Stock Code: 4174

OBI Pharma, Inc.

Annual Report 2021

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I Letter to Shareholders

Dear Shareholders,

After more than two years' epidemic impact and on the occasions of successive unblocking of European countries and the United States and the outbreak of the war between Russia and Ukraine, the world situation is strange and changeable and everyone is still not optimistic about the "post-epidemic era". For OBI, we pay attention to the current situation and get to know social changes and needs, but focus more on the research and development of new drugs, hoping to provide people with new options for safe and high-quality treatment. At this critical moment in 2021, in addition to continuing to advance the progress of the product line, we archived breakthroughs in 2021, including entry into new fields, introduction to new objects and cooperation with new partners; all such progress was a big step forward for OBI.

Now we will report to you the continuous promotion of clinical progress of our product lines, as well as the great achievements we accomplished in the second half of last year with great efforts.

First of all, the next-generation COVID-19 vaccine named BCVax as developed by us within only half year was announced in January. The data and efficacy of this product shown in pre-clinical trials were in no way inferior to any vaccine brands currently marketed in the international community, or even better. Additionally, this product features unique safety and convenience for storage and transportation, which was also the biggest motivation for us to invest in research and development, i.e., popularizing the vaccines and avoiding the loss of duly protected human rights for health due to high thresholds like cold chain and economic development; therefore, we have already actively planned to advance the development of BCVax to clinical trials in the shortest time.

In February, we announced the news of authorizing the development of OBI-999 and OBI-833 of subsidy Odeon in the markets of Chinese mainland, Hong Kong and Macao. This transaction proposal was postponed for one y ear from the application to approval and was finally approved. Then, contract was signed in due time, which was of great importance for building confidence in the investors of OBI.

Additionally, the proposal for capital increase brought forward by us at the end of 2021 was also approved in January and has been formally initiated. This capital increase mainly focuses on the needs for product development and operation in the next three year; in the face of various unfavorable environments and uncertain factors such as the current global

situation and the epidemic, this capital increase is indeed full of challenges. Thanks to the support and trust of all shareholders. We will still work tirelessly to complete it.

To speak out, with the completion of this capital increase, the capital amount of OBI will exceed NT$ 2 billion, which is also a new milestone for the development of the Company. Now, since the capital amount is increased, product lines are already determined, the investment structure is made clear, and definite blueprints have been drawn for the development subsidiaries together with complete planning, layout or strategies, we will accelerate our development speed in accordance with the foregoing, and expect that this brand-new industrial layout will realize most efficient application of resources, improve the success rate of product development, and bring more opportunities for cooperation and diversified development.

A. 2021 BUSINESS RESULTS

[R&D ACHIEVEMENTS IN MAJOR PRODUCTS]

1. Adagloxad Simolenin (OBI-822) Globo H active immunity vaccine

Adagloxad simolenin is a new active immune anticancer drug with tumor surface sugar molecule Globo H as its targe, The global phase III clinical trial is designed as randomized, open, standard care control (randomized, open-label) with patients suffering from triple negative breast cancer (TNBC) of a high risk of recurrence after surgery as subjects. It was evaluated that this group of patients still has unmet medical needs; in this trial, immunohistochemistry (IHC) approved by the FDA of the United States was adopted to screen TNBC patients with certain Globo H expression on the tumor surface as subjects; cases were actively received in Taiwan, the United States, Australia, China and other countries; approval has also been successively acquired from countries including Mexico, Peru, Brazil, and Poland this year in order to accelerate the expansion of case receipts for the trial.

2. OBI-888 Globo H Passive Immune – oncology therapy

OBI-888 is the first monoclonal antibody new drug targeting the tumor carbohydrate antigen Globo H. After being combined with Globo H in vivo, it can trigger acting mechanisms like ADCC and CDC to realize the anti-tumor purpose.

This product has been granted with orphan drug designation by the FDA for the treatment of pancreatic cancer, and is currently at the phase II clinical study conducted in nine medical centers including the University of Texas MD Anderson Cancer Center and Taipei Veterans General Hospital. It is estimated that the case receipt of the clinical trial in stage 1 of phase II and preliminary evaluation of drug efficacy will be completed in this year.At this stage,

patients with locally advanced or metastatic solid tumors were selected as subjects, and the expression of tumor Globo H was measured by immunohistochemistry, IHC approved by FDA, which was used as the criteria for screening subjects.

3. OBI-999 Globo H Antibody Drug Conjugate (ADC)

OBI-999is an antibody drug conjugate (ADC) based on OBI-888 monoclonal antibody. Preliminary pharmacological tests and animal tests have shown that OBI-999 has good homogeneity and stable structure, and animal toxicological tests also have shown the safe dose range of this product; animal tests on several cancers have shown excellent anti-cancer effects. It has been granted with orphan drug designation by the FDA for the treatment of gastric and pancreatic cancers respectively.

OBI-999 is currently undergoing phase II cohort expansion clinical trials in multiple medical centers in the United States and Taiwan. In this stage of trial, patients with locally advanced or metastatic solid tumors were accepted as subjects, and the expression of tumor Globo H measured using immunohistochemistry (IHC) approved by FDA of the United States as the subject screening criteria. Currently, relevant cases have been actively received.

4. OBI-3424 AKR1C3 Enzyme Prodrug

OBI-3424 is a precursor of the first small molecule new drug, which can selectively act on a variety of cancers over-expressed by AKR1C3 aldosterone reductase. Has been approved by FDA of the United States as an orphan drug for the treatment of hepatocellular carcinoma (HCC) and acute lymphoblastic leukemia (ALL) in July and September 2018.

The phase II cohort expansion clinical trials of this product have currently been carried out in multiple hospitals including the University of Texas MD Anderson Cancer Center. In this stage of trial, patients with highly-expressed AKR1C3 screened using immunohistochemistry (IHC) are accepted as subjects. Currently, relevant cases have been actively received.

Additionally, the phase I/II clinical trial sponsored by OBI and its partner, Southwest Oncology Group (SWOG), is currently undergoing the first dose-escalation phase of trial and drug safety evaluation for T-cell acute lymphoblastic leukemia (T-ALL) and T-cell Lymphoblastic lymphoma (T-LBL) in the United States.

5. OBI-833 Globo H-DT active immune – oncology therapy

After completing the safety evaluation of the phase I dose-escalation clinical trial of OBI-833, we immediately launched a cohort expansion trial for the treatment of non-small cell lung cancer, which was completed in February 2021. The results of the dose-escalation trial and the cohort expansion trial, including safety and immune antibody response (the results of the tumor response in the cohort expansion trial), were published at the 2020 ESMO Asia

Annual Meeting. The overall trial results showed that OBI-833 presented a good safety profile. In the cohort expansion trial of 14 patients with non-small cell lung cancer, OBI-833 elicited a beneficial immune response; 11 of the 14 patients received both OBI-833 and an EGFR tyrosine kinase inhibitor in the trial, and eight of them had stable disease for more than 6 months, achieving a durable stable disease status; 1 patient's tumor shrank by 27% after 16 months of OBI-833 treatment.

The planning of two follow-up phase II clinical trials of OBI-833 is already completed: One targeted at non-small cell lung cancer and evaluated whether the combined use of OBI-833 and EGFR tyrosine kinase inhibitor could prolong patients "progression-free survival"; the other was investigator-initiated trial which targeted at esophageal cancer and evaluated whether the use of OBI-833 could postpone the postoperative recurrence in patients. The applications for these two trials were approved by the Ministry of Health and Welfare of Taiwan for execution in February 2022 and October 2021 respectively. It is expected that cases will be initially received since the second quarter of 2022.

6. OBI-866 SSEA-4 active immunity vaccine

OBI has continued to develop Globo Series polysaccharide series of new tumor immune drugs for many years. Among them, in addition to Globo H as the target, new anti-cancer drugs with SSEA-4 as the target are also listed as a key project for the Company's future development.

OBI-866 is an SSEA-4 active immune anticancer drug. Animal experiments have confirmed that it can induce specific antibody production in mice. The completed toxicology test has confirmed its dose range and safety. In August 2020, the investigational new drug application (IND) of phase I clinical trial was obtained, and the cases are now being actively received. It is expected to complete the acute safety evaluation and preliminary analysis of immunogenicity this year.

7. OBI-858 new botulinum toxin preparation

OBI-858 has already been authorized to the subsidiary Obigen Pharm for continuous development. Obigen completed the phase 1 clinical trial at Tri-Service General Hospital and Kaohsiung Chang Gung Memorial Hospital in 2021. The test results show that three doses of 10U, 20U, and 30U have been used to test a total of 36 subjects with moderate to severe frown lines, confirming that there is no worry about this product's safety and tolerance; the preliminary efficacy shows that the degree of facial frown lines has been improved, and the effect is similar to that of commercially available products. Obigen is actively carrying out the construction of bulk drug factory and the upgrading of the finished drug factory, and continues to plan the phase II/III clinical trials for medical aesthetic indications.

[CORPORATE GOVERNANCE]

Environmental protection and social responsibility have become universal values nowadays, and companies that take from society are not exempted from them. Whether it is investors or the community, the evaluation of corporate investment is no longer limited to the financial performance in the past. Currently, ESG (Environmental, Social and Governance) is not just an important indicator of sustainable corporate management. Additionally, the government urges enterprises to specifically implement ESG in institutional terms of legislation or appraisal.

In terms of corporate governance, we aim to protect the rights and interests of shareholders, strengthen the functions of the board of directors, respect the rights and interests of stakeholders, and enhance information transparency. In this regard, since there is a high professional threshold in the biotechnology field, OBI gives top priority to the openness and transparency of information. In addition to releasing important information about the Company's progress or explaining it in press releases as stipulated, OBI also publicly announces and explains the progress of product development and related information to investors and the general public in the form of legal presentations or forums; in order to value the voice of investors, the Company also has assigned a dedicated person to handle investors' questions, answers and suggestions to promote positive interaction and build mutual trust with investors.

In addition, in order to implement ESG requirements, OBI synchronously revises "Corporate Governance Best Practice Principles", "Integrity Management Code" and "Operating Procedures and Behavioral Guidelines for Integrity Management" and adds "Procedures for Handling of Reporting Cases" according to the latest laws and regulations of the competent authority. Also, OBI establishes an internal control and audit plan according to legal risk indicators to audit the current implementation status of laws and regulations by each department, and holds education and training programs on integrity management, prevention of insider transactions, personal information protection and wisdom and finance policy advocacy and patents so as to strengthen employees' awareness of legal compliance and to comprehensively improve and optimize the corporate governance system.

In dealing with stakeholders, the Company emphasizes "integrity" as a core value and a management principle; the Company emphasizes and evaluates the history of contract performance and corporate compliance practices of objects like upstream and downstream manufacturers and partners so as to select partners prudently.

Although the competent authority hasn't classified biotechnology as a mandatory CSR report publication industry, OBI has gone with the tide of historical development and compiled and published OBI CRS report year by year since 2014 in accordance with "CSR Report Preparation Practice for Listed Companies" and "GRI Guidelines" proposed by the Global Sustainability Standards Board, not only to review the implementation of ESG in each aspect, but also to self-monitor the fulfillment of social responsibility.

Information security is a risk continuously faced by modern enterprises. In particular, business secrets, technical patents and layout of intellectual property rights owned by biotechnology industry are all their core values. All enterprises take the maintenance of information security as a major action to avoid risks. In order to strengthen risk management and improve information security maintenance, OBI has already completed key system backup mechanism, and disaster backup and recovery practices; when facing the continuing and complicated network threats and attacks, in addition to the introduction of multiple factor verification and hard disk encryption technology, OBI increased managed detection and response services in 2021 so as to improve the capacity for resistance and handling of information security.

【Budget execution】

The Company and its subsidiaries did not disclose 2021 financial forecasting to the public. Consequently, this section is not applicable.

【Financial income and expenditure, and analysis】

The R&D industry of new anti-cancer drugs is highly uncertain, and the financial principle of the Company is conservative.

The consolidated operating income of the Company in 2021 was NT$ 18,772 thousand, and the consolidated R&D expenses were NT$ 1,449,598 thousand, which were mainly used for new drug research and development projects such as OBI-822, OBI-888, OBI-999 and OBI-3424. As it is still in the R&D investment period, the R&D expenditure is to accumulate the energy for future product listing and profit growth. The financial income and expenditure, and analysis of 2021 are as follows:

Unit: NT$thousand ; %

Item		2022	2021	Increase/Decrease
Financial income and expenditure	Operating revenue	18,772	140,886	(86.68%)
	Operating costs	(44,362)	(6,469)	(585.76%)
	Operating expenses	(1,690,424)	(1,600,298)	(5.63%)
	Non-operating income and expenses	(26,239)	(27,810)	5.65%
	Loss for the year	(1,717,890)	(1,489,897)	(15.30%)
Financial Analysis	Owned Capital Ratio	86.27	90.60	(4.78%)
	Ratio of long-term funds to fixed assets	433.74	666.41	(34.91%)
	Liquidity ratio	872.23	1,567.40	(44.35%)
	Quick ratio	818.16	1,505.45	(45.65%)
	Rate of return on total assets	(34.90)	(25.14)	(38.82%)
	Return on stockholders' equity	(39.45)	(27.69)	(42.47%)
	Net loss per share (NT$)	(7.69)	(7.34)	(4.77%)

B. BUSINESS PLAN SUMMARY AND DEVELOPMENT STRATEGY

【Expected Sales】

The main business item of the Company is new drug R&D. The mainly researched and developed new drugs have not yet been successfully marketed and launched for mass production. At present, the Company had only licensed DIFICID to Merck Sharp & Dohme in 2014 and started to receive royalty calculated by % on net sales from Merck.

【Major production and sales policies】

The main business item of the Company is new drug R&D. The mainly researched and developed new drugs have not yet been successfully marketed and launched for mass production. The Company’s business model and sales policies are different from traditional manufacturing industry. The major R&D policies are listed below:

(1) Centralize existing resources on executed clinical trials

As a new drug development company with multiple technologies and targets, since 2019, OBI Pharma, Inc. has started its industrial layout, which is called "OBI 2.0" project. High-level directors of R&D, clinical and commercial development departments set up special teams to take stock of product lines, determine resources and development progress of similar products, and decide development priorities.

(2) Product diversification and striving for licensing opportunities

Check the technical platforms owned by the company, such as monoclonal antibody, ADC and bispecific antibody; Look at the world, and understand the current situation of the same type of products that compete with us, their latest technologies and dosage forms. Based on this, we re-evaluate the technical cooperation, licensing opportunities and the introduction of the second generation technology for improvement of our products, hoping to strengthen the product line and expand the development possibilities, such as developing cell therapy or combination drugs, so as to strive for greater development opportunities.

(3) Upgrade the ability of self-production to ensure the supply of medication and stability of quality

Facing the expansion of partners and product fields, the company will also launch a manufacturing (CMC) upgrade plan; In short, for most products of OBI Pharma, Inc. and its subsidiaries in the future, it is decided by policy to try its best to produce them by themselves and minimize the proportion of outsourced manufacturing, with the aim of further optimizing quality and schedule management.

(4) Enhance the protection of intellectual property

The safeguard of intellectual property is the value of biotechnology industry, in respond to global market competition, OBI reinforced the patent layout in 2021 and strengthened the protection of business secrets as well, achieving many substantial progresses; as at the end of 2021, OBI had obtained 26 domestic and foreign trademark certificates, owning 134 domestic and foreign patents in total. Meanwhile, OBI continued to introduce senior international management talents to join the management team to enrich the research and development capacity, so as to respond to the globalization of market and competition.

C. IMPACT OF EXTERNAL COMPETITIVE ENVIRONMENT, REGULATORY ENVIRONMENT AND OVERALL ENVIRONMENT

The development of biotechnology industry is inseparable from national security, economy, health and well-being and environmental sustainability. In particular, the rapid spread of COVID-19 in the world has alerted the world: with the close international contacts in the current "global village", it is impossible to effectively stop the epidemic outside the country for a long time through anti-blocking and isolation. The research and development of related drugs and vaccines is the key to overcome the epidemic and the last word for the development of biotechnology.

Faced with the challenges of this post-epidemic era, the development of biotechnology industry is highly anticipated. The government also extends from epidemic prevention needs to industrial promotion and mutual assistance and cooperation with the international community. It hopes to make good use of the energy of innovation, R&D and manufacturing of Taiwan’s biotechnology industry, grasp the opportunity, push Taiwan's biotechnology R&D, clinical trial system and niche products to the international stage, and become a part of the global pharmaceutical and biotechnology supply chain. At the same time, it attracts foreign manufacturers to invest in Taiwan or establish cooperative partnerships, so as to build Taiwan into an important city of biomedical R&D industry in Asia Pacific.

The Executive Yuan has listed biotechnology industry as the six core strategic industrial projects, and at the same time approved the promotion plan of diversified biotechnology industry, and planned the precise and healthy strategic industry, which is expected to further promote the development of Taiwan's biotechnology industry, support the development of biotechnology as a new technology industry, create a high-quality industrial development

environment, promote global investment and lay out the global market. As the original "Regulations on the Development of New Biotechnology Drugs Industry" will go down this year, the Executive Yuan has proposed that the revised "Regulations on New Biotechnology Drugs" will be promoted for the third reading in the near future. It is hoped that the tax deduction for technology research and development, talent training, corporate shareholders and other businesses providing new biotechnology drugs will be targeted, and the commercialization of research and development results will be implemented and the product launch will be accelerated in combination with the research and development energy of legal persons; At the same time, it also links international resources and accelerates the international marketing of products.

All the products of the Company are first in class new drugs, so we should make good use of this opportunity encouraged by government policies and expected by the whole people, and make full efforts to carry out clinical trials, with a view to launching products as soon as possible, opening up the global market and benefiting people. However, the research and development and application of new biotech drugs must verify the safety and effectiveness of new drugs through clinical scientific data. Therefore, biotech drugs are strictly regulated by laws and regulations from raw material use, research and development, production to marketing to ensure safe use; In order to strengthen the linkage with the industry and meet the market demand, the domestic pharmaceutical administration and legal environment should be further integrated with the international market and continuously improved.

In recent years, China has won the field of biotechnology new drug research and development with great ambition, which has not only become the second largest drug market in the world after the United States, but also attracted the attention of all countries because of the reform and refinement of its drug administration regulations and its attempt to connect with international standards. In particular, it has greatly expanded the scale of the Food and Drug Evaluation Center (CDE), accelerated the examination and approval speed, and encouraged innovative drug research and development with policies, and its efficiency and transparency in drug examination have gradually aligned with advanced countries.

In recent years, Hong Kong has devoted itself to absorbing the kinetic energy of biotech pharmaceuticals. Since the Hong Kong Stock Exchange opened the non-operating biotech companies to be listed in 2018, many new cancer immune drug companies with China as their operating target have been listed one after another, and raised considerable funds from the capital market, and their future development should not be neglected. All this means that China will become a competitor that can not be ignored in China's development opportunities and market.

These qualitative changes in the Chinese market are not only new challenges but also business opportunities for OBI Pharma, Inc. , who focuses on the research and development of new anti-cancer drugs; In addition to strengthening its local deployment, OBI Pharma, Inc. will pursue the maximization of product value through joint development with partners, complementary resources and technologies in the future.

D. Concluding remarks

Despite the impact of the COVID-19 epidemic on the global economy and trade in recent years, the domestic biotechnology has still maintained a growing trend thanks to the continuous product development; Executive Yuan has also verified and approved multiple schemes for the promotion of the biotechnology industry and listed it as one of the six major strategic industry projects; the amendment to “Regulations Governing the Development of Biotechnology Industry” has already been completed, and the industry has been included in the key and innovative industry development directions like “Precision Medicine”, “Regenerative Medical Treatment”, and “Innovative Technology Platform” so as to further promote the development of biotechnology industry in Taiwan.

Technological innovation is the most important driving force for industrial growth. OBI has always focused on the development of new first-in-class anti-cancer drugs, and has continued to make progress and deepen the development of new anti-cancer drugs with the Globo polysaccharide series as the target; in recent years, OBI has expanded its R&D direction from the Globo polysaccharide series to emerging areas such as AKR1C3 enzymes, bispecific antibodies, and CAR-T cell therapy, and has been studying the feasibility of future combined cancer drugs. As a result, it has successfully transformed itself into an innovative tumor immunotherapy development platform with multiple technologies and targets.

Under the background of change in the overall environment and international competition, OBI has continuously maintained rolling review and correction of its resources, product competitiveness and development strategies and conducted short-term, middle-term and long-term development planning; OBI spent only half a year independently researching and developing BCVax COVID-19 vaccine last year, and proved its neutralizing effect on various COVID-19 virus strains in the pre-clinical trials, which exactly showed the R&D strength of OBI. We truly hope to make contributions to the balance of global anti-epidemic capacity and control of the epidemic; it is our original intention to practice social responsibilities in the biotechnology industry. Additionally, OBI has recently authorized the introduction of Trop2 monoclonal antibody from Biosion and actively adopted it as a new target spot to improve and optimize the insufficiency existing in the currently marketed

products and develop new immunity drugs against cancers. Furthermore, the cooperation authorization project with Odeon has also been contracted so as to expand the development path of authorized products of OBI-833 and OBI-999 in Chinese market.

The Company will continuously maintain its maximum R&D energy, actively promote each products and complete clinical trials, dedicate to seeking for business opportunities for international cooperation, and march forward the goal of becoming a transnational biotechnology new drug company with global competitiveness.

OBI Pharma, Inc.

Chairman & CEO
Michael N. Chang

II Company Profile

I. Establishment Date

(1) Establishment date: April 29, 2002

(2) Address and telephone number of parent company, branch company and plant:

1. Company address and telephone number:

19F, No. 3, Park Street, Nangang Software Park, Nangang District, Taipei City 115 Tel.:(02)2655-8799

7F, No. 369, Zhongxiao East Road, Section 7, Nangang District, Taipei City 115 Tel.:(02)2786-6589

2. Branch company address and telephone number: NA.

3. Plant address and telephone number: NA.

II. Company history

2002	● In April, OBI Pharma, Inc. (hereinafter referred to as "OBI Pharma") was established by American merchant Optimer Pharmaceuticals, Inc. (Optimer Pharmaceuticals, Inc. locates at US San Diego, it is a NASDAQ listed company with stock code as OPTR, mainly researching and developing new drugs related to anti-infective diseases and cancers). ● OBI Pharma is the subsidiary 100% invested by American merchant Optimer Pharmaceuticals, Inc., upon the establishment, the authorized capital was NT$Forty Million, the paid-up capital was NT$Ten Million, and the founder and Chairman was Michael N. Chang.
2004	● Completed the statistical analysis of DIFICIDTM (Fidaxomicin) CDI epidemiology in Taiwan . ● To expand operations, a capital increase of 12.6 million shares and technology investment of 20.4 million shares, or a total of 33 million shares with par value per share of NTD 10. Authorized capital was NTD 1,200,000,000, and paid-up capital was NTD 340,000,000 ● OBI Pharma coordinated with the manufacturing of DIFICIDTM for a phase I/II clinical trial in Taiwan
2006	● Optimer Pharmaceuticals (NASDAQ:OPTR) initiates a DIFICIDTM Phase III human trial (No. 003 clinical trial)

2007	● Parent company Optimer Pharmaceuticals became public listing in the National Association of Securities Dealers Automated Quotation (NASDAQ) ● OBI Pharma partnered with Academia Sinica on carbohydrate molecules synthesis and carbohydrate membrane array development
2008	● Taiwan's Center for Drug Evaluation granted OBI priority review for OBI-822 (formerly known as OPT-822) ● The research of Academia Sinica pointed out that the Globo series carbohydrates highly perform in cancer cells, and the paper was published in journal Proceedings of the National Academy of Sciences (PNAS)
2009	● Dr. Youe-Kong Shue appointed CEO. ● In order to expand operation, external cash capital increase was carried out to introduce strategic cooperative partners, there were two payment installments in total: the first installment was cash payment of 19.8 million shares, with NT$Ten per share. Apart from the parent company American merchant Optimer Pharmaceuticals, Inc., shareholders of the Company also include large groups, financial holdings and venture capitals etc. in Taiwan; the authorized capital was NT$One Billion Twenty Million, and the paid-up capital was NT$Five Hundred Thirty-Eight Million. ● OBI-822 licensing fully transferred to OBI from Optimer Pharmaceuticals.
2010	● OBI gained the exclusive right to develop OBI-833, a new generation cancer immunotherapy, and OBI-868, a novel cancer diagnosis technology, from Academia Sinica. ● OBI-822 Phase II/III Clinical Trial for metastatic breast cancer began in Taiwan. ● Taiwan Ministry of Economic Affairs approved OBI Pharma Inc. as the new biotechnological drug company.
2011	● OBI-822 Clinical Trial for metastatic breast cancer began in the US and Hong Kong. ● OBI received the Gold Award at the 2011 Taiwan Biomedical and Agricultural Industries Innovation and Excellence Ceremonies ● TFDA granted New Drug Priority Review and exemption requiring a Bridging Study Evaluation (BSE) for DIFICID™.

	● OBI Pharma proposed DIFICIDTM new drug application to Taiwan Food and Drug Administration (TFDA). ● OBI Pharma acquired the selling right of DIFICIDTM in Taiwan. ● Cooperated with Academia Sinica to carry out biopharmaceutical national plan of the country, researching and developing the application of carbohydrate membrane array in cancer detection. ● In order to expand operation, second installment was cash payment of 46.2 million shares, with NT$Ten per share. The authorized capital was NT$One Billion Five Hundred Million, and the paid-up capital was NT$One Billion.
2012	● In January, appointed Amy Huang to take the post of Chief Operating Officer of OBI Pharma. ● In January, appointed Dr. Yu Cheng-te to take the post of Chief R&D Officer of OBI Pharma. ● In March, in order to expand operation, issued totally 36 million new shares for cash capital increase, with NT$Ten per share, and every share was issued at premium of NT$Fifteen. The authorized capital was NT$One Billion Five Hundred Million, and the paid-up capital was NT$1,363,842,910. ● In April, since juridical person director of the Company, namely American merchant Optimer Pharmaceuticals, Inc. reassigned the director representative, all attending directors elected Director Tamon Tseng to take the post of Chairman of OBI Pharma. ● In May, approved by the Securities and Futures Bureau, Financial Supervisory Commission, the Executive Yuan to become the public company. ● In June, Drug Controller General of India approved OBI-822 clinical trial license. ● In August, Korea Food and Drug Administration (KFDA) approved OBI-822 clinical trial license. ● In August, Taiwan Food and Drug Administration (TFDA) approved OBI-822, the active immunity anti-cancer drug treating metastatic advanced breast cancer to enter into phase III clinical trial. ● In September, Department of Health issued medicament license for the new antibiotic drug DIFICID® (Fidaxomicin), and approved it to come into Taiwan market. ● In October, the active immunity anti-cancer drug treating metastatic advanced breast cancer OBI-822 was appraised and

	elected by TFDA as one of the first five partnership projects in pharmaceutical research across the strait. ● In October, juridical person director American merchant Optimer Pharmaceuticals, Inc transferred share holding exceeding one second of the election shares, thus relieved its director identity. ● In November, Hong Kong subsidiary OBI Pharma Limited was established.
2013	● In February, Interim Meeting elected the fourth session directors and supervisors, and the Board of Directors elected Michael N. Chang to take the post of Chairman. ● In March, OBI Pharma (Shanghai) Limited was established. ● In April, appointed Ms Amy Huang to take the post of General Manager of the Company. ● In April, established US subsidiary OBI PHARMA USA, INC. ● In June, elected Dr. Hsu Yo-gung to take the post of Vice Chairman of OBI Pharma. ● In order to expand operation, issued totally 9,493,671 new shares for cash capital increase in October, every share was issued at premium of NT$158. After capital increase, the paid-up capital was NT$1,489,959,170. ● In November, cooperated with Taipei Mackay Memorial Hospital to carry out clinical trial plan for ovarian cancer active immunity anti-cancer drug.
2014	● In April, OBI Pharma and Academia Sinica signed the exclusive license agreement on carbohydrate molecules synthetic technology. ● In July, completed the trial target of 342 patients in OBI-822 random double blind phase II/III breast cancer clinical trial. ● In August, DIFICIDTM and Department of National Health Insurance completed health insurance payment agreement, starting from September, it was listed as the payment item in health insurance. ● In December, US FDA approved to carry out clinical trial for the new generation active immunity anti-cancer drug (OBI-833).
2015	● In March, officially listed in ROC Taipei Exchange. ● In March, issued totally 20,000,000 new shares for cash capital increase, every share was issued at premium of NT$310. After capital increase, the paid-up capital was NT$1,702,672,100.

	● In July, received the notice groom Food and Drug Administration, Ministry of Health and Welfare, the new generation active immunity anti-cancer drug OBI-833 passed the human clinical trial examination (IND). ● In July, awarded the gold award of R&D Technology Award in "Taipei Biotechnology Award" held by Taipei City Government. ● In October, announced to exclusively license the product development and selling right of DIFICIDTM in Taiwan to American merchant Merck Sharp & Dohme.
2016	● In February, OBI-822 clinical trial blind deconvolution was conducted, the preliminary data showed that, despite the trial had not reached to the primary efficacy endpoint, but it certified that OBI-822 had the capacity in generating antibody, and had very significant clinical meaning to the group capable of generating effective antibody. ● In March, received the notice from American Society of Clinical Oncology (ASCO), the result of the Company's new drug for breast cancer OBI-822 phase II/III clinical trial will publish oral paper presentation in the annual meeting of such Society in June. ● In April, Expert Meeting held for OBI-822-001 Study in London ● In June, OBI-822-001 trial data presented at ASCO in Chicago. In the same month, announcement on abstract Study was given at the Investor Conference in Taipei. Annual Shareholders' Meeting was held in Taipei. OBI Pharma announces the re-appointment of Dr. Michael Chang as the Chairman of the Company. ● In August, Dr. Nathan Chen resigned as Chief Medical Officer due to personal reasons, and joins the company’s Medical Advisory Board. OBI embarks on non-deal roadshow in the US for the first time. ● In September, OBI was invited to the 17th Annual Asian Technology Conference organized by Credit Suisse. ● In October, OBI sponsored an Adagloxad Simolenin Satellite Symposium at the 2016 ESMO Annual Meeting. ● In November, OBI-833 patent was approved for Taiwan and Australia. In the same month, OBI Pharma was awarded grade A for TIPS Management. ● In December, OBI Pharma announced the signing of a Non-Binding Letter of Intent for OBI Pharma, Inc., to issue new shares to AbProtix, Inc., in exchange for an up to 70% stake in AP

	Biosciences.
2017	● In January, convened Adagloxad Simolenin (OBI-822) EOP2 meeting with US Food and Drug Administration (FDA). ● In January, Chief Operating Officer Meng Zhiyun retired, and Max Chan was appointed as the new Chief Operating Officer ● In January, Adagloxad Simolenin (OBI-822) was approved by China Food and Drug Administration (CFDA) on phase III clinical trial. ● In April, OBI-833 fulfilled the primary safety requirements of Phase I clinical trial for US and Taiwan. ● In June, signed contract with Threshold Pharmaceuticals from California, purchased the micromolecule first-in-class TH-3424, and renamed it into OBI03424, it will be developed into the potential therapy treating cancers of high AKR1C3 enzyme performance, becoming the new force in the product lines of OBI. ● In September, appointed PharmaCore to build special product line for botulinum toxin new drug OBI-858, exclusively provided for medication in phase I and II clinical trial of OBI-858, in the future, medication in phase III clinical trial and production after launched into market will be planned. ● In October, OBI-888 product patent "antibody, hybridoma generating such antibody, pharmaceutical composition containing such antibody and their use" received the notice on patent approval issued by United States Patent Office. 1 In October, in order to improve product competitiveness and new drug development capacity, it was planned to exchange shares with AbProtix, Inc., shareholder of AP Biosciences; after consultation between both parties, the Company issued 1,675,000 ordinary shares by capital increase for the transfer of 6,700,000 ordinary shares (accounting for 67% of outstanding shares) of AP Biosciences held by AbProtix, Inc. ● In December, announced the resolution to acquire AP Biosciences Inc. by capital increase through issuing new shares, and the base date for stock swap was January 10, 2018.
2018	● In January, passive immunity monoclonal antibody OBI-888 of OBI passed the human clinical trial examination (IND) by US Food and Drug Administration (FDA)(IND)

	● In March, in response to practical need of the Company, the title of Chief Operating Officer Max Chan was adjusted into Chief Financial Officer. ● In April, the new chemotherapy prodrug OBI-3424 was approved by US Food and Drug Administration (FDA) to carry out phase I/II human clinical trial. ● In July, OBI-3424 obtained the qualification as the orphan drug for hepatocellular carcinoma (HCC) treatment from US Food and Drug Administration (FDA). ● In July, the medical equipment clinical research application (IDE) of OBI-822 passed the examination and approval of US Food and Drug Administration (FDA) to be used for OBI-822 phase III human clinical trial. ● In August, product patent of OBI-3424 "DNA alkylating agent" was approved by IP Australia. ● In September, OBI-3424 obtained the qualification as the orphan drug for Acute Lymphoblastic Leukemia (ALL) treatment from US Food and Drug Administration (FDA). ● In September, OBI-822 (Adagloxad Simolenin) was approved by Taiwan Food and Drug Administration (TFDA) to carry out phase III human clinical trial. ● In October, product patent of OBI-822 "Compound and Component of Carbohydrate Vaccine and Its Use" was approved by Taiwan Patent Office. ● In October, OBI's subsidiaries OBI Australia announced that OBI-822 (Adagloxad Simolenin) passed the examination of phase III human clinical trail in Australia. ● In November, OBI-822 (Adagloxad Simolenin) was approved to carry out phase III human clinical trial in US. ● In November, the medical equipment clinical research application (IDE) of OBI-888 passed the examination by US Food and Drug Administration (FDA), and was approved to be used in Cohort Expansion Phase of OBI-888 phase I human clinical trial. ● In November, OBI-822 (Adagloxad Simolenin) was approved by Hong Kong Department of Health (DOH) to carry out phase III human clinical trial. ● In November, OBI-888 obtained the qualification as the "orphan drug" for pancreatic cancer treatment from US Food and Drug Administration (FDA).

2019	● In January ,The 37th J.P. Morgan HealthCare Conference Report was first invited to San Francisco. ● In February, OBI-822 (Adagloxad Simolenin) was approved by Ministry of Health of Ukraine to carry out phase III human clinical trial. ● In February, Published in the journal of the national academy of sciences (PNAS) in cooperation with academia sinica, the paper proves that the Globo series is closely related to the survival of cancer cells, which provides an important theoretical basis for haoding Globo series to target new anti-cancer drugs. ● In March, Poster at the annual meeting of the American association for cancer research (AACR): Obi-888 and obi-999 (a new single antibody drug and a new antibody small molecule drug complex called ADC) are the first to be developed. Their mechanism of action, antineoplastic efficacy, drug metabolism and pharmacokinetic characteristics are also discussed. ● In April, OBI-822 (Adagloxad Simolenin) was approved by Ministry of Health of the Russian Federation to carry out phase III human clinical trial. ● In June, passive immunity monoclonal antibody new drug OBI-888 had completed the assessment of major safety indicators for phase I human clinical trial, the safety and tolerance of OBI-888 were good, and there were no major safety concerns. ● In June, convened annual general meeting, carried out reelection of directors comprehensively, and then Board of Directors Meeting was convened, in which directors elected and reappointed Michael N. Chang, legal representative of Yi Tai Investment Co., Ltd., as the Chairman. ● In August, the Globo H antibody-drug conjugate OBI-999 was approved by US Food and Drug Administration (FDA) to carry out phase I/II human clinical trial. ● In September, the results of Adagloxad Simolenin (OBI-822) ovarian cancer phase II clinical trial cooperated with Taipei Mackay Memorial Hospital were announced, generally speaking, the safety and tolerance of this vaccine were acceptable. ● In December, Globo H antibody-drug conjugate OBI-999 obtained the qualification as the “orphan drug” for pancreatic cancer treatment from US Food and Drug Administration (FDA).

