

**ADIMMUNE CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

ADIMMUNE CORPORATION AND SUBSIDIARIES
DECEMBER 31, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
TABLE OF CONTENTS

Contents	Page
1. Cover Page	1
2. Table of Contents	2 ~ 3
3. Declaration of Consolidated Financial Statements of Affiliated Enterprises	4
4. Independent Auditors' Report	5 ~ 11
5. Consolidated Balance Sheets	12 ~ 13
6. Consolidated Statements of Comprehensive Income	14
7. Consolidated Statements of Changes in Equity	15
8. Consolidated Statements of Cash Flows	16 ~ 17
9. Notes to the Consolidated Financial Statements	18 ~ 78
(1) HISTORY AND ORGANISATION	18
(2) THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION	18
(3) APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS	18 ~ 19
(4) SUMMARY OF MATERIAL ACCOUNTING POLICIES	20 ~ 31

Contents	Page
(5) CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY	31 ~ 32
(6) DETAILS OF SIGNIFICANT ACCOUNTS	32 ~ 61
(7) RELATED PARTY TRANSACTIONS	61
(8) PLEDGED ASSETS	62
(9) SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS	62 ~ 65
(10) SIGNIFICANT DISASTER LOSS	65
(11) SIGNIFICANT SUBSEQUENT EVENTS	65
(12) OTHERS	66 ~ 76
(13) SUPPLEMENTARY DISCLOSURES	76
(14) SEGMENT INFORMATION	77 ~ 78

ADIMMUNE CORPORATION AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, 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 11, 2026

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, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, 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 2025 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 2025 consolidated financial statements are stated as follows:

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, 2025, the cost of the Group's inventories and allowance for inventory valuation losses amounted to NT\$978,337 thousand and NT\$407,253 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 that 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 unmodified opinion on the parent company only financial statements of Adimmune Corporation as at and for the years ended December 31, 2025 and 2024.

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

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

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

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

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

Lai, Chih-Wei

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,186,487	27	\$ 2,344,620	28
1110	Financial assets at fair value through profit or loss - current	6(2)	473	-	-	-
1136	Financial assets at amortised cost - current	6(3) and 8	52,007	-	127,507	2
1150	Notes receivable, net	6(4)	2,000	-	-	-
1170	Accounts receivable, net	6(4)	144,864	2	187,806	2
130X	Inventories	6(5)	571,084	7	627,993	7
1410	Prepayments	6(6)	226,669	3	240,046	3
1470	Other current assets	8	87,534	1	82,032	1
11XX	Current Assets		<u>3,271,118</u>	<u>40</u>	<u>3,610,004</u>	<u>43</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(7)	91,644	1	109,663	1
1535	Financial assets at amortised cost - non-current	6(3) and 8	21,208	-	5,017	-
1560	Non-current contract assets	6(20)	334,933	4	334,933	4
1600	Property, plant and equipment	6(8) and 8	3,943,718	48	3,742,188	44
1755	Right-of-use assets		70,818	1	75,465	1
1760	Investment property, net		23,239	-	23,239	-
1780	Intangible assets	6(9)	25,346	1	47,860	-
1840	Deferred income tax assets	6(26)	227,257	3	227,415	3
1900	Other non-current assets	6(10) and 8	183,351	2	305,669	4
15XX	Non-current assets		<u>4,921,514</u>	<u>60</u>	<u>4,871,449</u>	<u>57</u>
1XXX	Total assets		<u>\$ 8,192,632</u>	<u>100</u>	<u>\$ 8,481,453</u>	<u>100</u>

(Continued)

ADIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 325,000	4	\$ 500,000	6
2130	Current contract liabilities	6(20)	35,447	1	9,394	-
2150	Notes payable		322	-	60	-
2170	Accounts payable		16,719	-	31,190	-
2200	Other payables	6(12)	241,292	3	254,993	3
2250	Provisions for liabilities - current	6(16)	-	-	17,248	-
2280	Current lease liabilities		20,619	-	19,017	-
2320	Long-term liabilities, current portion	6(13)	890,803	11	320,044	4
2399	Other current liabilities, others	6(4)	15,646	-	9,364	-
21XX	Current Liabilities		<u>1,545,848</u>	<u>19</u>	<u>1,161,310</u>	<u>13</u>
Non-current liabilities						
2540	Long-term borrowings	6(13)	1,547,916	19	1,705,285	20
2580	Non-current lease liabilities		45,909	-	52,329	1
2600	Other non-current liabilities	6(14)	1,247	-	838	-
25XX	Non-current liabilities		<u>1,595,072</u>	<u>19</u>	<u>1,758,452</u>	<u>21</u>
2XXX	Total Liabilities		<u>3,140,920</u>	<u>38</u>	<u>2,919,762</u>	<u>34</u>
Equity						
Share capital						
3110	Share capital - common stock	6(17)	4,295,078	53	4,295,078	51
Capital surplus						
3200	Capital surplus	6(18)	829,498	10	829,498	10
Retained earnings						
3310	Legal reserve	6(19)	145,781	2	145,781	2
3350	Unappropriated retained earnings (accumulated deficit)		(59,661)	(1)	205,409	2
Other equity interest						
3400	Other equity interest		26,237	-	49,493	1
3500	Treasury shares	6(17)	(292,538)	(3)	(292,538)	(4)
31XX	Equity attributable to owners of the parent		<u>4,944,395</u>	<u>61</u>	<u>5,232,721</u>	<u>62</u>
36XX	Non-controlling interest		<u>107,317</u>	<u>1</u>	<u>328,970</u>	<u>4</u>
3XXX	Total equity		<u>5,051,712</u>	<u>62</u>	<u>5,561,691</u>	<u>66</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 8,192,632</u>	<u>100</u>	<u>\$ 8,481,453</u>	<u>100</u>

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

ADIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(20)	\$ 1,401,501	100	\$ 1,556,989	100
5000	Operating costs	6(5)(10)(24)	(1,113,014)	(80)	(1,108,928)	(71)
5900	Net operating margin		<u>288,487</u>	<u>20</u>	<u>448,061</u>	<u>29</u>
	Operating expenses	6(9)(24)				
6100	Selling expenses		(53,393)	(4)	(160,144)	(10)
6200	General and administrative expenses		(319,227)	(23)	(294,963)	(19)
6300	Research and development expenses		(237,397)	(17)	(292,045)	(19)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(38,023)	(2)	146	-
6000	Total operating expenses		(648,040)	(46)	(747,006)	(48)
6900	Operating loss		(359,553)	(26)	(298,945)	(19)
	Non-operating income and expenses					
7100	Interest income	6(21)	20,030	1	20,010	1
7010	Other income	6(22)	18,784	1	8,714	-
7020	Other gains and losses	6(23)	22,125	2	(29,779)	(2)
7050	Finance costs	6(25)	(31,158)	(2)	(36,487)	(2)
7000	Total non-operating revenue and expenses		<u>29,781</u>	<u>2</u>	(37,542)	(3)
7900	Loss (profit) before income tax		(329,772)	(24)	(336,487)	(22)
7950	Income tax expense	6(26)	-	-	-	-
8200	(Loss) profit for the period		<u>(\$ 329,772)</u>	<u>(24)</u>	<u>(\$ 336,487)</u>	<u>(22)</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gain on defined benefit plans	6(13)	\$ 792	-	\$ 937	-
8316	Unrealized loss on valuation of equity instruments at fair value through profit or loss	6(6)	(18,019)	(1)	8,224	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(158)	-	(187)	-
8310	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(17,385)	(1)	8,974	1
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(636)	-	8,339	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(636)	-	8,339	-
8300	Other comprehensive (loss) income for the period		<u>(\$ 18,021)</u>	<u>(1)</u>	<u>\$ 17,313</u>	<u>1</u>
8500	Total comprehensive loss for the period		<u>(\$ 347,793)</u>	<u>(25)</u>	<u>(\$ 319,174)</u>	<u>(21)</u>
	Profit (loss), attributable to:					
8610	Owners of the parent		(\$ 239,889)	(17)	(\$ 242,750)	(16)
8620	Non-controlling interest		(89,883)	(7)	(93,737)	(6)
	Total		<u>(\$ 329,772)</u>	<u>(24)</u>	<u>(\$ 336,487)</u>	<u>(22)</u>
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		(\$ 262,511)	(19)	(\$ 231,450)	(15)
8720	Non-controlling interest		(85,282)	(6)	(87,724)	(6)
	Total		<u>(\$ 347,793)</u>	<u>(25)</u>	<u>(\$ 319,174)</u>	<u>(21)</u>
	Basic losses per share	6(27)				
9750	Total basic losses per share		<u>(\$ 0.57)</u>		<u>(\$ 0.58)</u>	
	Diluted losses per share	6(27)				
9850	Diluted losses per share		<u>(\$ 0.57)</u>		<u>(\$ 0.58)</u>	

