 425,434	$ 276,580
Year 2015	Year 2025	Amount assessed	756,940	329,273
Year 2016	Year 2026	Amount assessed	590,916	114,107
Year 2017	Year 2027	Amount assessed	566,602	566,602
Year 2018	Year 2028	Amount assessed	488,619	488,619
Year 2019	Year 2029	Amount assessed	349,944	349,944
Year 2020	Year 2030	Amount assessed	91,566	91,566
Year 2021	Year 2031	Amount assessed	54,030	54,030
Year 2022	Year 2032	Amount filed	133,355	133,355
Year 2023	Year 2033	Estimated filed amount	184,805	184,805
			$ 3,642,211	$ 2,588,881

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 2013	Year 2023	Amount assessed	$ 163,663	$ -
Year 2014	Year 2024	Amount assessed	452,735	25,068
Year 2015	Year 2025	Amount assessed	756,940	280,131
Year 2016	Year 2026	Amount assessed	590,916	590,916
Year 2017	Year 2027	Amount assessed	566,602	566,602
Year 2018	Year 2028	Amount assessed	488,619	488,619
Year 2019	Year 2029	Amount assessed	349,944	349,944
Year 2020	Year 2030	Amount assessed	91,566	91,566
Year 2021	Year 2031	Amount assessed	54,030	54,030
Year 2022	Year 2032	Amount filed	133,355	133,355
			$ 3,648,370	$ 2,580,231

F. 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	$ 1,299,557	$ 394,398

G. The income tax returns of the Group through 2021 have been assessed and approved by the Tax

Authority.

H. The income tax returns of the Group's subsidiary, Enimmune Corporation, through 2021 have been assessed and approved by the Tax Authority.

I. The income tax returns of the Group's subsidiary, Eggs Corporation, through 2021 have been assessed and approved by the Tax Authority.

J. The income tax returns of the Group's indirect subsidiary, Animmune Corporation, through 2021 have been assessed and approved by the Tax Authority.

(25) (Losses) earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
Basic (diluted) losses per share			
Loss attributable to ordinary shareholders of the parent	($ 639,891)	421,508	($ 1.52)

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 290,975	427,231	$ 0.68
Assumed conversion of all dilutive potential ordinary shares - Employees' compensation	-	448	
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 290,975	427,679	$ 0.68

(26) Transactions with non-controlling interest

A. The Group did participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

Subsidiary Enimmune Corporation of the Group increased its capital by issuing new shares on April 29, 2022. The Group acquired shares proportionally to its interest. The transaction increased non-controlling interest by $107,949. For the year ended December 31, 2022, changes in the equity of Enimmune Corporation had no impact on the owners' equity attributable to the parent company.

B. The Group did participate in the capital increase raised by a second-tier subsidiary proportionally to its interest to the subsidiary

Second-tier subsidiary of the Group, Animmune Corporation, increased its capital by issuing new shares on June 20, 2022. The Group acquired shares proportionally to its interest. The transaction increased non-controlling interest by $29,418. For the year ended December 31, 2022, changes in the equity of Animmune Corporation had no impact on the owners' equity attributable to the parent company.

C. Second-tier subsidiary of the Group, Enimmune-RMT Biotech Pte. Ltd. ("EB" company) received USD 4.5 million for the proceeds from the investment from RMT company. This transaction resulted in an increase in the non-controlling interest by $144,675 thousand. However, the subsidiary, Enimmune, has disagreements with the operational plan of EB company after cooperating with RMT company. Considering the future operational development and safeguarding the equity of Enimmune's shareholders, on February 24, 2023, the Board of Directors of the subsidiary, Enimmune, resolved the capital reduction and the retirement of shares of EB company. The capital reduction amount was US$4.5 million and the capital reduction ratio was 45%. The shares of EB company will be wholly owned by Enimmune after the capital reduction. Proceeds from capital reduction of US$4.5 million were expected to be returned to RMT company. However, as of March 12, 2024, as both parties were still negotiating for the matters of the capital reduction, the capital reduction had not been resolved by the shareholders of EB company.