2020	● In January, Globo H antibody-drug conjugate OBI-999 obtained the qualification as the “orphan drug” for gastric cancer treatment from US Food and Drug Administration (FDA). ● In April, OBI-822 (Adagloxad Simolenin) was approved by the Ministry of Food and Drug Safety of South Korea to carry out phase III human clinical trial. ● In July, OBI-888, a new passive immune monoclonal antibody, was approved by the Taiwan Food and Drug Administration of the Ministry of Health and Welfare for the first/second phase human clinical trials. ● In August, the new botulinum toxin preparation OBI-858 was approved by the Taiwan Food and Drug Administration of the Ministry of Health and Welfare for the first phase of human clinical trial. ● In August, OBI-866, an active immune anticancer drug, was approved by the Taiwan Food and Drug Administration of the Ministry of Health and Welfare for the first phase of human clinical trial. ● In September, it increased capital and issued 10,693,000 shares in exchange for 53,466,000 common shares of Amaran Biotechnology Inc. to shareholders of Amaran Biotechnology Inc., and acquired 67% equity of Amaran Biotechnology December 31st, 2020 is the benchmark date of share exchange. ● In November, we received a reply from the US Food and Drug Administration (FDA) on the application for medical equipment clinical research (IDE) in the first/second stage of population expansion of human clinical trials of a new precursor chemotherapy drug OBI-3424, which can be used in the first/second stage of population expansion of human clinical trials without approval. ● In December, the active immune anticancer drug OBI-822(Adagloxad Simolenin) was approved by National Medical Products Administration, China for the third phase of human clinical trial.
2021	● In February, it signed a global cosmetic medicine licensing agreement with Obigen Pharma, Inc. "OBI-858 new botulinum toxin preparation" to license the rights for R&D of cosmetic medicine indications and obtained 47,250 thousand shares. Obigen has become OBI’s subsidiary which the Company has 62.17%

	right of control. ● In April, OBI-3424, a new precursor chemotherapy drug, has completed the safety evaluation of the first phase of clinical dose increment trial, and plans to launch the second phase of clinical population expansion trial. ● In May, the phase I clinical cohort expansion trial of a new active immune anti-cancer drug OBI-833 was completed, and the implementation of phase II clinical trial was planned. ● In May, the active immune anti-cancer drug OBI-822 (Adagloxad Simolenin) was approved by South African Health Products Regulatory Authority for the phase III human clinical trial. ● In May, the evaluation of main safety indicators of the phase I clinical dose-escalation trial of the Globo H antibody small molecule drug complex OBI-999 was completed, and the implementation of phase II clinical cohort expansion trial was planned. ● In July, a Taiwan invention patent of OBI-858 “Botulinum toxin type A compound, its formulation and usage” was obtained. ● In October, the new drug OBI-999, as a Globo H antibody small molecule drug complex, was approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare for phase II human clinical trial. ● In October, the investigational device exemption (IDE) of immunohistochemistry (IHC) of the phase II human clinical trial of OBI-999 was reviewed and approved by the U.S. FDA. ● In October, a Taiwan invention patent of OBI-866 “Immune/therapeutic glycan composition and its usage” was obtained. ● In November, subsidiary Obigen Pharma Inc. made an announcement on the completion of evaluation of main safety indicator of the phase I clinical dose-escalation trial of OBI-858, anew botulinum toxin preparation and the planning of implementation of phase II clinical trial. ● In December, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the Mexican health products regulatory agency for phase III human clinical trial. ● In December, the Company signed “Trop2 Monoclonal Antibody” License Agreement with Biosion, Inc. and obtained the global exclusive rights of this product beyond Chinese mainland, Hong

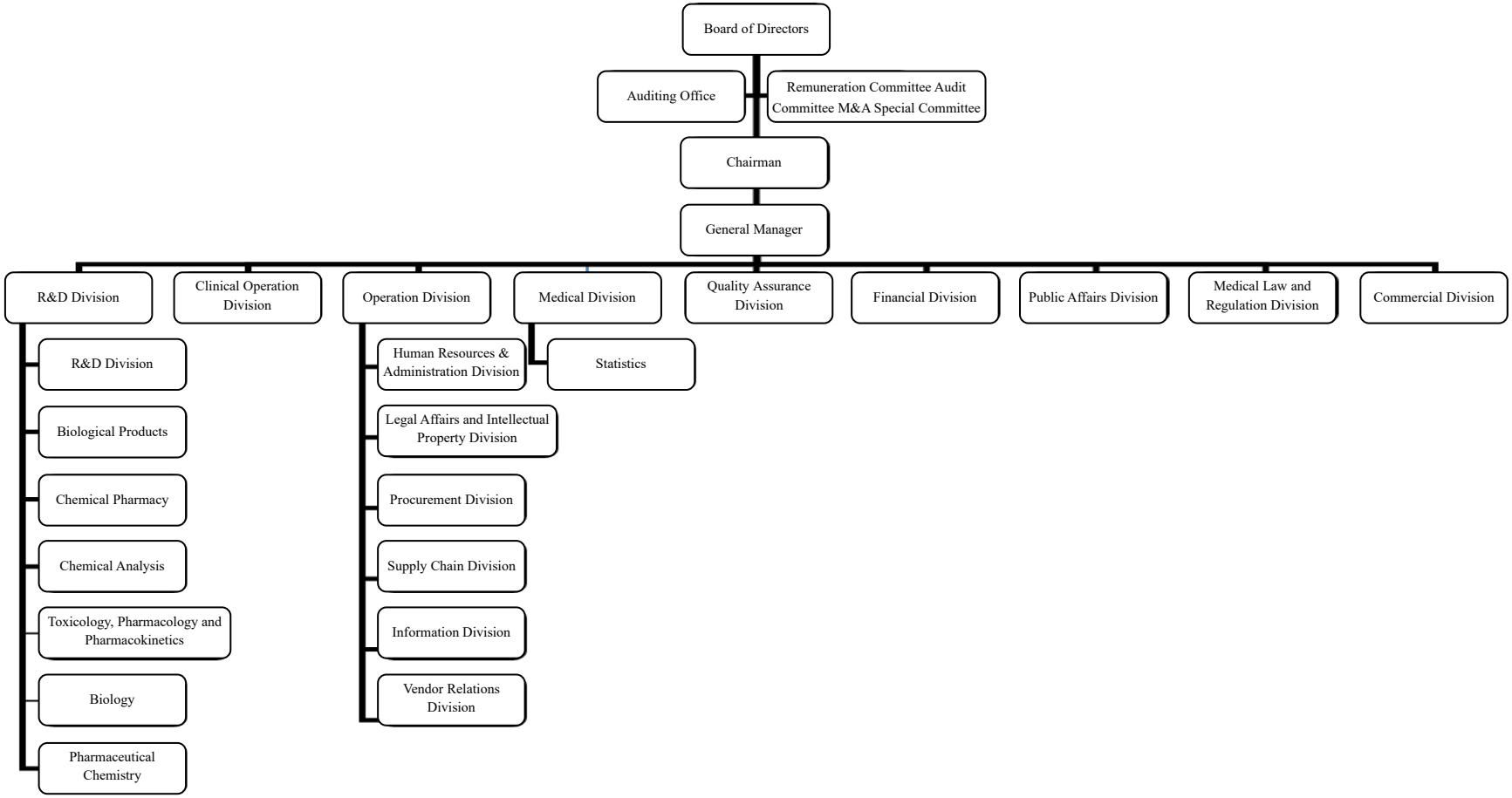
	Kong and Macao. ● In December, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the drug regulatory authority of Peruvian Ministry of Health for phase III human clinical trial.
2022	● In January, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the Polish Drug Registration Office for phase III human clinical trial. ● In February, the animal test results of the self-made COVID-19 BCVAX showed that it could produce high-titer antibody, and have a neutralizing effect o various COVID-19 variants. ● In February, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the Brazil National Health Surveillance Agency for phase III human clinical trial. ● In February, the Company signed license agreements of OBI-833 and OBI-999 in China (including Hong Kong and Macao) with Odeon and obtained 6,000 thousand special shares from Odeon Therapeutics (Cayman) Limited. Odeon has become OBI's subsidiary which the Company has 77.42% right of control. ● In February, the new active immune anti-cancer drug OBI-833 was reviewed by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare and then approved for phase II human clinical trial. ● In March, the Company increased its capital in cash to issue 30,000,000 new shares which were issued at a premium of NT$ 105 per share. The paid-in capital after capital increase reached NT$ 2,292,793,740.

III. Corporate Governance Report

I Organization system

(i) Organizational chart

OBI Pharma, Inc.



(ii) Operating business of each major department:

Department		Major responsibility
Auditing Office		1. Supervise and urge each unit to formulate internal control system and execute it. 2. Prepare and execute annual audit plan. 3. Prepare audit report and regularly trace deficiency, review self-inspection operations and other matters shall be executed as required by law of each unit.
R&D Division	Translation	1. Plan and execute translational cancer mechanism study, and support clinical trial and medicament license application. 2. Execute translational medicine, translational pharmacology and toxicity test, and support clinical trial. 3. Plan R&D direction and new drug development plan. 4. Execute new drug R&D project management. 5. Patent layout of research achievements.
	Biological Products	1. Plan and execute trials related to pre-clinical immunology and immunological pharmacology. 2. Plan and manage relevant studies on clinical trial specimens. 3. Execute product release immune activity test. 4. Support clinical license application and medicament license application. 5. Patent layout of research achievements.
	Chemical Pharmacy	1. Development and design of synthetic method and dosage form. 2. Process parameter and process optimization study. 3 Planning of manufacturing, process control and outsourcing cooperation project. 4. Product CMC data preparation and writing, so as to support clinical license application and medicament license application. 5. Patent layout of research achievements.
	Chemical Analysis	1. New drug characteristics analysis and analysis method development. 2. Creation of analysis method operation document and

		execution of effect experiment. 3. Product specification setting. 4. Investigational product quality control and stability tracing. 5. Patent layout of research achievements.
	Toxicology, Pharmacology and Pharmacokinetics	1. Plan and execute pre-clinical toxicology, pharmacology and pharmacokinetics tests. 2. Write pre-clinical test report, and support clinical trial license application and medicament license application. 3. Development of analytical methods for pharmacological animal model and drug metabolism.。 4. Assist in management of new drug development project. 5. Patent layout of research achievements.
	Biology	1. Carry out relevant research on pharmacological mechanism of products. 2. Assist and execute preclinical immunology related tests. 3. Establish the test method of product immunological activity. 4. Support clinical license application and drug certificate application test. 5. Patent layout of research results.
	Pharmaceutical Chemistry	1. Screening of new chemical drugs and molecular design of new drugs. 2. Study the relationship between chemical structure and activity of new drugs. 3. Develop synthetic routes of new drugs and modify and optimize lead compounds. 4. Assist in the early development of new drugs. 5. Patent layout of research results and publication of papers.
Clinical Operation Division		1. Clinical trial planning and execution. 2. Study on the laws and regulations on new drug development and drug examination and approval. 3. Product plan project management.
Medical Division		1. Lead and write new drug clinical trial plan, and confirm its feasibility. 2. Provide relevant information on medical science and drug

	side effects, and responsible for pre-clinical preparation and execution; during such period, interpret if the trial subject has the symptom of adverse reaction. 3. Support the promotion of new drug business.
Statistics	1. Provide statistical specialty and planning for clinical development. 2. Lead statistical analysis and explain the analysis results. 3. Support the negotiation with Food and Drug Administration. 4. Support the publication of clinical results.
Financial Division	1. Financial management. 2. Accounting management. 3. Listing and stock affairs management. 4. Rental tax planning. 5. Budget management.
Public Affairs Division	1. Preparation and publication of external speech strategy. 2. Media relations management, media interview, publication, advertising arrangement and execution. 3. Maintenance and contact window for relations with government, profession, those of the same industry, patients group and investors. 4. Design and comprehensive arrangement of external statement, media related contents, official documents and correspondence, planning and event creativity. 5. Planning and execution of corporate social responsibility activity.
Quality Assurance Division	Ensure R&D and drug distribution are conforming to the Food and Drug Administration (FDA) of Current Good Manufacturing Practice (cGMP)
Medical Law and Regulation Division	1. Application for registration of domestic medicament license. 2. Provide company pharmaceutical affairs laws and regulations information. 3. Application and change registration of druggist license. 4. Clinical license application and medicament license application.

Commercial Division		1. Responsible for short, medium and long term operating strategy planning, business marketing, and new drug market development. 2. Product commercialization management. 3. Product market trend assessment. 4. Technology transfer and product licensing. 5. Win over international partner.
Operation Division	Human Resources & Administration Division	1. Comprehensive arrangement of company organization and human resources planning, employee development. 2. Remuneration rewarding system. 3. Organization optimization and improve employee's quality and core technology. 4. Organizational culture cultivation. 5. Human resources system optimization. 6. Strengthen employee relationship. 7. General affairs administration, and space utilization.
	Legal Affairs and Intellectual Property Division	1. Review, revise and draft contracts and legal documents. 2. Legal system establishment, maintenance and process management. 3. Legal dispute case handling and consultation. 4. Intellectual property right management and maintenance. 5. Establishment and promotion of legal compliance system. 6. Control of legal risks related to company operation.
	Procurement Division	Materials and labor service procurement.
	Supply Chain Division	1. Responsible for production planning, technology transfer and product supply to clinical use or marketing sales. 2. Ensure the Company's stable supply of clinical and future products both at home and abroad.
	Information Division	1. Follow the operation and development strategy to plan and develop the information blueprint and structure. 2. Formulate information budget plan, and control and monitor budget outlays. 3. Establish information policies, standards and procedures.

		4. Develop information performance indicator, ensure the benefits of effective assessment information program in business improvement. 5. Plan and implement the Information Security Management System. 6. Design and implement information security solution, and protect the confidentiality, integrity and availability of information assets.
	Vendor Relations Division	1. Work out and optimize various internal standard operation procedures of the company regarding vendor relations. 2. Execution and management of vendor relations maintenance. 3. Guide internal interdepartmental communication of the company regarding vendor relations. 4. Assist in management of grading vendor relations.

II Information on board of directors, supervisor, General Manager, vice presidents, directors, and the department heads

(i) Board of directors and supervisors

1. Board of directors and supervisor:

April 30, 2022 Unit: thousand shares; %

Title	Nam	Gender Age	Nationality or place of registration	Date of first appointment	Date of appointment	Term of office	Shareholding upon appointment		Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in the Company or other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			If the General Manager or equivalent (top managerial officer) and the Chairman are the same person, or are spouse or first degree relatives.
							Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
Chairman	Yi Tai Investment Co., Ltd.	Not applicable	R.O.C.	June 27, 2016	June 27, 2019	3 years	25,765	13.70	25,765	11.24	0	0	0	0	Not applicable	NA	NA	NA	NA	Not applicable
	Yi Tai Investment Co., Ltd. Representative: Michael N. Chang	Male 71~75	R.O.C.	June 27, 2016	June 27, 2019	3 years	0	0	3,872	1.69	1,486	0.65	4,956	2.16	Postdoctoral Research, Massachusetts Institute of Technology Doctor of Organic Chemistry, Brandeis University Founder and Chairman of Optimer Pharmaceuticals, Inc.	CEO of OBI Pharma, Inc. Director of OBI Pharma USA, Inc. Juridical Person Director Representative of OBI Pharma Australia Pty Ltd. Juridical Person Director Representative of of Amaran Biotechnology, Inc. Director of Ansun Biopharma, Inc. Director and GP partner of Delos Capital Holdings Limited	NA	NA	NA	(Note1)
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	Male 61~65	R.O.C.	June 27, 2016	June 27, 2019	3 years	0	0	0	0	0	0	0	0	Master of Laws, University College London Supervisor of SinoPac Financial Holdings Co., Ltd	Special Assistant of Legal Affairs Office, Ruentex Industries Ltd. Juridical Person Director Representative of TaiMed Biologics Co., Ltd. Juridical Person Director Representative of Amaran Biotechnology, Inc. Juridical Person Director Representative of Mithra Biotechnology Inc. Juridical Person Director Representative of Run Hui Biotechnology Co., Ltd. Juridical Person Director Representative of Run Cheng Investment Holding Co., Ltd. Juridical Person Director Representative of Sunny Friend Environmental Technology Co., Ltd. Juridical Person Supervisor Representative of Yi Thai Investment Co., Ltd. Juridical Person Director Representative of Sheng Cheng Investment Co., Ltd. Juridical Person Director Representative of Ruentex Construction Co., Ltd. Chairman of Taiwan Transport Insurance Service Co., Ltd. Director of China Marine Surveyors & Sworn Measurers` Corp. Director of Juridical Person Mr. Yi Xunnuo Memorial Education Foundation Juridical Person Director Representative of Hao Ke Investment Holding Co., Ltd. Juridical Person Director Representative of Nan Shan Life Insurance Co., Ltd. Juridical Person Director Representative of Tanvex BioPharma, Inc.	NA	NA	NA	NA
Director	Sheng Cheng Investment Co., Ltd.	Not applicable	R.O.C.	June 27, 2016	June 27, 2019	3 年	250	0.13	3,254	1.42	0	0	0	0	Not applicable	NA	NA	NA	NA	Not applicable

Title	Nam	Gender Age	Nationality or place of registration	Date of first appointment	Date of appointment	Term of office	Shareholding upon appointment		Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in the Company or other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			If the General Manager or equivalent (top managerial officer) and the Chairman are the same person, or are spouse or first degree relatives.
							Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
Director	Sheng Cheng Investment Co., Ltd. Representative: YEN, YUN (Note2)	Male 66~70	R.O.C.	June 27, 2016	June 27, 2019	3 years	0	0	0	0	0	0	0	0	PhD of Pathology and Cell Biology, Thomas Jefferson University Part-Time Professor, Institute of Oncology, National Taiwan University College of Medicine Part-Time Professor, California Institute of Technology Attending physician of oncology department, professor of oncology research institute, general convener of cancer treatment research, director and vice president of molecular pharmacology department of City of Hope National Medical Center Specialized training in cancer, blood and bone marrow transplantation of Yale university	Chairman of Tanvex BioPharma, Inc. Chairman of Tanvex BioPharma USA , Inc. Chairman of Calgent Biotechnology Co., Ltd. Professorial chair of Graduate Institute of Cancer Biology and Drug Discovery, Taipei Medical University Sino American Cancer Chairman of Sino American Cancer Foundation (non-profit business) Chief scientific advisor of StemBios Technologies, Inc. Independent Director of Fulgent Genetics, Inc. Juridical Person Director Representative of Obigen Pharma Inc. Chairman of Theragent, Inc. Director of Nano Targeting & Therapy Biopharma Inc. Director of National Health Research Institutes	NA	NA	NA	NA
Director	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	Male 61~65	R.O.C.	June 27, 2016	June 27, 2019	3 years	0	0	800	0.35	20	0.01	0	0	Master degree from Graduate Institute of Business Administration, National Taiwan University Deputy General Manager of Investment and Special Assistant to President, Management Division, Ruentex Group	Chief finance officer of OBI Pharma, Inc. Vice General Manager and Special Assistant of Chairman of Investment Management Office, RUENTEX GROUP Director of Juridical Person Mr. Yi Xunnuo Memorial Education Foundation Juridical Person Supervisor Representative of Ruen Fu Newlife Corp. Juridical Person Supervisor Representative of Ruentex Security Co., Ltd. Juridical Person Director Representative of Ruentex Engineering & Construction Co., Ltd. Juridical Person Director Representative of Ruentex Material Co., Ltd. Juridical Person Director Representative of Tanvex BioPharma, Inc. Juridical Person Director Representative of Tanvex BioPharma, Inc. Juridical Person Director Representative of Taimed Biologics Inc Juridical Person Director Representative of Mithra Biotechnology Inc. Juridical Person Director Representative of MASS SOLUTIONS TECHNOLOGY CO., LTD. Juridical Person Director Representative of Do-Intelligent Consulting Inc. Juridical Person Director Representative of Mithra Chemical Analysis Laboratory Inc. Juridical Person Director Representative of Amaran Biotechnology, Inc. Juridical Person Director Representative of Cotton Field Organic Co., Ltd. Juridical Person Director Representative of RenBio Holdings Ltd. Juridical Person Director Representative of RenBio Inc. Juridical Person Director Representative of Theragent, Inc. Director and GP copartner of Delos Capital Holdings Limited Juridical Person Director Representative of Gogoro Inc. Juridical Person Director Representative of BROGENT TECHNOLOGIES INC. Juridical Person Director Representative of MEGA GROWTH VENTURE CAPITAL CO., LTD. Juridical Person Director Representative Juridical Person Director Representative (Chairman and CEO)of OBIGEN PHARMA, INC. Juridical Person Director Representative(Chairman)of AP BIOSCIENCES INC. Juridical Person Director Representative of Nan Shan Life Insurance Company, Ltd.	NA	NA	NA	NA

Title	Nam	Gender Age	Nationality or place of registration	Date of first appointment	Date of appointment	Term of office	Shareholding upon appointment		Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in the Company or other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			If the General Manager or equivalent (top managerial officer) and the Chairman are the same person, or are spouse or first degree relatives.
							Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
Independent Director	Jerry Fong	Male 61~65	R.O.C.	July 23, 2014	June 27, 2019	3 years	0	0	0	0	0	0	0	0	Jurum Doctor of Cornell University Master of Laws of Pennsylvania State University President of Intellectual Property Institute, Director of Financial Law Research Center, College of Law, National Chengchi University	Adjunctive Professor, NCCU Graduate Institute of Technology, Innovation & Intellectual Property Management Independent Director, Remuneration and Audit Committee Member of ESC EliteGroup Co., Ltd. Independent Director, Remuneration and Audit Committee Member of Cayman merchant Eurocharm Holdings Co., Ltd. Independent Director, Remuneration and Audit Committee Member of Chien Kuo Construction Co., Ltd.	NA	NA	NA	NA
Independent Director	Taychang Wang	Male 61~65	R.O.C.	June 27, 2016	June 27, 2019	3 years	0	0	0	0	0	0	0	0	PhD in Finance graduated from Wharton School, Pennsylvania State University Distinguished Professor of National Taiwan University Associate Professor of Accounting Department, National Taiwan University	Professor of Department of Accounting, National Taiwan University Independent Director, Remuneration and Audit Committee Member of Ruentex Industries Co., Ltd. Independent Director, Remuneration and Audit Committee Member of Tanvex BioPharma, Inc.	NA	NA	NA	NA
Independent Director	Howard Lee (Notes3)	Male 61~65	R.O.C.	July 16, 2021	July 16, 2021	3 years	0	0	0	0	0	0	0	0	Chemistry (PhD), University of Southern California Partner of CID-Group	Chairman of Taho Pharmaceuticals Ltd. Chairman of Transwell Biotech Co., Ltd. Independent Director of Sunko Ink Co., Ltd. Independent Director of Genovate Biotechnology Co., Ltd. Independent Director of Taimed Biologics Inc Director of Easywell Biomedicals, Inc Director of Industrial Technology Investment Corporation Director of Amphastar Pharmaceuticals, Inc. Director of Capso Vision Inc. Director of Taiwan Bio Industry Organization Director of Taiwan Society For The Chest Care	NA	NA	NA	NA

Note 1: Michael N. Chang, Chairman of the Board, has been serving as CEO of the Company since August 1,2019 to maintain the effectiveness of the board and to strengthen the sound development of the Company in all aspects, including R&D, clinical and financial, in the case that a majority of the directors are not employees or managers of the Company.

Note 2: Sheng Cheng Investment Co., Ltd. The former Representative----Mr. Lung-Yen Cho resigned on July 13, 2020. Dr. YEN YUN was appointed as Representative on August 3, 2020 by Shengcheng Company

Note 3: Tony Chang, the former independent director of the company, resigned on July 31, 2020 due to his busy schedule and other career plans. The company will elect Dr. Howard Lee, an independent director, at the shareholders' regular meeting on July 16, 2021.

2. If director or supervisor is juridical person shareholder representative, the share proportion of such juridical person shareholder exceeds ten percent or list of shareholders of top ten share proportion:

(1) Major shareholders of juridical person shareholder

Base date: April 30, 2022

Name of juridical person shareholder	Major shareholders of juridical person shareholder
Yi Tai Investment Co., Ltd.	Ren Ying Industrial Co., Ltd. (85.10%) Ruentex Investment Co., Ltd.(14.90%)
Sheng Cheng Investment Co., Ltd.	Run Hua Dyeing Factory Co., Ltd. (48.98%) Ren Ying Industrial Co., Ltd. (23.81%) Ying Jia Investment Co., Ltd. (17.31%) Hui Hong Investment Co., Ltd.(9.90%)

(2) When major shareholders of juridical person shareholder are juridical person, major shareholders thereof

Base date: April 30, 2022

Name of juridical person shareholder	Major shareholders of juridical person shareholder
Ren Ying Industrial Co., Ltd.	Yi Yanliang (92.86%) Wang Qifan (7.14%)
Ruentex Investment Co., Ltd.	Yi Yanliang (99.997%) Wang Qifan (0.003%)
Run Hua Dyeing Factory Co., Ltd.	Ruentex Investment Co., Ltd.(19.55%) Ren Ying Industrial Co., Ltd. (19.14%) Changchun Investment Co., Ltd. (18.44%) Hui Hong Investment Co., Ltd.(17.96%) Yi Yanliang (13.70%) Wang Qifan (6.55%) Juridical Person Mr. Yi Xunnuo Memorial Education Foundation (4.40%) Yi Chong'en (0.26%)
Ying Jia Investment Co., Ltd.	Changchun Investment Co., Ltd. (75.86%) Run Hua Dyeing Factory Co., Ltd. (24.14%)
Hui Hong Investment Co., Ltd.	Run Hua Dyeing Factory Co., Ltd. (63.53%) Ruentex Investment Co., Ltd.(19.93%) Yi Tai Investment Co., Ltd. (16.54%)

3. Professional knowledge possessed by director and supervisor, and their independence

April 30, 2022

Condition / Name	Professional qualifications and experience	Independence conformance	Number of other public companies in which concurrently act as independent director
Yi Tai Investment Co., Ltd. Representative: Michael N. Chang	**Education background:** Postdoctoral Research, Massachusetts Institute of Technology, Doctor of Organic Chemistry, Brandeis University **Experience:** Founder and Chairman of Optimer Pharmaceuticals, Inc., the chairman of Optimer **Current position:** CEO amd chairman of OBI Pharma, Inc. He has more than 20 years' experience in pharmaceutical factory management and 30 years' experience in new drug research and development. He has supervised and assisted in the development of many new western medicines, 3 of which have been approved by THE US Food and Drug Administration (FDA). He owns 35 product patents and has published more than 60 research papers in world-famous scientific journals He has the necessary experience and expertise in commercial and corporate business. No section 30 of the Company Law. (note 1)	Not applicable	-
Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	**Education background:** Bachelor of laws of Cambridge University, Legum magister of University of London, Graduated from the Barristers' School of Law and became a barrister in England. **Experience:** Supervisor of SinoPac Financial Holdings Company Limited. **Current position:** Special Assistant, Legal Office, Ruentex Industries Co., Ltd. He has rich knowledge of international law and Taiwan law and more than 30 years of working experience and legal professional background He has the necessary experience and expertise in commercial and corporate business. No section 30 of the Company Law. (note 1)		-

Sheng Cheng Investment Co., Ltd. Representative: YEN, YUN	**Education background:** Doctor of Pathology and Cell Biology, Thomas Jefferson Medical University, USA. **Experience:** Professor Emeritus of City of Hope National Medical Center, former president of Taipei Medical University. **Current position:** Chairman of Tanvex BioPharma Inc. , chair professor, Institute of Cancer Biology and Drug Discovery, Taipei Medical University. He has rich medical background and over 30 years working experience in obstetrics and gynecology. He has the necessary experience and expertise in commercial and corporate business. No section 30 of the Company Law. (note 1)		-
Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	**Education background:** Graduate school of Business, National Taiwan University. **Experience:** Deputy general manager of Ruentex Group Investment Management Office and special assistant to the president. **Current position:** Deputy general manager of Ruentex Group Investment Management Office and special assistant to the president. He has over 30 years of experience in investment management and industry management. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (note 1)		-
Jerry Fong	**Education background:** Doctor of Law of Cornell University and Master of Law , University of Pennsylvania. **Experience:** Director of intellectual Property Research Institute at National Chengchi University and Director of Financial Law Research Center at The School of Law. **Current position:** Associate Professor, School of Business, National Chengchi University. Possessing professional intellectual property legal literacy and experience , will be of great benefit to the company's technical research and development. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (note 1)	All independent directors conform to the following conditions: 1. Comply with the relevant provisions of Article 14 bis of the Securities and Exchange Law issued by the Financial Supervisory Commission and "Measures for Setting up independent Directors of Publicly issued Companies and	2

Taychang Wang	**Education background:** Doctor of Finance, Wharton College, University of Pennsylvania, USA. **Experience:** Distinguished Professor, Associate Professor, Department of Accounting, National Taiwan University. **Current position:** Professor, Department of Accounting, National Taiwan University. Extensive knowledge and experience in accounting and financial analysis. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (note 1)	Matters to be Followed" (Note 2). 2. I (or in the name of another person), my spouse and minor children do not hold shares of the Company. 3. The amount of remuneration not obtained from providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the recent two years.	2
Howard Lee	**Education background:** Ph. D. in chemistry, University of Southern California **Experience:** Partner of CID Group. **Current position:** Chairman of TAHO Pharmaceuticals Ltd., Chairman of Transwell Biotech Co., Ltd., etc He has more than 30 years of experience in biotech investment and management and familiar with the biotech industry. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (note 1)		3

Note 1: in any of the following circumstances, shall not be appointed as a manager, and the person who has been appointed as a manager shall be relieved of course:

1. Has committed an offence under the Organized Crime Prevention Ordinance and has not been executed or completed, or has not been executed or suspended or pardoned for more than five years.
2. Those who have committed crimes of fraud, breach of trust or embezzlement and have been sentenced to fixed-term imprisonment of more than one year have not been executed or have not completed the execution, or have not completed the execution, probation or pardon for more than two years.
3. An offence committed under the Corruption Code has not been executed, has not been completed, or has not been executed, or has not been suspended or pardoned for more than two years.
4. Has not been reinstated by a declaration of bankruptcy or by order of the court to commence liquidation proceedings.
5. The use of the instrument has not expired after being rejected.
6. Incapacity or limited capacity.
7. The assisted declaration has not been revoked.

Note 2:

1. Other than the provisions of Article 27 of the Company Law, the government, the legal person or its Representative:
2. No more than three independent directors of other publicly issued companies.
3. Not having any of the following incidents in the first two years or during the term of office:
   (1) An employee of the Company or its affiliates.
   (2) Directors and supervisors of the company or its affiliated enterprises.
   (3) Natural person shareholder holding over 1% of the total issued shares of the company or being the top ten shareholders not in the name of himself/herself and his/her spouse, minor children or other persons.

(4) Not the spouse, relative within second degree of kinship, or lineal relative within third degree of kinship, of the managerial officer listed in Paragraph (1) or any of the persons listed in Paragraph (2) and (3).

(5) Directors, supervisors or employees of the corporate shareholders who directly hold more than 5% of the total number of issued shares of the company, the top five holders of shares or who designate Representative as director or supervisor of the Company in accordance with Article 27 of the Company Law.

(6) More than half of the directors or voting shares of the company and the other company are directors, supervisors or employees of the other company controlled by the same person.

(7) A director , supervisor or employee of another company or institution where the company and the chairman, general manager or equivalent of the other company are the same person or spouse.

(8) Directors, supervisors, managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company.

(9) Not the professional individual who, or an owner, partner, director (member of a council), supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. Provided that, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities Exchange Act, Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not having spouse relationship or relatives relationship within second degree with other directors.

4. Board diversity and Independence:

In accordance with the company's "Director election Method" and "Corporate Governance code of Practice", the policy of board of directors diversity is stipulated. According to its own operation, operation type and development needs, it shall set standards including but not limited to the following aspects:

1. Basic requirements and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

At present, seven members of the board of directors of the company have diverse backgrounds, including business, accounting, law, intellectual finance, medicine, biological medicine and other professional backgrounds, with international background; Among the seven directors, three are independent directors, accounting for 43% of the total number of directors. Moreover, there are no spouses or second-degree relatives among the directors, so the board of directors of the company is of independence.

The implementation of the board diversification policy is as follows:

Title	Chairman	Director			Independent Director		
Name	Michael N. Chang	Tamon Tseng	YEN, YUN	Frank Chen	Jerry Fong	Taychang Wang	Howard Lee
Gender	Male	Male	Male	Male	Male	Male	Male
Nationality	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Age	71~75	61~65	66~70	61~65	61~65	61~65	61~65
also an employee of the company	V		V	V			
Professional knowledge and ability							
Business	V		V	V	V		V
Finance/Accounting				V		V	
Law		V			V		
Industry	V		V	V	V		V
Management	V	V	V	V	V	V	V
International	V	V	V	V	V	V	V
Ability and experience							
Operational judgment	V	V	V	V	V	V	V
Accounting and financial analysis skills				V		V	
Management ability	V	V	V	V	V	V	V
Crisis management capability	V	V	V	V	V	V	V

Industry knowledge	V		V	V	V		V
International market view	V	V	V	V	V	V	V
Ability to lead	V	V	V	V	V	V	V
Decision-making ability	V	V	V	V	V	V	V
Environmental sustainability	V	V	V	V	V	V	V
Social participation	V	V	V	V	V	V	V

(ii) Information of General Manager, Deputy General Manager, Assistant General Manager, and head of each department and branch

April 30, 2022 Unit: thousand shares; %

Title	Name	Gender	Nationality	Date of appointment (duty assumption)	Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			Note
					Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
CEO	Michael N. Chang	Male	R.O.C	August, 2019	3,873	1.69	1,486	0.65	4,956	2.16	Postdoctoral Research, Massachusetts Institute of Technology Doctor of Organic Chemistry, Brandeis University Founder and Chairman of Optimer Pharmaceuticals, Inc.	CEO of OBI Pharma, Inc. Director of OBI Pharma USA, Inc. Juridical Person Director Representative of OBI Pharma Australia Pty Ltd. Juridical Person Director Representative of of Amaran Biotechnology, Inc. Director of Ansun Biopharma, Inc. Director and GP partner of Delos Capital Holdings Limited	NA	NA	NA	Starting from August 1, 2019, the Chairman Michael N. Chang holds a concurrent post as the CEO of the Company, since the majority of directors do not hold a concurrent post as the employee or managerial officer of the company, he will help to maintain the efficiency of Board of Directors and strengthen sound development of the company in the aspects of research and development, clinical and financial affairs etc.
Executive Vice President	YEN, YUN	Male	R.O.C	August, 2021	0	0	0	0	0	0	PhD of Pathology and Cell Biology, Thomas Jefferson University Part-Time Professor, Institute of Oncology, National Taiwan University College of Medicine Part-Time Professor, California Institute of Technology Attending physician of oncology department, professor of oncology research institute, general convener of cancer treatment research, director and vice president of molecular pharmacology department of City of Hope National Medical Center Specialized training in cancer, blood and bone marrow transplantation of Yale university	Chairman of Tanvex BioPharma, Inc. Chairman of Tanvex BioPharma USA , Inc. Chairman of Calgent Biotechnology Co., Ltd. Professorial chair of Graduate Institute of Cancer Biology and Drug Discovery, Taipei Medical University Sino American Cancer Chairman of Sino American Cancer Foundation (non-profit business) Chief scientific advisor of StemBios Technologies, Inc. Independent Director of Fulgent Genetics, Inc. Juridical Person Director Representative of Obigen Pharma Inc. Chairman of Theragent, Inc. Director of Nano Targeting & Therapy Biopharma Inc. Director of National Health Research Institutes	NA	NA	NA	Director hold a concurrent Executive Vice President
Chief Financial Officer	Frank Chen	Male	R.O.C	August, 2019	800	0.35	20	0.01	0	0	Master degree from Graduate Institute of Business Administration, National Taiwan University Deputy General Manager of Investment and Special Assistant to President, Management Division, Ruentex Group	Chief finance officer of OBI Pharma, Inc. Vice General Manager and Special Assistant of Chairman of Investment Management Office, RUENTEX GROUP Director of Juridical Person Mr. Yi Xunnuo Memorial Education Foundation Juridical Person Supervisor Representative of Ruen Fu Newlife Corp. Juridical Person Supervisor Representative of Ruentex Security Co., Ltd. Juridical Person Director Representative of Ruentex Engineering & Construction Co., Ltd. Juridical Person Director Representative of Ruentex Material Co., Ltd. Juridical Person Director Representative of Tanvex BioPharma, Inc. Juridical Person Director Representative of Tanvex BioPharma, Inc. Juridical Person Director Representative of Taimed Biologics Inc Juridical Person Director Representative of Mithra Biotechnology Inc. Juridical Person Director Representative of MASS SOLUTIONS TECHNOLOGY CO., LTD. Juridical Person Director Representative of Do-Intelligent Consulting Inc. Juridical Person Director Representative of Mithra Chemical Analysis Laboratory Inc. Juridical Person Director Representative of Amaran Biotechnology, Inc. Juridical Person Director Representative of Cotton Field Organic Co., Ltd. Juridical Person Director Representative of RenBio Holdings Ltd. Juridical Person Director Representative of RenBio Inc. Juridical Person Director Representative of Theragent, Inc. Director and GP copartner of Delos Capital Holdings Limited Juridical Person Director Representative of Gogoro Inc. Juridical Person Director Representative of BROGENT TECHNOLOGIES INC. Juridical Person Director Representative of MEGA GROWTH VENTURE CAPITAL CO., LTD. Juridical Person Director Representative Juridical Person Director Representative (Chairman and CEO)of OBIGEN PHARMA, INC. Juridical Person Director Representative(Chairman)of AP BIOSCIENCES INC. Juridical Person Director Representative of Nan Shan Life Insurance Company, Ltd.	NA	NA	NA	董事兼任 Chief Financial Officer
Chief Scientific	Lai, Ming-Tien	Male	R.O.C	April, 2019	10	0	0	0	0	0	Postdoctoral Research, Massachusetts Institute of	Juridical Person Director Representative of AP Biosciences Inc.	NA	NA	NA	NA

Title	Name	Gender	Nationality	Date of appointment (duty assumption)	Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			Note
					Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
Officer											Technology PhD in Bio-organic Chemistry, University of Minnesota Senior Chief Scientist, Merck Sharp & Dohme	Juridical Person Director Representative of Amaran Biotechnology, Inc.				
Vice president of Medical Division	Tsai, Cheng-En	Male	R.O.C	July, 2018	0	0	0	0	0	0	PhD in Molecular Genetics and Biology, University of Cambridge Deputy General Manager for Clinical Research and Development, TWi Biotechnology Deputy General Manager for Clinical Research and Development, TaiGen Biotechnology Senior Researcher of Center for Drug Evaluation, Taiwan Medical Advisor of Bristol-Myers Squibb Company Head of Pediatrics Department and Genetic Counseling Center, Hualien Tzu Chi Medical Center Physician-in-charge of Pediatrics Department, National Taiwan University Hospital	NA	NA	NA	NA	NA
Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai	Male	R.O.C	March, 2014	94	0.04	0	0	0	0	Doctor of Inheritance Institute, State University of New York at Stony Brook Biotechnology Pharmaceuticals and Livelihood Materials Consultant, Technology Division, Ministry of Economic Affairs Group Leader of Protein engineering Group, Biopharmaceutical Institute, Development Center for Biotechnology Researcher of Biomedical Institute, Academia Sinica Director of Corporation Taiwan Antibody Association	NA	NA	NA	NA	NA
Vice President of Chemical Pharmacy, R&D Office	CHOU, CHUN-HUNG	Male	R.O.C	April, 2022	0	0	0	0	0	0	Ph.D., Chemistry, Michigan State University Senior Director of the U.S. Food and Drug Administration(FDA) R&D Supervisor of Merck	NA	NA	NA	NA	NA
Director of Quality Assurance Division	CHIEN, CHE-HSIN	Male	R.O.C	August, 2021	43	0.02	0	0	0	0	EMBA Master of Management, Yuan Ze University Quality Assurance Manager of Synmosa Biopharma Corporation Quality Assurance Supervisor of China Chemical & Pharmaceutical Co., Ltd. Senior manager of Production department, PHARMACORE BIOTECH CO., LTD.	Obigen Pharma Inc. Factory director of Tainan Plant	NA	NA	NA	NA
Director of Medicinal Chemistry, R&D Division	CHUANG, SHIH-HSIEN	Male	R.O.C	December, 2021	0	0	0	0	0	0	PhD in Chemical Engineering, National Tsing Hua University Deputy Director of Development Center for Biotechnology	NA	NA	NA	NA	NA
Director of Public Affairs	Sharon Lee	Female	R.O.C	March, 2016	30	0.01	8	0	0	0	MSc Public Health Research, Tulane University Media Director of Show Chwan Health Care System Secretary General of Cross-Strait Health Care and Leisure Activities Association Director of Life and Comprehensive News Center, Min Sheng Daily Deputy Editor-in-Chief of Europe Journal	Lecturer of The Graduate Institute of Journalism, National Taiwan University	NA	NA	NA	NA
Director, Human Resources & Administration	CHANG, PO-JEN	Male	R.O.C	December 2020	0	0	0	0	0	0	Master of Business Law and Economics, University of Denver Master of Management, Webster University Executive of Human Resources at TTY Biopharm Company Limited Human Resources and Corporate Responsibility CSR Supervisor of Pou Chen Corporation	Amaran Biotechnology, Inc. Director, Human Resources & Administration	NA	NA	NA	NA
Director of Audit Office	Neo Chien	Male	R.O.C	June, 2021	0	0	0	0	0	0	Master of Business Administration, National Chengchi University Bachelor of Economics, National Chung Hsing University Deputy Manager of Audit Department of Star Travel Corp. Deputy Manager of Cashbox Partyworld Co., Ltd. Audit Department of Deloitte Taiwan	NA	NA	NA	NA	NA
Deputy Chief of Finance	Colin Kao	Male	R.O.C	October, 2017	0	0	0	0	0	0	Master of Accounting, National Chengchi University Accountant in Taiwan and Britain Accounting Director of Far Eastern International Leasing Corp.	Supervisor of Obigen Pharma Inc.	NA	NA	NA	NA

Title	Name	Gender	Nationality	Date of appointment (duty assumption)	Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			Note
					Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
											Accounting Director of KHS Assistant Manager of Deloitte & Touche					

(iii) Remuneration of Director, Supervisor, General Manager and Deputy General Manager

1. Remuneration paid to the Director and Independent Director in the last year (2021)

Unit: NT$thousand

Title	Name	Director remuneration								Proportion of total amount of A, B, C and D in net profit after tax (NT$thousand,%)		Relevant remuneration received by part-time employee								Proportion of total amount of A, B, C, D, E, F and G in net profit after tax (NT$thousand,%)		Receiving remuneration from reinvestment enterprise other than the subsidiaries or from the parent company.
		Remuneration (A)		Retirement pension (B)		Reward in surplus distribution (C)		Business execution costs (D)				Salary, bonus and special disbursement etc. (E)		Retirement pension (F)		Employee remuneration (G)						
																The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial report	
Chairman	Yi Tai Investment Co., Ltd. Representative: Michael N. Chang	2,508	2,508	-	-	-	-	35	50	2,543 (0.17)	2,558 (0.15)	7,964	14,817	-	-	-	-	-	-	10,507 (0.69)	17,375 (1.01)	NA
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	-	-	-	-	-	-	30	36	30 -	36 -	-	-	-	-	-	-	-	-	30 -	36 -	NA
Director	Sheng Cheng Investment Co., Ltd. Representative: YEN, YUN	-	-	-	-	-	-	30	45	30 -	45 -	1,648	1,648	-	-	-	-	-	-	1,678 (0.11)	1,693 (0.10)	NA
Director	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	-	-	-	-	-	-	35	65	35 -	65 -	7,278	7,278	-	-	-	-	-	-	7,313 (0.48)	7,343 (0.43)	NA
Independent Director	Tony Chang (Note 1)	-	-	-	-	-	-	-	-	- -	- -	-	-	-	-	-	-	-	-	- -	- -	NA
Independent Director	Jerry Fong	600	600	-	-	-	-	70	70	670 (0.04)	670 (0.04)	-	-	-	-	-	-	-	-	670 (0.04)	670 (0.04)	NA
Independent Director	Taychang Wang	600	600	-	-	-	-	70	70	670 (0.04)	670 (0.04)	-	-	-	-	-	-	-	-	670 (0.04)	670 (0.04)	NA
Independent Director	Howard Lee (Note 1)	300	300	-	-	-	-	60	60	360 (0.02)	360 (0.02)	-	-	-	-	-	-	-	-	360 (0.03)	360 (0.02)	NA

1. Please describe the payment policy, system, standard and structure of independent director's remuneration, and describe the relevance of payment amount according to factors such as the borne responsibility, risk and devotion time etc.