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

ADIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent													
	Share capital - common stock	Total capital surplus, additional paid-in capital	Capital surplus		Retained earnings			Other equity interest			Treasury shares	Total	Non-controlling interest	Total equity
			Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee stock warrants	Legal reserve	Total unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income						
2024														
Balance at January 1, 2024	\$ 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		
Net profit for 2024	-	-	-	-	-	(242,750)	-	-	-	(242,750)	(93,737)	(336,487)		
Other comprehensive income for the year	6(7)	-	-	-	-	750	2,326	8,224	-	11,300	6,013	17,313		
Total comprehensive income	-	-	-	-	-	(242,000)	2,326	8,224	-	(231,450)	(87,724)	(319,174)		
Changes in total equity of subsidiary	6(28)	-	-	11,637	-	-	-	-	-	11,637	104,106	115,743		
Share-based payments	6(15)	-	-	(17,545)	-	-	-	-	-	(17,545)	9,522	(8,023)		
Disposal of Equity Instruments Measured at Fair Value through Other Comprehensive Income (FVOCI)	6(7)	-	-	-	-	(4,421)	-	-	-	(4,421)	-	(4,421)		
Balance at December 31, 2024	\$ 4,295,078	\$ 817,861	\$ 11,637	\$ -	\$ 145,781	\$ 205,409	\$ 959	\$ 48,534	(\$ 292,538)	\$ 5,232,721	\$ 328,970	\$ 5,561,691		
2025														
Balance at January 1, 2025	\$ 4,295,078	\$ 817,861	\$ 11,637	\$ -	\$ 145,781	\$ 205,409	\$ 959	\$ 48,534	(\$ 292,538)	\$ 5,232,721	\$ 328,970	\$ 5,561,691		
Net loss for the period	-	-	-	-	-	(239,889)	-	-	-	(239,889)	(89,883)	(329,772)		
Other comprehensive income (loss) for the period	6(7)	-	-	-	-	634	(5,237)	(18,019)	-	(22,622)	4,601	(18,021)		
Total comprehensive loss	-	-	-	-	-	(239,255)	(5,237)	(18,019)	-	(262,511)	(85,282)	(347,793)		
Changes in total equity of subsidiary	6(28)	-	-	-	-	(25,815)	-	-	-	(25,815)	(140,467)	(166,282)		
Share-based payments	6(16)	-	-	-	-	-	-	-	-	-	4,096	4,096		
Balance at December 31, 2025	\$ 4,295,078	\$ 817,861	\$ 11,637	\$ -	\$ 145,781	(\$ 59,661)	(\$ 4,278)	\$ 30,515	(\$ 292,538)	\$ 4,944,395	\$ 107,317	\$ 5,051,712		

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

ADIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 329,772)	(\$ 336,487)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets)	6(24)	186,240	191,156
Amortisation	6(24)	28,623	24,542
Expected credit gain	12(2)	38,023	(146)
Gain from lease modification	6(23)	-	(1)
Interest expense	6(25)	31,158	36,487
Interest income	6(21)	(20,030)	(20,010)
Dividend income	6(22)	(2,634)	(1,996)
Share-based payments	6(15)	10,790	24,575
Gain on disposal of property, plant and equipment	6(23)	(20)	(19)
Gain on disposal of investment properties		-	(206)
Other losses	6(16)	-	17,248
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(2,000)	15
Accounts receivable, net		3,353	882,078
Inventories		56,909	(101,587)
Prepayments		9,190	42,015
Other current assets		(4,655)	(562)
Changes in operating liabilities			
Contract liabilities-current		26,053	(12,418)
Notes payable		262	60
Accounts payable, net		(14,471)	(11,161)
Other payables		3,669	(55,306)
Current provisions		(17,248)	-
Other current liabilities		6,281	3,589
Net defined benefit liabilities - non-current		(319)	(169)
Other non-current liabilities		1,522	8
Cash inflow generated from operations		10,924	681,705
Interest received		19,965	19,956
Interest paid		(38,969)	(35,176)
Dividends received		2,634	1,996
Net cash flows (used in) from operating activities		(5,446)	668,481

(Continued)

ADIMMUNE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortised cost- current		\$ 75,500	(\$ 100,000)
Decrease in financial assets at amortised cost- non-current		(16,191)	(958)
Increase in financial assets measured at fair value through profit or loss – current		(473)	-
Acquisition of property, plant and equipment	6(29)	(195,790)	(119,892)
Proceeds from disposal of property, plant and equipment		20	19
Actual interest paid capitalized	6(8)(29)	(40,696)	(34,301)
Prepaid equipment	6(29)	(18,673)	(76,952)
Decrease in refundable deposits		(2,425)	22,215
Acquisition of intangible assests	6(9)	(250)	(1,030)
Net cash flows used in investing activities		(198,978)	(310,899)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(30)	1,370,000	60,000
Repayment of short-term borrowings	6(30)	(1,545,000)	(100,000)
Proceeds from long-term borrowings	6(30)	588,556	6,109
Repayment of long-term borrowings	6(30)	(175,165)	(519,995)
Repayment of principal portion of lease liabilities	6(30)	(25,896)	(23,114)
Exercise of employee share options		-	(17,545)
Increase in non-controlling interests	6(28)	-	115,743
Change in non-controlling interests from subsidiary’s cash capital reduction	6(28)	(156,308)	-
Net cash flows from (used in) financing activities		56,187	(478,802)
Effect of exchange rate changes on cash and cash equivalents		(9,896)	8,339
Net decrease in cash and cash equivalents		(158,133)	(112,881)
Cash and cash equivalents at beginning of year	6(1)	2,344,620	2,457,501
Cash and cash equivalents at end of year	6(1)	\$ 2,186,487	\$ 2,344,620

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

ADIMMUNE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(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 research and development, processing, manufacturing and trading of serum, vaccines, testing reagents, biologicals and other bacterial fluids; and the processing, manufacturing and trading of western medicines, animal medicines, chemicals and feed additives, etc. 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 reported to the Board of Directors on March __, 2026.

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 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

(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 effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
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
Annual Improvements to IFRS Accounting Standards–Volume 11	January 1, 2026

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 Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL 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 “IFRS[®]”).

(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:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Footnote
			December 31, 2025	December 31, 2024	
Adimmune Corporation	Enimmune Corporation	Biotechnology industry	50.26	50.26	Notes 1, 2
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	100	55	Note 3

Note:

1. On March 12, 2023, the Board of Directors of the Group’s subsidiary, Enimmune Corporation (“Enimmune”), during its meeting resolved to increase its capital by issuing 6,250 thousand common shares with a par value of \$10 (in dollars) per share totalling NT\$62,500 thousand. Considering the overall business benefits, the Group participated in the capital increase by purchasing 2,696 thousand shares at a price of NT\$32 (in dollars) per share totalling \$86,294 thousand on May 27, 2024. However, the Group did not acquire shares proportionally to its interest. As a result, the Group decreased its interest by 0.68% to 50.32% after the capital increase. The abovementioned capital increase was registered with the regulatory authority on July 5, 2024.

2. On August 17, 2022, the Board of Directors of Enimmune Corporation, a subsidiary of the Group, resolved to issue employee stock options (please refer to Note 6(14) for details). Upon exercise of the stock options, November 11, 2024 was set as the record date for the issuance of new shares. As a result of this issuance, the Group's ownership interest in ENIMMUNE CORPORATION decreased by 0.06%, bringing the Group's shareholding ratio to 50.26%. The change in registration for the new share issuance was completed with the competent authority on December 2, 2024.
3. After the negotiation between Enimmune and another major shareholder of EB Company, Reliance Medical Technology (RMT Company), on May 14, 2025, the Board of Directors of EB Company and Enimmune resolved that EB Company carry out a cash capital reduction and shares retirement. The proceeds from cash capital reduction approximately amounted to USD 5.16 million, and 45,000 thousand issued shares were retired. Thus, Enimmune holds 100% of EB Company's shares. The subsidiary, Enimmune-RMT Biotech Pte. Ltd., was renamed as Enimmune Biotech Pte. Ltd., and this event had been registered with the Accounting and Corporate Regulatory Authority, Singapore.

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 that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- 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 in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(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 profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) Derecognition of financial assets

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

(13) 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.

(14) 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

(15) 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.

(16) 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.

(17) 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) 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 service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) 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.

(26) 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.

(27) 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.

(28) 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.

(29) 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.

(30) 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

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, 2025, the carrying amounts of inventories was \$571,084 thousand.

(3) Reasons and effects of changes in accounting estimates

The Group assesses the estimated useful lives of property, plant and equipment at each balance sheet date. To truly reflect the actual usage of major assets and accurately report the Company's financial condition, operating performance and changes in financial condition, the Group extended the useful lives of certain manufacturing plants from 35-36 years to 50 years since April 1, 2024. Effects on depreciation expense arising from the changes in accounting estimates for the year ended December 2025 and future years are as follows:

Effects on depreciation expense

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>following years</u>
Increase (decrease) in depreciation	<u>(\$ 14,943)</u>	<u>(\$ 14,943)</u>	<u>(\$ 14,943)</u>	<u>(\$ 14,943)</u>	<u>\$ 70,980</u>

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 1,255	\$ 1,243
Checking accounts and demand deposits	1,462,231	1,761,009
Time deposits	723,001	582,368
	<u>\$ 2,186,487</u>	<u>\$ 2,344,620</u>

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 and pledged deposits with original maturities of more than three months that do not meet the definition of short-term cash commitments as 'financial assets at amortised cost - current' and 'financial assets at amortised cost – non 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 fair value through profit or loss

	<u>December 31, 2025</u>
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Forward exchange contract	<u>\$ 473</u>

For the year ended December 31, 2024: Not applicable.