D. The Group did not conduct any transaction with non-controlling interest in 2023.

(27) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31, 2023	Years ended December 31, 2022
Purchase of property, plant and equipment	$ 168,942	$ 342,094
Add: Opening balance of payable on equipment	69,710	68,674
Less: Ending balance of payable on equipment	(18,238)	(69,710)
Cash paid during the period	$ 220,414	$ 341,058

(28) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Liabilities from financing activities - gross
At January 1, 2023	$ 20,000	$ 2,164,220	$ 78,330	$ 2,262,550
Changes in cash flow from financing activities	520,000	374,995	(18,435)	876,560
Changes in other non-cash items	-	-	3,520	3,520
At December 31, 2023	$ 540,000	$ 2,539,215	$ 63,415	$ 3,142,630

Note: Including current portion.

	Short-term borrowings	Long-term borrowings (Note)	Guarantee deposit received	Lease liabilities (Note)	Liabilities from financing activities - gross
At January 1, 2022	$ -	$ 1,307,307	$ 3,000	$ 13,467	$1,323,774
Changes in cash flow from financing activities	20,000	856,913	(3,000)	(22,959)	850,954
Changes in other non-cash items	-	-	-	87,822	87,822
At December 31, 2022	$ 20,000	$ 2,164,220	$ -	$ 78,330	$2,262,550

Note: Including current portion.

7. RELATED PARTY TRANSACTIONS

Key management compensation

	Years ended December 31, 2023	Years ended December 31, 2022
Salaries and other short-term employee benefits	$ 84,503	$ 83,894
Post-employment benefits	2,542	2,344
Share-based payments	16,900	13,109
	$ 103,945	$ 99,347

8. PLEDGED ASSETS

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

Pledged asset	Book value December 31, 2023	Book value December 31, 2022	Purpose
Property, plant and equipment	$ 1,237,534	$ 1,329,460	Long-term borrowings
Special reserve account and pledged account (included in financial assets at amortised cost - non-current)	4,059	3,596	Long-term borrowings
Time deposits (included in financial assets at amortised cost - current)	15,007	15,007	Performance margin for bidding
Refundable deposits (included in other current assets and other non-current assets)	104,796	29,531	Performance margin for bidding
	$ 1,361,396	$ 1,377,594	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

A. On September 8, 2022, the Group's subsidiary, Enimmune Corporation ("Enimmune") entered into a tri-party agreement with Everhealth Biomedical Materials Co.,Ltd. ("Everhealth") and Sam Chun Dang Pharm. Co., Ltd. ("SCD company"). Since Everhealth did not pay Enimmune US$1,437 thousand for the goods and NT$10,782 thousand for the management service fee to Enimmune in accordance with the tri-party agreement, Enimmune 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 Enimmune for the goods payment to SCD company has not yet occurred until Enimmune has received the payment from Everhealth. On October 31, 2023, the civil department of Taiwan New Taipei District Court issued the first-instance verdict pertaining to the aforementioned lawsuit, resulting in Everhealth having to pay Enimmune US$1,437 thousand for the goods and NT$10,782 thousand for the management service fee, plus interests at the rate of 5% per annum starting from September 18, 2022. Everhealth had filed a pleading to appeal for the second trial on November 28, 2023. The abovementioned litigation was still in process as of March 13, 2024.

B. The Group entered into a vaccine distribution contract with Beijing Shouhui Pharmaceutical Co. Ltd. ("Shouhui Company") in December 2019 and had conducted transactions in subsequent years. For the year ended December 31, 2022, the Group shipped the goods after accepting the order from Shouhui Company. However, Shouhui Company did not make the payment according to the payment term agreed in the contract. The Groups receivables due from Shouhui Company was $393,876 thousand. After failing to collect the payment from Shouhui Company, the Group officially issued a"notice of termination of contract"to Shouhui Company to terminate the contract on February 17, 2023, appointed a Beijing lawyer to file a litigation with the Fourth Intermediate

People's Court of Beijing Municipality against Shouhui Company requesting it to make the payment and compensation for damage, applied for property preservation procedures and froze the main bank account of Shouhui Company. The Fourth Intermediate People's Court of Beijing Municipality had held the trial for the litigation on January 17, 2024. The Group is currently awaiting the first instance judgement from the Court. As it is unlikely that the recoverable amount of the receivables can be fully recovered based on the assessment, the Group had made full provision for expected credit loss.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 357,004	$ 488,015