According to the regulations of Articles of Incorporation of the Company, for the remuneration of director, Remuneration Committee will determine according to its value of involvement in and contribution to company operation and by considering the normal industry payment standard, and then propose it to Board of Directors for resolution. The Company may determine the remuneration of independent director different from that of general director. Besides, according to the rules of responsibility scope of independent director of the Company, the remuneration of independent director of the Company shall be determined

in Articles of Incorporation or according to the resolution of Shareholders' Meeting, and reasonable remuneration different from general director may be determined appropriately. The remuneration of such independent director may also be determined appropriately as the fixed remuneration on monthly payment after relevant legal procedures, and will not participate in earnings distribution of the company. By referring to industry standards both at home and abroad, currently the Company pays the independent director a remuneration of NT$Fifty Thousand per month, and NT$Ten Thousand as traffic allowance for each attending Board of Directors Meeting.
2. Remuneration received by directors of the company for services rendered in the recent year (e.g., as an adviser to the parent company/to all companies listed in the financial reports/to subventures other than employees) except as disclosed in the table above: N.A.N.A.

Note 1: Tony Chang, the former independent director, resigned as an independent director on July 31, 2020 due to his busy schedule and other career plans. The company will elect Dr. Howard Lee, an independent director, at the shareholders' regular meeting on July 16, 2021

Note 2: includes payroll expenses (non-cash expenses) recognized in accordance with IFRS 2 "Share-based payment" after obtaining stock option vouchers.

2. Remuneration of supervisor in the last year (2021): not applicable

3. Remuneration paid to General Manager and Vice President in the last year (2021):

Unit: NT$thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonus and special disbursement etc. (C)		Amount of employee remuneration (D)				Proportion of total amount of A, B, C and D in net profit after tax (NT$thousand ,%)		Receiving remuneration from reinvestment enterprise other than the subsidiaries or from the parent company.
								The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial report	
Chairman & CEO	Michael N. Chang	15,265	22,118	0	0	22,490	22,490	0	0	0	0	37,755 (2.47)	44,608 (2.60)	NA
Director & Executive Vice President	YEN, YUN													
Director & Chief Financial Officer	Frank Chen													
Chief Scientific Officer	Lai, Ming-Tien													
Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai													
Vice President for Medical Affairs	Tsai, Cheng-En													

Notes: including the acquisition of employee stock option certificate, and salary expense (non-cash charges) recognized in "Share-based Payment" according to IFRS 2

Remuneration Numerical Range Table

Numerical range of remuneration paid to each General Manager and Deputy General Manager of the Company(Notes)	Name of General Manager and Deputy General Manager	
	The Company	All companies in financial report
Below NT$1,000,000	NA	NA
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	YEN, YUN	YEN, YUN
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	NA	NA
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	Jiann-Shiun Lai	Jiann-Shiun Lai
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Frank Chen; Lai, Ming-Tien; Tsai, Cheng-En; Michael N. Chang	Frank Chen; Lai, Ming-Tien; Tsai, Cheng-En
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	NA	Michael N. Chang
NT$15,000,000 (inclusive) ~ NT$30,000,00 (exclusive)	NA	NA
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	NA	NA
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	NA	NA
Above NT$100,000,000	NA	NA
Total	6 persons	6 persons

Notes: including the acquisition of employee stock option certificate, and salary expense (non-cash charges) recognized in "Share-based Payment" according to IFRS 2

4. uneration paid to the top 5 supervisors with highest remuneration in the last year (2021):

Unit: NT$thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonus and special disbursement etc. (C) (Notes)		Amount of employee's compensation (D)				Proportion of total amount of A, B, C and D in net profit after tax (NT$thousand, %)		Receiving remuneration from reinvestment enterprise other than the subsidiaries
								The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial report	
Chairman & CEO	Michael N. Chang	0	6,853	0	0	7,964	7,964	0	0	0	0	7,964 (0.52)	14,817 (0.86)	NA
Chief Scientific Officer	Lai, Ming-Tien	5,482	5,482	0	0	2,834	2,834	0	0	0	0	8,316 (0.54)	8,316 (0.49)	NA
Vice President for Medical Affairs	Tsai, Cheng-En	5,798	5,798	0	0	2,151	2,151	0	0	0	0	7,949 (0.52)	7,949 (0.46)	NA
Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai	3,985	3,985	0	0	615	615	0	0	0	0	4,600 (0.30)	4,600 (0.27)	NA
Director & Chief Financial Officer	Frank Chen	0	0	0	0	7,278	7,278	0	0	0	0	7,278 (0.48)	7,278 (0.42)	NA

Notes: including the acquisition of employee stock option certificate, and salary expense (non-cash charges) recognized in "Share-based Payment" according to IFRS 2.

(iv) Name of manager distributed with employee bonus and distribution circumstance: NA

(v) Make respective comparison analysis on the proportion of total remuneration paid to the directors, supervisors, General Managers, Deputy General Managers of the Company in the last two years by the Company and all companies in consolidated statement in the net profit after tax of individual and consolidated financial report, and describe the policy, standard and combination of remuneration payment, procedures of determining remuneration and its relevance to operation performance and future risk:

The standard or structure and system of the Company in paying remuneration to the director, General Manager and Deputy General Manager will be adjusted according to the future risk factors, and it shall not guide director and General Manager to engage in the action increasing company risk for the pursuit of remuneration, so as to avoid losses of the Company after paying remuneration. Relevant earnings distributions are explicitly stipulated in the Articles of Incorporation, and the payment of director and supervisor remuneration shall be handled pursuant to the provisions of Company Act. Remuneration of General Manager includes salary, bonus and employee bonus etc., and it will be handled according to relevant remuneration system of the Company, the remuneration paid to the directors and supervisors by the Company gives consideration to their participation degree and contribution value in company operation.

Unit: NT$thousand

Annual remuneration / Company type	2020		2021	
	Total remuneration paid to director, General Manager and Deputy General Manager of the Company	Proportion of net profit after tax(%)	Total remuneration paid to director, General Manager and Deputy General Manager of the Company	Proportion of net profit after tax(%)
The Company	37,458	(2.57)	42,093	(2.75)
All companies in consolidated statement	52,813	(3.54)	49,012	(2.85)

Notes: Total remuneration includes the acquisition of employee stock option certificate, and salary expense recognized in "Share-based Payment" according to IFRS 2

III Corporate governance operation situation

(i) Board of Directors operation situation

7 (A) Board of Directors meetings were convened in 2021, attending situations of directors are as follows:

Title	Name	Actual attendance times (B)	Delegated attendance Times	Actual attendance rate (%) [B/A]	Notes
Chairman	Yi Tai Investment Co., Ltd. Representative:：Michael N. Chang	7	0	100.00	
Director	Yi Tai Investment Co., Ltd. Representative:：Tamon Tseng	6	0	85.71	
Director	Sheng Cheng Investment Co., Ltd. Representative:：YEN, YUN	6	1	85.71	Took office on 2020.08.03
Director	Sheng Cheng Investment Co., Ltd. Representative:：Frank Chen	7	0	100.00	
Independent Director	Jerry Fong	7	0	100.00	
Independent Director	Taychang Wang	7	0	100.00	
Independent Director	Howard Lee	3	0	100.00	Took office on July 16, 2021

Other matters should be recorded:

1. For matters specified in 3 of Article 14 of Securities Exchange Act, and other resolutions of Board of Directors which independent director opposes or reserves opinion and with record or written statement, the date of Board of Directors, stage, proposal content, opinions of all independent directors, and the Company's handling of independent directors' opinion shall be specified

Date of the meeting: (Stage)	Proposal contents	Opinion of independent director and handling situation of the Company
March 12, 2021 (The 14th of the 6th session)	Amaran Biotechnology, Inc. Cash capital increase case. Partial adjustment of the licensing cooperation between the company and Odeon in China (including Hong Kong and Macau). "Internal Control System Statement" recognition case, 2020 Revise the company's internal control system.	Approved and passed by all independent directors.
May 7, 2021 (The 15th of the 6th session)	The company's 2018 cash capital increase plan change Revise the company's "operation procedures of capital loan and others" and "supervision and management measures for subsidiaries".	
May 19, 2021 (The 16th of the 6th session)	Case of lifting director's prohibition of non-competition.	

June 28, 2021 (The 17th of the 6th session)	Case of lifting director's prohibition of non-competition. Plan to ratify the promotion of deputy director of audit to director of audit, and salary and welfare case.	
August 6, 2021 (The 18th of the 6th session)	Revise the company's "internal audit system and Implementation rules." Finalize the company's 2021 employee stock option certificate issuance and stock option rules, and issue the employee stock option certificate.	
November 5, 2021 (The 19th of the 6th session)	Appointed PwC joint accounting firm to handle the 2022 annual financial and tax audit visa and public expense case. The audit department intends to propose the company's 2022 annual audit plan. Proposed to amend part of the company's "2021 Employee Stock Option Issuance and Stock Option Rules".	
November 26, 2021 (The 20th of the 6th session)	The company intends to handle the cash capital increase case. Intends to license Trop2 antibody BSI04702 globally from Biosion, Inc. (excluding China, Hong Kong and Macau).	
March 18, 2022 (The 21st of the 6th session)	The acknowledgement of "Statement of Internal Control System" in 2021. Revise some provisions of the company's "Articles of Association", "Procedures for Acquiring or disposing of Assets", "Organizational rules of compensation Committee" and "Code of Practice for sustainable Development". Case of lifting director's prohibition of non-competition.	

2. For the director's avoidance of proposal with conflict of interest, the name of director, proposal content, reason for conflict of interest and participation in voting shall be specified:

Date	Name of director	Motion contents	Reason for conflict of interest	Voting situation
March 12, 2021	Michael N. Chang Frank Chen YEN, YUN	Partial adjustment of the licensing cooperation between the company and Odeon in China (including Hong Kong and Macau).	Michael N. Chang, Chairman of the Board, Frank Chen, director of Sheng Cheng Investment Co., Ltd.Representative:YEN, YUN, director of Sheng Cheng Investment Co., Ltd., have conflict of interest with Delos, a major investor of	Michael N. Chang, Chairman of the Board, Frank Chen, director of Sheng Cheng Investment Co., Ltd.Representative:YEN, YUN, director of Sheng Cheng Investment Co., Ltd., have conflict of interest with Delos, a major investor of Odeon,have withdrawn from the discussion and resolution according to law. The acting chairman Jerry Fong, the independent director, consulted the directors present, and the case was approved without objection.

				Odeon, have withdrawn according to law.	
	May 19, 2021	YEN, YUN Frank Chen	Case of lifting director's prohibition of non-competition.	Director YEN YUN and Director Frank Chen are the parties.	Director YEN, YUN and Director Frank Chen are the parties involved and have withdrawn from the discussion and resolution according to law. The case was passed without objection after the chairman consulted all the directors present.
	June 28, 2021	Frank Chen YEN, YUN	The Company intends to ratify the appointment of directors of Obigen Pharma Inc., a subsidiary of the Company.	Director Frank Chen and Director YEN YUN are the parties.	Director Frank Chen and Director YEN YUN are the parties and have withdrawn according to law without participating in the discussion and resolution. The case was passed without objection after the chairman consulted all the directors present.
	June 28, 2021	Frank Chen	The Company intends to ratify the assignment of directors of AP Biosciences Inc., a subsidiary of the Company.	Frank Chen is a party.	Frank Chen, the director, is the party concerned and has withdrawn in accordance with the law without participating in the discussion and resolution. The case was passed without objection after the chairman consulted all the directors present.
	June 28, 2021	Michael N. Chang Frank Chen Tamon Tseng	The Company intends to appoint directors of Amaran Biotechnology, Inc., a subsidiary of the Company.	Michael N. Chang, Chairman of the Board, Frank Chen, and Tamon Tseng are directors of Runya and have withdrawn according to law.	Michael N. Chang, Chairman of the Board, Frank Chen, and Tamon Tseng are directors of Runya. They recused themselves in accordance with the law and did not participate in the discussion and resolution. The acting chairman Jerry Fong, the independent director, consulted the directors present, and the case was approved without objection.
	June 28, 2021	Michael N. Chang Tamon Tseng YEN, YUN Frank Chen	Case of lifting director's prohibition of non-competition.	Michael N. Chang, Chairman of the Board, Tamon Tseng, YEN, YUN and Frank Chen have withdrawn according to law.	Michael N. Chang, Chairman of the Board, Tamon Tseng, YEN, YUN and Frank Chen have recused themselves from the discussion and resolution. The acting chairman Jerry Fong, the independent director, consulted the directors present, and the case was approved without objection.
	August 6, 2021	YEN, YUN	Executive vice general manager appointment and salary and benefits	Director YEN YUN is a party.	Director YEN YUN is the party and has withdrawn according to law without participating in the discussion and resolution. The case was passed without

		proposal.		objection after the chairman consulted all the directors present.
November 05, 2021	YEN, YUN Frank Chen	The company intends to propose the first issuance roster proposal of employee stock option vouchers in 2021.	here are directors YEN YUN and Frank Chen on the issuance list, who are withdrawn by law.	There are directors YEN YUN and Frank Chen in the issuance list. As the parties concerned, they withdrew from the company according to law and did not participate in the discussion and resolution. The case was passed without objection after the chairman consulted all the directors present.
March 18, 2022	YEN, YUN	Proposed Representative: Two seats on the board of Odeon Therapeutics (Cayman) Limited.	Director YEN YUN is a party.	Director YEN YUN is the party concerned and has withdrawn according to law without participating in the discussion and resolution. The case was passed without objection after the chairman consulted all the directors present.

3. Self-assessment (or assessment by peer) of the Board of Directors

No.	Evaluation Method	Evaluation Cycle	Evaluation Duration	Evaluation Scope	Evaluation Content
1	Internal Self-Evaluation of Board of Directors	Once per year	From January 1, 2021 to December 31, 2021	The Whole Board of Directors	The measurement items of board performance evaluation include the following five aspects: I. Extent of participation in the operation of the company. II. Improve the decision-making quality of board of directors. III. Composition and structure of the board of directors. IV. Selection and continuing education of directors. V. Internal control.
2	Self-Evaluation of Directors	Once per year	From January 1, 2021 to December 31, 2021	Individual Director Member	The measurement items of performance evaluation of individual directors include the following six aspects: I. Master the company's objectives and tasks. II. Recognition of director responsibility. III. Extent of participation in the operation of the company. IV. Operation and communication of internal relationship. V. Professional and continuing education of directors. VI. Internal control.
3	Self-Evaluation of Directors	Once per year	From January 1, 2021 to December 31, 2021	Functional Committee	The measurement items of functional committee performance evaluation include the following five aspects: I. Extent of participation in the operation of the company.

					II. Recognition of responsibility of functional committee III. Improve the decision-making quality of functional committee. IV. Composition and selection of members of functional committee. V. Internal control.

The company completes the self-evaluation of board performance in 2021, and submits the evaluation results to the board report in the first quarter of 2022 as the basis for review and improvement. The overall score of self-evaluation of the performance of the board of directors is 4.80(full score of 5), and that of individual directors is 4.83(full score of 5. It indicating good operation of the board of directors. The overall score of the performance self-evaluation results of the functional committee was 4.83(full score of 5), indicating good performance.

4. The objective of strengthening the functions and powers of Board of Directors (such as setting Audit Committee, improving information transparency etc.) in the current and last year and assessment on execution situation:
    1. In order to strengthen corporate governance and enhance information transparency, the Company established an audit Committee with three independent directors on March 25, 2014. The company was listed on March 23, 2015, and all board operations are handled in accordance with relevant laws and regulations.
    2. The company has three independent directors, namely Dr. Jerry Fong, Dr. Taychang Wang and Dr. Howard Lee, who have rich professional ability and experience in the fields of legal intelligence, accounting and financial analysis, and medical business management, and provide good advice on the relevant proposals of the board of directors and the company's operation.
    3. All members of current Board of Directors of the Company have taken refresher courses related to corporate governance.
    4 In order to regularly review the efficiency of Board of Directors, the Company has formulated Board of Directors Performance Assessment Measures and its assessment method in 2016. The internal performance evaluation of the board of directors of the Company in 2021 has been completed before the end of the year of 2021. In addition, the performance evaluation of the board of directors conducted every three years by an independent external organization was conducted by the Chinese Corporate Governance Association via video interview on February 14, 2022 . The report was issued on February 22, 2022. The evaluation results were reported by the board of directors in the first quarter of 2022 and published on the company's website.
    5. PwC Taiwan is appointed for auditing and certifying the financial reports of the Company, all information disclosures as required by laws and decrees are completed accurately in due time, and dedicated person is designated to be responsible for collection and disclosure of company information. Spokesman system is established to ensure timely and proper disclosure of important information. Apart from the linkage to mops.twse.com.tw, the website of the Company will also timely update relevant activities, announcements and financial information for the sake of reference by shareholders and interested parties on financial business related information.

(ii) Operation situation of Audit Committee or supervisor's participation in Board of Directors:

1. Operation situation of Audit Committee: 7 (A) Audit Committee meetings were convened in 2021, attending situations of independent directors are as follows:

Title	Name	Actual attendance times (B)	Delegated attendance times	Actual attendance rate (%) (B/A)	Notes
Chairperson	Jerry Fong	7	0	100	
Committee member	Taychang Wang	7	0	100	
Committee member	Howard Lee	3	0	100	Took office on August 6, 2021

Other matters should be recorded:

1. For matters listed in 5 of Article 14 of Securities Exchange Act and other resolution matters not passed by Audit Committee but agreed by more than two third of all directors, the date of Audit Committee meeting, stage, motion content, resolution results of Audit Committee meeting, and the Company's handling of Audit Committee's opinion shall be specified:

Date of the meeting: (Stage)	Proposal contents	Opinions of all independent directors and the company's handling of independent directors' opinion
March 12, 2021 (The 13th of the 3rd session)	Financial statements in 2020. Loss make-up case in 2020 It is planned to participate in the cash capital increase case of Amaran Biotechnology Inc., the subsidiary. The authorized cooperation case between the Company and ODEON in China (including Hong Kong and Macao) was partially adjusted. Recognition of the “Declaration of Internal Control System” in 2020. Revise internal control system of the Company	Approved and passed by all independent directors.
May 7, 2021 (The 14th of the 3rd session)	First quarter financial report of 2021. The company's 2018 cash capital increase plan change. Revise the company's "operation procedures of capital loan and others" and "supervision and management measures for subsidiaries".	
May 19, 2021 (The 15th of the 3rd session)	Case of lifting director's prohibition of non-competition.	
June 28, 2021 (The 16th of the 3rd session)	The company intends to ratify the appointment of directors of Obigen Pharma Inc., a subsidiary of the Company. The company intends to ratify the appointment of director of its subsidiary Yuanxiang Life Technology Co., LTD. Ratify the appointment of Amaran Biotechnology, Inc. Of directors. Case of lifting director's prohibition of non-competition. Lifting the restriction of manager's non-competition. Plan to ratify the promotion of deputy director of Auditing Office to director of Auditing Office and salary and welfare case.	
August 6, 2021	Second quarter financial report of 2021.	

(The 17th of the 3rd session)	Revise the company's "internal audit system and Implementation rules".	
November 5, 2021 (The 18th of the 3rd session)	Third quarter financial report of 2021. PwC Taiwan was appointed to handle the 2022 annual financial and tax report verification, visa and public expense case. The audit department intends to propose the company's 2022 annual audit plan. Proposed to amend part of the company's "2021 Employee Stock Option Issuance and Stock Option Rules".	
November 26, 2021 (The 19th of the 3rd session)	The company intends to handle the cash capital increase case.	
March 18, 2022 (The 20th of the 3rd session)	Financial statements in 2021 Loss make-up case in 2021 Recognition of the "Declaration of Internal Control System" in 2021. Revise the company's "Articles of Association", "Procedures for Acquiring or disposing of Assets", "Organizational rules of compensation Committee" and "Code of Practice for sustainable Development".	

2. For the independent director's avoidance of proposal with conflict of interest, the name of independent director, proposal content, and reason for conflict of interest and participation in voting shall be specified: NA
3. Communication circumstances (shall include the major matters, method and result etc. of communication regarding financial and business situations of the company) between independent director and internal audit supervisor and accountant.

Date	Communication method	Communication object	Communication matter	Communication result
March 12, 2021	Audit Committee	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Director of internal audit	Recognition of the "Declaration of Internal Control System" in 2020 of the Company	Noted
		Accountant	Report on the communication between Pricewaterhouse Coopers Taiwan and the governance unit during the audit completion stage of the consolidated financial report of the final statement in 2020.	Noted
	Board of Directors	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Director of internal audit	Recognition of the "Declaration of Internal Control System" in 2020 of the Company	Noted
		Accountant	Report on the communication between Pricewaterhouse Coopers Taiwan and the governance unit during the audit completion stage of the consolidated financial report of the final statement in 2020.	Noted
May 07, 2021	Audit Committee	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Accountant	Report on the communication between PricewaterhouseCoopers Taiwan and the governance unit during the completion stage of the financial statement review in the first quarter of 2021.	Noted
	Board of Directors	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Accountant	Report on the communication between	Noted

			PricewaterhouseCoopers Taiwan and the governance unit during the completion stage of the financial statement review in the first quarter of 2021.	
June 28, 2021	Audit Committee	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
	Board of Directors	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
August 06, 2021	Audit Committee	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Accountant	Report on the communication between PricewaterhouseCoopers Taiwan and the governance unit during the review of the financial statements in the second quarter of 2021.	Noted
	Board of Directors	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Accountant	Report on the communication between PricewaterhouseCoopers Taiwan and the governance unit during the review of the financial statements in the second quarter of 2021.	Noted
November 05, 2021	Audit Committee	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Director of internal audit	The audit department plans to put forward the audit plan of the Company in 2022.	After passing the resolution submitted to the board of directors, it will be implemented
		Accountant	Report on the communication between PricewaterhouseCoopers Taiwan and the governance unit during the review of the financial statements in the third quarter of 2021.	Noted
	Board of Directors	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Director of internal audit	The audit department plans to put forward the audit plan of the Company in 2022.	Noted
		Accountant	Report on the communication between PricewaterhouseCoopers Taiwan and the governance unit during the review of the financial statements in the third quarter of 2021.	Noted
November 26, 2021	Audit Committee	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
	Board of Directors	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
March 18, 2022	Audit Committee	Director of internal audit	Work progress report of internal audit supervisor according to annual audit plan.	Noted
		Director of internal audit	Recognition of the "Declaration of Internal Control System" in 2021 of the Company	Noted
		Accountant	Report on the communication between PricewaterhouseCoopers Taiwan and the governance unit during the audit completion stage of the consolidated financial report of the final statement in 2021.	Noted
	Board of	Director of internal	Work progress report of internal audit	Noted

	Directors	audit	supervisor according to annual audit plan.		
		Director of internal audit	Recognition of the “Declaration of Internal Control System” in 2021 of the Company	Noted	
		Accountant	Report on the communication between PricewaterhouseCoopers Taiwan and the governance unit during the audit completion stage of the consolidated financial report of the final statement in 2021.	Noted	

2. Operation situation of supervisor's participation in Board of Directors: Not applicable.

(iii) Operation situation of corporate governance and its difference from Listed Company Governance Best Practice Principles and the reason therefor:

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
1. Whether the Company has formulated and disclosed the Corporate Governance Best Practice Principles according to the "Listed Company Governance Best Practice Principles"?	✓		Currently the Company has formulated the Corporate Governance Best Practice Principles and disclosed it at the company website, besides, the Company has established Rules of Procedure for Shareholders' Meetings, Regulations Governing Procedure for Board of Directors Meetings, Procedures for Election of Directors, internal control system and all kinds of administrative measures and systems etc., so as to promote the operation of corporate governance based on that.	There is no significant difference yet.
2. Company equity structure and shareholders' rights and interests				There is no significant difference yet.
(1) Whether the Company has formulated internal operation procedures to handle shareholders' suggestion, doubt, dispute and litigation matters, and implement it according to such procedures?	✓		(1) The Company has set spokesman and acting spokesman to handle issues such as shareholders' suggestion or dispute etc., if otherwise involved in legal issues, it will be transferred to Legal Department for handling.	
(2) Whether the Company has mastered the major shareholders of actual controlling company and the final controller list of major shareholders?	✓		(2) The Company has mastered the register of shareholders provided by stock affairs agency.	
(3) Whether the Company has established and executed the risk control and firewall mechanism with affiliated enterprises.	✓		(3) The Company has formulated relevant administrative measures, and will make amendment in due time in respond to the business necessity and according to the company operation and development in the future.	
(4) Whether the Company has formulated internal regulation to prohibit insider of the Company from utilizing undisclosed information for the securities transaction?	✓		(4) The Company has formulated the "Procedures for Handling Material Inside Information" to explicitly prohibit insider of the Company from utilizing undisclosed information for the securities transaction.	
3. Board of Directors' composition and responsibility				There is no significant difference yet.
(1) Whether the Board of Directors has formulated diversified	✓		(1) The "Procedures for Election of Directors" and "Corporate Governance Best Practice Principles" of the	

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
policy for the member composition and implemented it?			Company explicitly stipulate the diversity policy for composition of Board of Directors members and disclose it at company website and mops.twse.com.tw, directors of the Company have different professional backgrounds, and members of the sixth session Board of Directors possess knowledge, skills and accomplishments necessary for duty execution. The current board of directors of the Company is composed of seven directors, including four directors and three independent directors, with rich experience and expertise in accounting, law and other fields. The tenure of three independent directors is less than 9 years. Finance / Law / Industry / Management / International Michael N. Chang: V / V / V Tamon Tseng: V / V / V YEN, YUN: V / V / V Frank Chen: V / V / V / V Jerry Fong: V / V / V / V Taychang Wang: V / V / V Howard Lee: V / V / V	
(2) Apart from setting Remuneration Committee and Audit Committee pursuant to law, whether the Company is willing to set other functional committees?	✓		(2) Apart from setting Remuneration Committee and Audit Committee pursuant to law, the Company also set M&A Special Committee and organization regulations in 2016, and the M&A Special Committee comprising of three independent directors was established on January 18, 2017. Other corporate governance operations of the Company are handled by each department respectively according to its function and power, in the future, other committee may be set after further assessment if necessary.	
(3) Whether the Company has formulated Board of Directors Performance Assessment Measures and its assessment method, regularly carries out performance assessment every year, hands in the results of performance assessment to Board of Directors, and applies them as the reference for the remuneration, nomination and reappointment of individual directors?	✓		(3) In order to regularly review the efficiency of Board of Directors and improve the degree of corporate governance, the Company has formulated the "Board of Directors Performance Assessment Measures" and its assessment method in 2016, and executes Board of Directors performance assessment at least once a year. The internal performance evaluation of the board of directors in 2021 of evaluation was completed before the end of 2021. The scope of this appraisal is the board of directors, individual directors and functional committees. The performance appraisal of the board of directors, in the form of self-assessment questionnaire in five aspects (including participation in the Extent of participation in the operation of the company, improving the decision-making quality of the board of directors, composition and structure of the board of directors, selection and continuing education of directors, internal control,	

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
			etc.), and all performed well. Self-assessment of directors' members in the form of self-assessment questionnaire, has performed well in six aspects (including mastering the company's objectives and tasks, directors' responsibilities, participation in the company's operations, internal relations management and communication, directors' professional and continuing education, internal control, etc.). The performance appraisal of functional committees, in the form of self-assessment questionnaire, includes 24 evaluations in five aspects (including the degree of participation in the company's operations, the awareness of the responsibilities of functional committees, the improvement of decision-making quality of functional committees, the composition and selection of members of functional committees, internal control, etc.), and all performed well. The Company's review of the items with weaker scores will be the way to improve in the coming year. In addition, the external performance evaluation of the board of directors every three years entrusts China Corporate Governance Association, an external institution, to conduct the performance evaluation of the board of directors from January 1, 2021 to December 31, 2021. This institution and executive experts have no business dealings with the company and they are independent. The performance evaluation of the board of directors is based on eight aspects including the composition of the board of directors, guidance, authorization, supervision, communication, internal control and risk management, self-discipline and other aspects of the board of directors. The evaluation method is questionnaire and the company's own evaluation. The association reviewed the relevant documents required by the company to provide evaluation in writing and interviewed the chairman, independent directors and chief financial officer of the company via video interview on February 14, 2022 to help the company improve through the interaction and sharing of the evaluation process. The performance evaluation report of the Board of Directors was presented on February 22, 2022, and the company reported the evaluation results to the Board of Directors on March 18, 2022. The performance appraisal report is posted on the company's website.	
(4) Whether the Company has regularly assessed the independence of certified public accountant?			The Company assesses the independence and competency of certified public accountants at least once a year, and asks the accountants and accounting firm to provide relevant materials and statements on the indicators such as the scale and reputation of accounting firm, number of years in consecutive providing audit service, nature and degree of providing non-audit service, audit certification fee, peer appraisal, whether it is involved in any lawsuit or any case amended or investigated by	

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
			competent authority, the quality of audit service, whether there is any regular further education, and interaction between and among the management echelon and internal audit supervisor etc., so that Board of Directors conducts assessment accordingly, and the assessment results of the last year has been completed on November 5, 2021.	
4. Whether or not the listed or OTC-quoted company sets appropriate number of eligible corporate governance personnel, and designates the corporate governance supervisor to be responsible for corporate governance related affairs (including but not limited to provide directors and supervisors necessary materials for business execution, assist directors and supervisors in legal compliance, handle matters related to Board of Directors Meeting and Shareholders' Meeting pursuant to law, and prepare meeting minutes for Board of Directors Meeting and Shareholders' Meeting etc.)?	✓		The Company has specific promotion plan for fulfilling corporate governance, and has formulated Corporate Governance Best Practice Principles and discloses it at the company website; meanwhile, the Company continues to update the latest amended regulations related to corporate governance; currently the Financial Division of the company is responsible for handling affairs related to corporate governance, and the execution situation is good so far, when the capital amount and scale etc. meet statutory requirements, the Company will set corporate governance personnel and supervisor to be responsible for handling affairs related to corporate governance.	There is no significant difference yet.
5. Whether the Company has established communication channels with the interested parties (including but not limited to shareholders, employees, customers and suppliers etc.), and set interested party zone in the company website, and appropriately responded to the important corporate social responsibility issues concerned by interested parties?	✓		The Company has set spokesman and acting spokesman mechanism, and regularly disclose financial information for interested party to rapidly understand the operation situation of the Company to safeguard its rights and interests.	There is no significant difference yet.
6. Whether the Company has appointed professional stock affairs agency to handle the affairs of Shareholders' Meeting?	✓		The Company has appointed MasterLink Securities Corporation to handle stock affairs.	There is no significant difference yet.
7. Information disclosure				
(1) Whether the Company has set website to disclose financial business and corporate governance information?	✓		(1) The website of the Company has disclosed information related to company profile and financial business.	There is no significant difference yet.
(2) Whether the Company has adopted other information disclosure methods (such as setting English website, designating dedicated person to be responsible for the collection and disclosure of company information, implementing	✓		(2) The Company has designated dedicated person to be responsible for disclosing significant company information, and timely input it in the announcement at mops.twse.com.tw; besides, the Company has set spokesman and acting spokesman system and publicly plays the live video of investor conference presentation at the company website.	

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
spokesman system, and setting company website in the course of investor conference presentation etc.)?				
(3) Whether or not the company announces and declares annual financial report within two months after the end of accounting year, and announces and declares the financial report of the first, second and third quarter and monthly operating situation before the prescribed time limit?	✓		(3) Pursuant to relevant regulations, the Company announces and declares annual financial report within three months after the end of accounting year, and announces and declares the financial report of the first, second and third quarter and monthly operating situation before the prescribed time limit, please refer to the mops.twse.com.tw for the disclosure of aforesaid information.	
8. Whether the Company has other important information contributing to the understand of operation situation of corporate governance (including but not limited to employee rights and interests, employee caring, investor relations, supplier relations, rights of interested party, further education of director and supervisor, execution situation of risk management policy and risk measurement standard, execution situation customer policy, the situation in which the Company buys liability insurance for the director and supervisor etc.)?	✓		(1) Safeguard and care about employee rights and interests: The Company complies with the Labor Standards Act, Labor Safety and Health Act and relevant regulations, spares no efforts to safeguard the legal rights and interests of employees, and regularly and irregularly holds all kinds of educational training to build a good relationship of mutual trust and interdependence with the employees. (2) Investor relations: In order to maintain shareholders' rights and interests and for the convenience of public investors to understand the situation of company operation, the Company disclose relevant information at mops.twse.com.tw as required. (3) Supplier relations: Through long-term intercourse with major suppliers, the Company has built a good relationship of mutual trust and has a cordial working relationship with them. (4) Rights of interested party: Apart from setting designated spokesman and acting spokesman, the Company also sets stock affairs unit to handle relevant issues and suggestion matters of the shareholders and interested party of the Company; if involving in legal issues, then the Company has appointed law consultant or legal personnel for handling, so as to safeguard the rights and interests of interested party. (5) Further education of director and supervisor: The Company irregularly provides directors and managers the legal information shall be paid attention to and the information of professional knowledge further education courses held by relevant units, and details on the manners and situations of further education for directors of the Company are as shown in the next page. (6) Execution situation of risk management policy and risk measurement standard: The Company emphasizes the risk management policy of "Prevention speaks louder than everything", apart from formulating rigorous internal control system pursuant to law, and regularly and irregularly examining the execution situation and proposing report through internal audit, the Company also takes reasonable hedging measures in the aspect of financial affairs and exchange rate etc. to reduce risks, and reviews the financial structure at any time to avoid excessive financial risks. (7) Execution situation customer policy: The products of the Company are currently at the stage of research and development and have no operating	There is no significant difference yet.