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>2025</u>
Net gains on financial assets at fair value through profit or loss	\$ <u>473</u>

For the year ended December 31, 2024: Not applicable.

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

Derivative financial instruments	<u>December 31, 2025</u>	
	<u>Contract amount (notional principal)</u>	<u>Contract amount Contract period</u>
Forward foreign exchange contract to sell	<u>USD 1,000 thousand</u>	2025.12.10 ~2026.3.2
		30.96

For the year ended December 31, 2024: Not applicable.

The Company entered into forward foreign exchange contracts to hedge exchange rate risk of import and export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12 (2).

(3) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits with maturities of more than three months and not satisfy short-term cash commitments	\$ 31,000	\$ 112,500
Pledged time deposits	<u>21,007</u>	<u>15,007</u>
	<u>\$ 52,007</u>	<u>\$ 127,507</u>
Non-current items:		
Reserve accounts for syndicated loans	<u>\$ 21,208</u>	<u>\$ 5,017</u>

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.

(4) Accounts and notes receivable, net

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 2,000	\$ -
Less: Allowance for uncollectible accounts	-	-
	<u>\$ 2,000</u>	<u>\$ -</u>
Accounts receivable	\$ 578,183	\$ 581,536
Less: Allowance for uncollectible accounts	(433,319)	(393,730)
	<u>\$ 144,864</u>	<u>\$ 187,806</u>

A. The ageing analysis of accounts receivable is as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 97,408	\$ 2,000	\$ 121,251	\$ -
Within 30 days	6,406	-	62,925	-
31 to 90 days	-	-	-	-
91 to 180 days	76,995	-	3,652	-
Over 181 days	393,374	-	393,708	-
	<u>\$ 574,183</u>	<u>\$ 2,000</u>	<u>\$ 581,536</u>	<u>\$ -</u>

The above ageing analysis is based on past due date.

B. As at December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$578,183 thousand, \$581,536 thousand and \$1,701,967 thousand, respectively.

C. The Group does not hold any collateral as security.

D. As at December 31, 2025 and 2024, 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 \$2,000 thousand and \$0 thousand, respectively; As at December 31, 2025 and 2024, 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 \$129,345 thousand and \$187,806 thousand, respectively.

E. As at December 31, 2025 and 2024, loss allowance for accounts receivable amounted to \$433,319 thousand and \$393,730 thousand, respectively, refer to Note 9(1) B for details.

F. 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 disagreement after the sales of goods between the Group's certain accounts receivable on June 30, 2024 and the customer's judgement based on the commercial conditions. For the aforementioned refund liabilities, after negotiation and mutual agreement with the sales customer, the Group processed the transaction at a discounted price in the third quarter of 2024.

G. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	December 31, 2025		
	Cost	Allowance	
		for valuation loss	Book value
Raw materials	\$ 93,931	(\$ 9,362)	\$ 84,569
Work in process	731,253	(354,402)	376,851
Finished goods	143,805	(43,145)	100,660
Merchandise	9,348	(244)	9,104
	<u>\$ 978,337</u>	<u>(\$ 407,153)</u>	<u>\$ 571,184</u>

	December 31, 2024		
	Cost	Allowance	
		for valuation loss	Book value
Raw materials	\$ 112,451	(\$ 7,366)	\$ 105,085
Work in process	692,498	(310,553)	381,945
Finished goods	162,659	(26,813)	135,846
Merchandise	5,339	(222)	5,117
	<u>\$ 972,947</u>	<u>(\$ 344,954)</u>	<u>\$ 627,993</u>

The cost of inventories recognised as expense for the period:

	Years ended December 31,	
	2025	2024
Costs of goods sold	\$ 673,275	\$ 764,362
(Gain from reversal of) loss on decline in market value	62,299	21,807
Loss on inventory retirement	14,032	33,379
Revenue from sale of scraps	(3)	(4)
Unallocated overhead	363,411	289,384
	<u>\$ 1,113,014</u>	<u>\$ 1,108,928</u>

(6) Prepayments

	December 31, 2025	December 31, 2024
Supplies inventory	\$ 121,830	\$ 136,601
Prepaid purchase	60,032	57,487
Residual tax credit	38,372	39,508
Others	6,435	6,450
	<u>\$ 226,669</u>	<u>\$ 240,046</u>

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

Items	December 31, 2025	December 31, 2024
Non-current items:		
Listed stocks	\$ 61,129	\$ 61,129
Valuation adjustment	30,515	48,534
	<u>\$ 91,644</u>	<u>\$ 109,663</u>

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 \$91,644 thousand and \$109,663 thousand as at December 31, 2025 and 2024, respectively.

B. On April 16, 2024, the Group recognised the loss arising from derecognition of marketable securities whose fair value was \$135 thousand due to the dissolution of Hematech Biotherapeutics Inc, resulting to an accumulated loss on disposal of \$4,421 thousand.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 18,019)	\$ 8,224
Cumulative losses reclassified to retained earnings due to derecognition	\$ -	(\$ 4,421)

(8) Property, plant and equipment

	Year ended December 31, 2025				
	Beginning balance	Additions	Decreases	Transfers	Ending balance
<u>Cost</u>					
Land	\$ 14,357	\$ -	\$ -	\$ -	\$ 14,357
Buildings and structures	2,143,366	5,447	(440)	-	2,148,373
Machinery equipment	2,314,834	6,785	(11,862)	4,062	2,313,819
Transportation equipment	4,171	835	(146)	-	4,860
Other fixed assets	1,207,868	6,349	-	-	1,214,217
Construction in progress and equipment under acceptance	1,378,948	200,103	-	138,461	1,717,512
	<u>7,063,544</u>	<u>\$ 219,519</u>	<u>(\$ 12,448)</u>	<u>\$ 142,523</u>	<u>7,413,138</u>
<u>Accumulated depreciation</u>					
Buildings and structures	(992,685)	(\$ 45,570)	\$ 440	\$ -	(1,037,815)
Machinery equipment	(1,404,707)	(89,889)	11,862	-	(1,482,734)
Transportation equipment	(3,137)	(303)	146	-	(3,294)
Other fixed assets	(920,827)	(24,750)	-	-	(945,577)
	<u>(3,321,356)</u>	<u>(\$ 160,512)</u>	<u>\$ 12,448</u>	<u>\$ -</u>	<u>(3,469,420)</u>
	<u>\$ 3,742,188</u>				<u>\$ 3,943,718</u>

	Year ended December 31, 2024				
	Beginning	Additions	Decreases	Transfers	Ending balance
<u>Cost</u>					
Land	\$ 14,357	\$ -	\$ -	\$ -	\$ 14,357
Buildings and structures	2,137,561	5,976	(171)	-	2,143,366
Machinery equipment	2,327,411	5,880	(18,457)	-	2,314,834
Transportation equipment	4,171	-	-	-	4,171
Other fixed assets	1,203,175	4,780	(87)	-	1,207,868
Construction in progress and equipment under acceptance	1,028,795	179,167	-	170,986	1,378,948
	<u>6,715,470</u>	<u>\$ 195,803</u>	<u>(\$ 18,715)</u>	<u>\$ 170,986</u>	<u>7,063,544</u>
<u>Accumulated depreciation</u>					
Buildings and structures	(942,022)	(\$ 50,834)	\$ 171	\$ -	(992,685)
Machinery equipment	(1,330,255)	(92,909)	18,457	-	(1,404,707)
Transportation equipment	(2,876)	(261)	-	-	(3,137)
Other fixed assets	(895,991)	(24,923)	87	-	(920,827)
	<u>(3,171,144)</u>	<u>(\$ 168,927)</u>	<u>\$ 18,715</u>	<u>\$ -</u>	<u>(3,321,356)</u>
	<u>\$ 3,544,326</u>				<u>\$ 3,742,188</u>

Note: The aforementioned property, plant and equipment were all for its own use.