B. The Company has signed technical contracts relating to continuing development of vaccine of Enterovirus 71 ("EV 71") with the Center for Disease Control, R.O.C. ("CDC") and the National Health Research Institute ("NHRI") in 2011. Details of each stage in the contracts are as follows:

(a) The Company has signed technical contracts relating to licensing technology of EV71 with CDC and NHRI in September 2011. The main commitments of the technology license are as follows:

i. Licensing period: Starting from the date when the three parties sign the contracts.

ii. Authorisation expense: The contracts are signed to pay in accordance with progress.

(b) The Company has signed "EV 71 vaccine Phase I clinical trial result authorisation" cooperation contract with CDC and NHRI in April 2013. NHRI has authorised the technology through non-exclusive license. Details of key commitments are as follows:

i. Contract period: Starting from the date when the three parties sign the contract until 25 years after the Company's first EV71 vaccine is authorised.

ii. Authorisation fee: The Company pays authorization fee in accordance with contracted progress within 2 years after the contract is signed.

(c) In May 2020 and October 2022, the Company renewed the "Commission Service Contract" signed in May 2018 with NHRI to provide the Company with a development platform for vaccine. The main terms of the contract are as follows:

i. Commission period: 2 years (2023.1.1~2024.12.31)

ii. Commission expense: Service expense is paid each month.

(d) The Company has signed the "Commission Service Contract" with NHRI to provide the Company with cell culture platform for vaccine. The main terms of the contract are as follows: Commission service fee: The contracts are signed to pay in accordance with progress.

C. The Company has signed a processing agreement with Shenzhen Techdow Pharmaceutical Co., LTD ("TECHDOW").

The two companies' cooperative injection technique, which is the Company's packing techniques (aseptic prefilled injection packing techniques) along with TECHDOW's pharmaceutical material (Enoxaparin sodium), has received EMA's authorisation and is processed for mass production. Key commitments of the agreement are as follows:

(a) Contract period: 5 years after the completion of construction of the second aseptic injection packing line and production starting for TECHDOW's products from the date of the first order by TECHDOW. Unless one party notifies the other a non-renewal no less than 6 months before the agreement expires, the agreement is automatically renewed every two years.

(b) Processing price: By the process quantity in accordance with the agreement.

(c) Other commitments: During the agreement period, the Company may not directly or indirectly produce same products for supply in any market.

D. For the year ended December 31, 2022, the Group's subsidiary, Enimmune Corporation ("Enimmune"), signed an agreement with Taipei Computer Association for Information Industry to implement the Phase 3 Clinical Testing Program of EV71 Vaccines Manufactured from Bioreactors on Healthy Children. The period of the program is from March 1, 2022 to February 2, 2025, with a total grant of $15,007 thousand. For the year ended December 31, 2022, the grant revenue was recognised amounting to $4,313 thousand. The grants of 2022 were received in December 2022. For the year ended December 31, 2023, the grant revenue was recognised amounting to $3,701 thousand. The grants of 2023 were received in December 2023.

The grants of 2023 have not yet been received after the review of the Taipei Computer Association. The main rights and obligations of the agreement are listed as follows:

(a) All results from Enimmune's implementation of the research program, including knowledge, technologies, and intellectual property belong to Enimmune. Enimmune has the responsibility to manage and apply these results.

(b) If the source of the Taipei Computer Association's grant is the Executive Yuan's National Science and Technology Development Fund, Enimmune'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.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

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 also considers 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

		December 31, 2023		December 31, 2022
Financial assets				
Financial assets at fair value through other comprehensive income - non-current	$	105,860	$	100,251
Financial assets at amortised cost				
Cash and cash equivalents		2,457,501		2,857,083
Financial assets at amortised cost - current		27,507		115,507
Notes receivable		15		620
Accounts receivable		1,308,076		534,349
Financial assets at amortised cost - non-current		4,059		3,596
Other receivables (shown as other current assets)		249		366
Refundable deposits (shown as other current assets and other non-current assets)		104,796		29,531
	$	4,008,063	$	3,641,303