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
			income, in the future, when the products come into the market for sale, dedicated personnel will provide relevant services to the correspondents. (8) The situation in which the Company buys liability insurance for the director and supervisor: Starting from June 14, 2012, the Company buys liability insurance for the directors and supervisors, and the insurance is renewed every year.	
9. Please describe the improvement of corporate governance evaluation result released by corporate governance center of Taiwan Stock Exchange Corporation in the last year, and propose the prioritized strengthening matters and measures for the unimproved matters. The Company has been listed in corporate governance assessment (the 3rd session) for the first time in 2016, in the future, for the items failed in assessment, the Company will review the feasibility in current year and future strategy every year, therefore, the Company will achieve a balance between the development of competent authority policy and the development of company mainbody every year, promote the implementation plan for the items can be improved at current stage, and set the year and objective of improvement for the items cannot be improved at current stage.				

Main manners and situations of further education for directors of the Company in 2021 are as follows:

- In Board of Directors Meeting, the management team will make brief report on business and other relevant information for directors.
- Courses related to corporate governance etc. will be arranged for directors in Board of Directors Meeting.
- Each director may participate in relevant refresher courses voluntarily as needed.

Name	Date of further education	Host unit	Course name	Hours of further education
Michael N. Chang	September 1, 2021	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum morning session	3
	October 18, 2021	Taipei Exchange	Shang gui xing gui company insider equity promotion seminar	3
Tamon Tseng	November 19, 2021	Taiwan Corporate Governance Association	Quick interpretation and preparation of ESG disclosure requirements for Corporate Governance 3.0	3
	November 22, 2021	Taiwan Corporate Governance Association	The ways to prevent and respond to insider trading	3
YEN, YUN	December 15, 2021	Taiwan Corporate Governance Association	How do enterprises and Director avoid stepping on insider trading by mistake	3
	December 15, 2021	Taiwan Corporate Governance Association	Supervisors should pay attention to the practice of irregular transactions	3
Frank Chen	November 19, 2021	Taiwan Corporate Governance Association	Quick interpretation and preparation of ESG disclosure requirements for Corporate Governance 3.0	3
	November 22, 2021	Taiwan Corporate Governance Association	The ways to prevent and respond to insider trading	3

Name	Date of further education	Host unit	Course name	Hours of further education
Jerry Fong	August 3, 2021	Taiwan Corporate Governance Association	Cyber attack incidents, the board of supervisors should face up to the security issues	3
	August 19, 2021	Taiwan Corporate Governance Association	Corporate Governance and Information Disclosure System -- On the important responsibilities of insiders	3
Taychang Wang	September 1, 2021	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum morning session	3
	September 1, 2021	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum afternoon	3
	October 18, 2021	Taipei Exchange	Shang gui xing gui company insider equity promotion seminar	3
	December 15, 2021	Taiwan Corporate Governance Association	How do enterprises and Director avoid stepping on insider trading by mistake	3
	December 15, 2021	Taiwan Corporate Governance Association	Supervisors should pay attention to the practice of irregular transactions	3
Howard Lee	August 10, 2021	Securities & Futures Institute (SFI)	Corporate Governance 3.0 from the perspective of inspection	3
	October 27, 2021	Securities & Futures Institute (SFI)	Discussion on human resources and M&A integration in enterprise M&A process	3

(iv) If the Company has set Remuneration Committee, its composition, responsibility and operation situation shall be disclosed:

1. Information of Remuneration Committee members

April 30, 2022

Condition / Name	Professional qualifications and experience	Independence conformance	Number of other public companies in which concurrently act as independent director
Jerry Fong	**Education background:** Doctor of Law of Cornell University and Master of Law , University of Pennsylvania. **Experience:** Director of intellectual Property Research Institute at National Chengchi University and Director of Financial Law Research Center at The School of Law. **Current position:** Associate Professor, School of Business, National Chengchi University. Possessing professional intellectual property legal literacy and experience , will be of great benefit to the company's technical research and development. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (note 1)	All independent directors conform to the following conditions: 1. Comply with the relevant provisions of Article 14 bis of the Securities and Exchange Law issued by the Financial Supervisory Commission and "Measures for Setting up independent Directors of Publicly issued Companies and Matters to be Followed" (Note 2). 2. I (or in the name of another person), my spouse and minor children do not hold shares of the Company. 3. The amount of remuneration not obtained from providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the recent two years.	2
Taychang Wang	**Education background:** Doctor of Finance, Wharton College, University of Pennsylvania, USA. **Experience:** Distinguished Professor, Associate Professor, Department of Accounting, National Taiwan University. **Current position:** Professor, Department of Accounting, National Taiwan University. Extensive knowledge and experience in accounting and financial analysis. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (note 1)		2

Howard Lee	**Education background:** Ph. D. in chemistry, University of Southern California **Experience:** Partner of CID Group. **Current position:** Chairman of TAHO Pharmaceuticals Ltd., Chairman of Transwell Biotech Co., Ltd., etc He has more than 30 years of experience in biotech investment and management and familiar with the biotech industry. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (note 1)		3

Note 1: in any of the following circumstances, shall not be appointed as a manager, and the person who has been appointed as a manager shall be relieved of course:

1. Has committed an offence under the Organized Crime Prevention Ordinance and has not been executed or completed, or has not been executed or suspended or pardoned for more than five years.
2. Those who have committed crimes of fraud, breach of trust or embezzlement and have been sentenced to fixed-term imprisonment of more than one year have not been executed or have not completed the execution, or have not completed the execution, probation or pardon for more than two years.
3. An offence committed under the Corruption Code has not been executed, has not been completed, or has not been executed, or has not been suspended or pardoned for more than two years.
4. Has not been reinstated by a declaration of bankruptcy or by order of the court to commence liquidation proceedings.
5. The use of the instrument has not expired after being rejected.
6. Incapacity or limited capacity.
7. The assisted declaration has not been revoked.

Note 2:

1. Other than the provisions of Article 27 of the Company Law, the government, the legal person or its Representative:
2. No more than three independent directors of other publicly issued companies.
3. Not having any of the following incidents in the first two years or during the term of office:
   (1) An employee of the Company or its affiliates.
   (2) Directors and supervisors of the company or its affiliated enterprises.
   (3) Natural person shareholder holding over 1% of the total issued shares of the company or being the top ten shareholders not in the name of himself/herself and his/her spouse, minor children or other persons.
   (4) Not the spouse, relative within second degree of kinship, or lineal relative within third degree of kinship, of the managerial officer listed in Paragraph (1) or any of the persons listed in Paragraph (2) and (3).
   (5) Directors, supervisors or employees of the corporate shareholders who directly hold more than 5% of the total number of issued shares of the company, the top five holders of shares or who designate Representative as director or supervisor of the Company in accordance with Article 27 of the Company Law.
   (6) More than half of the directors or voting shares of the company and the other company are directors, supervisors or employees of the other company controlled by the same person.
   (7) A director , supervisor or employee of another company or institution where the company and the chairman, general manager or equivalent of the other company are the same person or spouse.
   (8) Directors, supervisors, managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company.
   (9) Not the professional individual who, or an owner, partner, director (member of a council), supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a

spouse thereof. Provided that, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities Exchange Act, Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not having spouse relationship or relatives relationship within second degree with other directors.

2. Information of operation situation of Audit Committee

(1) There are three members in the Remuneration Committee of the Company.

(2) Term of office of members in this session: from June 27, 2020 to June 26, 2022, Remuneration Committee has convened 5 meetings (A) in 2021, and members' qualifications and attending situations are as follows:

Title	Name	Actual attendance times B	Delegated attendance times	Actual attendance rate (%) [B/A]	Notes
Convenor	Taychang Wang	5	0	100	
Committee member	Jerry Fong	5	0	100	
Committee member	Howard Lee	5	0	100	

Other matters should be recorded:

1. If Board of Directors refuses to adopt or revises the suggestion of Remuneration Committee, the date of board meeting, stage, proposal contents, result of board resolution and handling of Remuneration Committee's opinion (if the remuneration passed by Board of Directors is superior to the suggestion of Remuneration Committee, the difference therebetween and reason therefor shall be specified) shall be specified: NA.
2. For the resolution of Remuneration Committee, if a member opposes or has a qualified opinion and with record or written statement, the date of Remuneration Committee meeting, stage, proposal contents, and opinions of all members and handling of members' opinion shall be specified: NA.

(V) Performance of corporate social responsibility and its difference from the Code of Corporate Social Responsibility of Listed and OTC-quoted Companies and reasons:

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
1. Whether the Company has established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, and whether the Board of Directors has authorized senior management echelon to handle and supervised the situation to Board of Directors?	✓		In order to promote the sustainable development of the corporation, the Company established a sustainable development project team several years ago, and the relevant departments designate special persons as representatives. The Public Affairs Office, the Human Resources and Administration Office and the Finance Office are entrusted with their responsibilities, and the Chief Financial Officer acts as the general convener; In addition to reviewing the team’s implementation report,	There is no significant difference yet.

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
			the team also coordinates the joint effectiveness of all departments according to the needs of activities or policies, and reports the annual implementation results to the Board of Directors.	
2. Whether the Company has set dedicated (part-time) unit to promote corporate social responsibility, and whether the Board of Directors has authorized senior management echelon to handle and report the handling situation to Board of Directors?	✓		Risk management policy of the Company is usually based on the principle of "Prevention". In addition to formulating a strict internal control system according to law, and checking the implementation situation and submitting reports regularly and irregularly, the Company also classifies risks according to the principle of materiality, and formulates corresponding countermeasures respectively. Relevant departments regularly conduct risk assessment and review to reduce the impact of risk events. In the event of a crisis, the Chief Executive Officer will initiate the crisis control mechanism established by the Company and immediately form a project team to carry out the division of labor, review and aftermath of assessment, disposal, risk control, information release, and public opinion monitoring, etc., so as to minimize the damage.	There is no significant difference yet.
3. Environmental issue (1) Whether the Company has been devoting to improve the utilization efficiency of all kinds of resources, and using renewable materials having lower impact on environmental load?	✓		(1) The Company aims to engage in the research and development of new drugs. At present, there is no mass production or marketing of products, so there is no concern that the plant will discharge sewage, waste, and greenhouse gases, etc. However, the Company has set up a safety and health management team, which is responsible for the prevention of laboratory pollution, the formulation of laboratory waste management measures, the cleaning and recycling of waste, and follows and implements all environmental protection regulations of the competent authority.	The Company belongs to biotechnology industry and has no production operation, and continues to reduce the environmental impact caused by the laboratory and office, in respect of the measures taken for sustainable environment, there is no significant difference between the regulations.
(2) Whether the Company has established appropriate environmental management system according to its industrial characteristics?	✓		(2) At present, the Company's research and development of new drugs is still limited to laboratory operations, and the energy, resources and materials required are limited, so it will not cause too much load on the environment. However, based on the principle of cherishing resources, the Company continues to promote the concept and action of energy conservation, encourages waste sorting and recycling, paper reduction, and calls on everyone to turn off lights, reduce copying, use environmentally friendly cups, and reduce the use of packaged water and paper cups. Implement energy conservation in daily life to improve the utilization efficiency of resources, and implement measures such as classified	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
			treatment and recycling according to the category of resources, so as to achieve the purpose of waste reduction and resource recovery.	
(3) Whether or not the company assesses potential current and future risk and opportunity brought by climate change to the company, and adopts solutions to relevant climate issues?	✓		(3) At present, the Company has not entered mass production, so there is no large amount of greenhouse gas emission. The Company aims to improve manufacturing methods, processes and production management, so as to reduce resource consumption and pollution incidents, effectively utilize energy, and achieve the goal of energy conservation and carbon reduction. In addition, in view of the supply chain interruption, power supply interruption, abnormal use of human resources and other risks that may be brought about by climate change, the Company will take measures such as seeking alternative suppliers to reduce entrusted manufacturing, trying to increase the proportion of self-made, equipping all laboratories with uninterruptible power facilities and constant temperature equipment, and planning and improving the agent system.	
(4) Whether or not the company conducts statistics on greenhouse gas emissions, water consumption and total waste weight in the last two years, and formulates policies for energy saving, carbon reduction, reduction of greenhouse gas emissions and water consumption, or management of other waste?	✓		(4) The Company's drug research and development business takes the laboratory of Nangang Software Park as the base. At present, the research and development process has not yet entered the stage of mass production, so there is no concern that the plant will discharge sewage, waste, and greenhouse gases, etc. However, in order to comply with the relevant environmental protection regulations of the government, the Company has formulated the *Business Waste Disposal Plan* (*Waste Disposal Plan*) and the *Laboratory Waste Management Measures* as the basis for the proper disposal of business waste. All solid and infectious wastes with potential hazards are temporarily stored in non-open covered iron drums or cartons, while liquid wastes are temporarily stored in sealed HDPE drums, which are regularly treated, cleared and transported by qualified contract manufacturers. Regarding the statistics and estimation of greenhouse gas emissions, the calculation of electricity consumption shall be apportioned according to the use area since the offices and laboratories are now located in a small part of the building. The charging is complex, so the Company will ask a professional team for guidance, and the schedule has been planned.	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
4 Social issue				Conforming to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(1) Whether the Company has formulated relevant management policies and procedures according to relevant laws and regulations and International Covenants on Human Rights?	✓		(1) The Company formulates the *Employee Handbook* in accordance with the Labor Standards Law and related laws and regulations 1. Carry out employee health examination regularly. 2. The Company holds labor and capital meetings every quarter, and protects the legitimate rights and interests of employees, as well as their non-discriminatory treatment in employment policy in accordance with labor laws and regulations, and provides retirement pensions. Set up an employee welfare committee, and handle various welfare matters through the operation of the welfare committee elected by the employees. 3. The company formulates the methods for the club establishment, encourages employees to spontaneously establish Leisure Club and hold regular activities, advocates employees to enjoy work and health, exercise their body and mind, and improve cohesion. 4. Hold employee friendship and other activities from time to time to promote the physical and mental development of employees.	
(2) Whether or not the company formulates and implements rational employee welfare measures (including remuneration, leave and other welfares etc.), and appropriately reflects the operation performance or achievement to employee remuneration?	✓		(2) The Code of Conduct for colleagues and relevant measures for remuneration and employee share subscription formulated by the Company have clearly standardized remuneration and reward and punishment standards, so that colleagues can share the results of the Company's operation performance and operational growth while striving to achieve the company's goals.	
(3) Whether the Company has provided employees a safe and healthy working environment, and has implemented safety and health education to the employees regularly?	✓		(3) 1. The Company attaches importance to the personal safety and health of employees. In addition to setting up a full-time nurse in accordance with the *Labor Health Protection Rules* to be responsible for the annual health examination and health consultation of employees, the Company also regularly holds health lectures to promote physical and mental health, health education and self-health management, and inspects the maintenance of workplace environment health. 2. According to the *Occupational Safety and Health Law*, the Company also has a *Maternal*	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
			Health Protection Plan to assess and control hazards, arrange doctor interviews and guidance, carry out risk classification management, and arrange work suitability for pregnant and postpartum and breastfeeding employees. 3. In addition, the Company also regularly arranges physician health consultation services and diet health lectures for employees who have abnormal physical examination reports, pain and daily medical troubles. 4. Epidemic prevention measures and publicity: The global epidemic of COVID-19 is critical. The company makes every effort to take protective measures, such as measuring and registering the body temperature every day, providing employees with alcohol for disinfection, strengthening the disinfection of office environment and appliances, and advocating employees to wash their hands frequently, and wearing masks in the office area to protect themselves and others. If a colleague has a fever or other discomfort, the colleague shall be persuaded to seek medical treatment or rest at home and take independent health management. If any colleague or his / her family member or roommate has a fever or is listed or isolated, he / she shall take the initiative to inform the company, and the Human Resources and Administration Office shall take the initiative to care or assist. 5. The Company holds at least twice a year for employees and laboratories safety and health education and fire drills, carries out work environment hazard control assessment, provides appropriate and adequate protective tools, and provides first aid facilities such as watering, fire fighting, ambulance and medical treatment in case of emergency, so as to establish a safe working environment, protect personal safety and prevent occupational disasters.	
(4) Whether the Company has set effective occupational ability development training plan for the employees?	✓		(4) Taiwan OBI clearly stipulates the *Education and Training Management Measures*. In addition to the company's own education and training and continuing education for employees, it also provides channels for employees to participate in seminars at home and abroad, encourages employees to strive for professional certification, and spares no effort in on-the-job cultivation for	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
			employees. This talent investment is budgeted and implemented, and the training effectiveness is included in the annual performance appraisal, promotion and re-education reference.	
(5) For the customer health and safety, customer privacy, marketing and marking of product and service, whether or not the company complies with relevant laws and regulations and international standards, and formulates relevant policies and complaint procedures for protecting consumer rights and interests?	✓		(5) All products of the Company are still in the research and development stage, and no finished products have been on the market. However, at the beginning of the its establishment, the Company formulated a complete set of management systems for all related processes, including the determination of the composition of new drugs, preclinical research and development, clinical trials, marketing and selection of suppliers. In addition to expressly prohibiting the sale and purchase of products or manufacturers in dispute, the Company also emphasizes to adhere to moral standards and ethical principles, comply with global international harmonization regulations, such as *Good Manufacturing Practice* (PIC/S GMP), *Good Laboratory Practice* (GLP) and *Good Clinical Practice* (GDP), and strictly abide by the *Medical Law*, *Administrative Measures for Human Test*, *Pharmaceutical Law* and other regulations. In addition, in terms of personal data protection and management, the Company shall strictly abide by the *Personal Data Protection Law*, the *Implementing Rules of the Personal Data Protection Law*, the EU *General Data Protection Regulation* (GDPR) and the relevant laws and regulations of the competent authorities, and do the best to protect and manage customers' data.	
(6) Whether or not the company formulates supplier management policy, and asks the supplier to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights etc.? And the implementation situation thereof?	✓		(6) Taiwan OBI selects suppliers who meet the *Good Manufacturing Practice* (GMP), *Good Distribution Practice* (GDP), *Good Laboratory Practice* (GLP), *Good Clinical Practice* (GCP) for drugs, *ISO Quality Standards* and other industry standards and specifications as priority objects; And timely request suppliers to provide relevant certifications according to business needs, such as The Association for the Assessment and Accreditation of Laboratory Animal Care International (TAF and AAALAC), The American College of the Veterinary Pathologist (ACVP), (PIC/S GMP), Taiwan Food and Drug Administration (TFDA), Ministry of Health and	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
			Welfare, US Food and Drug Administration (USFDA), and the manufacturer's drug dealer license of the European Medicines Agency (EMA), so as to ensure that the entrusted tests comply with the relevant specifications of drug research. In addition, according to the supplier's performance in the professional field, industry evaluation, perfection of plant and equipment, employee quality, corporate value and its fulfillment of social responsibilities, etc., the competent unit of OBI must make a comprehensive evaluation and write a report before signing a contract for cooperation; Once the agreement is reached, we shall follow the procedures to inform the integrity policy of the Company in good faith and require reasonable quotations, appropriate quality and service before the cooperation between the two parties; Based on mutual trust and mutual benefit, the two parties will jointly improve product quality and fulfill the sustainable development of the enterprise, so as to establish a good long-term cooperative relationship.	
5. Whether or not the company refers to international report preparation criterion or guidelines to prepare corporate social responsibility report and other reports disclosing non-financial information of the company? Whether or not the aforesaid report has acquired the assurance or guarantee opinion from the third party verification unit?	✓		The Corporate Social Responsibility Report of the Company is prepared according to the core options of "GRI Standards" proposed by the "Global Sustainability Standards Board" (GSSB); currently external assuring procedures have not been carried out, but will be included in future planning goal.	There is no significant difference yet.
6. If the Company has formulated its own code of corporate social responsibility pursuant to " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ", please describe its operation and the difference circumstance therebetween: The company not only abides by the *Code of Practice for the Sustainable Development of Listed Companies* issued by the government, but also has formulated the *Code of Practice for Sustainable Development of Taiwan OBI* as the criterion for the company to pursue sustainable development. We will ensure to implement, and report and review regularly, in full compliance with the code set by the government.				
7. Other important information good for understanding the operation situation of corporate social responsibility: ● The gender ratio of employees is almost 1:1, without gender and age differential treatment; Set up nursing (collection) rooms and provide employees with childcare allowances, and the welfare measures are superior to the conditions of the *Labor Basic Law.* Take the "Happy enterprise" of the biotechnology industry as own expectation. ● Formulate measures to provide employees with multiple on-the-job training channels. In 2021, employees received 1,382.7 hours of training courses, with an average of 10.48 hours per person. ● It has maintained zero work safety and zero accident records since its establishment. Implement workplace				

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
health and safety requirements and strive to create a friendly working environment. ● Understand the needs of patients, and support the growth of the patient group through practical volunteering work and donation actions. ● Jointly organize blood donation activities with HSBC, Intel and other companies in the same office building. ● Cooperate closely with academic and educational institutions, establish industry-university cooperation, and carry out high-level talent training and educational cooperation programs; And actively participate in domestic and foreign biotechnology academic, talent cultivation, law revision, professional seminars and other activities, and pursue the overall coexistence and co-prosperity of the industry.				

(vi) Situation of performing integrity operation and measures adopted:

Assessment item	Operation situation			Difference from Listed Company Integrity Operation Rules and the reason therefor
	Yes	No	Description abstract	
1. Formulate integrity operation policy and scheme				There is no significant difference yet.
(1) Whether or not the company formulates the integrity operation policy passed by Board of Directors, and explicitly formulates the policy and practice of integrity operation in the regulations and external documents, and the commitment of Board of Directors and senior management echelon to actively implement the operation policy?	✓		(1) The Company has formulated the Code of Integrity Operation, Operation Procedures and Behavioral Guidelines for Integrity Operation, and Code of Ethical Conduct as the complying basis for internal operation of the company. Integrity and transparency are the important core values in the operation of the Company, the Company establishes corporate governance and risk control mechanisms based on that to pursue sustainable company development.	
(2) Whether or not the company establishes assessment mechanism for the risk of dishonest behavior, regularly analyzes and assesses the operating activities of higher dishonest behavior risks within the scope of business, and formulates the scheme for preventing dishonest behavior accordingly, and at least covers the prevention measures for various behaviors prescribed in Paragraph 2, Article 7 of "Listed and OTC-quoted Company Integrity Operation	✓		(2) The Company has formulated Employee Code of Conduct to sincerely treat customers, investors, colleagues, suppliers and every business contact object with self-discipline and in the principle of integrity and honesty, and strictly prohibits employees to accept any improper gift and entertainment. The Company regularly carries out self-assessment of integrity operation for each department, so as to effectively control relevant risks within business scope respectively.	

Assessment item	Operation situation			Difference from Listed Company Integrity Operation Rules and the reason therefor
	Yes	No	Description abstract	
Rules”?				
(3) Whether or not the company explicitly formulates the operation procedures, behavioral guidelines, violation punishment and complaints system in the schemes of preventing dishonest behavior, implements them, and regularly reviews and amends the aforesaid schemes?	✓		(3) Directors, supervisors, managers, employees or those of substantial control ability of the Company are strictly prohibited from directly or indirectly providing, promising, asking for or receiving any unjustified interests, or from conducting other dishonest behaviors violating integrity, against the law or violating fiduciary duties. Besides, the Company sets the mailbox for malfeasance impeachment, and formulates measures for handling impeachment case to specify the handling procedures and competent unit of the impeachment case.	
2. Implement integrity operation				There is no significant difference yet.
(1) Whether the company has assessed the integrity record of contacting objects, and explicitly stipulated integrity clauses in the contract signed between the Company and trading objects?	✓		(1) Personnel of every level of the Company are of high self-discipline and have never involved in other illegal affairs or purposes in the commercial activity; for those who have the record of dishonest behaviors, the Company will degrade them, stop their powers, or remove them from the list of qualified suppliers.	
(2) Whether the company has set dedicated unit subordinated to Board of Directors to promote corporate integrity operation, and regularly (at least once a year) reports to Board of Directors on its integrity operation policy and scheme of dishonest behavior prevention, and supervises the execution situation?	✓		(2) The Legal Affairs and Intellectual Property Department of the Company is the specialized unit responsible for honest operation, which is responsible for assisting the board of directors and management in formulating and supervising the implementation of honest operation policies and preventive plans, and ensuring the implementation of the code of honest operation. The full-time unit reported its implementation to the board of directors on August 6, 2021 and March 18, 2022 respectively.	
(3) Whether the Company has formulated policy to prevent conflict of interest and provided proper statement channel, and implements them?	✓		(3) Board of Directors of the Company adheres to high self-discipline, for the proposal listed by Board of Directors and those have interest relationship with the Board of Directors or its representing juridical person, such interested relationship shall be described in the current Board of Directors meeting, if such relationship is detrimental to corporate benefits, it shall not join in discussion and voting and shall evade upon discussion and voting, and shall not exercise voting right on behalf of other directors.	
(4) Whether the company has established effective accounting system, internal control system for implementing integrity operation, and has the internal audit unit to draft relevant audit plans according to the	✓		(4) To establish effective accounting and internal control system, the Company carries out computerized operation in which the management function can be connected through computers, besides, the Company executes abnormality management and assigns internal audit unit to conduct examination regularly or appoints accountants to execute the	

Assessment item	Operation situation			Difference from Listed Company Integrity Operation Rules and the reason therefor
	Yes	No	Description abstract	
assessment results of dishonest behavior risks, and checks the compliance of the scheme for dishonest behavior prevention accordingly, or appoints the accountant to execute the auditing?			examination.	
(5) Whether the Company holds internal and external educational training on integrity operation regularly?	✓		(5) On August 23, 2021, the company held the " Integrity management, insider trading prevention, Computer-Processed Personal Data Protection, intellectual property policy advocacy and patent education and training ", which was publicized by e-mail and paper posters.	
3. Operation situation of company reporting system (1) Whether the Company has formulated specific reporting and rewarding system and established convenient reporting channel, and assigned appropriate dedicated handling personnel for the object being reported?	✓		The Company sets the mailbox for malfeasance impeachment, and formulates measures for handling impeachment case to accept any notification on illegal or immoral circumstances, assigns independent dedicated unit to be responsible for the investigation, and actually keeps the identity of whistleblower and impeachment contents confidential; besides, the investigation results will be submitted to members of Board of Directors regularly.	There is no significant difference yet.
(2) Whether the company has formulated standard investigation procedures for accepting impeachment matters, and subsequent measures and relevant confidentiality mechanism should be adopted after investigation?	✓			
(3) Whether the Company has taken measures to protect whistleblower from improper treatment due to the reporting?	✓			
4. Strengthen information disclosure Whether the Company has disclosed the contents of Code of Integrity Operation formulated and the promotion effect thereof at the company website and mops.twse.com.tw?	✓		The Company discloses company profile at the company website and announces real time information at the mops.twse.com.tw as required by laws and decrees.	There is no significant difference yet.
5. If the company has formulated its own Code of Integrity Operation according to the "Listed and OTC-quoted Company Integrity Operation Rules", please describe its operation and the differences with the formulated rules: the Code of Integrity Operation of the Company is conforming to the regulations of "Listed and OTC-quoted Company Integrity Operation Rules", and there is no difference.				

Assessment item	Operation situation			Difference from Listed Company Integrity Operation Rules and the reason therefor
	Yes	No	Description abstract	
6. Other important information good for understanding the operation situation of integrity operation of the company (such as the Company reviews and amends the Code of Integrity Operation formulated etc.): the Company has formulated the Code of Integrity Operation for the first time in 2014, and amends it according to laws and decrees and corporate practice.				

(vii) If the Company has formulated the Code of Corporate Governance and relevant regulations, the inquiry method thereof shall be disclosed:

The Company has formulated the Code of Corporate Governance and disclosed it in the company website, and also has formulated operation procedures such as "Code of Integrity Operation", "Codes of Ethical Conduct", "Code of Corporate Social Responsibility", "Rules of Procedure for Shareholders' Meetings", "Specification of Procedure for Board of Directors", "Procedures for Election of Directors", "Interested Party Specific Company and Group Enterprise Transaction Operation Procedure", "Measures for Supervision and Management of Subsidiary" and "Internal Control System" etc., operating and executing corporate governance related specifications according to the spirit of corporate governance, in the future, the Company will amend the management measures according to relevant laws and decrees as the case may be, so as to strengthen the corporate governance.

(viii)Other important information sufficient enough to enhance the operation situation of corporate governance shall be disclosed all together: please refer to "Paragraph vii of Operation situation of corporate governance and its difference from Listed Company Governance Best Practice Principles and the reason therefor".

(ix) Execution situation of internal control system

1. Internal Control System Statement: please refer to the next page.
2. If the accountant is appointed to specifically examine the internal control system, the accountant examination report shall be disclosed: NA.

OBI Pharma, Inc.

Internal Control System Statement

Date: March 18, 2022

For the 2021 internal control system of the Company, based on the result of self-assessment, it is hereby made the statement as follows:

i The Company acknowledges that the establishment, implementation and maintenance of internal control system are the responsibilities of Board of Directors and managers of the Company, and the Company has established such system. Its purpose is to provide a reasonable guarantee for achieving the objectives such as operation effect and efficiency (including profit

making, performance and safeguarding assets safety etc.), report reliability, promptness, transparency and the compliance of relevant regulations and relevant laws and decrees etc.

ii The internal control system has its own inherent limitation, no matter how perfect its design is, an effective internal control system can only provide reasonable guarantee for achieving three objectives mentioned above; and due to the change of environment and circumstance, the effectiveness of internal control system might be changed accordingly. But the internal control system of the Company has set self-supervision mechanism, once the deficiency has been identified and confirmed, the Company will take correction action immediately.

iii The Company stipulates the determination items of internal control system effectiveness according to the "Guidelines on Public Company to Establish Internal Control System" (hereinafter referred to as "Guidelines"), so as to determine whether the design and execution of internal control system are effective. The determination items of internal control system adopted in such "Guidelines" are the processes of management control, dividing internal control system into five elements: 1. Environment control; 2. Risk assessment; 3. Operation control; 4. Information and communication, and 5. Supervision operation. Each element further includes several items. Please refer to the provisions of "Guidelines" for the preceding items.

iv The Company has adopted the determination items of internal control system mentioned above to assess the effectiveness of the design and execution of internal control system.

v Based on the assessment result in preceding paragraph, the Company thinks that the internal control system of the Company on December 31, 2021 (including supervision and management of subsidiary), including that the design and execution of internal control system related to understanding the operation effect and achievement degree of efficiency objective; reliable, prompt and transparent report; and compliance of relevant regulations and relevant laws and decrees etc. are effective, and it can reasonably guarantee the achievement of above objectives.

vi This Statement will become major contents of the annual report and public prospectus of the Company, and will be disclosed externally. If the preceding disclosed contents have any false, concealing or illegal circumstance, it will involve in the legal responsibilities as prescribed in Article 20, Article 32, Article 171 and Article 174 etc. of Securities Exchange Act.

vii This Statement is passed by Board of Directors of the Company on March 18, 2022, among 7 attending directors, no one holds opposing opinion and all agree upon the contents of this Statement, it is hereby declared as well.

OBI Pharma, Inc.
Chairman & CEO
Michael N. Chang (Signature/Seal)

(X) In the last year and as at the publication date of annual report, the company and its internal personnel are punished according to law, or the company punishes its internal personnel for violating the provisions of internal control system, and the punishment results thereof might cause significant impact on shareholders' equity or securities price, the punishment contents, major deficiencies and improvement situation shall be listed: None.

(xi) In the last year and as at the publication date of annual report, important resolution of Shareholders' Meeting and Board of Directors Meeting:

1. Important resolution of Shareholders' Meeting and Board of Directors Meeting:

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
Board of Directors	The 14th of the 6th session Board of Directors March 12, 2021	1. Pass the company's 2020 annual final accounts. 2. Pass the company's 2020 annual loss appropriation plan. 3. Pass the company's 2021 annual operation plan. 4. Pass subsidiary Amaran Biotechnology, Inc. Cash capital increase case. 5. Pass the request to Amaran To advance the election of directors and supervisors at its annual general meeting of shareholders. 6. Partially adjust the authorization cooperation between the Company and Odeon in China (including Hong Kong and Macao). 7. Increase the investment quota of OBI Pharma (Shanghai) Limited through our company. 8. Ratifying OBI Pharma Limited and OBI Pharma (Shanghai) Limited as directors and principals. 9. Approved the "Statement of Internal Control System" in 2020. 10. Pass the revision of some provisions of the "rules of procedure of shareholders' Meeting" of the Company. 11. Pass the amendment of some provisions of the "Rules of Procedure of the Board of Directors" of the Company. 12. Pass the revision of some provisions of the Company's code of Ethics for Directors and Managers. 13. Pass the amendment of some provisions of the Company's "Director election Method". 14. Pass the revision of some provisions of the Company's transaction procedures for related parties, specific companies and group enterprises. 15. Pass the revision of some provisions of the Company's "Rules on the Scope of Duties of Independent Directors". 16. Pass the revision of the company's "organizational regulations of the Compensation Committee" part of the provisions. 17. Pass the revision of some provisions of the Company's "Performance Evaluation Method of the Board of Directors". 18. To amend part of the provisions of the Company's "Administrative Measures for Preventing Insider Trading". 19. Pass the proposed revision of part of the provisions of the Company's "Supervision and Management Measures for subsidiaries". 20. Approved the new "Information Security Policy" of the company. 21. Pass an update to the Company's 2021 budget. 22. Pass the election of the sixth independent director of the company. 23. Approve the list of independent director candidates nominated by the board of directors. 24. Pass the lifting of the restriction of non-competition of the company's directors. 25. Approval of the nomination period of independent director candidates, the number of candidates to be elected and the place of acceptance. 26. To define the period and place for accepting shareholder proposals. 27. Adopt the date, venue and agenda for the 2021 ordinary Meeting of shareholders. 28. Approved the review of the company's proposed salary adjustment in 2021 and the company's proposed annual salary increase for managers in 2021. 29. Approved the proposal on the appointment and salary and welfare of the Director of human Resources department of the Company and the director of human Resources Department of Amaran Sub-Company.. 30. Approved the proposal on the appointment of the Director of the Business Development and Law Office and salary and welfare of Amaran Sub-Company.
Board of Directors	The 15th of the 6th session Board of Directors May 07, 2021	1. Approved the 2018 cash capital increase plan of the Company. 2. Pass the revision of the company's "Procedures for lending funds to others" part of the provisions. 3. Pass the revision of some provisions of the Company's "Supervision and Management Measures for Subsidiaries". 4. Review the list of independent director candidates nominated by the board of directors. 5. By supplementing the convening of the 2021 Ordinary Shareholders' Meeting.