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,	
	2025	2024
Amount capitalised	\$ 40,696	\$ 34,301
Range of the interest rate for capitalisation	2.32%~2.45%	2.22%~2.40%

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

(9) Intangible assets

	Year ended December 31, 2025		
	Beginning balance	Additions	Ending balance
<u>Cost</u>			
Authorization techniques	\$ 427,828	\$ -	\$ 427,828
Internal production cost	232,706	-	232,706
Computer software	47,153	250	47,403
	<u>707,687</u>	<u>\$ 250</u>	<u>707,937</u>
<u>Accumulated amortisation</u>			
Authorization techniques	(270,893)	(\$ 12,915)	(283,808)
Internal production cost	(219,304)	(5,957)	(225,261)
Computer software	(41,756)	(3,892)	(45,648)
	<u>(531,953)</u>	<u>(\$ 22,764)</u>	<u>(554,717)</u>
<u>Accumulated impairment</u>			
Authorization techniques	(127,874)	\$ -	(127,874)
	<u>\$ 47,860</u>		<u>\$ 25,346</u>

	Year ended December 31, 2024		
	Beginning balance	Additions	Ending balance
<u>Cost</u>			
Authorization techniques	\$ 427,828	\$ -	\$ 427,828
Internal production cost	232,706	-	232,706
Computer software	46,123	1,030	47,153
	<u>706,657</u>	<u>\$ 1,030</u>	<u>707,687</u>
<u>Accumulated amortisation</u>			
Authorization techniques	(257,978)	(\$ 12,915)	(270,893)
Internal production cost	(213,347)	(5,957)	(219,304)
Computer software	(36,993)	(4,763)	(41,756)
	<u>(508,318)</u>	<u>(\$ 23,635)</u>	<u>(531,953)</u>
<u>Accumulated impairment</u>			
Authorization techniques	(127,874)	\$ -	(127,874)
	<u>\$ 70,465</u>		<u>\$ 47,860</u>

Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2025	2024
Operating costs	\$ 18,872	\$ 18,872
General and administrative expenses	3,892	4,763
	<u>\$ 22,764</u>	<u>\$ 23,635</u>

A. In March 2007, the Group 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 Group and charges royalties. 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 Group manufactures the antigens needed for flu vaccine “Inflexal V” with the transferred technique which was acquired from Crucell Switzerland AG.
- (b) The Group should build a plant which has sufficient capacity and complies with the European standards, such as cGMP or Europe Pharmacopoeia, and acquire qualifications issued by domestic and foreign competent authorities to produce.

B. Intangible assets generated internally within the Group 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 was recognised in the amount of \$127,874 thousand as at December 31, 2025.

(10) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepayments for business facilities	\$ 145,916	\$ 269,768
Refundable deposits	33,354	30,914
Others	4,081	4,987
	<u>\$ 183,351</u>	<u>\$ 305,669</u>

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 325,000</u>	2.48%~2.95%	None
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 500,000</u>	2.48%~2.58%	None

Interest expense recognised in profit or loss amounted to \$8,880 thousand and \$12,459 thousand for the years ended December 31, 2025 and 2024, respectively.

(12) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salaries payable	\$ 105,120	\$ 104,409
Payables on equipment	42,881	59,848
Royalty payables	13,153	14,494
Others	80,138	76,242
	<u>\$ 241,292</u>	<u>\$ 254,993</u>

(13) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Secured 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. Term loan C is to be repaid with installments starting from July 2023 and is revolving.	Land, buildings and machinery equipment	\$ 2,400,500
Unsecured borrowings			
Mega International Commercial Bank	From September 10, 2024 to September 9, 2029; Repaid with installments starting from October 2024.	Note 1 Note 2	38,219
			2,438,719
Less: Current portion			(890,803)
			\$ 1,547,916
Interest rate range			<u>2.31%~2.85%</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Secured 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. Term loan C is to be repaid with installments starting from July 2023 and is revolving.	Land, buildings and machinery equipment	\$ 2,018,300
Unsecured borrowings			
Chang Hwa Bank	From May 28, 2020 to May 28, 2025; Repaid with installments starting from June 2020.	Note 1	458

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2024
Taichung Commercial Bank	From June 1, 2020 to June 1, 2025; Repaid with installments starting from July 2020.	Note 1	\$ 526
Mega International Commercial Bank	From September 10, 2024 to September 9, 2029; Repaid with installments starting from October 2024.	Note 1 Note 2	
			<u>6,045</u>
			2,025,329
Less: Current portion			(320,044)
			<u>\$ 1,705,285</u>
Interest rate range			<u>2.31%~2.85%</u>

Note 1: The guarantor is Small and Medium Enterprise Credit Guarantee Fund of Taiwan. Therefore, no collateral was pledged.

Note 2: The liability is jointly guaranteed by the representative of ENIMMUNE CORPORATION, a subsidiary of the Group.

A. On July 14, 2020, the Group 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, Chang Hwa Bank and Taiwan Cooperative Bank and obtained a credit line in the amount of \$4,200,000 thousand. The purposes of funds are to repay borrowings from financial institutions, meet the needs of capital expenditure and increase working capital, 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.

(14) Pensions

- A. (a) The Company has 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 contributes 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 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 will make contributions for the deficit by next March.
- (b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 10,194	\$ 10,966
Fair value of plan assets	(11,265)	(10,926)
Net defined benefit liability	<u>(\$ 1,071)</u>	<u>\$ 40</u>

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

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 10,966	(\$ 10,926)	\$ 40
Interest expense (income)	174	(176)	(2)
	<u>11,140</u>	<u>(11,102)</u>	<u>38</u>
Remeasurements:			
Return on plan assets	-	(803)	(803)
Change in financial assumptions	233	-	233
Experience adjustments	(222)	-	(222)
	<u>11</u>	<u>(803)</u>	<u>(792)</u>
Pension fund contribution	-	(317)	(317)
At December 31	<u>\$ 11,151</u>	<u>(\$ 12,222)</u>	<u>(\$ 1,071)</u>
	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 12,460	(\$ 11,314)	\$ 1,146
Interest expense (income)	154	(142)	12
Settlement profit or loss	(1,788)	1,943	155
	<u>10,826</u>	<u>(9,513)</u>	<u>1,313</u>
Remeasurements:			
Return on plan assets	-	(1,077)	(1,077)
Change in financial assumptions	(520)	-	(520)
Experience adjustments	660	-	660
	<u>140</u>	<u>(1,077)</u>	<u>(937)</u>
Pension fund contribution	-	(336)	(336)
At December 31	<u>\$ 10,966</u>	<u>(\$ 10,926)</u>	<u>\$ 40</u>

(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, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Year ended December 31, 2025	Year ended December 31, 2024
Discount rate	1,40%	1.65%
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, 2025 and 2024, respectively.

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

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(233)	241	239	(232)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(266)	276	274	(266)

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, 2025, the weighted average duration of the retirement plan is 278 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	809
1-2 year(s)	522
2-5 years	910
Over 5 years	9,272
	\$ 11,513

(h) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 amount to \$278 thousand.

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, 2025 and 2024, were \$20,363 thousand and \$ 19,446 thousand, respectively.

(15) Share-based payment

A. For the years ended December 31, 2025 and 2024, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Vested period	Vesting conditions	Footnote
Adimmune Corporation’s 2020~2023 years issuance of employees bonus shares	2020.12.18	920 units	3 years	Service vested	Note 1
Enimmune Corporation’s 2022~2032 years issuance of the employee stock options certificates	2022.8.17	2,400 units	10 years	Service vested	Notes 2, 3 and 4
Adimmune Corporation’s 2023~2026 issuance of employees bonus shares	2023.8.11	920 units	3 years	Service vested	Note 5
Enimmune Corporation’s cash capital increase reserved for employee preemption	2024.3.25	392.5 units	-	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, 2025 and 2024, the Company granted 305 units. As of December 31, 2025, it has been fully given and used.

Note 2: 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 3: Upon receiving the restricted stocks, if employees violate the employment contract, working policy or have other significant defaults, the Company has the right to recover and retire the employee stock options which have no exercise right yet.

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

Note 5: 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. As of December 31, 2025, the Company had granted 305 units and has ungranted 0 units.

Note 6: On March 12, 2024, the Board of Directors of the Company's subsidiary, Enimmune Corporation, resolved to increase its capital by issuing common shares of 6,250 thousand shares and reserved 15% of new shares issued in the total amount of 937.5 thousand shares for employee preemption in accordance with Article 267 of the Company Act. The grant date for the cash capital reserved for employee preemption was set on March 25, 2024, and no restrictions were placed on the voting right and dividend right of the transferred shares. According to the terms of employee stock options at cash capital increase of the subsidiary, Enimmune, Enimmune's and the Company's employees can participate in the share subscription when they are still in service as of the effective date of share subscription, of which the actual subscribed shares amounted to 392.5 thousand shares.

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

Enimmune Corporation's years 2022~2032 issuance of the employee stock option certificates

	2025	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	1,951	\$ 24.80
Options executed	-	-
Options forfeited	(100)	-
Options outstanding at December 31	<u>1,851</u>	
Options exercisable at December 31	<u>891</u>	
	2024	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,095	\$ 24.80
Options executed	(60)	24.80
Options forfeited	(84)	-
Options outstanding at December 31	<u>1,951</u>	
Options exercisable at December 31	<u>439</u>	

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
Issuance of the employee stock option certificates	2022.8.17	29.02	24.80	48.85~49.81%	6~7	-	1.1264~1.1450%	14.7931~15.9028
Cash capital increase reserved for employee preemption	2024.3.25	32.63	32	27.55%	0.1479	-	1.1674%	1.7339

Note 1: The market price adopted the fair value of the Company's common shares at the grant date, taking into consideration liquidity premium.