		December 31, 2023		December 31, 2022
Financial liabilities				
Financial liabilities at amortised cost				
Short-term borrowings	$	540,000	$	20,000
Notes payable		-		30
Accounts payable		42,351		48,813
Other payables		254,029		262,542
Long-term borrowings (including current portion)		2,539,215		2,164,220
	$	3,375,595	$	2,495,605
Lease liabilities (including current portion)	$	63,415	$	78,329

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), 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 by closely cooperating with the Group’s operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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 via the Group treasury.

ii. Foreign exchange risk between USD , JPY and EUR with NTD is mainly from exchange loss or profit arising from conversion of cash and cash equivalents and accounts receivable denominated in USD , JPY and EUR.

iii. The Group’s businesses involve some non-functional currency operations (the Company’s functional currency: NTD; certain second-tier subsidiaries' functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations and analysis of foreign currency market risk arising from significant foreign exchange variation are as follows:

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	December 31, 2023									
	Foreign Currency Amount (In Thousands)		Exchange Rate	Book Value (NTD)		Sensitivity analysis: Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
Financial assets										
Monetary items										
USD：NTD	$	19,659	30.66	$	602,745	1%	$	6,027	$	-
JPY ：NTD		387,414	0.22		85,231	1%		852		-
EUR：NTD		199	33.78		6,722	1%		67		-
RMB：NTD		94,463	4.30		406,191	1%		4,062		-
Financial liabilities										
Monetary items										
USD：NTD	$	272	30.76	$	8,367	1%	$	84	$	-

	December 31, 2022									
	Foreign Currency Amount (In Thousands)		Exchange Rate	Book Value (NTD)		Sensitivity analysis: Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
Financial assets										
Monetary items										
USD：NTD	$	25,361	30.66	$	777,568	1%	$	7,776	$	-
JPY ：NTD		227,688	0.23		52,368	1%		524		-
EUR：NTD		408	32.52		13,268	1%		133		-
RMB：NTD		57	4.38		250	1%		3		-
Financial liabilities										
Monetary items										
USD：NTD	$	400	30.76	$	12,304	1%	$	123	$	-

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 exchange loss of $31,384 thousand and gain of $52.623 thousand, respectively.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from short-term borrowings and long-term borrowings. 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 interest rate risk.

ii. At December 31, 2023 and 2022, if the interest rate had been 25 basis point higher/lower, post-tax profit would have decreased/increased by $6,158 thousand and $4,368 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 financial assets at amortised cost.

ii. The Group's cash and cash equivalents are deposited in financial institutions with optimal credit quality. The Group manages their credit risk taking into consideration the entire group's concern. 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 the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before 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 screens potential transaction counterparties based on their credit history, and only enters into transactions with counterparties that reach a certain level of credit quality; hence, there is no significant credit risk.

iii. The Group adopts the 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, the default occurs when the contract payments are past due over 90 days.

iv. The Group applies the simplified approach using a provision matrix to estimate the expected credit loss of accounts receivable, and takes into consideration the past default records and current financial position of the customer, economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision matrix uses past due days of accounts receivable to determine expected loss rates and is not further distinguished according to the Group's different customer base.

v. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure the Group's rights.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of receivables (including note receivable, accounts receivable and contract assets). The Group first assesses and provides impairment loss for the receivables which have objective evidence to indicate that the receivables may not be recovered, and remaining receivables use historical and timely information to assess the default possibility, and taking into consideration the forecastability, in order to assess the default possibility of receivables. As of December 31, 2023 and 2022, the loss rate methodology is as follows:

December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.01%	$ 1,643,192	$ 168
Individual assessment	100%	393,708	393,708
		$ 2,036,900	$ 393,876

December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0%	$ 861,625	$ -

vii. Movements in relation to the Group 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	393,876	-	-	-
Reversal of impairment	-	-	(67)	-
At December 31	$ 393,876	$ 4,986	$ -	$ -

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 instruments as of December 31, 2023 and 2022, in order to estimate expected credit losses.

ix. For investments in debt instruments at amortised cost and at fair value through other comprehensive income, the credit rating levels are presented below:

	December 31, 2023			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 31,566	$ -	$ -	$ 31,566

	December 31, 2022			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 119,103	$ -	$ -	$ 119,103

(c) Liquidity risk

i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities, at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

ii. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. As of December 31, 2023 and 2022, the Group has undrawn borrowing facilities amounting to $2,062,000 thousand and $2,082,000 thousand, respectively.