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
		6. Approved the promotion of Hong Sook Mi, executive director of factory Operation Department of Amaran Sub-Company. . 7. Approved the promotion of Ye Xiuhan, senior director of Finance Department of Amaran Sub-Company. 8. Approved the Salary adjustment proposal of The Executive Director of the Information Department of Amaran Sub-Company.
Board of Directors	The 16th of the 6th session Board of Directors May 19, 2021	1. Pass the case of lifting the prohibition of non-competition for directors. 2. Change of meeting venue through 2021 Regular Meeting of Shareholders. 3. Authorize the chairman to handle all matters related to the 2021 shareholders' meeting according to epidemic prevention measures.
Board of Directors	The 17th of the 6th session Board of Directors June 28, 2021	1. Reschedule the date and place of the 2021 regular meeting of shareholders of the Company. 2. Ratifying the Company's assigned subsidiary Obigen Pharma Inc. Of directors. 3. Ratifying the company's assigned subsidiary, AP Biosciences Inc. Of directors. 4. Pass the Company's subsidiary Amaran Biotechnology, Inc. Of directors. 5. Pass the case of lifting the prohibition of non-competition for directors. 6. Pass the case of lifting the prohibition of non-competition for managers. 7. Approved the proposal of promoting the deputy director of audit to the director of audit and salary and welfare.
Board of shareholders	2021 General meeting of shareholders July 16, 2021	Admission 1.Final accounts for 2020. Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,693,953, negative vote are 31,428, 0 invalid rights, abstention/non-voting are 4,155,748; The affirmative weight accounted for 96.38% of the total voting weight, exceeding the statutory amount, and the case was passed as it was. 2.2020 loss allocation plan. Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,692,943, negative vote are 31,437, 0 invalid rights, abstention/non-voting are 4,155,749; The affirmative weight accounted for 96.38% of the total voting weight, exceeding the statutory amount, and the case was passed as it was. 3. Acknowledge the company's 2018 cash capital increase plan change. Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,690,897, negative vote are 34,385, 0 invalid rights, abstention/non-voting are 4,155,847; The affirmative weight accounted for 96.38% of the total voting weight, exceeding the statutory amount, and the case was passed as it was. Discussion items 1.To amend part of the rules of procedure of shareholders' Meeting of the company. Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,676,199, negative vote are 49,083, 0 invalid rights, abstention/non-voting are 4,155,847; The affirmative weight accounted for 96.37% of the total voting weight, exceeding the statutory amount, and the case was passed as it was. 2. Proposed to amend part of the provisions of the Company's "Director election

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
		Method". Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,675,299, negative vote are 50,083, 0 invalid rights, abstention/non-voting are 4,155,747; The affirmative weight accounted for 96.37% of the total voting weight, exceeding the statutory amount, 3. Proposed to revise part of the provisions of the Company's transaction procedures for related parties, specific companies and group enterprises. Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,644,198, negative vote are 81,084, 0 invalid rights, abstention/non-voting are 4,155,847; The affirmative weight accounted for 96.34% of the total voting weight, exceeding the statutory amount, and the case was passed as it was. 4. Proposed to revise part of the provisions of the Company's "Operation procedures of capital loan and Others". Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,642,295, negative vote are 83,086, 0 invalid rights, abstention/non-voting are 4,155,748; The affirmative weight accounted for 96.34% of the total voting weight, exceeding the statutory amount, and the case was passed as it was. Election items 1. By-election for the sixth independent director of the Company. Results: OBI Pharma Inc. 110th annual general Meeting of shareholders by-election for one independent director Elected and voting power: Howard Lee, Independent director, elected power: 111,156,646 Other cases 1. The case of lifting the prohibition of non-competition of the directors of the company is submitted for discussion. Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,631,513, negative vote are 61,542, 0 invalid rights, abstention/non-voting are 4,188,074; The affirmative weight accounted for 96.33% of the total voting weight, exceeding the statutory amount, and the case was passed as it was.
Board of Directors	The 18th of the 6th session Board of Directors August 6, 2021	1. Dr. Howard Lee, the newly appointed independent director, was appointed by ratification to serve as a member of the Fourth Compensation Committee and the third Audit Committee of the Company. 2. Pass the revision of the Company's internal Audit System and Implementation Rules. 3. Approve internal audit and daily administrative affairs by appointing a board member as agent. 4. By formulating the company's 2021 employee stock option certificate issuance and stock option method, the employee stock option certificate will be issued 5. Approved the appointment of executive vice general manager of the company and the proposal of salary and benefits. 6. Promoted the deputy director of the quality assurance Department of the company to the director of the tainan Factory of Obigen Subsidiary, appointed and proposed salary and welfare. 7. Promoted the deputy director of medical and clinical Operation department of

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
		Obigen Subsidiary to the director, appointed and proposed salary and welfare.
Board of Directors	The 19th of the 6th session Board of Directors November 05, 2021	1. Pass the appointment of Zicheng Joint Accounting firm to handle the fiscal and tax report verification visa and public expense case of the year 2022. 2. Pass the ratification of the company's reassignment to subsidiary Amaran Biotechnology, Inc. Director of the case. 3. Pass the lifting the restriction case of manager's non-competition. 4. Propose the company's 2022 annual audit plan through the audit department. 5. Pass the revision of some provisions of the Company's "2021 Employee Stock Option Issuance and Stock Option Method". 6. Passed the company's proposal for the first issuance roster of employee stock option vouchers in 2021. 7. Approve the 2022 work plan proposal of the Compensation Committee of the Company. 8. Approve the proposal on the appointment and salary and welfare of the head of pharmaceutical chemistry department of r&d Department of the company. 9. By ratifying subsidiary OBI Pharma USA, Inc. Proposed pay and benefits for chief medical officers. 10.Approved the appointment of the director of clinical strategic Outsourcing division and the compensation and benefits proposal of the US subsidiary. 11.Approved the appointment of the director of clinical Operations of the US subsidiary and the salary and benefits proposal. 12.Approval of subsidiary AP Biosciences Inc. 's first offering roster proposal for 2021 employee stock options.
Board of Directors	The 20th of the 6th session Board of Directors November 26, 2021	1. The company intends to handle the cash capital increase. 2. Pass the company's 2021 sound operation plan. 3. Pass the 2022 budget of the company. 4. Obtained the global license of Trop2 antibody BSI04702 from Biosion, Inc. (Excluding China, Hong Kong and Macau).
Board of Directors	The 21st of the 6th session Board of Directors March 18, 2022	1. Pass the company's 2021 annual final account list. 2. Pass the company's 2021 annual loss appropriation plan. 3. Pass the company's 2022 annual operation plan. 4. Approve the 2021 "Statement of Internal Control System". 5. To amend part of the articles of Association of the Company in order to make the method of holding shareholders' meetings more flexible. 6. Pass the revision of some provisions of the company's "Procedures for Obtaining or disposing of assets". 7. Pass the revision of the company's "organizational regulations of the Compensation Committee" part of the provisions. 8. Pass the amendment of part of the code of Practice on Sustainable Development of the Company. 9. Approve the company's capital allocation proposal after amendment. 10. Representative: Served as two directors of Odeon Therapeutics (Cayman) Limited. 11. Pass the re-election of seven directors (including three independent directors) for the seventh term of the Company. 12. Approve the list of directors (including independent directors) nominated by the board of directors. 13. Pass the lifting of the non-compete restriction for the new director is approved. 14. The nomination period, the number of candidates to be elected and the place of acceptance for directors (including independent directors) shall be approved. 15. To define the period and place for accepting shareholder proposals. 16. Pass the date, venue and agenda for the 2022 ordinary shareholders' Meeting. 17. Approve the salary adjustment proposed by the Company in 2022 and the salary adjustment proposal for the company's managers in 2022. 18. Approve the proposed salary adjustment for US subsidiaries in 2022 and the

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
		proposed salary adjustment for managers in 2022. 19. Approved the salary adjustment proposed by AP sub- company in 2022 and the salary adjustment proposal for managers in 2022. 20. Approve the proposed salary adjustment for Obigen Subsidiary in 2022 and the proposed salary adjustment for managers in 2022. 21. Approve the company's proposal for the first issuance roster of employee stock option vouchers in 2022. 22. Approve the appointment of deputy General manager of chemical pharmacy of r&d Department of the company and the proposal of salary and welfare. 23. Approve the proposal on the appointment and salary and welfare of the commercial director of Obigen Subsidiary's Commercial Office.

1. Review on the execution of resolutions of General Meeting:

The 2021 General Meeting of OBI was held in Taipei on July 17, 2021. The resolutions of attending shareholders and executions are reviewed as follows:

Report items:

1. 2020 business report.

   All attending shareholders are noted.

2. 2020 Audit Committee review report.

   All attending shareholders are noted.

3. Implementation of sound business plans.

   All attending shareholders are noted.

4. To amend part of the rules of procedure of the board of directors of the company.

   All attending shareholders are noted.

5. To amend part of the code of Ethics for directors and Managers of the company.

   All attending shareholders are noted.

Items for acknowledgment:

[The first case] Adoption of the 2020 settlement statements.

Resolution: After the chairman consulted all the shareholders present, the original proposal was voted without objection.According to the statistics, after the total voting rights of the shareholders present were 115,881,129 (including electronic voting), they were in favor of 111,693,953 rights, opposed to 31,428 rights, invalid weight 0 rights and abstained/did not vote 4,155,748 rights; The affirmative weight accounts for 96.38% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

[The second case] Adoption of the Proposal for 2020 Deficit Compensation.

Resolution: After the chairman consulted all the shareholders present, the original proposal was voted without objection. According to the statistics, after the total voting rights of the shareholders present were 115,881,129 (including

electronic voting), they were in favor of 111,692,943 rights, opposed to 32,437 rights, invalid weight 0 rights and abstained/did not vote 4,155,749 rights; The affirmative weight accounts for 96.38% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

[The third case] Acknowledge the company's 2018 cash capital increase plan change.

Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal.

According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,690,897, negative vote are 34,385, 0 voting rights were invalid, and 4,155,847 voting rights abstained/did not vote; The affirmative weight accounted for 96.38% of the total voting weight, exceeding the statutory amount, and the case was passed as planned.

Discussion items:

[The first case] To amend part of the rules of procedure of shareholders' Meeting of the company.

Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal.

According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,676,199, negative vote are 49,083, 0 invalid rights, abstention/non-voting are 4,155,847; The affirmative weight accounted for 96.37% of the total voting weight, exceeding the statutory amount, and the case was passed as it was.

[The second case] Proposed to amend part of the provisions of the company's "Director election Method".

Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal.

According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,675,299, negative vote are 50,083, 0 invalid rights, abstention/non-voting are 4,155,747; The affirmative weight accounted for 96.37% of the total voting weight, exceeding the statutory amount, and the case was passed as it was.

[The third case]Proposed to amend the company's "related parties, secific companies and group enterprises transaction procedures" part of the provisions.

Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal.

According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are 111,644,198, negative vote are 81,084, 0 invalid rights, abstention/non-voting rights 4,155,847; The affirmative weight accounted for 96.34% of the total voting weight, exceeding

the statutory amount, and the case was passed as it was.

[The fourth case] Proposed to amend the company's "capital loan and others operating procedures" part of the provisions.

Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal.

According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote are111,642,295, negative vote are 83,086, 0 invalid rights, abstention/non-voting are 4,155,748; The affirmative weight accounted for 96.34% of the total voting weight, exceeding the statutory amount, and the case was passed as it was.

The election items

[The first case] By-election for the sixth independent director of the company.

Election Result: OBI Pharma Inc. 2021 Ordinary Shareholders by-election for one independent director seat

Elected and voting power: Howard Lee, Independent director, elected power: 111,156,646

Other cases

[The first case] The case of lifting the prohibition of non-competition of the directors of the company for discussion.

Resolution: after the chairman consults all present shareholders, no objection will be made according to the original proposal.

According to the statistics of 115,881,129 voting rights of shareholders present (including electronic voting), affirmative vote is 111,631,513, negative vote is 61,542, 0 invalid rights, abstention/non-voting is 4,188,074; The affirmative weight accounted for 96.33% of the total voting weight, exceeding the statutory **amount, and the case was passed as it was.**

No extemporary motions have been passed in this Shareholders' Meeting. Please refer to the Minute Book of 2021 General Meeting for the voting of each proposal in Shareholders' Meeting.

(xii) In the last year and as at the publication date of annual report, if a director or supervisor has different opinion on the important resolution passed in the Board of Directors Meeting and with record and written statement, major contents thereof: NA.

(xiii) In the last year and as at the publication date of annual report, summary of the resignation or dismissal of Chairman, General Manager, Accounting Director, Financial Director, Internal Audit Director, Corporate Governance Director and

R&D Director etc.:NA

IV. Accountant's fees information

(i) Accountant's fees information:

Monetary unit: NT$thousand

Name of accounting firm	Name of accountant	Examination period	Audit fees	Non-audit fees			Total	Notes
				Business registration	Other	Subtotal		
PwC Taiwan	David Teng Liang, Hua-Ling	From January 1, 2021 to December 31, 2021	3,260	100	1,615	1,715	4,975	

Notes: Service contents and fees of non-audit fees are listed as follows:

1. Service fee 340,000 yuan for checking visa of for-profit enterprise income tax and checking salary information form of full-time employees who are not in charge
2. Business tax of part-time business persons shall be directly deducted and verified by the law of 150,000 yuan
3. Hk subsidiary engaged in investment and technical cooperation application service 180,000 yuan
4. System information security inspection service 880,000 yuan
5. Advance payment 65,000 yuan

(iii) In case of change of accounting firm and the audit fees paid in the year of change is reduced comparing with that in the year before change, amounts of audit fees before and after change and reasons shall be disclosed: NA.

(iv) If the audit fees is reduced by more than ten percent comparing with that in the last year, the reduced amount of audit fees, proportion and reason shall be disclosed: NA

V Information on change of accountant: Accounting firm changes certified public accountant according to internal rotation required buy relevant laws.

VI Whether the Chairman, General Manager, and managers responsible for financial and accounting affairs of the Company once worked in the affiliated firm or enterprise of the certified public accountant in the last year: NA.

VII In the last year and as at the publication date of annual report, stock right transfer and pledge of stock right in the directors, supervisors, managers and shareholders with shareholding ratio over ten percent.

(i) Stock right transfer and pledge of stock right in the directors, supervisors, managers and shareholders with shareholding ratio over ten percent:

Unit: Thousand shares

Title	Name	2021		2022 As at April 30	
		Increased (decreased) number of shareholding	Increased (decreased) number of pledged shares	Increased (decreased) number of shareholding	Increased (decreased) number of pledged shares
Chairman & CEO	Yi Tai Investment Co., Ltd. Representative: Michael N. Chang	796	1,500	587	670
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	0	0	0	0
Director	Sheng Cheng Investment Co., Ltd. Representative: Lung-Yen Cho (Note1)	0	0	0	0
Director & Chief Financial Officer	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	0	0	0	0
Director & Executive Vice President	Sheng Cheng Investment Co., Ltd. Representative: YEN, YUN (Note2)	0	0	0	0
Independent Director	Jerry Fong	0	0	0	0
Independent Director	Tony Chang(Note3)	0	0	0	0
Independent Director	Taychang Wang	0	0	0	0
Independent Director	Howard Lee(Note4)	0	0	0	0
Substantial shareholder holding 10% or more	Yi Tai Investment Co., Ltd.	0	0	0	0
Chief Scientific Officer	Lai, Ming-Tien	0	0	10	0
Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai	0	0	0	0
Vice president of Medical Division	Tsai, Cheng-En	0	0	0	0
Vice President of Chemical Pharmacy, R&D Office	CHOU, CHUN-HUNG(Note5)	0	0	0	0
Director in chemical pharmacy, R&D Division	Edward Hsieh(Note6)	2	0	0	0
Director of Public Affairs	Sharon Lee	2	0	3	0
Director of Supply Chain Division	Tyro Shyu(Note7)	(6)	0	0	0

Title	Name	2021		2022 As at April 30	
		Increased (decreased) number of shareholding	Increased (decreased) number of pledged shares	Increased (decreased) number of shareholding	Increased (decreased) number of pledged shares
Director, Human Resources & Administration	CHANG, PO-JEN (Note8)	0	0	0	0
Director of Audit	Neo Chien (Note9)	0	0	0	0
Director of Quality Assurance	CHIEN, CHE-HSIN (Note10)	0	0	43	0
Director of Medicinal Chemistry, R&D Division	CHUANG, SHIH-HSIEN (Note11)	0	0	0	0
Deputy Chief of Finance	Colin Kao	(5)	0	(5)	0

Note 1: The director resigned on 13 July 2020.

Note 2: The director assumed Sheng Cheng Investment Co., Ltd on 3 August 2020. Representative: the board of directors.

Note 3: The director resigned on 31 July 2020.

Note 4: The director was elected as an independent director at the ordinary meeting of shareholders on July 16, 2021.

Note 5: The manager assumed on 11 April 2022.

Note 6: The manager resigned on 2 July, 2021.

Note 7: The manager resigned on 16 July 2021.

Note 8: The manager assumed on 1 December , 2020.

Note 9: The manager assumed on 1 June , 2021.

Note 10: The manager assumed on 6 August 2021.

Note 11: The manager assumed on 13 December, 2021.

(ii) Information that the counterpart in the director, supervisor, manager and substantial shareholder's stock right transfer is the interested party: NA.

(iii) Information that the counterpart in the director, supervisor, manager and substantial shareholder's pledge of stock right is the interested party: NA.

VIII Information that the top ten shareholders in shareholding are of interested party, spouse or relatives within second degree relationship mutually:

April 29, 2022 Unit: thousand shares; %

Name	Individual shareholding		Shareholding of spouse, minor children		Total shareholding in the name of other person		If the top ten shareholders are of interested party, spouse or relatives within second degree relationship mutually, the name of or relationship between them.		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Yi Tai Investment Co., Ltd.	25,765	11.24	0	0	0	0	Hui Hong Investment Co., Ltd. Ruentex Industries Co., Ltd. Sheng Cheng Investment Co., Ltd. Changchun Investment Co., Ltd.	Enterprise under the same Group	NA
Yi Tai Investment Co., Ltd. Representative：Zhang Kunlong	0	0	0	0	0	0	NA	NA	NA
Hui Hong Investment Co., Ltd.	19,086	8.32	0	0	0	0	Yi Tai Investment Co., Ltd. Ruentex Industries Co., Ltd. Sheng Cheng Investment Co., Ltd. Changchun Investment Co., Ltd.	Enterprise under the same Group	NA
Hui Hong Investment Co., Ltd. Representative：Yin, Yen-Liang	0	0	0	0	0	0	NA	NA	NA
Ruentex Industries Co., Ltd.	9,358	4.08	0	0	0	0	Yi Tai Investment Co., Ltd. Hui Hong Investment Co., Ltd. Sheng Cheng Investment Co., Ltd. Changchun Investment Co., Ltd.	Enterprise under the same Group	NA
Ruentex Industries Co., Ltd. Representative：HSU, SHENG-YU	0	0	0	0	0	0	NA	NA	NA
Changchun Investment Co., Ltd.	5,293	2.31	0	0	0	0	Yi Tai Investment Co., Ltd. Hui Hong Investment Co., Ltd. Ruentex	Enterprise under the same Group	NA

Name	Individual shareholding		Shareholding of spouse, minor children		Total shareholding in the name of other person		If the top ten shareholders are of interested party, spouse or relatives within second degree relationship mutually, the name of or relationship between them.		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
							Industries Co., Ltd. Sheng Cheng Investment Co., Ltd.		
Changchun Investment Co., Ltd. Representative： Yin, Yen-Liang	0	0	0	0	0	0	NA	NA	NA
HSU, CHING-HSIANG	5,221	2.28	0	0	0	0	NA	NA	NA
Michael N. Chang	3,872	1.69	1,486	0.65	4,956	2.16	NA	NA	NA
British Virgin Islands Alpha Corporate Holdings, Ltd.	3,756	1.64	0	0	0	0	NA	NA	NA
British Virgin Islands Alpha Corporate Holdings, Ltd. Representative： Ken, Chung-Hsuan	22	0.01	0	0	0	0	NA	NA	NA
Sheng Cheng Investment Co., Ltd.	3,254	1.42	0	0	0	0	Yi Tai Investment Co., Ltd. Hui Hong Investment Co., Ltd. Ruentex Industries Co., Ltd. Changchun Investment Co., Ltd.	Enterprise under the same Group	NA
Sheng Cheng Investment Co., Ltd.Representative： Zhang Kunlong	0	0	0	0	0	0	NA	NA	NA
CHENG, CHUN-CHUNG	3,120	1.36	0	0	0	0	NA	NA	NA
HSU, HUNG-CHAO	2,823	1.23	0	0	0	0	NA	NA	NA

IX Number of shareholding of the Company; the director, supervisor, manager of the Company, and the enterprise under direct or indirect control of the Company in the same reinvestment enterprise, and the consolidated comprehensive shareholding ratio:

April 30, 2022 Unit: share; %

Reinvestment enterprise (Notes 1)	Investment of the Company		Investment of director, supervisor, managerial officer and enterprise under direct or indirect control		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
OBI Pharma Limited	2,650,000	100.00%	-	-	2,650,000	100.00%
OBI Pharma (Shanghai) Limited	- (Note 2)	-	-	100.00% (Note 2)	-	100.00% (Note 2)
OBI PHARMA USA, INC.	2,701,000	100.00%	-	-	2,701,000	100.00%
AP Biosciences Inc.	13,312,000	54.62%	-	-	13,312,000	54.62%
OBI PHARMA AUSTRALIA PTY LTD	10,650,000	100.00%	-	-	10,650,000	100.00%
Amaran Biotechnology, Inc.	64,915,252	70.70%	3,210,551	3.50%	68,125,803	74.20%
Obigen Pharma Inc.	47,250,000	62.17%	11,939,000	15.71%	59,189,000	77.88%
Odeon Therapeutics (Cayman) Limited	6,000,000	77.42%	-	-	6,000,000	77.42%
Odeon Therapeutics (Hong Kong) Limited	- (Note 3)	100.00%	-	100.00% (Note 3)	-	100.00% (Note 3)

Note 1: the company adopts equity method of investment. The company completed the establishment registration for OBI Pharma Limited in Hong Kong, OBI Pharma (Shanghai) Limited in November 2012, OBI Pharma (Shanghai) Limited in March 2013, OBI Pharma USA, INC. and OBI PHARMA AUSTRALIA PTY LTD; In January 2018, the company invested in AP Biosciences Inc. through the issuance of new shares by Ablogix Inc. The company was acquired by Amaran Biotechnology, Inc., through a capital increase in December 2020. The shares held by the original shareholder are transferred to Amaran; The company acquired Obigen Pharma Inc in 2021 through the sale of the equipment and a global cosmetic medicine intellectual property rights license for the new Botox formulation OBI-858. Shares; On March 21, 2022, the company acquired 6,000 special shares issued by Odeon Therapeutics (Cayman) Limited as OBI-833(Globo H active immunocancer drug) and OBI-999(Globo H active immunocancer drug) Exclusive licensing fee for antibody small molecule drug complex in China (including Hong Kong and Macao).

Note 2: Hong Kong OBI Pharma Limited transferred funds to OBI Pharma (Shanghai) Limited without issuing shares.

Note 3: Odeon Therapeutics (Hong Kong) Limited has not completed registration of changes up to 30 April 2022.

IV. Fundraising Situation

I Capital and stock

(i) Sources of share capital (in the last five years):

April 30, 2022, Unit: thousand shares, NT$ thousand

Month & Year	Issue price	Authorized share capital		Paid-up share capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Compensation of shares payment with property other than cash	Other
January 2017	Employee stock subscription: NT$10 NT$214.42,NT$247.40	300,000	3,000,000	172,013	1,720,132	429 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10601039450 Letter on March 27, 2017
April 2017	Employee stock subscription: NT$214.42 NT$227.62,NT$247.40	300,000	3,000,000	172,061	1,720,610	48 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10601070650 Letter on June 2, 2017
July 2017	Employee stock subscription: NT$214.42, NT$247.40	300,000	3,000,000	172,116	1,721,156	54 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10601123450 Letter on 2017
October 2017	Employee stock subscription: NT$10	300,000	3,000,000	172,166	1,721,656	50 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10601151380 Letter on November 7, 2017
January 2018	Share exchange: NT$10	300,000	3,000,000	173,841	1,738,406	1,675 thousand new issue of shares	NA	Approved by Shou-Shang-Zi No. 10701013600 Letter February 7, 2018
January 2018	Employee stock subscripti	300,000	3,000,000	173,991	1,739,906	150 thousand shares of employee	NA	Approved by Shou-Shang-Zi No. 10701013620 Letter on June February 9, 2018

Month & Year	Issue price	Authorized share capital		Paid-up share capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Compensation of shares payment with property other than cash	Other
	on: NT$10					subscription right have been executed		
March 2019	Capital reduction by stock repurchases: NT$10	300,000	3,000,000	173,129	1,731,286	862 thousand Capital reduction by stock repurchases:	NA	Approved by Shou-Shang-Zi No. 10801033180 Letter on March 26, 2019
June 2019	Cash capital increase: NT$135	300,000	3,000,000	188,129	1,881,286	Cash capital increase of 15,000 thousand shares	NA	Approved by Shou-Shang-Zi No. 10801077480 Letter on June 28, 2019
March 2020	Employee stock subscription: NT$10	300,000	3,000,000	188,229	1,882,286	100 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10901085200 Letter on May 22, 2020
July 2002	Employee stock subscription: NT$10	300,000	3,000,000	188,586	1,885,861	357 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10901158520 Letter on August 28, 2020
December 2020	Share exchange: NT$10	300,000	3,000,000	199,279	1,992,793	10,693 thousand new issue of shares	NA	Approved by Shou-Shang-Zi No. 11001021540 Letter on February 3, 2021
March 2022	Cash capital increase: NT$ 105	300,000	3,000,000	229,279	2,292,794	Cash capital increase of 30,000 thousand shares	NA	Approved by Shou-Shang-Zi No. 11101061510 Letter on April 19, 2022

April 29, 2022, Unit: shares

Class of shares	Authorized share capital			Notes
	Outstanding shares	Unissued shares	Total	
Ordinary shares	229,279,374	70,720,626	300,000,000	OTC shares

(ii) Shareholder structure:

April 29, 2022, Unit: thousand shares

Shareholder structure / Quantity	Government institution	Financial institution	Other juridical person	Individual person	Foreign institution and foreigner	Total
Number of person	0	0	242	27,721	149	28,112
Number of shareholding	0	0	73,176	129,444	26,659	229,279
Shareholding ratio (%)	0	0	31.91	56.46	11.63	100

(iii) Dispersion of stock right

April 29, 2022, Unit: thousand shares

Classification of shareholding	Number of shareholders	Number of shareholding	Shareholding ratio (%)
1 to 999	10,030	502	0.219
1,000 to 5,000	14,258	26,868	11.719
5,001 to 10,000	1,732	13,032	5.684
10,001 to 15,000	719	8,878	3.873
15,001 to 20,000	355	6,336	2.764
20,001 to 30,000	395	9,732	4.245
30,001 to 40,000	168	5,802	2.530
40,001 to 50,000	103	4,646	2.026
50,001 to 100,000	183	12,512	5.457
100,001 to 200,000	77	10,486	4.573
200,001 to 400,000	51	14,359	6.263
400,001 to 600,000	10	4,630	2.019
600,001 to 800,000	3	2,100	0.916
800,001 to 1,000,000	4	3,349	1.460
1,000,001 above	24	106,047	46.252
Total	28,112	229,279	100.000

(iv) List of major shareholders:

Name, shareholding amount and proportion of the shareholders with over five percent share proportion or the top ten shareholders in share proportion

April 29, 2022 Unit: thousand shares

Share / Name of major shareholders	Number of shareholding	Shareholding ratio
Yi Tai Investment Co., Ltd.	25,765	11.24%
Hui Hong Investment Co., Ltd.	19,086	8.32%
Ruentex Industries Co., Ltd.	9,358	4.08%
Changchun Investment Co., Ltd.	5,293	2.31%
Hsu, Ching-Hsiang	5,221	2.28%
Michael N. Chang	3,872	1.69%
Alpha Corporate Holdings, Ltd.	3,756	1.64%
Sheng Cheng Investment Co., Ltd.	3,254	1.42%
Cheng, Chun-Chung	3,120	1.36%
Hsu, Hung-Chao	2,823	1.23%

(v) Market price, net value, earnings, dividend per share and relevant materials in the last two years:

Unit: NT$; thousand shares

Item / Year			2021	2022	As at April 30, 2022
Market price per share	Maximum		151	163	137.5
	Minimum		58.60	93.4	104.5
	Average		118.36	117.05	112.17
Net value per share	Before distribution		21.26	13.65	24.49
	After distribution		21.26	13.65	24.49
Earnings per share	Weighted-average shares		198,591	198,941	200,949
	Earnings per share		(7.34)	(7.69)	(1.52)
Dividend per share	Cash dividend		Not applicable	Not applicable	Not applicable
	Stock grants	Stock Dividend from Retained Earnings	Not applicable	Not applicable	Not applicable

Item \ Year			2021	2022	As at April 30, 2022
		Stock Dividend from Capital Reserve	Not applicable	Not applicable	Not applicable
	Accumulated unpaid dividends		Not applicable	Not applicable	Not applicable
Return on investment analysis	Price-to-earnings ratio		Not applicable	Not applicable	Not applicable
	Price-to-dividend ratio		Not applicable	Not applicable	Not applicable
	Cash dividend yield (%)		Not applicable	Not applicable	Not applicable

Note: The financial data for 2020 and 2021 have been audited and certified by accountants. The net value per share and earnings per share in the current year as of April 30, 2022 in the chart refer to the data of the first quarter of 2022 reviewed by accountants.

(vi) Corporate dividend policy and execution condition:

1. Dividend policy stipulated in Articles of Incorporation of the Company:

   If the annual general final accounts of the Company have surplus, taxes shall be withheld and accumulated losses shall be covered first, and then 10% will be allocated as statutory surplus reserve, as for the rest thereof, apart from dividend distribution, if there is still surplus, shareholder dividend will be distributed according to the resolution of Shareholders' Meeting. The operating business of the Company belongs to capital intensive industry, and currently the Company is at the stage of operating growth and shall reserve surplus in respond to the funds needed for operating growth and investment, in principle, the Company will adopt balance dividend policy, mutually matched with part stock dividend and part cash dividend, among them, in principle, the cash dividend shall not be lower than 10% of the total dividend issued. Provided the type and ratio of such surplus distribution shall be proposed to Board of Directors for drafting a proposal according to the actual profit and capital position of the current year, and then it shall be resolved in Shareholders' Meeting. In principle, the surplus distribution proposal planned by Board of Directors shall not be less than 10% of distributable surplus, and the cash dividend shall not be less than 10% of total dividend.

2. Situation of dividend distribution to shareholders planned to be (already) discussed in this year:

   The Company had no surplus in 2021, and there was no surplus distribution, hence it was not applicable.

(vii) The impact of stock grants proposed by Shareholders' Meeting this time on company business performance and earnings per share: as passed in board resolution on March 18, 2022, stock dividend is not distributed due to recovery of losses, hence it is not applicable.

(viii)Employee, director and supervisor remuneration:

1. Percentage or scope of compensation of employee (including managerial officer), director and supervisor stated in Articles of Incorporation:

   If the Company has annual profit, it shall be allocated no less than two percent as employee(including managerial officer) remuneration and no more than two percent as director remuneration. But when the Company still has accumulated losses, it shall reserve the compensation amount in advance.

   Employee(including managerial officer) remuneration will be paid in stock or cash, which shall be resolved by the consent of more than half of attending directors in the board meeting attended by more than two third of directors, and reported to the Shareholders' Meeting.

   The object of issuing remuneration in stock or cash mentioned in preceding paragraph may include employees(including managerial officer) subordinated to the company and conforming to certain conditions, and the conditions and methods thereof will be stipulated by Board of Directors.

2. Estimation base of employee, director and supervisor remuneration in this estimation, the number of shares calculation base for employee(including managerial officer) remuneration in stock distribution, and accounting treatment when the actual distribution amount is different from and estimated amount:

   (1) Employee(including managerial officer), director and supervisor remunerations are not estimated due to the losses in this period.

   (2) If the distribution amount resolved in Shareholders' Meeting is different from the estimated amount in financial statement, it will be deemed as estimated change and listed as distribution of current profits and losses.

3. Situation of remuneration distribution as passed by Board of Directors: the Company had no surplus available for distribution in 2021, hence it was not applicable.

4. For the actual distribution situation of employee(including managerial officer), director and supervisor remuneration in last year (including distributed shares, amount and stock price), if it is different from the recognized employee(including managerial officer), director and supervisor remuneration, the balance, reason and handling situation shall be specified: the Company had no surplus available for distribution in the last year, hence it was not applicable.

(ix) Situation of the Company in buying back the shares of the Company:

April 30, 2022

Buyback phase	Not applicable
Buyback purpose	Amaran Biotechnology Inc., a subsidiary, held shares of the company before becoming an individual of the group
Buyback period	June 12, 2019
Buyback interval price	NT$ 135
Class and quantity of shares bought back	800,000 ordinary shares
Amount of shares bought back	NT$ 108,000,000 元
Proportion of purchased quantity in scheduled purchased quantity (%)	No applicable
Quantity of shares eliminated and transferred	332,000 share
Accumulated quantity of company shares held	468,000 share
Proportion of accumulated quantity of company shares held in total shares issued (%)	0.20%

II Handling situation of corporate bonds: NA.

III Handling situation of special shares: NA.

IV Handling situation of issuing global depository receipt: NA.

V Handling situation of employee stock option certificate

(i) Handling situation of employee stock option certificate:

April 30, 2022

Type of employee stock option certificate	First time (phase) employee stock option certificate	Second time (phase) employee stock option certificate
Effective registration date	Not applicable (Notes 1)	July 9, 2013
Issuing date	March 8, 2010	November 27, 2013
Duration	10 years	10 years
Number of issuing unit	7,996,000	4,140,000
Proportion of total shares issued for subscription in total issued shares	3.49%	1.81%
Period available for subscription	One year after the subscription right has been granted with employee stock option certificate	Two years after the subscription right has been granted with employee stock option certificate
Method of performance	Issue new shares for delivery	Issue new shares for delivery

Limited subscription period and proportion (%)	25% subscription right can be exercised after 1 year 50% subscription right can be exercised after 2 years 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years Starting from the second year, the subscription right can be exercised in equal proportion on monthly basis ever year.	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)
Executed number of shares obtained	6,425,581 shares	853,922 shares
Executed subscription amount	NT$ 64,255,810	NT$ 195,915,194
Unexecuted subscription quantity	1,570,419 shares (Notes 2)	3,286,078 shares (Notes 2)
Subscription price per share for those who have not executed the subscription	NT$10	NT$215.8, NT$191.1, NT$201(Notes 3)
Proportion of unexecuted subscription quantity in total shares issued (%)	0.68%	1.43%
Impact on shareholders' rights and interests	The Company's issue of employee stock option certificate aims at attracting and retaining professional talents, and encouraging and improving employees' centripetal force and productivity, so as to jointly create company and shareholder benefits, it has positive impact on the shareholders' equity.	

Type of employee stock option certificate	Third time (phase) employee stock option certificate	Fourth time (phase) employee stock option certificate
Effective registration date	April 15, 2015	January 20, 2017
Issuing date	May 6, 2015	March 9, 2017
Duration	10 years	10 years
Number of issuing unit	April 15, 2015	January 20, 2017
Proportion of total shares issued for subscription in total issued shares	2.04%	2.18%
Period available for subscription	Two years after the subscription right has been granted with employee stock option certificate	Two years after the subscription right has been granted with employee stock option certificate
Method of performance	Issue new shares for delivery	Issue new shares for delivery

Limited subscription period and proportion (%)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)
Executed number of shares obtained	0 shares	0 shares
Executed subscription amount	NT$ 0	NT$ 0
Unexecuted subscription quantity	4,679,000 shares (Notes 2)	5,000,000 shares (Notes 2)
Subscription price per share for those who have not executed the subscription	NT$280.7, NT$242.5, NT$346.7, NT$575.3, NT$345.2 (Notes 3)	NT$313.9, NT$251.3, NT$183.9, NT$162.7, NT$164.2 (Notes 3)
Proportion of unexecuted subscription quantity in total shares issued (%)	2.04%	2.18%
Impact on shareholders' rights and interests	The Company's issue of employee stock option certificate aims at attracting and retaining professional talents, and encouraging and improving employees' centripetal force and productivity, so as to jointly create company and shareholder benefits, it has positive impact on the shareholders' equity.	

Type of employee stock option certificate	Fifth time (phase) employee stock option certificate	Sixth time (phase) employee stock option certificate
Effective registration date	August 5, 2019	September 13, 2021
Issuing date	108.9.6	110.11.5
Duration	10 years	10 years
Number of issuing unit	2,020,000	4,179,000
Proportion of total shares issued for subscription in total issued shares	0.88%	1.82%
Period available for subscription	Two years after the subscription right has been granted with employee stock option certificate	Two years after the subscription right has been granted with employee stock option certificate
Method of performance	Issue new shares for delivery	Issue new shares for delivery

Limited subscription period and proportion (%)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)
Executed number of shares obtained	0 shares	0 shares
Executed subscription amount	NT$ 0	NT$ 0
Unexecuted subscription quantity	2,020,000 shares (Notes 2)	4,179,000 shares (Notes 2)
Subscription price per share for those who have not executed the subscription	NT$117.1, NT$127.8, NT$140.5(Notes 3)	NT$105.4, NT$107.4 (Notes 3)
Proportion of unexecuted subscription quantity in total shares issued (%)	0.88%	1.82%
Impact on shareholders' rights and interests	The Company's issue of employee stock option certificate aims at attracting and retaining professional talents, and encouraging and improving employees' centripetal force and productivity, so as to jointly create company and shareholder benefits, it has positive impact on the shareholders' equity.	

Notes 1：The Company was not a public company when issuing employee stock option certificate, hence it was passed in the resolution of Board of Directors Meeting held on March 8, 2010 by the Company according to Article 167-2 of Company Act.

Notes 2: From the first time (phase) to the sixth time (phase), the number of shares retrieved upon dimission and included in unexercised employee stock option certificates are 1,570,419, 1,461,593, 2,386,000, 1,971,340, 444,897 and 182,000 shares respectively.