Note 2: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

D. On June 9, 2022, the Board of Directors of the 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 Company, employees of the Company and the subsidiary, Enimmune Corporation, who were 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 been 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 :

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Compensation cost	<u>\$ 10,790</u>	<u>\$ 24,575</u>

(16) Provisions

	<u>Stock Buyback or Repurchase</u>
At January 1, 2025	\$ 17,248
Unused amounts reversed	(17,248)
At December 31, 2025	<u>\$ -</u>

	<u>Stock Buyback or Repurchase</u>
At January 1, 2024	\$ -
Additional provisions	17,248
At December 31, 2024	<u>\$ 17,248</u>

Analysis of total provisions:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current	<u>\$ -</u>	<u>\$ 17,248</u>

Equity Repurchase:

The subsidiary, Enimmune Corporation, negotiated with RMT Company regarding the repurchase of equity. The preliminary plan is for Enimmune to buy back the entire 45% stake in EB Company held by RMT Company for a total consideration of USD 4.5 million. Enimmune Corporation has assessed the most likely outcome of the agreement, considering the original shareholder agreement with RMT Company at the time of the initial investment. Enimmune Corporation plans to compensate RMT Company with interest in consideration of the market borrowing rate. Consequently, Enimmune Corporation Biotech has estimated a provision for liabilities amounting to NT\$17,248 thousand, which is expected to be settled upon the execution of the equity repurchase agreement. The loss recognized from this provision for liabilities was recorded under other gains and losses for the year ended December 31, 2024. Subsequently, on May 14, 2025, the Board of Directors of EB Company and Enimmune Company resolved that EB Company carried out a cash capital reduction and shares retirement, and EB Company conducted a one-way capital reduction. The proceeds from capital reduction approximately amounted to USD 5.16 million to RMT Company. Thus, the Group reversed the provision for liabilities estimated in 2024 amounting to \$17,248 thousand for the period (recorded as other income).

(17) Share capital

A. As of December 31, 2025, 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:

	2025 (thousand shares)	2024 (thousand shares)
At January 1 (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, 2025	
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, 2024	
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, 2025, 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.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange 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.

(19) 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. After that, special reserve shall be set aside or reversed in accordance with the laws and regulations. The remainder, if any, along with accumulated unappropriated earnings of prior period, shall be proposed by the Board of Directors and resolved by the stockholders at the stockholders' meeting to distribute as dividends to shareholders.
- 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 12, 2024, the Board of Directors of the Company proposed the earnings appropriation. However, the Company did not distribute earnings as the Company had loss for the year ended December 31, 2023. The aforementioned earnings appropriation of year 2023 had been approved by the shareholders during their meeting on June 21, 2024.
- E. On March 12, 2025, the Board of Directors of the Company proposed not to distribute dividends in accordance with laws after taking into account the distributable profit for the year ended December 31, 2024. The aforementioned proposal of 2024 earnings distribution had been approved by the shareholders during their meeting on June 26, 2025.
- F. On March 11, 2026, the Board of Directors of the Company proposed the deficit compensation. However, the Company did not distribute earnings as the Company had profit for the year ended December 31, 2025. The aforementioned deficit compensation of 2025 has not yet been approved by the shareholders during their meeting..
- G. Information relating to employees' compensation and directors' remuneration is provided in Note 6(23).
- H. On May 14, 2025, the Group's second-tier subsidiary, EB Company, carried out a cash capital reduction. The proceeds from cash capital reduction amounted to \$156,308 thousand (approximately USD 5.16 million), and the carrying amount of long-term equity investments was decreased. The unappropriated retained earnings were adjusted by \$25,815 thousand due to the changes in ownership interest in subsidiaries.

(20) Operating revenue

Information on products and services

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

	Year ended December 31, 2025		
	Adimmune Corporation	Enimmune Corporation	Total
Revenue from professional packing service	\$ 410,801	\$ -	\$ 410,801
Sales revenue	858,659	1,380	860,039
Other revenue	130,661	-	130,661
	<u>\$ 1,400,121</u>	<u>\$ 1,380</u>	<u>\$ 1,401,501</u>

	Year ended December 31, 2024		
	Adimmune Corporation	Enimmune Corporation	Total
Revenue from professional packing service	\$ 554,806.00	\$ -	\$ 554,806.00
Sales revenue	\$ 929,332.00	\$ 39,915.00	\$ 969,247.00
Other revenue	\$ 32,936.00	\$ -	\$ 32,936.00
	<u>\$ 1,517,074.00</u>	<u>\$ 39,915.00</u>	<u>\$ 1,556,989.00</u>
	Year ended December 31, 2025		
	Adimmune Corporation	Enimmune Corporation	Total
Timing of revenue recognition			
Over time	\$ 410,801	-	410,801
At a point in time	<u>989,320</u>	<u>1,380</u>	<u>990,700</u>
	<u>\$ 1,400,121</u>	<u>\$ 1,380</u>	<u>\$ 1,401,501</u>
	Year ended December 31, 2024		
	Adimmune Corporation	Enimmune Corporation	Total
Timing of revenue recognition			
Over time	\$ 554,806	-	554,806
At a point in time	<u>962,268</u>	<u>39,915</u>	<u>1,002,183</u>
	<u>\$ 1,517,074</u>	<u>\$ 39,915</u>	<u>\$ 1,556,989</u>

B. Contract assets and liabilities

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

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets:			
Service	<u>\$ 334,933</u>	<u>\$ 334,933</u>	<u>\$ 334,933</u>
Contract liabilities:			
Advance sales receipts	<u>\$ 35,447</u>	<u>\$ 9,394</u>	<u>\$ 21,812</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of the years ended December 31, 2025 and 2024 was \$52,656 thousand and \$ 12,478 thousand, respectively.

(c) Long-term contracts that are fully unsatisfied

As of December 31, 2025, the aggregate amount of the transaction price and milestone payments allocated to long-term development and manufacturing service agreements with customers that are not yet fully satisfied amounted to NT\$1,654,154 thousand. Management expects to recognize the related revenue in future periods. For the years ended December 31, 2025 and 2024, the Group did not recognize any service revenue, based on the progress of contract fulfillment.

(21) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 20,008	\$ 19,978
Other interest income	22	32
	<u>\$ 20,030</u>	<u>\$ 20,010</u>

(22) Other income

	Years ended December 31,	
	2025	2024
Dividend income	\$ 4,594	\$ 1,996
Grant revenue	2,634	3,661
Other non-operating income	11,556	3,057
	<u>\$ 18,784</u>	<u>\$ 8,714</u>

For the years ended December 31, 2025 and 2024, all of the Group's grant revenue was derived from government subsidies. Please refer to Note 9(2) for details of certain grant agreements.

(23) Other gains and losses

	Years ended December 31,	
	2025	2024
Gains arising from lease modifications	\$ -	\$ 1
Gains on disposals of property, plant and equipment	20	19
Net currency exchange (losses) gains	5,195	23,584
Net gains on financial assets at fair value through profit or loss	473	-
Other losses	16,437	(53,383)
	<u>\$ 22,125</u>	<u>(\$ 29,779)</u>

Details of other income (expenditures) amounting to \$17,248 thousand for the years ended December 31, 2025 and 2024 are provided in Note 6(15).

(24) Employee benefit expense, depreciation and amortisation

Nature	Year ended December 31, 2025		
	Operating cost	Operating expense	Total
Employee benefit expenses			
Wages and salaries	\$ 294,741	\$ 189,734	\$ 484,475
Employee stock options	937	9,853	10,790
Labor and health insurance fees	29,470	14,615	44,085
Pension costs	12,757	7,604	20,361
Directors' remuneration	-	9,008	9,008
Other personnel expenses	5,149	14,230	19,379
	<u>\$ 343,054</u>	<u>\$ 245,044</u>	<u>\$ 588,098</u>
Depreciation	<u>\$ 147,825</u>	<u>\$ 38,415</u>	<u>\$ 186,240</u>
Amortisation	<u>\$ 18,872</u>	<u>\$ 9,751</u>	<u>\$ 28,623</u>

Nature	Year ended December 31, 2024		
	Operating cost	Operating expense	Total
Employee benefit expense			
Wages and salaries	\$ 275,364	\$ 164,734	\$ 440,098
Employee stock options	1,938	22,637	24,575
Labor and health insurance fees	28,101	13,472	41,573
Pension costs	12,328	7,285	19,613
Directors' remuneration	-	7,553	7,553
Other personnel expenses	5,340	12,902	18,242
	<u>\$ 323,071</u>	<u>\$ 228,583</u>	<u>\$ 551,654</u>
Depreciation	<u>\$ 156,110</u>	<u>\$ 35,046</u>	<u>\$ 191,156</u>
Amortisation	<u>\$ 18,872</u>	<u>\$ 5,670</u>	<u>\$ 24,542</u>

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. For the abovementioned employees' compensation, the ratio of the compensation distributed to the rank-and-file employees shall not be lower than 1% of the Company's profit.

B. For the years ended December 31, 2025 and 2024, there were no employees' compensation and directors' remuneration accrued as the Company generated loss before tax.