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 3 years	Over 3 years	Total
Short-term borrowings	$ 503,219	$ 40,277	$ -	$ -	$ 543,496
Accounts payable	42,531	-	-	-	42,531
Other payables	254,029	-	-	-	254,029
Long-term borrowings (Note)	511,852	201,849	1,147,897	873,331	2,734,929
Lease liabilities (Note)	4,185	11,702	29,696	21,752	67,335

December 31, 2022

	Less than 3 months	Between 3 months and 1 year	Between 1 and 3 years	Over 3 years	Total
Short-term borrowings	$ 115	$ 20,190	$ -	$ -	$ 20,305
Notes payable	30	-	-	-	30
Accounts payable	48,813	-	-	-	48,813
Other payables	262,542	-	-	-	262,542
Long-term borrowings (Note)	11,118	155,275	411,878	1,793,646	2,371,917
Lease liabilities (Note)	4,694	13,426	35,066	30,486	83,672

Note: including current portion

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, refundable deposits, short-term borrowings, accounts payable, other payables, lease liabilities and long-term borrowings (including current portion) are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of nature of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ -	$ -	$ 105,860	$ 105,860

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ -	$ -	$ 100,251	$ 100,251

(b) The methods and assumptions the Group used to measure fair value are as follows:

The fair value of financial instruments without active market is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques refers to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.

D. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	Non-derivative equity securities	
	2023	2022
At January 1	$ 100,251	$ 119,337
Gains (losses) recognised in other comprehensive income	5,609	(19,086)
At December 31	$ 105,860	$ 100,251

E. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

F. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	$ 105,710	Market comparable companies	Liquidity premium	20%	The higher the multiple, the higher the fair value.
Non-derivative equity instrument: Unlisted shares	150	Net asset value	Not applicable	-	Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	$ 100,089	Market comparable companies	Liquidity premium	20%	The higher the multiple, the higher the fair value.
Non-derivative equity instrument: Unlisted shares	162	Net asset value	Not applicable	-	Not applicable

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Liquidity premium	±10%	$ -	$ -	$ 13,207	($ 13,207)

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Liquidity premium	±10%	$ -	$ -	$ 12,467	($ 12,467)

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): Please refer to table 1.

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 NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$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: None.

(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: Please refer to table 3.

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

(4) Major shareholders information

Major shareholders information: Please refer to table 4.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group mainly engages in the manufacture and trade of vaccines and modern medicine products, and the Group is divided into two segments according to the business nature of each department.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2023	Adimmune Corporation	Enimmune Corporation	Total
Revenue from external customers	$ 1,741,600	$ 43,494	$ 1,785,094
Inter-segment revenue	27,025	-	27,025
Total revenue	$ 1,768,625	$ 43,494	$ 1,812,119
Segment loss	($ 518,892)	($ 206,697)	($ 725,589)

Year ended December 31, 2022	Adimmune Corporation	Enimmune Corporation	Total
Revenue from external customers	$ 2,063,574	$ 188,050	$ 2,251,624
Inter-segment revenue	118,661	365	119,026
Total revenue	$ 2,182,235	$ 188,415	$ 2,370,650
Segment profit (loss)	$ 431,754	($ 267,086)	$ 164,668

(3) Reconciliation for segment income (loss)

A. A reconciliation of the adjusted revenue and the continuing operations' revenue is provided as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Adjusted revenue of reportable segments	$ 1,812,119	$ 2,370,650
Elimination of inter-segment revenue	(27,025)	(119,026)
Total	$ 1,785,094	$ 2,251,624

B. A reconciliation of reportable segment loss to the loss before tax from continuing operations for the years ended December 31, 2023 and 2022 is provided as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Reportable segment (loss) income	($ 725,589)	$ 164,668
Other segment loss	(44,390)	(8,380)
Total	(769,979)	156,288
Elimination of segment (loss) income	-	(72)
(Loss) income before tax from continuing operations	($ 769,979)	$ 156,216

(4) Information on products and services

Please refer to Note 6 (18).