Notes 3：It is issued respectively per board resolution, hence the subscription price per share is otherwise determined pursuant to law

(ii) Name of managers acquiring employee stock option certificate and top ten employees acquiring subscription quantity in stock option certificate, acquisition and subscription situation:

Unit: thousand shares; NT$thousand

First time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Vice Chairman and Global Clinical and Legal Chief Planner (Resigned)	Youe-Kong Shue	6,180	2.70%	5,219	10	52,195	2.28%	961	10	9,605	0.42%
	General Manager (Resigned)	Amy Huang										
	Chief Scientific Officer & Executive Vice President (Resigned)	Tony Yu										
	Vice President, Quality Assurance (Resigned)	Richard Tseng										
	Director of Clinical Medicine Division (Resigned)	Yuxin Lin										
	Senior R&D Director (Resigned)	Weicheng Liao										
	Director of Business Development Division (Resigned)	Minshuo Li										
	Vice President, Finance(Resigned)	CT Wang										
	Senior Manager, Audit Office	Neo Chien										
	Director of Human Resources Division (Resigned)	Peihua Bao										
Employee	Senior Manager	Suifen Zhang	1,064	0.46%	583	10	5,832	0.25%	481	10	4,808	0.21%
	Director of Financial Division (Resigned)	Xuemei Yao										
	Manager of Clinical Operation Division (Resigned)	Yuman Huang										
	Senior Admin Manager of R&D Division	Lina Ke										
	Manager of R&D Division of American subsidiary(Resigned)	Zhengqi Wang										
	Manager of Pharmacy R&D	Jiaxin Xiao										

First time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
	Division (Resigned)											
	Deputy Director of Product Planning Division (Resigned)	Huihua Wu										
	Senior Manager in immune antibody, R&D Division (Resigned)	Yiru Chen										
	Researcher of R&D Division (Resigned)	Jingyi Zhuang										
	Deputy Director, Clinical Operation (Resigned)	Jingrong Zhang										

Unit: thousand shares; NT$thousand

Second time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	General Manager (Resigned)	Amy Huang	1,535	0.67%	133	214.4 ~ 247.4	30,026	0.06%	1,402	191.1 ~ 201.0	281,107	0.61%
	Chief Operating Officer (Resigned)	Joanna Meng										
	Chief Scientific Officer & Executive Vice President(Resigned)	Tony Yu										
	Vice President, Quality Assurance (Resigned)	Richard Tseng										
	Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai										
	Director in chemical pharmacy, R&D Division (Resigned)	Edward Hsieh										
	Director, Clinical Operation (Resigned)	Maggie Yang										
	Vice President, Finance(Resigned)	CT Wang										
	Director, Human Resources & Administration (Resigned)	Rose Lo										
	Senior Manager, Audit Office	Neo Chien										
Employee	Chief Business Officer of American subsidiary	Kevin Poulos	1,470	0.64%	170	214.4 ~ 247.4	41,387	0.07%	1,300	191.1 ~ 201.0	272,240	0.57%
	Chief Operating Officer of American subsidiary	Mitch Che										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Deputy Director, Human Resources & Administration of American subsidiary (Resigned)	Dee Warren										

	Business Information Director, Commercial (Resigned)	Pedro Chen										
	Director of Investor Relations Department (Resigned)	Gus Adapon										
	Deputy Director of Information and Procurement Division (Resigned)	Junbo Zhang										
	Director of Public Affairs	Sharon Lee										
	Manager of R&D Division of American subsidiary(Resigned)	Zhengqi Wang										
	Senior Manager of Procurement Division	Irene Sun										

Unit: thousand shares; NT$thousand

Third time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Chief Medical Officer and Deputy General Manager for Clinical Drug Research and Development (Resigned)	Nathan Chen	2,265	0.99%	0	334 ~ 727	0	0%	2,265	242.5 ~ 575.3	674,319	0.99%
	Vice President, Translational Medicine, R&D Division (Resigned)	Phoebe Yu										
	General Manager (Resigned)	Amy Huang										
	Director, Commercial Medicine (Resigned)	Jon Jih Liao										
	Chief Scientific Officer & Executive Vice President(Resigned)	Tony Yu										
	Chief Operating Officer (Resigned)	Joanna Meng										
	Vice President, Quality Assurance (Resigned)	Richard Tseng										
	Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai										
	Vice President, Finance(Resigned)	CT Wang										

Third time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
	Director, Human Resources & Administration(Resigned)	Rose Lo										
	Director in chemical pharmacy, R&D Division(Resigned)	Edward Hsieh										
	Director, Clinical Operation(Resigned)	Maggie Yang										
	Business Information Director, Commercial(Resigned)	Pedro Chen										
	Director of Investor Relations Department(Resigned)	Gus Adapon										
	Director of Public Affairs	Sharon Lee										
	Senior Manager, Audit Office	Neo Chien										
Employee	Chief Business Officer of American subsidiary	Kevin Poulos	1,094	0.48%	0	334 ~ 727	0	0%	1,094	242.5 ~ 575.3	342,937	0.48%
	Senior Business Development Director in Asia Pacific (Resigned)	Xiaofeng Yu										
	Chief Operating Officer of American subsidiary	Mitch Che										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Deputy Director of Clinical R&D Division (Resigned)	Lance Ou										
	Deputy Director of Information Division (Resigned)	Amos Yang										
	Director, Legal Affairs and Intellectual Property (Resigned)	Jay Chen										
	Pharmaceutical & Legal Deputy Director of American subsidiary	Patricia Ha										
	Deputy Director, Human Resources & Administration of American subsidiary(Resigned)	Dee Warren										

Third time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
	Senior Manager of Clinical Project Group, Clinical Operation Division (Resigned)	Lisa Liang										

Unit: thousand shares; NT$thousand

Fourth time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Chief Financial Officer (Resigned)	Max Chan	1,813	0.79%	0	169 ~ 326	0	0%	1,813	162.7 ~ 313.9	511,530	0.79%
	Vice President, Statistic & Biometrics (Resigned)	Sophia Lee										
	General Manager (Resigned)	Amy Huang										
	Vice president of Medical Division (Resigned)	Cristina Chang										
	Chief Scientific Officer & Executive Vice President(Resigned)	Tony Yu										
	Vice President, Quality Assurance(Resigned)	Richard Tseng										
	Vice President, Finance(Resigned)	CT Wang										
	Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai										
	Director, Human Resources & Administration (Resigned)	Rose Lo										
	Director in chemical pharmacy, R&D Division(Resigned)	Edward Hsieh										
	Director, Clinical Operation(Resigned)	Maggie Yang										
	Director of Investor Relations Department(Resigned)	Gus Adapon										
	Business Information Director,	Pedro Chen										

Fourth time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
	Commercial(Resigned)											
	Director of Public Affairs	Sharon Lee										
	Director, Commercial Medicine (Resigned)	Jon Jih Liao										
	Director, Legal Affairs and Intellectual Property(Resigned)	Jay Chen										
	Director of Supply Chain Division (Resigned)	Tyro Shyu										
	Accounting Manager of Financial Division	Colin Kao										
Employee	General Manager of AP Biosciences, Inc.	He Zhenghong	1,050	0.46%	0	169 ~ 326	0	0%	1,050	162.7 ~ 313.9	241,968	0.46%
	Chief Operating Officer of American subsidiary	Mitch Che										
	Chief Business Officer of American subsidiary	Kevin Poulos										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Director of R&D Division of AP Biosciences, Inc.	You Zhongzhe										
	Senior Business Development Director in Asia Pacific (Resigned)	Xiaofeng Yu										
	Deputy Director of Clinical R&D Division (Resigned)	Lance Ou										
	Deputy Director of Information Division (Resigned)	Amos Yang										
	Pharmaceutical & Legal Deputy Director of American subsidiary	Patricia Ha										
	Deputy Director, Human Resources & Administration of American subsidiary (Resigned)	Dee Warren										

Unit: thousand shares; NT$thousand

Fifth time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Chairman & CEO	Michael N. Chang	950	0.41%	0	120 ~ 144	0	0%	950	117.1 ~ 140.5	125,955	0.41%
	Director &Chief Financial Officer	Frank Chen										
	Chief Scientific Officer	Lai, Ming-Tien										
	Vice president of Medical Division	Tsai, Cheng-En										
	Vice President, Quality Assurance (Resigned)	Shih, Yu-Nan										
Employee	Medical director of American subsidiary (Resigned)	Tillman Elder Pearce	725	0.32%	0	120 ~ 144	0	0%	725	117.1 ~ 140.5	93,022	0.32%
	Vice President, Clinical Operations Division, American Subsidiary	Alberto Rodriquez										
	Senior Director, Commercial Division, American Subsidiary	Tod Lauerman										
	Chief Operating Officer of American subsidiary	Mitch Che										
	Deputy director of medical department (Resigned)	HSU, PEI										
	Senior Manager of Biology, R&D Department (Resigned)	Steven Su										
	Principal Investigator of Biological Agents, R&D Department	Tzong-Shoou Wu										
	Senior Manager, Legal and Treasury Department (Resigned)	Mike Hsu										
	Manager of Clinical Operation Division(Resigned)	Charlotte Chuan										
	Senior Research Fellow II, Biological Agents, R&D Division	Sam Liu										

Unit: thousand shares; NT$thousand

Sixth time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription
Manager	Director & Executive Vice President	YEN, YUN	1,240	0.54%	0	108 ~ 110	0	0%	1,240	105.4 ~ 107.4	130,844	0.54%
	Director &Chief Financial Officer	Frank Chen										
	Chief Scientific Officer	Lai, Ming-Tien										
	Vice president of Medical Division	Tsai, Cheng-En										
	Director of Public Affairs	Sharon Lee										
	Vice President of Biological Agents, R&D Department	Jiann-Shiun Lai										
	Director of Audit Office	Neo Chien										
	Deputy Chief of Finance	Colin Kao										
	Director, Human Resources & Administration	CHANG, PO-JEN										
	Director of Medicinal Chemistry, R&D Division	CHUANG, SHIH-HSIEN										
	Director of Quality Assurance	CHIEN, CHE-HSIN										
Employee	Chief Operating Officer of American subsidiary	Mitch Che	1,110	0.48%	0	108 ~ 110	0	0%	1,110	105.4 ~ 107.4	117,156	0.48%
	Chief Business Officer of American subsidiary	Kevin Poulos										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Pharmaceutical & Legal Deputy Director of American subsidiary	Patricia Ha										
	Senior Admin Manager of R&D Division	Lina Ke										
	Senior Manager	Suifen Zhang										
	Director of Clinical Operations of American subsidiary	Janet Petrell										
	Deputy Director of R&D Department	LI, WEI-HAN										
	Senior Manager of Procurement Division	Irene Sun										
	Manager-researcher	LI, WAN-FEN										

Sixth time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription
	Senior Manager in immune antibody, R&D Division(Resigned)	Yiru Chen										

VI Handling situation of employee restricted stock**:** NA.

VII Handling situation of acquiring or transferring shares of other company to issue new shares:

In order to ensure the stable supply source and quality, the case that the Company issued new shares to accept the shares of Amaran Biotechnology Inc. was passed by the resolution of the Board of Directors of the Company on September 28, 2020. The Company plans to increase the capital to issue 10,693,200 common shares and accept 53,466,000 common shares of Amaran Biotechnology Inc. (accounting for 67% of the issued shares of Amaran Biotechnology Inc.). By obtaining the control of Amaran Biotechnology Inc., Amaran Biotechnology Inc. has become a reliable new drug production base of the Company, which can promote the resources and production capacity of Amaran Biotechnology Inc. to give priority to the R&D progress of OBI Pharma, Inc., at the same time, avoid the risk of dragging down the R&D progress and product launch time due to the replacement of OEM manufacturers or insufficient production capacity allocation, and grasp the production status of new drugs immediately, ensuring that the quality of raw materials meets international standards, so as to reduce the risk of new drug launch in the future.

The above-mentioned capital increase and issuance of new shares have been reported and put into effect by the Financial Supervision and Administration Commission on November 12, 2020 (JGZFZ No.1090372536), and December 31, 2020 is set as the benchmark date of share exchange.

The basic data table of the acquired and transferee companies is as follows:

Unit: NT$thousand, with earnings per share of NT$

Company Name		Amaran Biotechnology, Inc.
Company Address		No. 19, Shengyi 5th Rd., Zhubei City, Hsinchu County, Hsinchu Science and Technology Park
Director		Tessie Che
Paid-in capital amount		918,215
Main business items		Biotechnology service industry
Main product		Protein drugs, new drugs and adjuvants
Financial information of the latest year	Total assets	1,058,622
	Gross liability	172,528
	Total shareholders' equity	886,094
	Operating revenue	34,813
	Operating gross profit	(66,954)
	Operating income	(116,554)
	Current profit and loss	(127,385)
	Earnings per share	(1.39)

Please refer to the next page for the evaluation opinions issued by the lead securities underwriter (Masterlink Securities Corporation Limited) in the latest quarter in the case of accepting shares of Amaran Biotechnology Inc. to issue new shares.

In 2020 OBI Pharma, Inc. was transferred to Amaran Biotechnology Inc.

Evaluation opinion of the lead underwriter in the case of issuing new shares by shares

OBI Pharma, Inc. (hereinafter referred to as OBI) transferred 53,466,000 common shares of Amaran Biotechnology Inc. (hereinafter referred to as Amaran) by issuing 10,693,200 new shares in 2020. It was reported and put into effect by the Financial Supervision and Administration Commission on November 12, 2020 (JGZFZ No.1090372536). The base date of share conversion is December 31, 2020, and OBI completed the registration of share capital change on February 3, 2021. According to Paragraph 8, Paragraph 1, Article 9 of “the Guidelines for the Issuance and Issuance of Securities by Issuers”, OBI shall, within one year after the completion of registration, invite the original lead underwriter to issue an evaluation opinion on the impact of the transfer of shares of Amaran Biotechnology Inc. on the finance, business and shareholders' rights and interests of OBI Pharma, Inc.. The following is only the result of the underwriter's audit, and the evaluation opinions on the impact of Taiwan Province Haoding's transfer of shares of Runya Company on Taiwan Province Haoding's finance, business and shareholders' equity are explained as follows:

1. The financial impact of transferring shares of other companies

   As far as finance is concerned, Amaran Biotechnology Inc. is the foundry manufacturer of DS (Drug Substance), a new active anti-cancer drug for OBI Pharma, Inc. After the issuance of new shares, Amaran Biotechnology Inc. became a 67% subsidiary of OBI Pharma, Inc.. Both parties can cooperate more closely in process development and quality control of new drug research and development projects, which is expected to improve the product quality of new drugs. Once the new drugs are successfully listed or authorized to the outside world in the future, it is expected to improve the cost competitive advantage after mass production of new drugs, which should be of positive benefit to the future profitability of the company.

   In addition, as far as the financial structure and solvency ratio of OBI Pharma, Inc. at the Q3 of 2021 are concerned, the debt ratio of OBI Pharma, Inc. is 8.63%, the current ratio and quick ratio are 2,843.07% and 2,702.54% respectively, and its financial structure is still good.

   To sum up, as of the Q4 of 2021, after OBI Pharma, Inc. received the shares of Amaran Biotechnology Inc. to issue new shares, it should have no significant impact on the finance of OBI Pharma, Inc.

2. The business impact of transferring shares of other companies

   After OBI Pharma, Inc. obtained the control of Amaran Biotechnology Inc. through this transfer case, it has indirectly obtained a reliable production base for active immune anticancer drugs, and both parties will cooperate more closely in research and development activities.In this way, Amaran Biotechnology Inc. can be ensured to

continue the commissioned production of raw materials for new active immune anticancer drugs in TOBI Pharma, Inc. , and at the same time, the CMC process of new active immune anticancer drugs can be optimized with the help of Amaran Biotechnology Inc.'s production experience, so as to ensure the output quality and supply source of new drugs. It is expected to speed up the process of clinical trials, reduce the risk of new drug listing review in the future, and strive for more international cooperation possibilities and business opportunities, which should be beneficial to the business development of OBI Pharma, Inc. .

3. The shareholder's equity impact of transferring shares of other companies

   Upon completion of the transfer, Taiwan OBI Pharma Inc. will issue 10,693 thousand shares in accordance with the aforementioned case, accounting for only 5.37% of the total number of 199,279 thousand shares issued by Taiwan OBI Pharma Inc. as of the fourth quarter of 2021, which shall have no material adverse dilution effect or impact on the original shareholders of Taiwan OBI Pharma Inc..In addition, after OBI Pharma, Inc. acquired the shares of Amaran Biotechnology Inc. this time, it should strengthen the competitiveness of enterprises and ensure the stable supply source and quality of new active immune anticancer drugs, thereby reducing the risk of future listing of new drugs and achieving the mission of maximizing shareholders' rights and interests, sustainable operation of enterprises and keeping roots in Taiwan, so it should be beneficial to the shareholders' rights and interests of OBI Pharma, Inc.

4. Whether the benefit of the transferee is apparent

   (1) Obtain a reliable production base for research and development of new active immune anticancer drugs, and ensure stable supply sources and quality.

   Amaran Biotechnology Inc. is currently a professional foundry pharmaceutical factory for the third phase of human clinical trial of OBI-822 Globo H active immune anticancer drug in OBI Pharma, Inc., the first phase of human clinical trial of OBI-833 new generation Globo H active immune anticancer drug and OBI-866 SSEA-4 active immune anticancer drug research and development projects, and has PIC/S GMP certified production plant in Ministry of Health and Welfare. After OBI Pharma, Inc. obtained the control of Amaran Biotechnology Inc. through this share swap transfer case, Amaran Biotechnology Inc. has become a reliable new drug production base in OBI Pharma, Inc.. Amaran Biotechnology Inc. 's resources and production capacity can give priority to matching with OBI Pharma, Inc.'s R&D progress for production scheduling and development, avoiding the risk of dragging down R&D progress and product launch time due to replacement of OEM manufacturers or insufficient production capacity allocation, and immediately grasping the production status of new drugs, ensuring that the quality of APIs meets international standards, and reducing the risk of new drug launch in the future, so its benefits have gradually appeared.

   (2) Strengthen the company's CMC process technology, quality assurance (QA)/ quality control (QC) capabilities

   At present, OBI Pharma, Inc. and Amaran Biotechnology Inc. have further strengthened their cooperative relationship and integrated their enterprise resources.

Therefore, they will jointly optimize the new drug manufacturing process by combining the actual mass production experience of Amaran Biotechnology Inc. in drug production and the research and development energy of new drug CMC process technology at the front end of OBI Pharma, Inc., and improve the quality assurance (QA)/ quality control (QC) capability of OBI Pharma, Inc. through the quality supervision technology and experience of Amaran Biotechnology Inc. after mass production, share technical resources such as R&D and manufacturing with each other, and gradually achieve the comprehensive effect of industrial integration.

VIII Execution of fund application plan

By the end of the first quarter of 2022, the contents, implementation and benefit analysis of the 2018 cash capital increase plan of the Company are as follows:

(1) Plan contents:

1. Date of approval by competent authority of target business and document No.: approved by Jin-Guan-Zheng-Zi No. 1080305202 Letter on March 25, 2019.
2. Total fund needed in this plan: NT$2,025,000 thousand.
3. Fund source: issue 15,000,000 ordinary shares in cash capital increase, the issuing price per share is NT$135, and the total fund-raising is NT$2,025,000 thousand.

(2) Plan progress and fund disbursement situation:

By the end of the first quarter of 2022, the amount spent in the fundraising plan is 1.340652 billion yuan, and the balance of unspent fund is 684.348 million yuan. The cash increase fund was originally used for obI-866, OBI-999, OBI-898, OBI-998 and OBI-3424, etc. However, in order to protect shareholders' rights and ensure the efficiency of capital utilization, we decided to postpone the follow-up development plan due to the failure of the pre-clinical trial results of OBI-898 and OBI-998, and considering the shortage of working capital in the future and the difficulty for the drug company to obtain bank financing. Therefore, the unspent balance of the above-mentioned two new drug r&d plans up to the end of the first quarter of 2021 is 957.115 million yuan. The board of Directors approved the change plan on May 7, 2021 to replenish the working capital to maintain the normal operation of the company, and submitted it to the shareholders' meeting for approval on July 16, 2021.

Unit: NT$thousand

Plan item	Execution situation as at the first quarter of 2022		
OBI-866 new drug R&D project	Disbursement amount	Predetermined	177,383
		Actual	37,504
	Execution progress (%)	Predetermined	84.15
		Actual	17.79

Plan item	Execution situation as at the first quarter of 2022		
OBI-999 new drug R&D project	Disbursement amount	Predetermined	447,968
		Actual	287,490
	Execution progress (%)	Predetermined	84.44
		Actual	54.19
OBI-898 new drug R&D project	Disbursement amount	Predetermined	44,173
		Actual	44,173
	Execution progress (%)	Predetermined	100.00
		Actual	100.00
OBI-998 new drug R&D project	Disbursement amount	Predetermined	20,796
		Actual	20,796
	Execution progress (%)	Predetermined	100.00
		Actual	100.00
OBI-3424 new drug R&D project	Disbursement amount	Predetermined	229,876
		Actual	140,040
	Execution progress (%)	Predetermined	86.50
		Actual	52.70
Replenish working capital	Disbursement amount	Predetermined	855,243
		Actual	810,649
	Execution progress (%)	Predetermined	89.36
		Actual	84.70
Total	Disbursement amount	Predetermined	1,775,439
		Actual	1,340,652
	Execution progress (%)	Predetermined	87.50
		Actual	66.07

(3) Estimated execution benefits: as at the first quarter of 2022, each new drug research and development project of this fund-raising plan has not generated any licensing income. According to the planned schedule of each new drug research and development project of this fund-raising plan, for the licensing income generated from each new drug expectation, it is expected to successively realize it after 2022, hence currently the execution benefits are still conforming to the original schedule.

Unit: NT$ Thousand

Plan item	Income category	Licensing time-point	2022	2023	2024	2025	2026
OBI-866	Income from Licensing fee (Upfront Payment)	Phase II clinical trial	-	-	397,207	502,793	900,000
OBI-999	Income from Licensing fee (Upfront Payment)	Phase II clinical trial(2A)	1,170,000	630,000	-	-	1,800,000
OBI-3424	Income from Licensing fee (Upfront Payment)	Phase II clinical trial(2A)	210,000	90,000	-	-	300,000
Total		-	1,380,000	720,000	397,207	502,793	3,000,000

(4) Date of inputting in the information declaration website designated by Financial Supervisory Commission: June 14, 2019.

Up to the first quarter of 2022, the contents, implementation and benefit analysis of the 2021 cash capital increase plan of the Company are described as follows:

(一) (1) Plan contents:

1. Date of approval by competent authority of target business and document No.: approved by Jin-Guan-Zheng-Zi No. 1100378381 Letter on January 18, 2022
2. Total fund needed in this plan: NT$3,150,000 thousand.
3. Fund source: issue 30,000,000 ordinary shares in cash capital increase, the issuing price per share is NT$105, and the total fund-raising is NT$3,150,000 thousand.

(二) (2) Plan progress and fund disbursement situation:

By the end of the first quarter of 2022, the amount spent in this fundraising plan is 150.191 million yuan, and the unspent fund balance is 2.999809 billion yuan, which will be used for the progress of three new drug r&d projects including OBI-822, OBI-833 and OBI-888 in the future. The cash increase funds are used for three new drug r&d projects, in line with the planned purposes of the original fundraising plan, and there is no change in the plan at present.

Unit: NT$thousand

Plan item	Execution situation as at the first quarter of 2022		
OBI-822 new drug R&D project	Disbursement amount	Predetermined	84,117
		Actual	120,298
	Execution progress (%)	Predetermined	7.68
		Actual	10.98
OBI-833 new drug R&D project	Disbursement amount	Predetermined	16,540
		Actual	7,158
	Execution progress (%)	Predetermined	11.12
		Actual	4.81
OBI-888 new drug R&D project	Disbursement amount	Predetermined	18,356
		Actual	22,735
	Execution progress (%)	Predetermined	20.74
		Actual	25.69
Replenish working capital	Disbursement amount	Predetermined	0
		Actual	0
	Execution progress (%)	Predetermined	0.00
		Actual	0.00
Total	Disbursement amount	Predetermined	119,013
		Actual	150,191
	Execution progress (%)	Predetermined	3.78
		Actual	4.77

(三) (3) Expected performance benefits: As of the first quarter of 2022, none of the new drug r&d projects of this fundraising plan has generated licensing revenue. According to the planned progress of each new drug r&d project of the company in this fundraising plan, the expected licensing revenue of each new drug is expected to appear after 2023, so the company's current implementation benefits are still in line with the original expected progress.

Unit:NT$ Thousand

Plan item	Income category	2021~2022	2023	2024	2025	2026	2027	2028	Total
OBI-822	Income from Licensing fee	-	-	-	900,000	-	-	1,800,000	2,700,000
OBI-833	Income from Licensing fee	-	-	-	-	-	900,000	-	900,000
OBI-888	Income from Licensing fee	-	72,000	378,000	-	-	-	-	450,000
Total		-	72,000	378,000	900,000	-	900,000	1,800,000	4,050,000

(4) Date of inputting in the information declaration website designated by Financial Supervisory Commission: March 15, 2022

V Operation Overview

I Business content

(1) Business scope:

1. Major contents of operating business:

(1) IG01010 Biotechnology Services.

(2) F108021 Wholesale of Drugs and Medicines.

(3) F208021 Retail Sales of Drugs and Medicines.

(4) F401010 International Trade.

(5) IG02010 R&D Services.

(6) F601010 Intellectual Property Rights.

2. Operating proportion of major products in 2021:

In 2021, new drug products of the Company were still at the stage of research and development, hence there was no operating income from major products in current year. The operating income of the Company in 2021 was NT$18,772 thousand, mainly for the recognition of sales royalties, authorization income, material sales income and labor service income.

3. Product lines of the Company under development are as follows:

(1) Adagloxad Simolenin (A/S, originally OBI-822) breast cancer active immunity anti-cancer drug: A/S links the Globo H carbohydrate molecules to the surface of carrier protein KLH, after subcutaneous injection, it will facilitate human body to generate antibody against Globo H. Global phase III clinical trial of A/S measures the testees' degree of tumor carbohydrate antigen Globo H performance by immunohistochemistry, and screens testees of higher Globo H performance to enter into clinical trial; it takes patients of Triple Negative Breast Cancer (TNBC) with unmet medical need currently as the test object, and it is predetermined to recruit totally 668 testees from USA, Europe, Asia and Australia etc.

(2) OBI-833, a new generation of Globo H active immune anticancer drug: The safety evaluation of phase I dose-escalation trial of OBI-833 was already completed, and the evaluation of safety, immune antibody response and tumor response of cohort expansion study with lung cancer patients as the targeted cases was also finished. The planning for phase II clinical trial was already completed, and approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare in February 2022. It is scheduled to recruit subjects in Taiwan.

(3) OBI-866 SSEA-4 active immune anticancer drug: In stage of animal experiments, it was confirmed that specific antibodies could be

produced in mice. The first-phase dose-escalation trial was approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare in August 2020, and cases were initially received in October 2020. In March 2022, the case receipt of initial dose group was completed and that of the higher-dose group began.

(4) OBI-888 Globo H Passive Immune – oncology therapy: OBI-888 is a passive immunotherapy monoclonal antibody designed targeting Globo H. Patent Cooperation Treaty (PCT) has already entered the National Phase of each country and has obtained patents from the United States, Canada, Australia, China, Israel, the European Union, South Korea, India, Taiwan and South Africa. No major adverse reaction was discovered in the single-dose toxicity tests of primates; the dose-escalation stage of phase I clinical trial has been completed at the world-renowned MD Anderson Cancer Center. The preliminary drug efficacy evaluation of the stage I clinical trial in the phase II cohort expansion is expected to be completed in the second quarter of 2022.

(5) OBI-999 Globo H Antibody Drug Conjugate/ADC: Globo H antibody is utilized for this product to identify cancer cells with high expression of Globo H, and perform direct cytotoxic treatment on cancer cells with high expression of Globo H by the specific release of small molecule chemotherapy drugs by the antibody. It can not only enhance the efficacy of the drug, but also avoid the damage caused by traditional chemotherapy to normal tissues for the purpose of effectively reducing the occurrence of side effects. Animal pharmacological trials were completed, and relevant patent applications and layouts were submitted. Also, the dose escalation of the first phase of clinical trial was completed. Currently, this product has being undergoing cohort expansion clinical trials in eleven medical centers estimated including the University of Texas MD Anderson Cancer Center and Taipei Veterans General Hospital.

(6) OBI-3424 micromolecule chemotherapy prodrug: in May 2017, the Company has acquired the rights to research and development and commercialization of TH-3424 anti-cancer drug (renamed as OBI-3424) in major global markets (except Asia) from US Threshold Pharmaceuticals. OBI-3424 has acquired approval from FDA on April 18, 2018 to carry out human clinical trial (IND). AKR1C3 enzyme is highly expressed in more than 15 types of tumors, and its main function is to participate in hormone synthesis and toxin clearance. Under the catalysis of AKR1C3 enzyme in tumor cells, OBI-3424 releases cytotoxic metabolites to achieve an anti-tumor effect. The Company obtained the approval from U.S. FDA for the first phase of clinical trial in April 2018, the dose escalation stage of phase I of clinical trial was already completed, and it is currently in the cohort expansion stage of phase II.

(7) OBI-858 new botulinum toxin preparation: This product is developed into a new type of botulinum toxin with a new strain, and its preparation is intended to be used for medical and cosmetic purposes. In August, 2020, she obtained the first-phase clinical trial license from the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare, and conducted the trial in Tri-Service General Hospital and Kaohsiung Chang Gung Hospital, and successfully received the case. This program already authorized subsidiary Obigen Pharma Inc. global aesthetic intellectual property rights in February 2021. OBI already completed a report of drug efficacy and safety data and integration report of 36 subjects in the phase I clinical trial, and is currently carrying out the construction of bulk drug factory and reconstruction of the preparation factory which are expected to be completed in the third quarter of 2022. Also, the Company actively launches phase II/III clinical design, plans to communicate with regulatory authorities, and plan to adopt the most favorable approaches to promote product marketing.

(2) Industry overview:

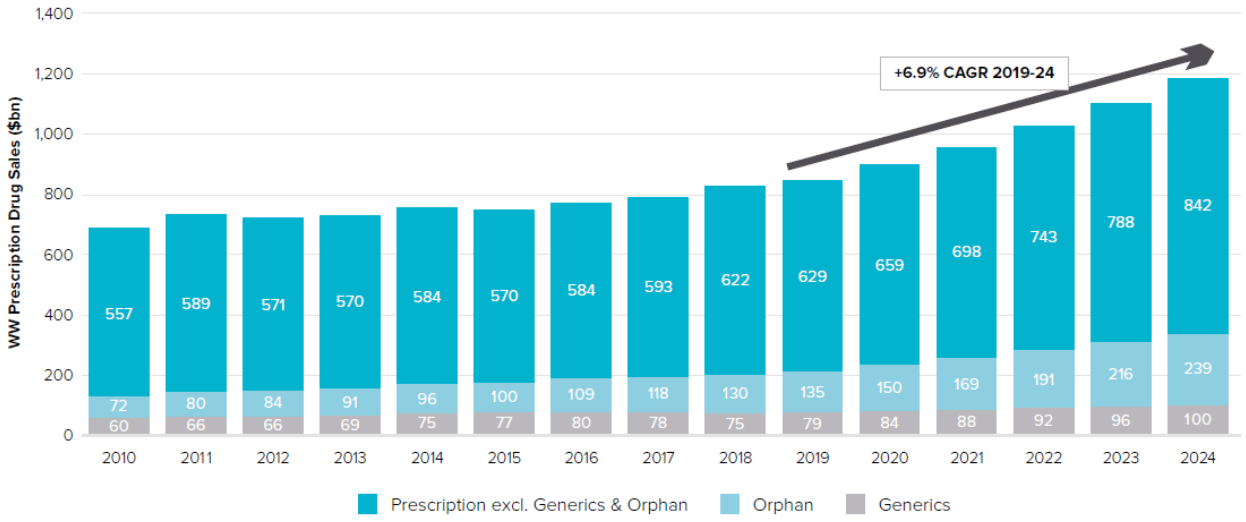
1. Global drug market conditions:

According to the analytical data of Evaluate Pharma, from 2019 to 2024, it is estimated that the Compound Annual Growth Rate (CAGR) of global prescription drugs market will be three times of that from 2010 to 2018, and the market scale of orphan drugs will be doubled.

From 2010 to 2018, the compound annual growth rate of global prescription drugs market is 2.3%. Despite the slowdown of global economic development, with increasing global population and trend of an aging society, the demand on pharmaceutical supplies rose continuously, together with the rising of emerging drug market, as well as the development of biological drugs, there is still certain growth potential in prescription drugs market in the future.

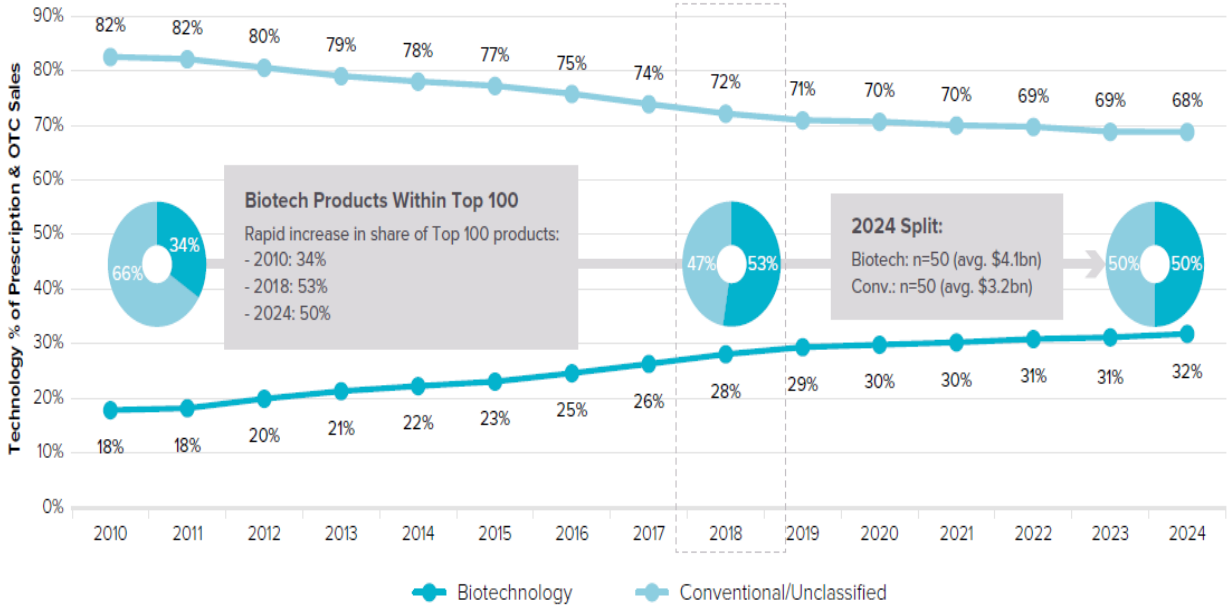
However since the drug market is deeply affected by the medical care policy, budget and cost control of national governments as well as the self-paying medical budgets of consumers, therefore, the changes of growth and decline in new drugs and generic drugs market as well as drug price control measures will bring variables to the global drug market scale in the future, but it is still under growth trend generally speaking, it is estimated that the compound annual growth rate from 2019~2024 will be 6.9%, and the market scale will reach to USD1.18 trillion in 2024.

The scale of global drugs market from 2010~2024



One of an important trends in current global drug market is the fast growth of biotechnology products, the sales volume thereof have surpassed the traditional preparations for the first time in global top 100 drugs ranking list. In the market of global prescription drugs and over-the-counter drugs, it is estimated that the proportion of sales volume of biological preparations will grow continuously from 28% in 2018 to 32% in204. Among the top 100 drugs sold worldwide, it is estimated that half of them will be biological preparations.

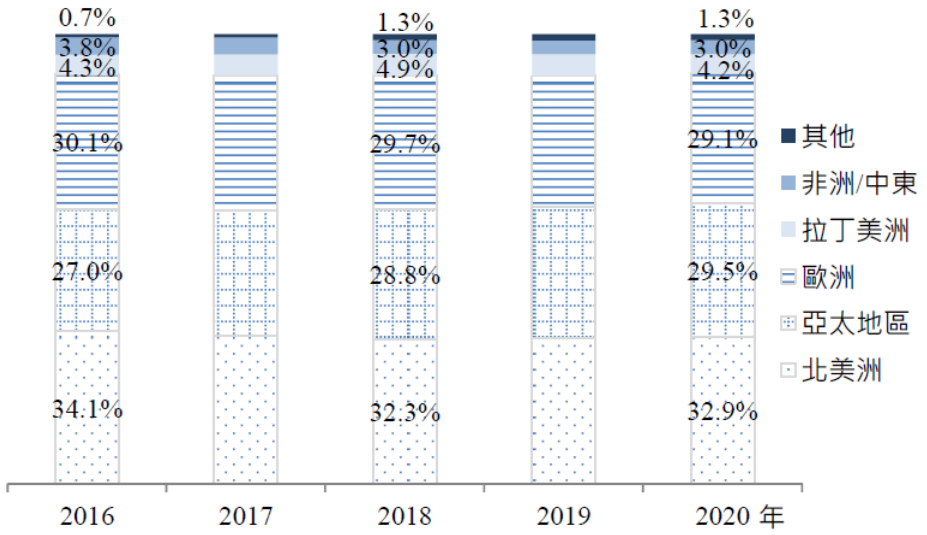
Market scale of global prescription drugs: biotechnology and traditional pharmaceutical technology



According to the report of Yearbook of Pharmaceutical Industry of 2021,

the largest regional drug markets of the world were located in North American and Europe in 2019 with drug market scale reaching USD 391.2 billion and USD 352.66 billion respectively. However, in 2020, the information of Fitch Solutions indicated that the market in North America still maintained its No. 1 position, while the market scale of the Asia-Pacific region was increased to USD 366.08 billion, which was higher than that in Europe. Therefore, it became the 2nd largest regional drug market in the world, and the drug market in Europe ranked the 3rd place; additionally, in Latin America and Africa/the Middle East, the sales volume of drug markets in 2020 presented a declining trend compared that in 2019. To be specific, the sales volume of drug market in Latin America dropped by 10.5%, while that in Africa/the Middle East dropped by 3.5% respectively.

Global Top 10 National Drug Markets in 2020



資料來源：Fitch Solutions；DCB 產資組 ITIS 研究團隊整理（2021.08）

Global Top 10 National Drug Markets in 2020

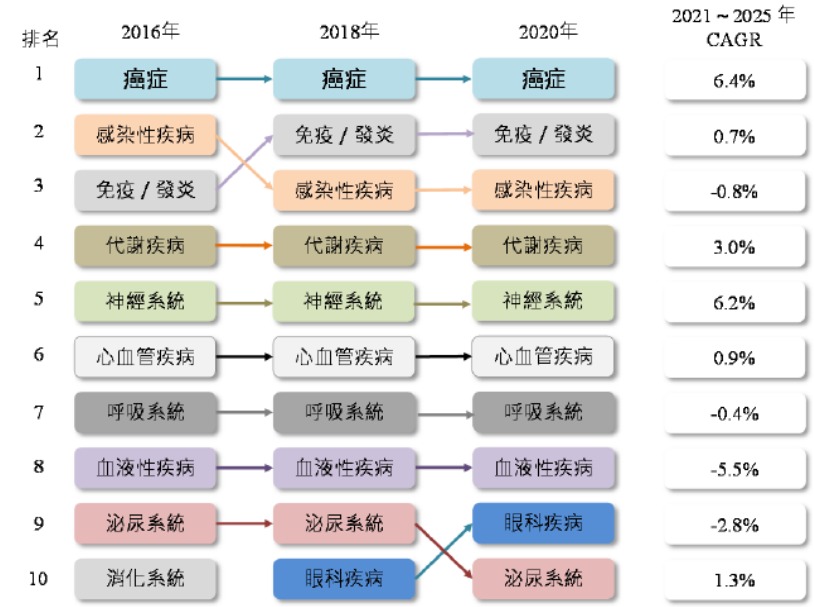
單位：億美元；%

排名	國家	2020 年		2016～2020 年 CAGR	2021～2025 年 CAGR
		銷售額	成長率		
1	美國	3,859.8	4.5	2.4	3.2
2	中國大陸	1,551.4	3.6	-0.01	4.4
3	日本	1,080.7	4.1	3.1	2.8
4	德國	760.0	5.7	5.2	4.3
5	英國	424.6	1.0	1.4	4.9
6	法國	421.0	1.7	1.6	1.8
7	義大利	347.6	1.8	1.7	1.9
8	印度	291.5	6.3	8.9	8.5
9	西班牙	290.1	5.2	4.4	4.3
10	加拿大	225.0	3.7	2.5	4.2

資料來源：Fitch Solutions；DCB 產資組 ITIS 研究團隊整理（2021.08）

According to the data from Fitch Solutions and Yearbook of Pharmaceutical Industry of 2021, the top 10 drug markets in the world were ranked as follows in accordance with the market size: USA, China, Japan, Germany, Great Britain, France, Italy, India, Spain, and Canada. The estimated CAGR of India, as a developing country, was 8.5%, and it is estimated to become a market with fastest growth. Other countries like China, Germany, Great Britain, Spain and Canada will also witness a predicted CAGR that exceeds 4%.