Employees' compensation and directors' remuneration will not be distributed as resolved by the Board of Directors on March 12, 2026 since the Company generated loss before tax for the year ended December 31, 2025.

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.

(25) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense:		
Bank borrowings	\$ 70,179	\$ 69,086
Interest expense on lease liabilities	1,675	1,702
Less: Capitalisation of qualifying assets	(40,696)	(34,301)
	<u>\$ 31,158</u>	<u>\$ 36,487</u>

(26) Income tax

A. Income tax expense

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

	Years ended December 31,	
	2025	2024
Remeasurement of defined benefit obligations	\$ 158	\$ 187

A. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2025	2024
Tax calculated based on loss before tax and statutory tax rate	(\$ 86,003)	(\$ 87,982)
Expenses disallowed by tax regulation	20,810	23,164
Tax exempted income by tax regulation	(527)	(399)
Temporary difference not recognised as deferred tax assets	12,972	1,631
Loss carryforward not recognised as deferred tax assets	<u>52,748</u>	<u>63,586</u>
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

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

	2025			
	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	<u>5,054</u>	<u>-</u>	<u>(158)</u>	<u>4,896</u>
	<u>\$ 227,415</u>	<u>\$ -</u>	<u>(\$ 158)</u>	<u>\$ 227,257</u>

2024				
	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	5,241	-	(187)	5,054
	<u>\$ 227,602</u>	<u>\$ -</u>	<u>(\$ 187)</u>	<u>\$ 227,415</u>

C. 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, 2025				
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 assessed	50,244	50,244
Year 2023	Research and development	Amount assessed	36,250	36,250
Year 2024	Research and development	Amount filed	30,126	30,126
Year 2025	Research and development	Estimated filed amount	23,422	23,422
			<u>\$ 450,123</u>	<u>\$ 450,123</u>

December 31, 2024

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 assessed	50,244	
Year 2022	Research and development	Amount assessed	36,250	36,250
Year 2023	Research and development	Amount filed	30,126	30,126
			<u>\$ 426,701</u>	<u>\$ 376,457</u>

D. Expiration dates of unused net operating loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025

Year incurred	Usable until year	Amount filed/ assessed	Unused tax losses of loss carryforward	Unused tax losses of unrecognised deferred tax assets
Year 2015	Year 2025	Amount assessed	756,940	728,120
Year 2016	Year 2026	Amount assessed	590,916	389,810
Year 2017	Year 2027	Amount assessed	566,602	337,342
Year 2018	Year 2028	Amount assessed	488,619	177,086
Year 2019	Year 2029	Amount assessed	349,944	67,332
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 assessed	130,052	130,052
Year 2023	Year 2033	Amount assessed	184,804	184,804
Year 2024	Year 2034	Amount filed	315,930	315,930
Year 2025	Year 2035	Estimated filed amount	240,555	240,555
			<u>\$ 3,769,958</u>	<u>\$ 2,716,627</u>

December 31, 2024

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	\$ 452,734	\$ 452,734
Year 2015	Year 2025	Amount assessed	756,940	728,120
Year 2016	Year 2026	Amount assessed	590,916	389,810
Year 2017	Year 2027	Amount assessed	566,602	337,342
Year 2018	Year 2028	Amount assessed	488,619	177,086
Year 2019	Year 2029	Amount assessed	349,944	67,332
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 assessed	130,052	130,052
Year 2023	Year 2033	Amount assessed	184,804	184,804
Year 2024	Year 2034	Amount filed	315,930	315,930
			<u>\$ 3,982,137</u>	<u>\$ 2,928,806</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary differences	<u>\$ 1,272,631</u>	<u>\$ 1,185,585</u>

F. The income tax returns of the Group through 2023 have been assessed and approved by the Tax Authority.

G. The income tax returns of the Group's subsidiary, Enimmune Corporation, through 2023 have been assessed and approved by the Tax Authority.

H. The income tax returns of the Group's subsidiary, Eggs Corporation, through 2023 have been assessed and approved by the Tax Authority.

I. The income tax returns of the Group's indirect subsidiary, Animmune Corporation, through 2023 have been assessed and approved by the Tax Authority.

(27) Losses per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic (diluted) losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 239,889)	421,408	(\$ 0.57)

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic (diluted) losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 242,750)	421,508	(\$ 0.58)

(28) Transactions with non-controlling interest

A. Capital increase by subsidiary without full subscription by the Group:

The Group's subsidiary, Enimmune Corporation, increased its capital by issuing new shares on May 27, 2024. The Group's shareholding ratio decreased by 0.68% due to not acquiring shares proportionately to its ownership. The transaction increased non-controlling interest and equity attributable to owners of the parent by \$102,042 thousand and \$11,637 thousand, respectively.

B. Exercise of employee stock options by subsidiary:

On August 17, 2022, the Board of Directors of ENIMMUNE CORPORATION resolved to issue employee stock options (refer to Note 6(14) for details). Upon exercise of the stock options, November 11, 2024 was set as the record date for the issuance of new shares. As a result of the issuance, the Group's shareholding in the subsidiary decreased by 0.06%. This transaction resulted in an increase in non-controlling interests of NT\$2,064 thousand.

C. Impact of changes in ownership interests in ENIMMUNE CORPORATION on non-controlling interests for the years ended December 31, 2024 is as follows:

	2024
The amount paid by non-controlling interests in connection with the subsidiary's capital increase	\$ 113,679
Exercise of employee share options	2,064
	<u>\$ 115,743</u>

For the year ended December 31, 2025: Not applicable.

D. Capital reduction and retirement of shares by second-tier subsidiary:

On May 14, 2025, the Group's second-tier subsidiary, EB company, carried out a capital reduction and shares retirement. The transaction resulted in the proceeds from capital reduction amounting to \$156,308 thousand (approximately US\$516 million), and it also resulted in a decrease in the non-controlling interests by \$140,467 thousand, an increase in other equity interest by \$9,974 thousand and a decrease in the equity attributable to owners of the parent by \$25,815 thousand. The effect of changes in interests in EB company on the equity attributable to owners of the parent for the year 2025 is shown below:

	<u>2025</u>	
Cash paid for shares returned due to capital reduction	\$	156,308
Carrying amount of non-controlling interest acquired	(140,467)
Other equity interest (exchange differences on translation of foreign financial statements)		<u>9,974</u>
Reduction of undistributed earnings	\$	<u>25,815</u>

(29) Supplemental cash flow information

Investing activities with partial cash payments

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 219,519	\$ 195,803
Add: Opening balance of payable on equipment	59,848	18,238
Less: Ending balance of payable on equipment	(42,881)	(59,848)
Less: Amount capitalised	(40,696)	-
Cash paid during the period	<u>\$ 195,790</u>	<u>\$ 154,193</u>
	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Less: Opening balance of prepayments for business facilities	(\$ 269,768)	(\$ 363,802)
Add: Ending balance of prepayments for business facilities	145,916	269,768
Add: Unfinished construction and equipment under acceptance	<u>142,525</u>	<u>170,986</u>
Cash paid during the period	<u>\$ 18,673</u>	<u>\$ 76,952</u>

(30) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Liabilities from financing activities - gross
At January 1, 2025	\$ 500,000	\$ 2,025,329	\$ 71,346	\$ 2,596,675
Changes in cash flow from financing activities	(175,000)	413,391	(25,896)	212,495
Changes in other non-cash items	-	-	21,078	21,078
At December 31, 2025	<u>\$ 325,000</u>	<u>\$ 2,438,720</u>	<u>\$ 66,528</u>	<u>\$ 2,830,248</u>

Note: Including current portion.

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Liabilities from financing activities - gross
At January 1, 2024	\$ 540,000	\$ 2,539,215	\$ 63,415	\$ 3,142,630
Changes in cash flow from financing activities	(40,000)	(513,886)	(23,114)	(577,000)
Changes in other non-cash items	-	-	31,045	31,045
At December 31, 2024	<u>\$ 500,000</u>	<u>\$ 2,025,329</u>	<u>\$ 71,346</u>	<u>\$ 2,596,675</u>

Note: Including current portion.

(31) Seasonality of operations

Due to the fact that the peak of influenza epidemic in Taiwan is usually from late November, the delivery of flu vaccines is usually concentrated in the second half of the year. Thus, higher revenues and operating profits are usually expected in the last six months.

7. RELATED PARTY TRANSACTIONS

A. The Group's sub-subsidiary, EB Company, completed a cash capital reduction with a cancellation of shares on May 14, 2025. Please refer to Note 6(28) for further details.