(5) Geographical information

Revenue is calculated based on geographic location of customers. Non-current assets are classified based on geographic location of assets, including property, plant, equipment; right-of-use asset; investment property and intangible assets.

Geographical information of the Group 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	$ 842,441	$ 3,706,396	$ 959,019	$ 3,757,662
USA	326,817	-	345,663	-
China	477,561	-	632,102	-
Others	138,275	-	314,840	-
	$ 1,785,094	$ 3,706,396	$ 2,251,624	$ 3,757,662

(6) 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		Year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
Customer A	$ 773,286	43	$ 750,519	33
Customer B	326,817	18	345,663	15
Customer C	241,662	14	-	-
Customer D	-	-	562,368	25

Adimmune Corporation and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Adimmune Corporation	Taiwan Biotech Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,991,057	$ 61,129	1.66	$ 105,710	-
Adimmune Corporation	Hematech Biotherapeutics Inc.	Same chairman	Financial assets at fair value through other comprehensive income - non-current	442,114	4,421	5.00	$ 150	-
			valuation adjustments		40,310			
					$ 105,860			

Adimmune Corporation and subsidiaries
Information on investees(Not including investees in Mainland China)
For the year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income(loss) recognised by the Company for the year ended December 31, 2023	Footnote
Adimmune Corporation	Enimmune Corporation	Taiwan	Bio-technology	$ 598,224	$ 598,224	33,558,000	51.00	$ 36,032	($ 223,743)	($ 114,109)	Note 1
Adimmune Corporation	Global Commonwealth Life Science (Holdings) Limited	Hong Kong	Investment	-	-	2	100.00	-	-	-	Notes 1 & 3
Adimmune Corporation	Adimmune B.V.	Netherland	Investment	-	-	-	100.00	-	-	-	Note 1
Adimmune Corporation	Eggs Corporation	Taiwan	Animal Husbandry	65,000	65,000	6,500,000	100.00	30,977	(6,890)	(6,890)	Note 1
Eggs Corporation	Animmune Corporation	Taiwan	Bio-technology	51,732	51,732	3,636,585	51.22	24,420	(13,339)	(6,833)	Note 2
Enimmune Corporation	Enimmune-RMT Biotech PTE. LTD.	Singapore	Bio-technology	162,910	162,910	55,000,000	55.00	19,113	(30,994)	(17,047)	Note 2

Note 1: The Company's subsidiary.
Note 2: It’s the Company’s second-tier subsidiary.
Note 3: Initial investment was NT$ 8(in dollars).

Adimmune Corporation and subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method （Note 1）	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Adimmune Co., Ltd. Nanjing, China	Business sales & acquisition	$ -	1	$ -	$ -	$ -	$ -	$ -	100.00	$ -	$ -	$ -	Note 2

Note 1: Investment methods are classified into the following three categories:
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others
Note 2: The company was approved for business registration by the competent authority on August 10, 2016. As of December 31, 2023, the company still has not yet initiated its operation, thus, no related investment profit or loss.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA(Note)
Adimmune Co., Ltd. Nanjing, China	$ -	$ 10,000	$ 3,466,539

Note: Calculated in accordance with the limits set in the "Principles for the Review of Investment or Technical Cooperation in Mainland China" issued by the Ministry of Economic Affairs (60% of the net value).

Adimmune Corporation and subsidiaries

Major shareholders information

December 31, 2023

Table 4

Name of major shareholders	Shares: Number of shares held	Shares: Ownership (%)	Footnote
National Development Fund, Executive Yuan	48,584,162	11.31%	Notes1 & 2
Bioengine Technology Development Inc.	32,169,000	7.48%	

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee.

As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio including the self-owned shares and trusted, at the same time, persons who have power to decide how to allocate the trust assets.

For the information of reported share equity of insider, please refer to Market Observation Post System.