Changes in the rankings of top 10 efficacy drug categories worldwide in 2016, 2018 and 2020



資料來源：Informa Pharma Intelligence；DCB 產資組 ITIS 研究團隊整理（2021.08）

The incidence and prevalence of cancers around the world continue to increase. According to the data from Informa Pharma Intelligence, cancer still ranked the first place among top 10 treatment disease categories in the world from 2016 to 2020. The compound annual growth rate (CAGR) will as high as 6.4% from 2021 to 2025 as expected. Immunity/inflammation market and infectious disease market occupy the second and third places respectively, and are expected to have relatively stable performance. To speak of, although the world is under the influence of the COVID-19 epidemic, it is expected that the epidemic will become stable soon, and therefore the change in the infectious disease market in the next few years will be limited as conservatively estimated. The fourth and fifth places are metabolic diseases and neurological diseases. Due to the high incidence of metabolic diseases caused by modern lifestyle and diet patterns, degenerative neurological diseases are also expected to have higher growth due to the aging population in developing countries. The CAGR for the aforesaid two types of diseases are 3% and 6% respectively.

2. Current status of drug market of our country:

Taiwan's pharmaceutical market has maintained steady growth for many years. However, due to the increasing medical expenditure, the Chinese government has implemented the adjustment of insurance premium rate, the new system of partial burden and the control of health insurance drug price to control medical expenditure. Since 2000, it has implemented the adjustment of health insurance drug price every two years, and changed to the annual adjustment in 2013. If the annual drug price exceeds the budget, the drug price needs to be adjusted. In 2020, the Central Health Insurance Department of the Ministry of

Health and Welfare (hereinafter referred to as the Health Insurance Department) reported that since April 2019, the prices of 7,470 drugs have been adjusted, with an average price decrease of 3.5% and an overall expenditure decrease of NT$ 5.8 billion. The following table is a list of health insurance drug price adjustments from 2013 to 2019.

Table 3: Drug price adjustments under DET system, 2013-2019

	2013	2014	2015	2016	2017	2018
DET growth rate (%)	4.528	3.309	3.481	4.950	4.280	3.212
Target expenditure (NT$bn)	138.0	142.6	147.5	154.8	151.1	156.0
Overspend amount (NT$bn)	5.7	8.2	3.2	5.7	7.4	5.8
Effective date of price cut	1 May 2014 1 July 2014	1 April 2015	1 April 2016	1 April 2017	1 May 2018	1 April 2019
Average price reduction (%)	3.9	5.3	2.1	3.5	4.6	3.5
Number of drugs reduced in price	7,583	6,821	7,392	7,331	7,476	7,470

Note: The announcement of the 2020 DET price adjustment has been postponed to 1 October 2020 due to the COVID-19 pandemic.

來源: 台灣健保署資料，由 PWC 整理出版於 A guide to Taiwan's health Industries(2020 年八月)

According to the 2020 White Paper on Biotechnology Industry published by the Ministry of Economic Affairs, according to the statistics of the Health Insurance Department, the drug expenditure in 2018 reached NT$ 195.7 billion, of which anti-tumor and immunomodulators, cardiovascular drugs, systemic anti-infective agents, gastrointestinal and metabolic drugs accounted for 22%, 16%, 15% and 14% of the overall drug expenditure respectively, accounting for about 67% in total, the expenditure on medicines is about NT$ 131.1 billion. As the number of cancer patients in Taiwan continues to increase, the total sales volume of anti-tumor products has consistently occupied the first place in the category of diseases treated in Taiwan drug market for many years. According to the statistics of the Health Insurance Department, among the top ten malignant tumors in medical expenses in 2019, lung cancer, breast cancer, and colorectal cancer were the top three. According to the statistics of the National Health Administration of the Ministry of Health and Welfare in 2020, the top ten cancers in Taiwan (men and women) are (1) colorectal cancer (2) lung cancer (3) female breast cancer (4) liver cancer (5) oral cancer (including oropharynx and hypopharynx) (6) prostate cancer (7) thyroid cancer (8) skin cancer (9) gastric cancer (10) esophageal cancer. The tumor types of the top ten drug expenditures are slightly different from the tumor epidemiology in Taiwan, which shows that besides epidemiology, the sales of tumor drugs also have other comprehensive influence factors, including the degree of disease risk, the survival period of patients, and whether there are new drugs within the patent protection period.

表　108年全民健保惡性腫瘤醫療支出「排名前十大癌別之醫療費用支出統計表」

ICD-10碼	中文名稱	就醫病人數		藥費(千點)		醫療費用(千點)		每人平均藥費(點)	每人平均醫療費用(點)
		108年	5年(104~108)年平均成長率	108年	5年(104~108)年平均成長率	108年	5年(104~108)年平均成長率		
C33-C34	氣管、支氣管和肺癌	71,939	7.45%	7,611,412	8.94%	16,403,049	9.70%	105,804	228,013
C50	乳房癌	142,483	5.97%	7,020,677	7.30%	15,137,618	8.50%	49,274	106,242
C18-C21	結腸、直腸和肛門癌	108,050	2.66%	5,486,657	6.13%	14,697,659	7.18%	50,779	136,026
C22	肝和肝內膽管癌	68,838	3.08%	4,135,475	7.38%	11,161,653	6.09%	60,075	162,144
C00-C06, C09-C10, C12-C14	口腔癌	51,742	3.65%	1,732,658	15.41%	9,031,030	7.60%	33,486	174,540
C61	前列腺(攝護腺)癌	51,745	6.17%	2,925,797	17.00%	6,112,083	14.81%	56,543	118,119
C91-C95	白血病	13,953	3.89%	3,701,564	7.38%	5,826,033	7.90%	265,288	417,547
C82-C85, C88, C90	非何杰金氏淋巴瘤	25,053	3.15%	2,953,665	6.67%	5,624,636	6.89%	117,897	224,509
C16	胃癌	22,560	1.16%	1,217,831	5.47%	3,290,675	6.31%	53,982	145,863
C15	食道癌	11,028	5.05%	475,156	7.42%	3,142,284	6.46%	43,086	284,937
C00-C97	惡性腫瘤	756,366	4.31%	42,709,207	8.48%	110,791,571	7.97%	56,466	146,479

1.資料來源：健保資料倉儲門、住診及藥局清單明細檔
2.資料期間：104年1月至108年12月
3.資料範圍：各項癌症(任一診斷符合對應ICD9碼"140"~"208"或是ICD10碼"C00"~"C97")病人門住診及藥局資料，排除代辦案件，醫療費用=申請點數+部分負擔。

Judging from the sales performance of individual drugs, according to the data released by the Health Insurance Department in 2020, the top ten drugs declared by health insurance in 2019 were Harvoni (C Hepatitis) and about NT$ 3.957 billion; Maviret (C Hepatitis), about NT$ 2.863 billion; PLAVIX (anti-stroke, myocardial infarction), about NT$ 2.579 billion; Crestor (high cholesterol), about NT$ 2.388 billion; Baraclude (B Hepatitis), about NT$ 1.837 billion; Lipitor (high cholesterol), about NT$ 1.797 billion; Glivec (myelogenous leukemia), about NT$ 1.726 billion; Herceptin (breast cancer), about NT$ 1.657 billion; Norvasc (high blood pressure), about NT$ 1.605 billion; ADVATE (hemophilia A), about NT$ 1.589 billion.

Top 10 blockbuster drugs in our country in 2017

Unit: NT$100 million; %

Ranking		Product name	2017		Name of manufacturer	Indications
2017	2016		Sales volume	Growth rate		
1	1	Herceptin	24.6	1.2	Roche	Breast cancer
2	2	Baraclude	21.4	0.1	Bristol-Myers Squibb	Chronic Hepatitis B
3	4	Plavix	18.5	-0.5	Sanofi	Atherothrombosis
4	3	Glivec	17.9	-4.2	Novartis	Chronic myeloid leukemia
5	-	Viekirax	16.4	999.0	AbbVie	Chronic hepatitis C

						genotype 1, 4
6	6	Lipitor	15.8	1.3	Pfizer	Hypercholesteremia, hypertriglyceridemia
7	5	Crestor	15.7	-6.6	AstraZeneca	Hypercholesteremia, hypertriglyceridemia
8	10	Avastin	15.4	25.2	Roche	Metastatic colorectal cancer, metastatic breast cancer etc.
9	9	Humira	14.7	8.3	AbbVie	Rheumatoid arthritis etc.
10	7	Alimta	14.5	2.3	Eli Lilly	Malignant pleural mesothelioma, non-small cell lung cancer
Total of top 10 drugs			174.9	—	—	—

Data source: IQVIA (2018.05); Collation of data by OBI (2021)

3. New drug development industry and its relevance to upstream, midstream and downstream:

   After experiencing several decades of development in the past, the modern pharmaceutical industry has formed a mature industrial chain in European and American markets, from the study on new drug development, production, marketing to generic drugs market, it all has a certain development and labor division mode. Since drugs are used in human body, hence the drug's safety and effectiveness must be strictly controlled by competent authority of national governments. Take micromolecule new drug development as an example, the research and development of drug is a series of complicated, time consuming and capital-intensive processes, it is estimated that only one new drug can be researched and developed successfully to come into market from average 10,000 Synthetic Compounds, the average success rate is 0.01%, hence it always takes 12 years or even longer for a drug to come into market, and the average research and development expenditure at least reaches to USD1.2 billion. Therefore, comparing with other general industries, pharmaceutical industry has the following features: under strictly management of government competent authority, high technical threshold, long research and development duration, high cost and high risk, combined industry crossing technical fields, market specialization, large product market, long life cycle and high profit.

US drug development and review procedure

階段	新藥探索	臨床前試驗	IND申請	臨床 I 期	臨床 II 期	臨床 III 期	NDA申請	IV 期
所需年數	5	1.5		1～2	2～3	2～3	1～2	2
試驗對象	實驗室	實驗室及動物試驗		20～100個健康受試者	100～500個自願病患	1,000～5,000個自願病患	登記審核核准	上市後新藥監視（FDA要求）
目的	發現候選藥物	評估安全性及生物活性		決定安全性及使用劑量	評估有效性，監視副作用的產生	確認有效性，做長期之副作用監視		
成功率	評估10,000個化合物	250個化合物進入臨床前		5個化合物進入臨床			1個化合物核准	

資料來源：FDA；DCB 產資組 ITIS 計畫整理

(1) New drug exploration:

The new drug exploration usually finds the new lead compound through the new research object found in the research of upstream basic research units, such as school, research institution or laboratory of pharmaceutical factory. Then carries out biological activity assessment on lead compound, test from in vitro to in vivo, such as from enzyme, receptor, cell, tissue, organ, living animals to all kinds of disease animal models etc., the research on functioning molecular level is good for compounding and improving the drug of optimization, and it can understand the due pharmacological curative effective, physiological reaction, side effect and interaction between drugs of the drug. A lead compound with drug efficacy usually needs to further compound thousands of derivatives, after assessing and comparing their activity, toxicity, stability and pharmacokinetics, select several potential candidates to enter into the pre-clinical trial at the next stage.

(2) Pre-clinical trial:

The main focus of preclinical experiments is on animal safety experiments, which take time, typically 6 months to 1 year. First, the entire manufacture process must be optimized to increase yield and simplify the manufacture process. The manufacture process of drug candidates must be extended to produce sufficient drug candidates for animal safety experiments. Because at least two animal safety experiments must be completed before the application for the investigational new drug (IND), and the experiment duration must not be shorter than the time for the clinical phase I human trial (the clinical trial of the terminal cancer patient is not subject to this limit), the dose used at this time can be used as a reference for the dose of the clinical phase I human trial.

(3) Investigational New Drug (IND) application:

After the end of pre-clinical trial, the research result and clinical trial plan

can be attached to propose Investigational New Drug (IND) to the competent authority, so as to carry out human body clinical trial. Take USA as an example: during the 30 days of IND review period, if competent authority doesn't propose any doubt and consideration, applicant can start to carry out clinical trial after 30 days.

(4) Clinical trial:

The purpose of clinical trial is to confirm the effectiveness and safety of new drug to human body, applicant appoints clinical doctor to carry out the trial, and it can only be executed after passing the review by Institutional Review Board (IRB), according to the summary of ITIS, Product Information Group of DCB, generally the clinical trial is divided into three phases:

A. Phase I clinical trial:

Take 20~100 voluntary health adults to carry out safety test, the purpose is to establish the tolerance of human body to different dosages, and create materials related to the absorption, distribution, metabolism and excretion of drug in human body; usually this period takes 1~2 years.

B. Phase II clinical trial:

Take 100~500 patients to carry out large-scale or even transnational effectiveness test, the purpose is to verify the efficacy of phase III trial with greater samples, and find out the undiscovered adverse reaction, and to acquire all materials related to indication, taboo and side effect of new drug, usually this period takes 2~3 years, or depends on the design of clinical trial and receiving progress.

C. Phase III clinical trial:

Take 1,000~5,000 patients to carry out large-scale or even transnational effectiveness test, the purpose is to verify the efficacy of phase II trial with greater samples, and find out the undiscovered adverse reaction, and to acquire all materials related to indication, taboo and side effect of new drug, usually this period takes 3~5 years, or depends on the design of clinical trial and receiving progress.

(5) New Drug Application (NDA):

After completing clinical trial successfully, trial results (including pre-clinical trial results) and all relevant materials can be prepared to propose New Drug Application (NDA) to the competent authority, namely the examination registration procedure, the review period takes about 1 year on average. If in those materials it can prove that the new drug under

application has better therapeutic or preventive effect than the drugs in the market on the same disease, it will have the opportunity to enter into quick review procedure to shorten the review period to about 6 months.

(6) Post-marketing surveillance:

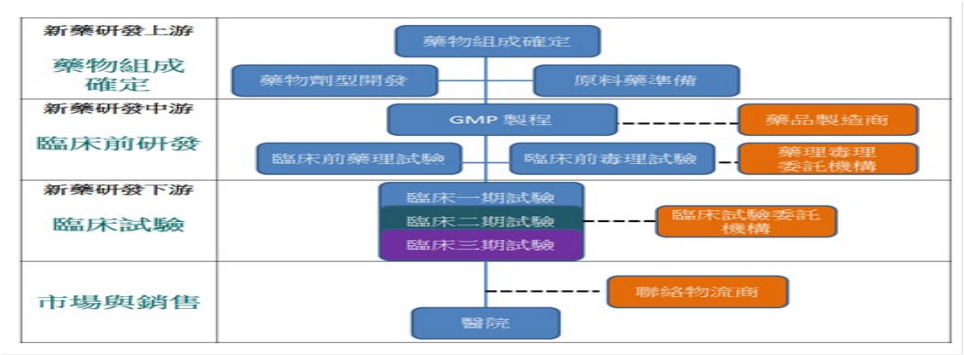
The post-marketing surveillance of drug, the indispensable part to ensure medication safety of the public, through adverse drug reaction report system, clinical doctor will monitor the long term reaction after using the new drug, so as to carry out post-marketing surveillance of the drug.

During such long new drug research and development process, how to effectively connect the upstream, midstream and downstream of the industry to shorten the development schedule to accelerate the launch of product is a very important key for competition. From the study on upstream basic science, combine the outstanding domestic academic research achievement into the midstream technology development and application, and private practitioners closely cooperate with relevant juridical persons to develop the downstream drug commercialization and marketing strategy, so as to promote the joint development of production, management, academics and research of Taiwan biotechnology industry, making the biotechnology of Taiwan develop more extensively and comprehensively, and further march towards international market.

Based on innovation, apart from emphasizing independent research and development, OBI Pharma also actively seeks for new drug research and development case of development potential from all walks of academics and research, so as to reduce the cost input at the early stage of new drug research and development. And accelerates to complete product development through effective management of drug development procedures at exploration stage to launch on the market. The operation model of OBI Pharma research, development and marketing add value, apart from rooting in research and development energy and self-establishing marketing team, the production part is outsourced in combination of domestic manufacturing capacity. The object of outsourcing partner will give priority to the local manufacturers in Taiwan, so as to assist the new biotechnological drug to root in Taiwan. According to such model, the thing first development by OBI Pharma is the OBI-822 already completed clinical phase I trial in Memorial Sloan-Kettering Cancer Center (MSKCC), then it is the OBI-833 and OBI-866 still at the pre-clinical stage and introduced from Academia Sinica; meanwhile, based on the internal research and development capacity, the R&D team of OBI has independently researched and developed the OBI-888, OBI-999, OBI-3424 and OBI-866. Regardless of the case acquired from technology transfer or of independent research and development, OBI Pharma will spare no efforts to execute the pre-clinical and clinical phase I, II, and III trials under the most outstanding management team and high efficient management model, and further apply for medicament license to promote the launch of new drug. OBI hopes to create

international Taiwan brand through such operation model, and to base in Taiwan and expand the horizon worldwide.

OBI Pharma adopts the operation model of research and development and marketing add value to create the industrial economy at home and abroad, relevance of upstream, midstream and downstream of the industry is as shown in the following photo:



4. Taiwan industrial competitiveness analysis:

The pharmaceutical industry of our country includes bulk drug, preparations of western medicine and traditional Chinese medicine. The bulk drug manufacturers mainly product bulk drugs of effective components, the products are of less categories but of large quantity, most of them are mainly exported. Preparations manufacturers process bulk drugs to product preparations, there are 143 of them in total, and about 50 of them are the manufacturers of preparations of western medicine passing the PIC/S GMP evaluation, and have certain productivity. But Taiwan pharmaceutical industry mainly produces generic drugs with expired patent, because the domestic market is small, products are of small quantity, large categories and high homogeneity, the drug prices are low, and the competition is fierce. Taiwan pharmaceutical industry already has new drug development capacity, the analysis on competitiveness and industry trend are as follows:

Advantage - The capacity of Taiwan in new drug clinical trial is strong, taking an advantage in Asia. Apart from excellent medical environment and rich experience of clinician involving in new drug clinical trial, there are plenty of patients which can represent the east Asian race in Taiwan, therefore, Taiwan possesses the conditions of becoming the development base for early clinical trial, developing phase I/II clinical trials, and attracting international cooperation with such achievements. Besides, Taiwan has high education level and has cultivated many biotechnology and pharmaceutical related talents both at home and abroad, further consolidating Taiwan industry capacity.

Weakness - Lack of experience is the difficult problem in Taiwan biotechnology industry. How to enrich the industrial experience of Taiwan biotechnology talents and establish the confidence of capital market for long-term support of biotechnology and pharmaceutical industry is the challenge of Taiwan currently.

Development trend - Since biotechnological industry is an industry of high risk, high investment, long term and high profit, for the investment to biotechnological new drug development in Taiwan, we need to introduce R&D talents and management team with international view within a short term, and jointly bear the development risk through strategic alliance with foreign companies, which is good for entering into international market. In medium and long term, we are in need of cooperation among Industry, Official and University, and talents cultivation to base on Taiwan and look around the world. In the course of growth, we are in need of continuous fund-raising, strategic alliance or going through corporate combination to compete with world first class pharmaceutical factories.

5. OBI product competitiveness analysis:

OBI Pharma takes new drug research and development in self-orientation, challenging the fields of disease still lack of effective treatment currently, hoping to make up the unsatisfied medical demand with innovative drugs, so as to improve people's health and life quality. The Company takes cancer and infectious disease as the core therapeutic field, taking the carbohydrate antigen "Globo Series" on cell surface having high effect on multiple cancers as the target, and actively developing a series of innovative cancer therapy new products, so as to develop into the first-class biotechnology industry in Taiwan. At the early stage of development, the Company refers to the market demand and future competitiveness as the basis for subject selection, analysis on the competitiveness of each product is as follows:

(1) OBI-822, OBI-833, OBI-866 active immuno-oncology drugs:

As far as safety is concerned, OBI-822, OBI-833 and OBI-866 are the new medicaments for active immunotherapy, fighting against cancer through training the immune system of human body, the dosage needed is very low, and they only occur on the surface of cancer cells at the cancer target, hence they have no harm to normal cell tissue. The active immunotherapy has the advantage of relatively durable effect and low side effect, people from all walks of life are eagerly hoping that it can improve and change the cancer therapy, bringing the therapy safer and more effective than the current chemical therapy and target therapy to the cancer patients. OBI-822 is absorbed through subcutaneous injection, and outpatient treatment will be fine. According to the clinical data currently collected, when patients are accepting OBI-822 treatment, the side effect is mostly limited to the red and swollen and pain phenomenon occurred at the injection part, obviously far lower than the side effect in general cancer chemical therapy and target therapy, effectively improving the life quality of patients and their families.

Evaluate Pharma’s analysis on breast cancer market trend - in 2017, the sales amount reached to USD17.2 billion, and it is expected to reach to USD3.4 billion in 2024 with annual growth rate of 9.9%. In 2017, the market share of the largest category of drugs for HER2 targeted therapy

was 58%, the market share of rising star CDK4/6 inhibitor was about 19%, it is expected that its market share will grow up to 39% in 2024, on the contrary, the market share of drugs for HER2 targeted therapy will decline from 58% to 39%.

Competitive advantage of OBI-822 - since currently there is no drug for active cancer immunotherapy of breast cancer worldwide, hence OBI-822 has no similar competitor in the market. All patients with positive Globo H series carbohydrate antigen can accept the OBI-822 therapy, approximately accounting for over 60~80% of breast cancer groups; these include all kinds of groups of breast cancer patients, including ER/PR positive/negative patients, HER2 positive/negative patients, and intractable triple negative breast cancer patients having very few choice of drugs. Besides, since such target immunotherapy is not in conflict with other therapies, so regardless of accepting hormonal therapy or other therapy not affecting the immunity of patients, OBI-822 is available for possible combined therapy.

By comparing OBI-822 with other competitive drugs under development and in the market, the differentiation of enzyme CDK 4/6 inhibitor has become the standard therapeutic drug for advanced metastatic breast cancer with positive hormone receptor and negative HER2 receptor (HR+/HER2-) after menopause, the first line therapy needs to combine with aromatase inhibitor, including the Ibrance® (palbociclib) launched in 2015 and the Kisqali® (ribociclib) and Verzenio® (abemaciclib) approved in 2017; the CDK4/6 inhibitor used for the second line therapy needs to combine with fulvestrant, including Ibrance® and Verzenio®. What is noteworthy is that the side effect of CDK4/6 will cause the reduction of white blood cell count.

The market of drugs for breast cancer is quite large, it also attracts other new drug categories:

- Afinitor® (everolimus): launched to the market in 2009, it is the inhibitor for mTOR (mammalia rapamycin target), and major side effects include stomatitis and non-infectious pneumonia.
- Immune checkpoint inhibitors: such drugs launched to the market in 2014, but among the advanced metastatic breast cancer patients with HR+/HER2- after menopause, only 6% of them with over-expression are the target population, currently the drugs is still at the stage of human clinical trial.
- PI3K (phosphatidylinositol 3- kinase) inhibitor: Among the advanced metastatic breast cancer patients with HR+/HER2- after menopause, only 26% of them with over-expression are the target population, currently the drugs it is still at the stage of human clinical trial, major side effects include colitis, hyperglycemia and pneumonia.
- PARP (poly ADP-ribose polymerase) inhibitors: such drugs launched to the market in 2015, but among the advanced metastatic

breast cancer patients with HR+/HER2- after menopause, only 8% of them with over-expression are the target population, in 2018, Lynparza® has been approved to be used for HER 2 receptor negative metastatic breast cancer of *gBRCA* mutation, and major side effect is the blood toxicity.

For the population of breast cancer patients, apart from those with HR+/HER2- and HER2+, there is triple-negative breast cancer, and currently no standard therapy is available for it, apart from that a few patients with BRCA1/2 mutation (about 8.5%) may receive PARP inhibitor therapy, chemotherapy is the main therapy for others. By comparison, the OBI-822 of OBI Pharma targeting Globo H has effects in 60%~80% breast cancer patients, together with the excellent safety of OBI-822, it will have great development potential in the field of breast cancer therapy in the future.

Both OBI-822 and OBI-833 are the active immuno-oncology drugs targeting the Globo H antigen on the surface of cancer cells, and OBI-866 targets at the SSEA-4 antigen on the surface of cancer cells; the Company will continue to assess OBI-822, OBI-833 and OBI-866 on their feasibility of application to the clinical trial of breast cancer or other cancers by exclusive use or combined use in other therapies, so as to differentiate the potential market.

(2) OBI-888 Globo H Passive Immune – oncology therapy

OBI-888 is passive immunotherapy monoclonal antibodies designed with Globo H as targets respectively.

According to the data of Evaluate Pharma, the turnover of monoclonal antibody drugs curing cancer was USD42.1 billion in 2017, and it is expected to reach to USD86.6 billion in 2024 with annual growth rate of 10.9%.

The two major leading brands for curing solid tumors are Herceptin® and Avastin®, the turnover of Herceptin® that curing HER2 positive breast cancer and gastric cancer was USD7.1 billion in 2017, and the turnover of Avastin® that curing colorectal cancer and various cancers was also USD6.8 billion in 2017, it is expected that both of them will reach to a sales peak in 2016 and 2017, but their performance will decline year by year due to the mature patent in 2019.

The growth momentum of the market of monoclonal antibody drugs curing cancers mainly comes from the immune checkpoint inhibitors (anti-PD-1/PD-L1 monoclonal antibody), there are two major leading brands, namely Opdivo® and Keytruda®, the turnover of Opdivo® that curing melanoma and non-small cell lung cancer and other cancers was USD4.9 billion in 2017, other indications will be developed successively in 2017, and it is expected to reach to USD9.6 billion in 2024; the turnover of Keytruda® that curing melanoma and non-small cell lung

cancer and other cancers was USD3.8 billion in 2017, other indications will be developed successively in 2017, and it is expected to reach to USD13.6 billion in 2023.

(3) OBI-999 Globo H Antibody Drug Conjugate/ADC

According to the GlobalData report, only two products (Adcetris® and Kadcyla®) have been listed in the world by 2016, with a market of about 1.4 billion dollars. In 2017, the market was about US$ 1.6 billion, and the US Food and Drug Administration (FDA) approved the listing of two products, inotuzumab ozogamicin (BESPONSA) and gemtuzumab ozogamicin (Mylotarg). Up to April 2021, fourteen ADC products have been approved for marketing.

(4) OBI-3424 AKR1C3 Enzyme Prodrug

The target market of OBI-3424 is to treat tumors with high expression of AKR1C3 enzyme (≥50%), such as liver cancer, prostate cancer with drug or surgical castration resistance; CRPC), pancreatic cancer, kidney cancer, gastric cancer, bladder cancer, etc., and acute T-cell acute lymphoblastic leukemia (T ALL), which is urgently needed in clinic, also showed good safety in preclinical toxicity test, so OBI-3424 has great market potential. According to the data of pre-clinical animal experiment, OBI-3424 also shows excellent anti-neoplastic effect in T Acute Lymphoblastic Leukemia; besides, OBI-3424 also has obtained the sponsor from US National Cancer Institute (NCI), jointly carrying out the research plan on T Acute Lymphoblastic Leukemia, the research results indicate that, OBI-3424 has profound effect on the Patient-Derived Xenograft (PDX) model of T-Acute Lymphocytic Leukemia (T-ALL) expressing AKR1C3 enzyme.

According to the data of Evaluate Pharma, in 2017, the business volume of drugs for treatment of liver cancer in global market was USD865 million, and it is expected to grow to USD4.4 billion in 2024. According to the statistics, the survival rate of liver cancer patients is only 17.6%, hence many liver cancer patients are urgently in need of new therapeutic drugs to prolong life-span. In liver cancer market, the Standard of Care is Nexavar® (sorafenib), whose patent will lose effect in 2020, in 2017, its turnover worldwide was USD772 million, and it is expected to be USD241 million (along with generic drugs) in 2024. According to the data of pre-clinical animal experiment, OBI-3424 shows excellent anti-neoplastic effect in the model of hepatoma cell lines, even in the cell lines resistance to sorafenib, it will make the tumor disappear in two weeks, it has excellent efficacy superior to Sorafenib.

(5) OBI-858 new botulinum toxin preparation

Currently the medical cosmetology market takes micro-plastic as the

mainstream, among mainstream products in the market, botulinum toxin, hyaluronic acid, collagen protein, chemical peel (such as tartaric acid, vegetable acid) and laser cosmetology are of large quantity; among them, for the botulinum toxin products, according to the report of GlobalData, the performance of market leading brand Botox® in medical cosmetology and therapeutic field reached to USD3.2 billion in 2017.

According to the forecast of GlobalData, the global market of Botox® will reach to USD5.2 billion in 2024, the compound annual growth rate from 2017~2024 will be 7.4%, which is quite impressive. Due to the great market potential, 5~6 biosimilar drugs will enter into the market successively. OBI-858 is a new type of toxin preparation with good stability and safety. The Company has mastered high-quality manufacturing technology. It is expected that after the completion of clinical trials, its efficacy and safety will be comparable to that of Botox®, the leading brand in the market, and then enter the high-growth botulinum toxin market at competitive prices. OBI-858 has authorized its subsidiary Obigen Pharma, Inc. to have global intellectual property rights in cosmetic medicine.

(3) Technology and research and development overview:

1. Innovative drug mechanism and exclusive production technology of the Company:

(1) Globo Polysaccharide series cancer immunotherapy:

Globo Polysaccharide series is the new anti-cancer object, its performance characteristics of almost only found in cancer cells instead of normal cells, together with the role it plays upon the spreading of cancer cells, making it become an ideal anti-cancer object. OBI Pharma, Inc. introduced the research results of American Memorial Sloan-Kettering Cancer Center (MSKCC) and Academia Sinica, and developed active immune anticancer drugs OBI-822 and OBI-833, which have entered the clinical stage. Phase II clinical trials of the monoclonal antibody OBI-888 with Globo H as the target and the antibody small molecule drug complex OBI-999 based on OBI-888 are already underway. In addition to Globo H, the Company has also started to develop drugs such as OBI-866 etc., an active immune anticancer drug with sugar antigen SSEA-4 as its target, in order to provide cancer patients with safe, effective and diversified choices.

(2) OBI Special carbohydrate production technology, large-scale chemo-enzymatic process:

The method of traditional chemical synthesis of carbohydrate molecules needs to go through several protecting groups and de-protecting groups before getting the carbohydrate molecules compound needed. Such chemical synthesis method needs to

consume a lot of time and operation steps, and multiple operational steps will finally cause extremely low productivity, it is lack of possibility for commercial production, and thereby restricts the development of active immunity anti-cancer drugs, and cannot be pushed forward to clinical research.

Large-scale chemo-enzymatic process produces hexaose in several reaction steps of carbohydrate through enzymes, it breaks through the concepts that the protection of functional group must be carried out for the carbohydrate molecules upon the chemical synthesis of carbohydrate molecule. Such new technology directly utilizes the specificity of enzyme inside bacteria, assisted by all kinds of appropriate reagents for synthesis, synthesizing monosaccharides into polysaccharides one by one under the status without protecting carbohydrate molecules, drastically simplifies the synthesis steps of Globo H carbohydrate molecules.

(3) Synthesis technology for bulk drugs of carbohydrate antigen active immuno-oncology drug:

After the carbohydrate antigen Globo H is linked with the carrier protein hemocyanin (Keyhole limpet hemocyanin), the bulk drug of the anticancer vaccine OBI-822 can be obtained; at the same time, after the carbohydrate antigen Globo H is linked with the carrier protein diphtheria toxin (diphtheria toxin), the bulk drug of the anticancer vaccine OBI-833 can be obtained. After the carbohydrate antigen SSEA-4 is linked with the carrier protein KLH, the bulk drug of the anticancer vaccine OBI-866 can be obtained. Such chemical synthesis technology is the achievement of OBI Pharma team by gradual adjustment and optimization of the aforesaid carbohydrate immunotherapy and carbohydrate synthesis technology; OBI Pharma takes full control of relevant technologies such as key production steps and control parameters etc., hoping to provide what are needed for commercial production with optimized conditions and under good quality control environment after the launch of anti-cancer vaccine into the market.

(4) Antibody drug conjugate technology:

After the chemical crosslinking of the monoclonal antibody and the chemotherapy molecular capable of killing cancer cells, the Antibody-Drug Conjugate (ADC for short) against cancer cells will be obtained. The principle of such new generation drug utilizes the specific functional group at antibody amino acids, after appropriate chemical activation, effectively crosslinks the chemotherapy molecular capable of killing cancer cells to the antibody. After the drug has been injected into human body, through the specificity of antibody, it can ensure that the toxic compounds can only be released in the areas of human body generating cancer cells, so as to kill the cancer cells effectively, meanwhile, it will not affect the

growth of other normal cells in human body. OBI-999 is the leading drug of OBI in such research and development field.

2. R&D overview:

Progress of new drug research and development projects of OBI Pharma is as follows:

(1) OBI-822 breast cancer Globo H active immuno-oncology drug:

The Company has convened the End of Phase 2 Meeting with US Food and Drug Administration (FDA) in January 2017, and has received the written reply from Europe EMA regarding the questions related to the Company's design of global phase III clinical trial for OBI-822; in February 2018, the Company has held consulting meeting with China CFDA to discuss the design of global phase III clinical trial. By referring to the conclusions of the consulting meetings with US Food and Drug Administration (FDA), Europe EMA and China CFDA, OBI Pharma has launched the global phase III clinical trial of OBI-822, which takes patients of Triple-Negative Breast Cancer (TNBC) as the test object. This product has already been successively approved by 13 countries including the United States, Taiwan, Australia, China, Poland and Brazil for human trials. Currently, cases are being received.

(2) OBI-833 Globo H-DT active immune – oncology therapy:

The safety evaluation of phase I dose-escalation trial of OBI-833 was already completed, and the evaluation of safety, immune antibody response and tumor response of cohort expansion study with lung cancer patients as the targeted cases was also finished. The planning for phase II clinical trial was already completed, and approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare in February 2022. It is scheduled to recruit subjects in Taiwan with indication as non-small cell lung cancer (NSCLC).

(3) OBI-866 SSEA-4 active immuno-oncology drug:

In the animal experiment stage, it has been proved that it can trigger the production of specific antibodies in mice. The first phase of dose increment test was approved by the Food and Drug Administration of the Ministry of Health and Welfare of Taiwan in August, 2020, and the case was received in October, 2020, In March 2022, the initial dose group will be accepted, and in April, the higher dose group will be accepted.

(4) OBI-888 Globo H Passive Immune – oncology therapy:

OBI-888 is the passive immunity monoclonal antibody designed taking Globo H as the target, international patent applications have been submitted, and approval of patent has been obtained in United States, Canada, Australia, China, Israel, European Union, South

Korea, India, Taiwan and South Africa. It has completed the single dose toxicity test in primates and the pathologic analysis on repeated-dose toxicity test, and no major adverse reaction is found. And it has been approved by US Food and Drug Administration (FDA) in January 2018 to carry out the phase I clinical trial. The dose escalation phase of the phase I clinical trial has completed at the world-renowned MD Anderson Cancer Center, and it has entered into cohort expansion trial in December 2019. It is scheduled to complete phase II cohort expansion trial in 2022.

The medical device clinical research application (IDE) of OBI-888 has also passed FDA examination and approved for the herd expansion phase of OBI-888 human clinical trial. Meanwhile, FDA also has examined and agreed to grant the orphan drug qualification to OBI-888 to be used for treatment of Pancreatic cancer. FDA will assist in the clinical development process of orphan drug, and orphan drug will be granted longer right of monopoly after it is launched to the market.

(5) OBI-999 Globo H Antibody-Drug Conjugate (ADC):

This product will utilize Globo H antibody to identify the cancer cells of high Globo H performance, by means of releasing micromolecule chemicals through the specificity of antibody, and the therapy of direct cells killing will be carried out targeting the cancer cells of high Globo H performance. Currently, this product has being undergoing cohort expansion clinical trials in eleven medical centers estimated including the University of Texas MD Anderson Cancer Center and Taipei Veterans General Hospital.

(6) OBI-3424 AKR1C3 Enzyme Prodrug:

In May 2017, the Company has acquired the rights to research and development and commercialization of OBI-3424 in major global markets (except Asia) from US Threshold Pharmaceuticals. OBI-3424 is a micromolecule chemotherapy prodrug, under the AKR1C3 enzyme catalysis inside tumor cells, it will be transformed into the metabolin with cytotoxicity to achieve the anti-neoplastic effect; AKR1C3 enzyme has high performance in multiple types of tumors, its main function is to participate in hormone synthesis and toxin removal. The company has acquired approval from US Food and Drug Administration (FDA) on April 18, 2007 to carry out the OBI-3424 clinical trial. The phase I clinical dose-escalation trial of OBI-3424 was completed in April 2021. It is currently undergoing the phase II cohort expansion trial.

(9) OBI-858 new botulinum toxin preparation

The development strategy of OBI-858 will first carry out early clinical development in Taiwan. Since botulinum toxin is highly toxic, the specification of manufacturing factory is extremely strict, only a few companies are capable of production in the world. At the

beginning of development of this project, the Company reported to the Center for Disease Control (CDC) immediately, and absolutely followed relevant regulations to carry out small volume production under the condition of meeting biological safety specification. The preliminary results confirmed that the botulinum toxin products completely met the specifications of European Pharmacopoeia. Phase I clinical trial permission of this product was obtained from Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare (TFDA) in August 2020 and the trial was carried out in Tri-Service General Hospital and Kaohsiung Chang Gung Hospital. This program already authorized subsidiary Obigen Pharma Inc. global aesthetic intellectual property rights in February 2021. OBI already completed a report of drug efficacy and safety data and integration report of 36 subjects in the phase I clinical trial, and is currently carrying out the construction of bulk drug factory and reconstruction of the preparation factory which are expected to be completed in the third quarter of 2022. Also, the Company actively launches phase II/III clinical design, plans to communicate with regulatory authorities, and plan to adopt the most favorable approaches to promote product marketing.