B. Key management compensation

	Years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 105,063	\$ 88,339
Post-employment benefits	2,399	2,247
Share-based payments	9,709	21,372
	<u>\$ 117,171</u>	<u>\$ 111,958</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Property, plant and equipment	\$ 1,132,413	\$ 1,164,912	Long-term borrowings
Special reserve account and pledged account (included in financial assets at amortised cost - non-current)	21,208	5,017	Long-term borrowings
Time deposits (included in financial assets at amortised cost - current)	21,007	15,007	Performance margin for bidding and short-term borrowings
Refundable deposits (included in other current assets and other non-current assets)	85,006	82,581	Performance margin for bidding
	<u>\$ 1,259,634</u>	<u>\$ 1,267,517</u>	

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"). Pursuant to the agreement, Everhealth was obligated to pay Enimmune US\$1,437 thousand for goods and NT\$10,782 thousand for management service fees; however, as Everhealth failed to fulfill its payment obligations, Enimmune filed a civil lawsuit against Everhealth on November 7, 2022, seeking recovery of the aforementioned amounts. Under the terms of the agreement, Enimmune's obligation to make payment to SCD Company does not arise until payment from Everhealth is received. On October 31, 2023, the Taiwan New Taipei District Court rendered a first-instance judgment ordering Everhealth to pay Enimmune US\$1,437 thousand (equivalent to approximately NT\$45,787 thousand) and NT\$10,782 thousand, totaling approximately NT\$56,569 thousand, together with interest at an annual rate of 5% from September 18, 2022, and as of December 31, 2025, the accrued interest amounted to approximately NT\$7,873 thousand. Following the first-instance judgment, Enimmune and SCD Company entered into an agreement regarding the allocation of the court security deposit and recoverable amounts, under which Enimmune is required to provide a court security deposit of NT\$2,688 thousand and assist in provisional enforcement, and upon successful enforcement, Enimmune is entitled to receive approximately NT\$7,932 thousand (representing approximately 14% of the total claim), with interest calculated separately. Everhealth filed an appeal on November 28, 2023; on April 22, 2025, the Taiwan High Court dismissed the appeal and rendered a second-instance judgment in favor of Enimmune. Everhealth

subsequently filed an appeal to the Supreme Court on May 22, 2025, and the case was transferred on July 2, 2025; on October 2, 2025, the Supreme Court dismissed the appeal, and the judgment became final. The Group has initiated enforcement procedures and has recovered NT\$1,566 thousand (including US\$0.03) and seized movable assets with an appraised value of approximately NT\$450 thousand, while the remaining claims are still under enforcement, and disputes with a third party, Dayu Biomedical Co., Ltd., regarding the seized assets and related creditor rights are currently under litigation.

- B. The Group entered into a vaccine distribution agreement with Beijing Shouhui Pharmaceutical Co., Ltd. (“Shouhui”) in December 2019 and conducted transactions in subsequent years. For the year ended December 31, 2022, the Group shipped goods after accepting orders from Shouhui; however, Shouhui failed to settle payments in accordance with the agreed terms, and the Group’s receivables from Shouhui amounted to NT\$393,708 thousand. After unsuccessful collection efforts, the Group issued a notice of termination on February 17, 2023, and appointed legal counsel in Beijing to initiate legal proceedings with the Fourth Intermediate People’s Court of Beijing Municipality, seeking payment and damages, and also applied for property preservation measures, resulting in the freezing of Shouhui’s major bank accounts. The court heard the case on January 17, 2024 and rendered a judgment on March 18, 2024 ordering Shouhui to settle the outstanding amounts and compensate for damages; Shouhui filed an appeal on March 29, 2024, and the High People’s Court of Beijing Municipality upheld the original judgment in July 2024. Based on management’s assessment, the recoverability of the receivables is considered low; accordingly, a full allowance for expected credit losses has been recognized.
- C. In 2023, the Company entered into an embryo egg procurement agreement with Pofu Clean Livestock Farm (“Pofu”); however, a dispute subsequently arose, with Pofu alleging that the Company failed to fulfill the guaranteed annual purchase volume stipulated in the contract, and Pofu therefore filed a civil lawsuit with the Taiwan Taichung District Court, claiming compensation and outstanding payments totaling NT\$38,068 thousand. The Company has appointed legal counsel to respond to the lawsuit, and the case is currently under trial; based on management’s assessment and legal advice, the Company believes that a favorable outcome is more likely than not, although the final outcome remains uncertain, and the Company will continue to closely monitor the progress of the litigation. As of March 11, 2026, the case remains under litigation.
- D. The Group entered into a vaccine distribution agreement and a supplemental agreement with Clover Biopharmaceuticals, Ltd. (“Clover”) in February 2023, and fulfilled shipments for orders placed in 2023; although initial disagreements arose regarding certain commercial terms, both parties reached a mutual understanding through negotiation. However, on September 11, 2025, the Group received a notice from the China International Economic and Trade Arbitration Commission (“CIETAC”) indicating that Clover had initiated arbitration, claiming compensation for losses arising from alleged supply shortages, and Clover further unilaterally terminated the

agreement on June 30, 2025 and refused to settle the outstanding balance for goods delivered in 2024. The Group considers such actions to be in breach of contractual terms and inconsistent with the principle of good faith; based on legal advice, management believes that Clover’s claims are not supported by facts or legal basis. Accordingly, the Group has filed counterclaims seeking payment of RMB18,041 thousand for outstanding receivables, together with overdue interest and damages arising from the unilateral termination. As of March 11, 2026, the arbitration proceedings have not yet commenced; the Group has assessed the recoverability of the related receivables and recognized a partial allowance for expected credit losses, and the aforementioned matter is not expected to have a material impact on the Group’s operations.

(2) Commitments

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	<u>\$ 170,707</u>	<u>\$ 199,520</u>

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) In January 2020, 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. The subsidiary, Enimmune Corporation, entered into an agreement with the Taipei Computer Association for Information Industry during the year 2022 for the Phase 3 clinical trial program of Enterovirus 71 vaccines produced by bioreactors in healthy children. The project period was from March 1, 2022 to February 2, 2025, and the project was extended on November 17, 2023 to November 30, 2025. The total subsidy amount was NT\$15,007 thousand. Subsidy income recognized for the period from January 1, 2024 to December 31, 2024 amounted to NT\$2,471 thousand, and the subsidy for the year 2024 was received in December 2024. Subsidy income recognized for the period from January 1, 2025 to November 30, 2025 amounted to NT\$3,692 thousand, and the subsidy for the year 2025 was received in November 2025.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss - current	\$ <u>473</u>	\$ <u>-</u>
Financial assets at fair value through other comprehensive income - non-current	\$ <u>91,664</u>	\$ <u>109,663</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 2,186,487	\$ 2,344,620
Financial assets at amortised cost - current	52,007	127,507
Notes receivable	2,000	-
Accounts receivable	144,864	187,806
Financial assets at amortised cost - non-current	21,208	5,017
Other receivables (shown as other current assets)	259	253
Refundable deposits (shown as other current assets and other non-current assets)	85,006	82,581
	<u>\$ 2,491,831</u>	<u>\$ 2,747,784</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 325,000	\$ 500,000
Notes payable	322	60
Accounts payable	16,719	31,190
Other payables	241,292	254,993
Long-term borrowings (including current portion)	<u>2,438,719</u>	<u>2,025,329</u>
	<u>\$ 3,022,052</u>	<u>\$ 2,811,572</u>
Lease liabilities (including current portion)	<u>\$ 66,528</u>	<u>\$ 71,346</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange 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, accounts receivable and other payables 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:

December 31, 2025

		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency:				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	8,954	31.38	\$ 280,977
JPY : NTD		396,699	0.20	79,340
EUR : NTD		416	36.70	15,267
RMB : NTD		21,675	4.47	96,887
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	148	21.48	\$ 3,179

December 31, 2024

		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency:				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	10,318	32.74	\$ 337,811
JPY : NTD		396,169	0.21	83,195
EUR : NTD		137	33.94	4,650
RMB : NTD		19,992	4.45	88,964
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	698	32.84	\$ 22,922

			Year ended December 31, 2025		
			Sensitivity analysis		
	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency:					
<u>Financial assets</u>					
<u>Monetary items</u>					
	USD : NTD	1%	\$ 2,810	\$	-
	JPY : NTD	1%	793		-
	EUR : NTD	1%	153		-
	RMB : NTD	1%	969		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
	USD : NTD	1%	\$ 47	\$	-

			Year ended December 31, 2024		
			Sensitivity analysis		
	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency:					
<u>Financial assets</u>					
<u>Monetary items</u>					
	USD : NTD	1%	\$ 3,378	\$	-
	JPY : NTD	1%	832		-
	EUR : NTD	1%	47		-
	RMB : NTD	1%	890		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
	USD : NTD	1%	\$ 229	\$	-

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, 2025 and 2024 amounted to exchange gain of \$5,195 thousand and gain of \$23,584 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. For the years ended December 31, 2025 and 2024, if the interest rate had been 25 basis point higher/lower, post-tax profit would have decreased/increased by \$5,527 thousand and \$ 5,051 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 and financial assets at amortised cost are deposited in financial institutions with optimal credit quality. In order to prevent excessive concentration and to disperse credit risk, the Group manages the deposit ratio in each financial institution, and the credit quality of banks and financial institutions the Group trades with is optimal. According to 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 classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate the expected credit loss.
- 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 forecast ability to adjust historical and timely information to assess the default possibility of receivables (including notes 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, 2025 and 2024, the loss rate methodology is as follows:

<u>December 31, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>Group</u>			
Not past due	0.003%	\$ 434,341	\$ 11
Within 30 days	0.000%	6,406	-
		<u>440,747</u>	<u>11</u>
<u>Individual Assessment</u>			
A Company	49%	80,661	39,600
B Company	100%	393,708	393,708
		<u>474,369</u>	<u>433,308</u>
		<u>\$ 915,116</u>	<u>\$ 433,319</u>

<u>December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>Group</u>			
Not past due	0.005%	\$ 456,184	\$ 22
Within 30 days	0%	62,925	-
91 to 120 days	0%	3,652	-
		<u>522,761</u>	<u>22</u>
<u>Individual Assessment</u>			
B Company	100%	393,708	393,708
		<u>\$ 916,469</u>	<u>\$ 393,730</u>

vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Accounts receivable</u>	<u>Other receivables</u>	<u>Accounts receivable</u>	<u>Other receivables</u>
At January 1	\$ 393,730	\$ 4,986	\$ 393,876	\$ 4,986
Recognition of impairment	39,600	-	-	-
Reversal of impairment	(11)	(1,566)	(146)	-
At December 31	<u>\$ 433,319</u>	<u>\$ 3,420</u>	<u>\$ 393,730</u>	<u>\$ 4,986</u>

viii. The Group used the forecast ability 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, 2025 and 2024, 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, 2025			
	Lifetime			
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	\$ 73,125	\$ -	\$ -	\$ 73,125

	December 31, 2024			
	Lifetime			
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	\$ 132,524	\$ -	\$ -	\$ 132,524

(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. The Group has undrawn borrowing facilities are as follows:

	December 31, 2025	December 31, 2024
Floating rate		
Expiring within one year	\$ 505,000	\$ 300,000
Expiring beyond one year	1,357,336	1,945,892
	<u>\$ 1,862,336</u>	<u>\$ 2,245,892</u>

- 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.

<u>December 31, 2025</u>					
	Less than	Between 3	Between 1	Over 3	Total
	3 months	months and 1 year	and 3 years	years	
Short-term borrowings	\$ 202,047	\$ 125,858	\$ -	\$ -	\$ 327,905
Accounts payable	16,719	-	-	-	16,719
Other payables	241,292	-	-	-	241,292
Long-term borrowings (Note)	712,764	217,281	869,440	763,541	2,563,026
Lease liabilities (Note)	7,878	13,791	42,482	4,649	68,800

Note: including current portion.

<u>December 31, 2024</u>					
	Less than	Between 3	Between 1	Over 3	Total
	3 months	months and 1 year	and 3 years	years	
Short-term borrowings	\$ 403,151	\$ 100,313	\$ -	\$ -	\$ 503,464
Accounts payable	31,190	-	-	-	31,190
Other payables	254,993	-	-	-	254,993
Long-term borrowings (Note)	158,226	211,612	1,063,548	757,550	2,190,936
Lease liabilities (Note)	7,256	12,184	28,818	25,826	74,084

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, notes receivable, 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:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - Forward exchange contracts				
	\$ -	\$ 473	\$ -	\$ 473
Financial assets at fair value through other comprehensive income				
- Equity securities				
	-	-	91,644	91,644
	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ 91,644</u>	<u>\$ 92,117</u>
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,663</u>	<u>\$ 109,663</u>

(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, 2025 and 2024:

	<u>Equity securities</u>	
	<u>2025</u>	<u>2024</u>
At January 1	\$ 109,663	\$ 105,860
Gains recognised in other comprehensive income	(18,019)	8,224
Excluding this period	-	(4,421)
At December 31	<u>\$ 91,644</u>	<u>\$ 109,663</u>

E. For the years ended December 31, 2025 and 2024, 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, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 91,644	Market comparable companies	Liquidity premium	20.00%	The higher the multiple, the higher the fair value.
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 109,663	Market comparable companies	Liquidity premium	20.00%	The higher the multiple, the higher the fair value.

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, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Liquidity premium	±10%	\$ -	\$ -	\$ 11,441	(\$ 11,441)
			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Liquidity premium	±10%	\$ -	\$ -	\$ 13,653	(\$ 13,653)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- F. 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.

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 reportable operating segments are separated by business as Adimmune Corporation and Enimmune Corporation. The Group's revenue is mainly from manufacturing and trading of vaccines, modern medicine products and testing reagents as well as entrusted packing of vaccines.

(2) Segment information

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

Year ended December 31, 2025	Adimmune Corporation	Enimmune Corporation	Total
Revenue from external customers	\$ 1,353,306	\$ 48,195	\$ 1,401,501
Inter-segment revenue	<u>46,816</u>	<u>-</u>	<u>46,816</u>
Total segment revenue	<u>\$ 1,400,122</u>	<u>\$ 48,195</u>	<u>\$ 1,448,317</u>
Segment loss	<u>(\$ 148,053)</u>	<u>(\$ 164,290)</u>	<u>(\$ 312,343)</u>

Year ended December 31, 2024	Adimmune Corporation	Enimmune Corporation	Total
Revenue from external customers	\$ 1,517,074	\$ 39,915	\$ 1,556,989
Inter-segment revenue	<u>21,161</u>	<u>-</u>	<u>21,161</u>
Total revenue	<u>\$ 1,538,235</u>	<u>\$ 39,915</u>	<u>\$ 1,578,150</u>
Segment loss	<u>(\$ 154,737)</u>	<u>(\$ 147,735)</u>	<u>(\$ 302,472)</u>

(3) Reconciliation for segment income (loss)

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

	Years ended December 31,	
	2025	2024
Adjusted revenue of reportable segments (Total)	\$ 1,448,317	\$ 1,578,150
Elimination of segment (loss) income	<u>(46,816)</u>	<u>(21,161)</u>
Reportable operating department adjusted income	<u>\$ 1,401,501</u>	<u>\$ 1,556,989</u>

B. A reconciliation of reportable segment loss to the loss before tax from continuing operations for the years ended December 31, 2025 and 2024 is provided as follows:

	Years ended December 31,	
	2025	2024
Reportable segment loss	(\$ 312,343)	(\$ 302,472)
Other segment loss	(17,429)	(34,015)
Total	(329,772)	(336,487)
Elimination of segment (loss) income	-	-
Loss before tax from continuing operations	(\$ 329,772)	(\$ 336,487)

(4) Information on products and services

Please refer to Note 6 (19).

(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, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 782,606	\$ 4,063,121	\$ 760,248	\$ 3,888,752
USA	415,540	-	376,932	-
China	123,821	-	349,034	-
Others	79,534	-	70,775	-
	<u>\$ 1,401,501</u>	<u>\$ 4,063,121</u>	<u>\$ 1,556,989</u>	<u>\$ 3,888,752</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue	Segment	Revenue	Segment
Customer A	\$ 725,849	51	\$ 707,655	45
Customer B	415,540	29	376,932	24
Customer C	123,821	9	198,248	12

Adimmune Corporation and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

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 September 30, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Adimmune Corporation	Taiwan Biotech Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	4,565,768	\$ 61,129	1.43	<u>\$ 91,644</u>	-
			Valuation adjustments		<u>30,515</u>			
					<u>\$ 91,644</u>			

Adimmune Corporation and subsidiaries
Information on investees(not including investees in Mainland China)
December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the ended December 31, 2025	Investment loss recognised by the Company for the ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Adimmune Corporation	Enimmune Corporation	Taiwan	Bio-technology	\$ 684,518	\$ 598,224	36,254,701	50.26	\$ -	(\$ 164,347)	(\$ 82,601)	Note 1 & 4
Adimmune Corporation	Global Commonwealth Life Science (Holdings) Limited	Hong Kong	Investment	-	-	2	100.00	-	-	-	Note 1 & 2
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	13,639	(9,043)	(9,043)	Note 1
Eggs Corporation	Animmune Corporation	Taiwan	Bio-technology	51,732	51,732	3,636,585	51.22	8,063	(16,680)	8,543	Note 3
Enimmune Corporation	Enimmune-RMT Biotech PTE. LTD.	Singapore	Bio-technology	162,910	162,910	55,000,000	100.00	-	(249)	(57)	Note 3

Note 1: The Company's subsidiary.

Note 2: Initial investment was NT\$8 (in dollars).

Note 3: It's the Company's second-tier subsidiary.

Note 4: The credit balance in long-term equity investment resulted from the Company's subsidiary's continued financial support and is presented under "Other non-current liabilities."

Adimmune Corporation and subsidiaries
Information on investments in Mainland China
December 31, 2025

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, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Adimmune Co., Ltd. Nanjing, China	Business sales & acquisition	\$ -	1	\$ -	\$ -	\$ -	\$ -	\$ -	100.00	\$ -	\$ -	\$ -	Notes 2 & 3

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 June 30, 2025, the company still has not yet initiated its operation, thus, no related investment profit or loss.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Investment amount approved by the Department of Investment Review, MOEA	Ceiling on investments in Mainland China imposed by the Department of Investment Review, MOEA(Note)
Adimmune Co., Ltd. Nanjing, China	\$ -	\$ 10,000	\$ 2,966,637

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).