3. R&D personnel and their education background & experience:

Full-time personnel	Title	Education background	Relevant experience
Michael N. Chang	Chairman & CEO	Senior Research Doctor, Massachusetts Institute of Technology Doctor of Organic Chemistry, Brandeis University	With over 30 years of R&D and management experience in pharmaceutical companies such as Merck, Aventis, ArQule, Pharmanex and Optimer Pharmaceuticals etc., responsible for supervising and assisting in the development of various new western medicine, among them three of them were approved by US FDA to launch on the market, personally owns 35 product patents, and has published over 60 research articles in famous scientific journals worldwide.
YEN, YUN	Executive Vice President & Director	PhD in Pathology and Cell Biology, Thomas Jefferson University Receipt of specialized training in tumor, blood and bone marrow	Yen once served as vice president of the City of Hope Cancer Center in the United States, medical consultant of the National Marrow Donors Program/Asian Marrow Donors Program, president of Taipei Medical University, adjunct professor of USC, California Institute of Technology and National Taiwan University with experience in managing several new drug development

Full-time personnel	Title	Education background	Relevant experience
		transplantation in Yale University	companies, specialized in the fields of cancer drug development, clinical oncology and translational medicine, and a member of many international heavyweight cancer associations such as the American Society of Clinical Oncology (ASCO).
Lai, Ming-Tien	Chief Scientific Officer	PhD in Bio-organic Chemistry, University of Minnesota	With over 23 years of new drugs research and development and management experience in big international pharmaceutical companies, once was the senior chief scientist of Merck Sharp & Dohme, and also the core team member in early drug development and product development, during his term of office, he once led the team to develop more than 10 drug candidates, and most of them successfully were proceeded to the phase of clinical trial. Once won various awards of Merck Sharp & Dohme, including District Staff Award in 2007, Special Achievement Award in 2009 and New Drug Development Award in 2018 etc. The antiviral drug developed by his leading obtained the medicament license from US FDA IN 2018.
Tsai, Cheng-En	Vice President of Medical Division	PhD in Molecular Genetics and Biology, University of Cambridge	Graduated from College of Medicine, National Taiwan University; PhD in Molecular Genetics and Biology, University of Cambridge. Have received complete clinical training and with rich experience in clinical diagnosis and treatment. Before joining OBI, once served in TaiGen Biotechnology and TWi Biotechnology, supervising phase 1 to phase 4 clinical trial, and completed the phase 3 pivotal trial for new ingredient drug of TaiGen Biotechnology, obtaining the marketing authorization in both Taiwan and mainland and health insurance payment in Taiwan. Previously, once served as the examiner of Clinical Group and Senior Research Fellow of Medical Technology Evaluation Group in Center for Drug Evaluation, Taiwan; Medical Advisor of Bristol-Myers Squibb (Taiwan and Hong Kong); with comprehensive and rich experience in drug research and development,

Full-time personnel	Title	Education background	Relevant experience
			design and implementation of clinical trial, and evaluation of test results.
Jiann-Shiun Lai	Vice President of Biological Agents, R&D Department	Doctor of Inheritance Institute, State University of New York at Stony Brook	Postdoctoral Research of Massachusetts Institute of Technology, Genetics Doctor of Cold Spring Harbor Laboratory, Stony Brook University, and Master in Microbiology and Immunology, National Yang-Ming University; with over 20 years of experience in monoclonal antibody new drug research and development and management, including leading candidate drugs screening, optimization, mass production cell line development, pre-clinical pharmacological, pharmacokinetic and toxicity test design. Once served as the Consultant in the fields of biotechnology, medicine and living materials chemistry in Technology Division of Ministry of Economic Affairs; Group Leader of Protein engineering Group, Biopharmaceutical Institute, Development Center for Biotechnology (DCB), Assistant Researcher of Biomedical Institute, Academia Sinica.
CHOU, CHUN-HUNG	Vice President of Chemical Pharmacy, R&D Office	PhD in Chemistry, Michigan State University Senior FDA director Head of R&D at Merck	Chou was graduated from the Department of Chemistry of National Cheng Kung University, obtained a PhD in Inorganic Chemistry, Michigan State University, and conducted post-doctoral research at the University of Illinois in the United States; worked for US MERCK and participated in marketing teams of Vytorin (a drug for high blood lipid treatment) and Januvia Janumet (a drug for diabetic patients). Also, he served as CMC examiner in FDA for 8 years. Chou is proficient in the downstream process of pharmaceuticals with more than 20 years' experience in pharmaceutical development, process and regulations.
CHUANG, SHIH-HSIEN	Director of Medicinal Chemistry, R&D Division	PhD in Chemical Engineering, National Tsing Hua University Vice president of	More than 16 years' experience in small molecule drug development, and more than 10 years' experience in the development of antibody drug conjugate (ADC), specialized in in drug design, organic synthesis, program

Full-time personnel	Title	Education background	Relevant experience
		Development Center for Biotechnology	management, and bonding technology development (applied to complex molecules including ADC, PROTAC, etc.) . He used to be the leader of the medicinal chemistry group of Development Center for Biotechnology and the vice president of the Institute of Chemical Medicine.

4. Research and development costs input every year and the technologies or products successfully developed in the last five years:

A. Research and development costs input every year in the last five years:

Unit: NT$thousand

Item \ Year	2021	2020	2019	2018	2017
Research and development costs	1,449,598	1,309,881	1,257,392	1,127,083	848,729
Ending paid-up capital	1,992,794	1,992,794	1,881,287	1,739,907	1,721,657
Proportion of research and development costs in paid-up capital (%)	72.74	65.73	66.84	64.78	49.30

B. Technologies or products successfully developed in the last five years:

Product	Development progress	R&D achievements
DIFICID™	Has acquired medicament license and health insurance payment	Has acquired medicament license from Department of Health on September 7, 2012, and approved to launch in Taiwan. In August 2014, it has completed health insurance payment agreement with Department of National Health Insurance. In October 2015, through Optimer Pharmaceuticals, the subsidiary of Merck Sharp & Dohme, the product development and sales right of DIFICID™ in Taiwan was transferred to Merck Sharp & Dohme. OBI has gained signing bonus of USD three million only and will gain the milestone payment and product sales royalty in the future.
Adagloxad Simolenin	Phase III clinical trials	Has completed clinical phase II/III trial in Taiwan, conducting trials in 45 clinical medical centers worldwide,

Product	Development progress	R&D achievements
(OBI-822) Globo H active immunity vaccine	are underway	including 15 in Taiwan, 1 in Hong Kong, 13 in USA, 11 in Korea and 2 in India; has received 349 targets in July 2014, and unblinding was conducted in February 2016. Up to April, 2022, it has been approved to launch the third phase of human clinical trials 13 countries, including Taiwan, Australia, the United States, China, Poland, and Brazil.
OBI-833 Globo H-DT active immune – oncology therapy	The phase I clinical trial was already completed, and the planning of the phase II clinical trial was also completed.	The safety assessment of OBI-833 Phase I Dose Incremental Trial has been completed, and the cohort expansion study, which aims at lung cancer patients, has also completed the safety assessment, immune antibody response and tumor response, The planning for phase II clinical trial was already completed, and approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare in February 2022. It is scheduled to recruit subjects in Taiwan.
OBI-888 Globo H Passive Immune – oncology therapy	Phase II clinical trials are underway	The first phase of the clinical trial has been completed in the world-famous MD Anderson Cancer Center, and subsequent cohort expansion trials are being actively carried out in many medical centers in the United States and Taiwan.
OBI-3424 AKR1C3 Enzyme Prodrug	The phase II clinical trial is ongoing.	In June 2017, signed contract with Threshold Pharmaceuticals from California, purchased the micromolecule first-in-class new drug TH-3424, and renamed it into OBI-3424, it will be developed into the potential therapy treating cancers of high AKR1C3 enzyme performance. In 2018, the US Food and Drug Administration (FDA) approved the qualification of orphan drugs for hepatocellular carcinoma (HCC) and acute lymphoblastic leukemia (ALL). The first phase of clinical dose increment trial has been completed, The phase II clinical cohort expansion trial is currently ongoing.
OBI-999 Globo H Antibody Drug Conjugate (ADC)	The phase II clinical trial is ongoing.	Animal pharmacological tests have been completed, related patent applications and layout have been put forward, Chemistry Manufacturing Control (CMC) plan and preclinical GLP toxicology tests have been completed, the first phase of human clinical trials has been completed, The phase II clinical trial has been lauched in eleven medical centers in the United States and Taiwan as estimated.

Product	Development progress	R&D achievements
OBI-866 SSEA-4 active immune anticancer drug	Phase I clinical trials are underway	In the animal experiment stage, it has been proved that it can trigger the production of specific antibodies in mice.The first phase of dose increment test was approved by the Food and Drug Administration of the Ministry of Health and Welfare of Taiwan Province in August, 2020, and the case was received in October, 2020.
OBI-858 new botulinum toxin preparation	The phase I clinical trial was already completed, and the phase II clinical trial has been planned.	In August, 2020, she obtained the first-phase clinical trial license from the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare, and conducted the trial in Tri-Service General Hospital and Kaohsiung Chang Gung Hospital, and successfully received the case, A report of drug efficacy and safety data and integration report of 36 subjects was completed in December 2021.

(4) Long-term and short-term business development plan:

The Company is mainly engaged in developing new anti-cancer drugs for Unmet Medical Needs in the world. The short-term development plan of the Company is to continue to promote the global phase III clinical trial of OBI-822 active immune anticancer drug, and accelerate the development of phase II human clinical trial of OBI-833 active immune anticancer drug, OBI-888 monoclonal antibody, OBI-3424 small molecule chemotherapy precursor and OBI-999 antibody small molecule drug complex.

The Company's long-term goals are based on product diversification strategies, such as strengthening of the development of novel target (Trop2) antibody small molecule conjugate (Trop2 ADC), and the development of cell therapy (CAR-T) targeting Globo H, and the development of COVID-19 vaccines; at the same time, the Company actively develops bispecific antibody and adopts multi-pronged approaches to develop new products, Supplemented by product life cycle management, and finally become a world-class cancer pharmaceutical company. The company will give back to Taiwan to increase the employment opportunities, lead the biotechnology industry to internationalization, create a world-class Taiwan brand, and use capital investment and new research and development plans to further invest and contribute to Taiwan; and hope to create value to the shareholders and the company.

II Market and production and marketing overview

(i) Market analysis:

1. Sales territory of main commodities:

Based on the market in Taiwan and with layout worldwide, the Company takes developing into international first-class brand in biotechnology as the

objective, strategically, the Company will seek for international pharmaceutical factory as strategic alliance for mutual complements of resources and expertise, so as to accelerate the schedule of commercialization of products under research and development through joint development or licensing etc.

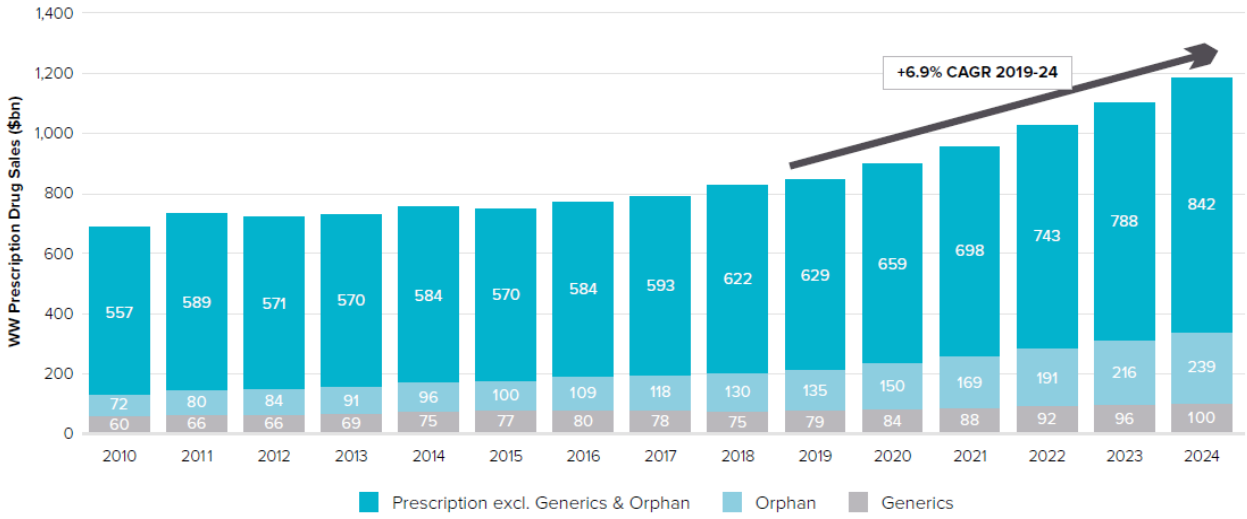
2. Market share:

OBI-822 and other products are the new drugs under development, hence it is not applicable.

3. Future market supply and demand condition, growth:

In recent years, the global pharmaceutical industry has been developing towards an active and positive direction, including the improvement of research and development productivity, historic new high in the number of brand new drugs approved to launch on the market, and drugs of breakthrough treatment, such as the launch of Sovaldi used for hepatitis from Gilead Science company, it is predicted that the global pharmaceutical industry will maintain stable growth up to 2020. According to the sales statistics forecast of Evaluate Pharma for top 500 companies in global pharmaceutical industry, from 2019 to 2024, it is estimated that the Compound Annual Growth Rate (CAGR) of global prescription drugs market will be three times of that from 2010 to 2018, and the market scale of orphan drugs will be doubled.

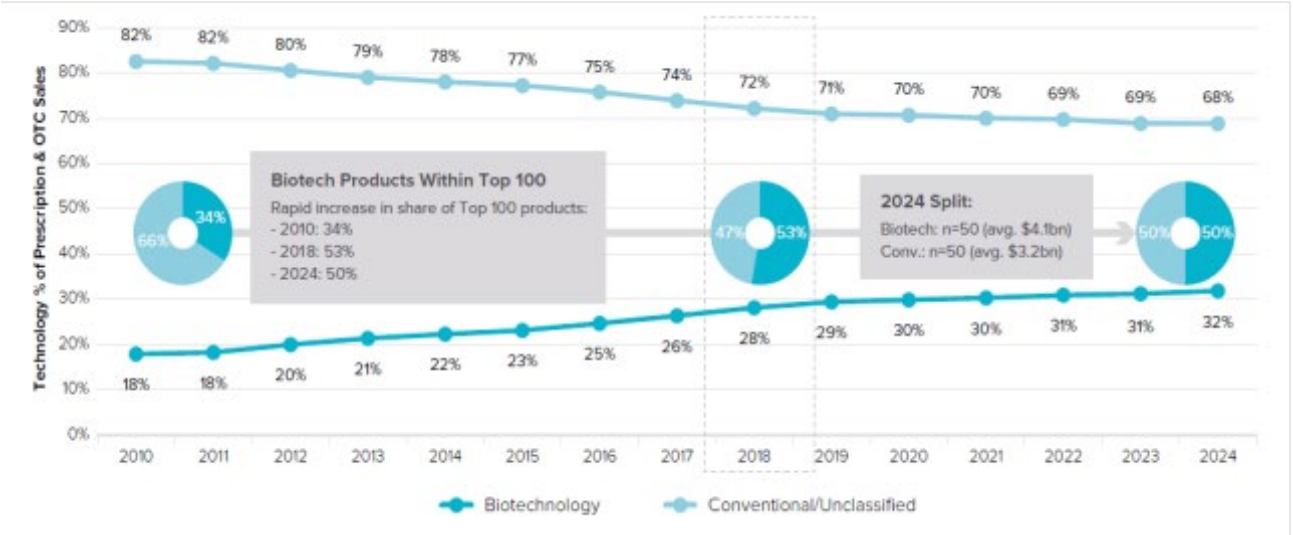
Market scale of global prescription drugs from 2010~2024



The important trend in current global drug market is the fast growth of biotechnology products, the sales volume thereof have surpassed the traditional preparations for the first time in global top 100 drugs ranking list. In the market of global prescription drugs and over-the-counter drugs, it is estimated that the proportion of sales volume of biological preparations will grow continuously from 28% in 2018 to 32% in204. Among the top 100 drugs

sold worldwide, it is estimated that half of them will be biological preparations.

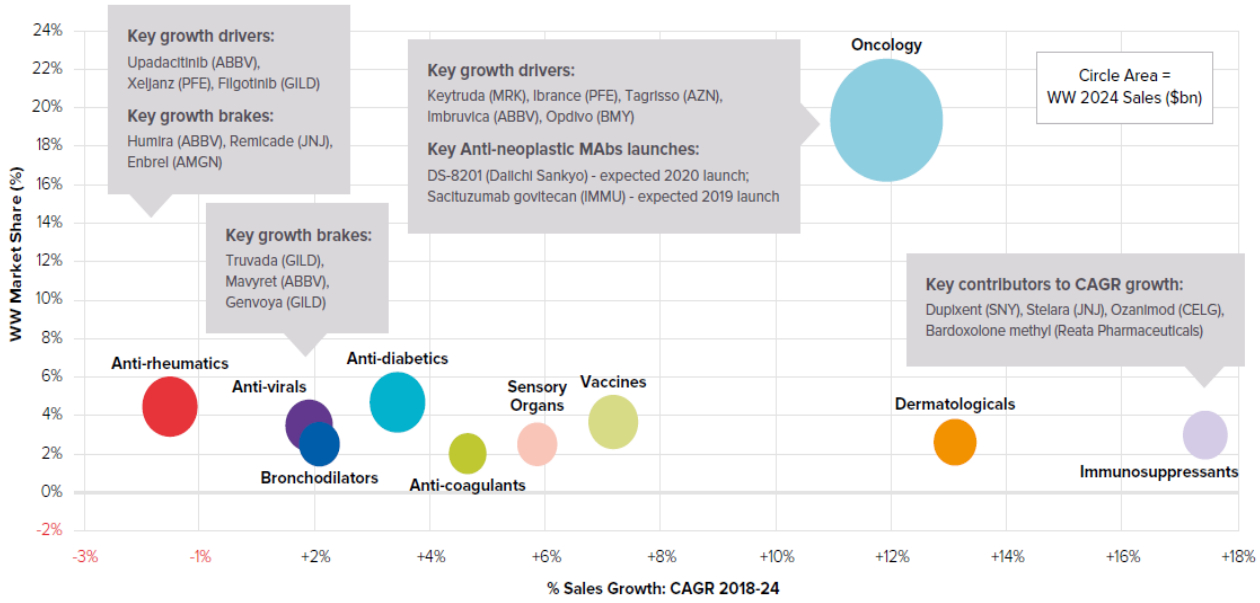
Market scale of global prescription drugs: biotechnology and traditional pharmaceutical technology



When making a comprehensive survey on the development of global drug market in the future, the drug market scale will grow continuously. However, what is noteworthy in the future is the global drug market pricing and market access issue, despite currently innovative drugs of "cured" meaning have been developed gradually, the use of such innovative drugs still needs to pay quite high price; from the perspective of government and private medical treatment, it is very obvious that the payers care about the price, and more and more unwilling to provide fund payment or be recommended to use extremely expensive drug therapeutic scheme. As forming the trend of curtail expenditures, in the future, pharmaceutical industry will have to accept the reduction of product price, or actively prove that the product itself can actually cure patients and further reduce the medical expenditure of the country, or the use effect of drug itself is higher than the use cost.

According to the ranking of efficacy categories in drug market as estimated by Evaluate Pharamm in 2019, antineoplastic drugs will dominate the market in 2024, accounting for 19.4% of sales volume in global prescription drugs market, reaching to USD237 billion, and its main growth comes from PD-1 inhibitor Keytruda and Opdivo, as well as Ibrance and Tagrisso. Both the occurrence rate of chronic disease and use of immunotherapy are increasing year by year, hence the market of immunosuppressant will maintain high growth, with compound annual growth rate of 16.9% from 2019 to 2024, the top of all drug categories. Besides, biosimilars will expand the market share, hence the market of anti-rheumatic drugs will start to shrink in 2024.

Top 10 drugs of efficacy category in market share and sales growth rate worldwide in 2024



In respond to the preceding extensive medical market demand, the pharmaceutical industry has been developing innovative anti-cancer drugs continuously, apart from that targeting therapy drugs will continue to develop to replace the traditional chemical and radiation therapy, the latest development trend is cancer immunotherapy, in which drugs will directly or indirectly effect in patient's immune system, so as to improve patient's immunity, or block the capability of disease in suppressing immune system, and then achieve the anti-cancer effect. Such brand new immune immuno-oncology therapy has attracted great attention in medical industry recently; American and Japanese scholars winning Tang Prize and Biomedical Prize are the pioneers in developing such therapy. The breakthrough of the Company in carbohydrate synthesis technology opens a new gate for drug development. In recent years, several researches point out that specific carbohydrate molecule only effect on cancer cell surface, making carbohydrate molecule as the new anti-cancer object. The development of carbohydrate drugs has been deemed as one of the key directions in drug development in 21st century.

Ever since the beginning of establishment, the Company has been aiming at the global market, developing strategy according to international industry trend, and focusing on the market of cancer drugs which are of huge market demand and expected to grow strongly in the next ten years. In 2017, OBI Pharma has completed the important transformation from a company of single product line into a company of diversified cancer drugs; not only stepping into the fields of Monoclonal Antibody (mAb) and Antibody Drug Conjugate (ADC) based on the original anti-cancer vaccine in the research and development of new anti-cancer drugs taking Globo H as the target, but also carrying out multiple pre-clinical researches on another tumor carbohydrate

molecules SSEA-A, continuously maintaining a leading position in the field of research and development of new anti-cancer drugs taking Globo Series carbohydrate molecules as the target. Apart from that, OBI Pharma has obtained the micromolecule chemotherapy prodrug OBI-3424 taking AKR1C3 enzyme inside the tumor as the effect target, and taken merger and acquisition of AP Biosciences, Inc. that possessing multiple immune checkpoint inhibitors, making the R&D projects of OBI on new anti-cancer drugs more diversified, and laying a solid foundation for the development of combined therapy or Bi-Specific Antibody in the future.

4. Competition niche:

   OBI-822, OBI-833, OBI-866 and OBI-888, Globo Polysaccharide series cancer immunotherapy, their anti-cancer mechanisms take the Globo Polysaccharide series antigen only effecting on cancer cells and without effecting on normal cells as the target, hoping to provide patients a safe, effective anti-cancer new choice with low side effect, so as to improve treatment result and life quality.

   OBI-999 utilizes Globo H antibody to identify the cancer of high Globo H performance, and carries out direct cytotoxicity therapy by releasing micromolecule chemotherapeutic drugs through the specificity of antibody, it is expected that the market scale of such micromolecule antibody drug conjugate will grow to USD18.1 billion in 2022, it has huge market potential in the future.

   Under the AKR1C3 enzyme catalysis inside tumor cells, OBI-3424 will be transformed into the metabolin with cytotoxicity to achieve the anti-neoplastic effect, AKR1C3 enzyme has high performance in over 15 types of tumors, and OBI-3424 is the drug of high potential under research and development in this mechanism.

   OBI-858 is the new botulinum toxin of good stability and safety, the Company masters high quality manufacturing technology, it is expected to enter into the high growing botulinum toxin market with competitive price after completing the clinical trial.

5. Favorable and unfavorable factors in development prospect and solutions:

   (1) Favorable factor:

   - He core technology of the Company breaks through the traditional bottleneck in carbohydrate synthesis, it can resolve the difficulty that currently carbohydrate cannot be applied extensively in new drug research and development and commercial mass production.
   - The exclusive production technology of OBI can break through product life cycle, making it not easy to be imitated by other competitors, so as to protect the exclusive composition of product.
   - Active and passive immunotherapy (including ADC) with Globo Polysaccharide series as its target has high specificity for cancer,

which is not easy to affect normal cell function, high product benefit, wide application range and promising market.

- The operating research and development team has abundant experience in international new drug development, clinical trial and operating management.
- Has multiple core products protected by patent.

(2) Unfavorable factor and solutions:

- Most products of OBI are First-in-Class breakthrough new drugs, the research and development and clinical trial have high uncertainty.

  Solutions: the Company plans and executes all kinds of pre-clinical and clinical trials with prudent attitude, regularly consults with scholars and experts to ensure the quality of trial design, and amend the trial direction when appropriate to increase the success rate of trial.
- The clinical trial of breast cancer active immuno-oncology drug takes longer time and higher costs, once it is not completed within the expected time, it might need to introduce new capital investment.

  Solutions: the Company prudently assesses the costs input in the clinical trials of each stage and the risks thereof, appropriately utilizes company resources, maintains communication with shareholders, investors and potential international cooperative institutions, and prepares for fund-raising as early as possible to reduce the operating risk.
- It is late for OBI-858 to enter into botulinum toxin market.

  Solutions: plan to enter into the market through joint development and price advantage.

(ii) Important use and production process of major products:

OBI-822 and OBI-833 and cancer immunotherapy drugs; for relevant production (development) processes, since the drugs used for clinical trial at current stage are the bulk drugs and medicines in outsourcing manufacturing, currently, the processing scale established by outsourced plant is sufficient to supply for clinical phase III trials carried out in several centers in various countries worldwide, as well as OBI-833 clinical phase II cohorts expansion test. At later stage of clinical trial, we will propose resolutions according to the clinical trial result and future market trend, and consider expanding production domestically, so as to achieve the maximum benefits in company operating strategy. OBI-888 is the drug targeting cancer antibody and OBI-999 is the micromolecule antibody drug conjugate, in respect of production (development) processes, including cell lines development and antibody mass production, they are at the stage of outsourcing manufacturing currently, regarding the current outsourcing manufacturing, the scale of process is sufficient to supply for clinical phase I and II trials. At later stage of clinical trial, we will propose resolutions according to the clinical trial result and future market trend, and consider expanding production domestically, so as to achieve the

maximum benefits in company operating strategy, OBI-3424 is the drug of micromolecule, and it will be outsourced for production.

(iii) Major raw materials' supply condition

Currently the product raw materials supply in each research and development is still stable, the Company also actively seeks for secondary supplier of high quality raw materials supply, so as to ensure certain supply in the future.

(iv) Description on significant change of the gross profit margin of major product type or department type in the last two years:

The Company was established in April 2002 with main business orientation of a new drug R&D company. The the mainly researched and developed new drugs have not yet been successfully marketed and launched for mass production. At present, the Company's main consolidated operating income includes income from licensing fees and revenue from Contract Development and Manufacturing Organization (CDMO). There is no basis for price and quantity comparison of licensing fee income; CDMO business is based on the needs of each project, and currently there is no product for fixed mass production. Therefore it is impossible to analyze price differences based on price and quantity differences.

Unit: NT$thousand

Item \ Year	2020	2021
Revenue	140,886	18,772
Gross Income	134,417	(25,590)
Gross Margin (%)	95.41	(136.32)

1. Name of supplier once accounting for over ten percent of total purchase amount in any year of the last two years and its purchase amount and proportion, and describe the reason for increase or decrease change:

Unit: NT$thousand；%

	2020				2021			
Item	Name	Amount	Rate (%)	Relationship with issuer	Name	Amount	Rate (%)	Relationship with issuer
1	Merck Ltd.	231	49.46	N/A	Pall Singapore Taiwan Branch Holding Company Pte. Ltd.	627	48.10	N/A
2	Uni-Onward Corp.	76	16.28	N/A	Merck Ltd.	179	13.70	N/A
3	Packinall International (Taiwan) Ltd.	53	11.35	N/A	Uni-Onward Corp.	141	10.80	N/A
4	F. D. Enterprise Corporation	48	10.28	N/A	Ymc Taiwan Co., Ltd.	116	8.90	N/A
5	Fu Fang Biomed Co., Ltd.	47	10.06	N/A				N/A
	Other	107	22.91	N/A	Other	240	18.38	N/A
	Net selling amount	467	100.00		Net selling amount		100.00	

Currently, the Company mainly purchases consumables needed for new drug R&D and raw materials needed for CDMO of the subsidiary Amaran Biotechnology. The Company purchases raw materials from different suppliers in consideration of the implementation stages of new drug R&D and CDMO business. Therefore, the purchasing amount and ratios of main purchasing suppliers have been changed.

2. Name of customer once accounting for over ten percent of total sales amount in any year of the last two years and its sales amount and proportion, and describe the reason for increase or decrease change:

Unit: NT$thousand；%

	2020				2021			
Item	Name	Amount	Rate (%)	Relationship with issuer	Name	Amount	Rate (%)	Relationship with issuer
1	Tasly Holding Group	137,560	97.64	N/A	CRODA	7,648	40.74	N/A
2	-	-	-	-	Innovent Biologics, Inc. (Suzhou)	6,993	37.25	N/A
3	-	-	-	-	Blue Blood Biotech Corp.	2,314	12.33	N/A
4					Merck Sharp & Dohme (I.A.) Llc	1,756	9.35	N/A
	Other	3,326	2.36	-	Other	61	2.36	N/A
	Net selling amount	140,886	100.00		Net selling amount	18,772	100.00	

At present, the main consolidated operating income of the Company includes income from licensing fees and revenue from CDMO. The income from licensing fees involves different degrees of licensing signing fee or milestone fee income depending on the licensees and the contract completion situation; CDMO business is still in the stage of business development, and thus the sales amount and ratios of the main sales targets have been changed.

(v) Production quantity in the last two years:
The main business item of the Company is new drug R&D. The the mainly researched and developed new drugs have not yet been successfully marketed and launched for mass production. At present, the Company's main consolidated operating income includes income from licensing fees and revenue from Contract Development and Manufacturing Organization (CDMO). There is no basis for price and quantity comparison of licensing fee income; CDMO business is based on the needs of each project, and currently there is no product for fixed mass production. Therefore it is inapplicable.

(vi) Sales quantity in the last two years:

The main business item of the Company is new drug R&D. The the mainly researched and developed new drugs have not yet been successfully marketed and launched for mass production. At present, the Company's main consolidated operating income includes income from licensing fees and revenue from Contract Development and Manufacturing Organization (CDMO). There is no basis for price and quantity comparison of licensing fee income; CDMO business is based on the needs of each project, and currently there is no product for fixed mass production and sales. Therefore it is inapplicable.

III Number of employees in the last two years

The works of legal affairs, research and development, toxicology and drug quality control of the Company are mostly outsourced for execution at early stage, in Taiwan and US, the Company has appointed professional consultant for assistance; in recent years, the product research and development has become mature gradually, and the Company has successively recruited professional talents and elites in the industry to join, not only strengthening the team, but also making the company function more complete. As at April 2022, the distribution of human resources of the Company (Including subsidiaries) is as follows:

April 30, 2022

Year		2020	2021	As at April 30 in current year
Number of employees	Personnel of director level	14	18	19
	General personnel	39	48	50
	R&D and technical personnel	144	173	179
	Total	197	239	248
Average age		40.18	41.08	41.02
Average length of service		4.19	3.69	3.56
Degree distribution ratio (%)	Doctor degree	21.32	20.50	19.35
	Master degree	50.25	50.63	48.79
	College degree	27.41	28.03	31.05
	Senior high school degree	1.02	0.84	0.81
	Total	100	100	100

IV Environmental protection expenditure information

(1) Pursuant to laws and decrees, if pollution facility setting license or pollutant discharge permit shall be applied for, or pollution prevention and control costs shall be paid, or environmental protection dedicated unit and personnel shall be set, description on the application, payment or setting circumstances thereof: Not applicable.

(2) Investment of the company regarding major equipment for preventing and controlling environmental pollution, and their use and benefits might be generated: NA.

(3) In the last two years and as at the publication date of annual report, in the course of the company's improvement of environmental pollution, if there is any pollution dispute, the handling process thereof: NA

(4) Losses and penalty amount suffered due to polluting the environment in the last two years: NA.

(5) In the last two years and as at the publication date of annual report, the losses (including compensation) and total penalty amount suffered by the company due to polluting the environment, and the disclosure of future solutions (including improvement measures) and possible expenditure (including estimated amount of possible losses, penalty and compensation due to the failure of adopting solutions, if it cannot be estimated reasonably, the facts of cannot be estimated reasonably shall be described): NA.

(6) The impact of current pollution status and its improvement on the company earnings, competitive status and capital expenditure, and the expected significant environmental protection capital expenditure in the coming two years: not applicable.

(7) Working environment and employee personal safety protection measure:

1. Air conditioner: conduct regular maintenance to air conditioner to improve the efficiency of machinery equipment and reduce the failure rate.
2. Improvement of environmental waste reduction: implement garbage classification and set resources classification recycling bin, conduct classification for treatment and recycling according to resources categories.
3. Wastewater treatment: for the biotechnology floor of the company located at Nangang Software Park Phase II, the wastewater produced must be discharged to biotechnology wastewater treatment tank for treatment, and then transferred into general wastewater treatment tank for treatment before discharge, building management unit conducts water quality testing regularly every month, the testing results thereof are conforming to the government laws and decrees and have passed the test conducted by Sanitary Sewer Engineering Division, Works Bureau of Taipei City Government, and it will not produce pollution to the environment.
4. Preparation, maintenance and use of protective equipment: in each laboratory, personal safety protective equipment are provided according to the possible hazard conditions and types in the nature of operation, and professional or special protective equipment shall be kept and maintained by dedicated

personnel.

5. Handling of mechanical equipment and instrument waste: if the mechanical equipment and analytical instruments in the laboratory cannot be used due to the expiry of service life, if the expiry of service life of such instruments have been confirmed, scrapping procedures can be gone through immediately.
6. Power utilization improvement: select and use fluorescent lighting fixtures of high power factor to improve power utilization efficiency and illuminating brightness, and employees form a good habit of turning off lights and the power when leaving, so as to save power utilization.
7. Noise improvement: select and use instrument and equipment of high efficiency and low noise to reduce the environmental noise. Set machine room to isolate the running noise of relevant equipment.
8. The Company implements regular inspection, repair and maintenance to each working equipment, so as to ensure work safety of employees. And holds labor safety and health education and disaster prevention training every year to let employees be familiar with and comply with relevant rules. Laboratories also set laboratory safety and health management organization members to implement the promotion of laboratory safety and health management of the company.

V Labor-capital relationship

(i) Employee benefit measures, further education, training and retirement system of the company and the implementation condition thereof, agreement between labor and capital and maintenance measures of all kinds of employees' rights and interests:

1. Employee benefit measures:
   (1) Labor insurance: handle pursuant to labor insurance laws and decrees.
   (2) National health insurance: handle pursuant to provisions of National Health Insurance Act.
   (3) Group insurance: all employees can enjoy the life insurance, accident insurance, hospitalization medical insurance, cancer medical insurance etc. borne by the company in full amount.
   (4) Festival bonus / recreation: issue birthday gift, marriage or funeral allowance, issue gifts etc. for three major festivals regularly every year, child care allowance etc., and hold employee tourism regularly.
   (5) Employee bonus: when surplus is available upon annual settlement, taxes shall be withheld and losses in previous years shall be covered first, and then draft the distribution proportion of employee bonus in current year, after passed by Board of Directors, propose it to Shareholders' Meeting for acknowledgment.
   (6) Employee subscription right: in order to attract professionals to join the work team of the Company and retain excellent employees of development potential in the future, and further take care of employees and improve their living standard to jointly create benefits for company

and shareholders, after approved by Board of Directors, the employee stock option certificate will be issued pursuant to "Employee Stock Options Issuance and Exercise Provisions".

2. Further education and training measures:
   (1) New employee: on the date when employee reports for duty, relevant personnel of the company will be responsible for describing personnel regulations, company profile, working rules, environment introduction, and introduction of supervisors and colleagues.
   (2) In-service employee further education measures: in order to implement lifelong learning, facilitate professional knowledge, skill and improve humanistic quality, and further improve service quality and performance, after report and being approved, all in-service full-time employees will be encouraged to participate in all kinds of in-service education and advanced study and training courses.
3. Retirement system:

   The Company implements retirement system pursuant to the provisions of Labor Standards Act, regularly allocate the reserve for employee retirement to deposit in the special account in Bank of Taiwan, and appoints actuary for actuarial practice to ensure sufficient preparation of retirement pension reserve.
4. Greement between labor and capital and maintenance measures of all kinds of employees' rights and interests:

   Through mechanisms such as communication, incentive, service and education etc., the Company duly satisfies the demand of employees, allowing employees to established a good relationship with the company under a common goal and in the same boat, so as to improve employees' centripetal force to the company and work satisfaction, making them willing to spare more efforts to create greater contribution and value to the company, and the relationship between labor and capital is harmonious.

(ii) In the last two years and as at the date of annual report publication, the loss suffered by the company due to labor dispute, and disclosure of estimated amount occurred currently and likely to occur in the future and the solutions:

The Company always treats employees as the most valuable assets and attaches great importance to the future development of employees. Therefore, both labor and capital are always maintaining a harmonious relationship, and there is no loss caused by labor-capital dispute.

VI Information Security Management

(1) Information security risk management framework:

1. In order to protect the Company’s valuable business secrets, R&D technologies, intellectual property patents, enhance its business and public images, and increase operational competitiveness, the Company follows the international information security management system of ISO/IEC 27001, adopts planning, execution, inspection and action (Plan-Do-Check-Act, PDCA) method, constructs multi-layer information security defense, continuously

strengthens management systems and technologies, and executes risk control to effectively prevent strange and changeable information security threats in advance and reduce operational risks.

2. The “Information Security Policy” of the Company is verified and approved by the board of directors as the basis for the Company to establish information security management system and formulate relevant information security management specifications and procedures so as to ensure the confidentiality, integrity and availability of the Company’s important information.
3. The Company clearly defines the information security management authority to assist the board of directors in continuously promoting the implementation of information security management for the purposes of strengthening corporate governance and improving the security of business operations.
4. Regularly execute information security risk assessment operations,. The management representative of the information security management system shall be responsible for reviewing the appropriateness of risk disposal.
5. Hold management review meetings periodically to review the execution status of the information security management system.
6. Include the information security inspection and control operations as annual audit item. The auditing unit shall perform an audit at least once a year. The company shall perform self-check every year according to the internal control system, summarize the implementation effect of internal control, submit it to the board of directors for review and confirmation, and issue a statement of internal control system based on the evaluation results.

(2) Information security policies:

1. Information security management objectives and policies have already been formulated and regularly reviewed and amended.
2. Conduct effectiveness measurement and adopt corrective and preventive measures for information security objective periodically.

(3) Specific management schemes:

1. Organize information security education, training and advocacy work every year and new employees shall sign a confidentiality agreement.
2. Contracted manufacturers must sign a confidentiality agreement to ensure that those who use the Company’s information services or perform related information business have the responsibility and obligation to protect the Company’s information assets obtained or used so as to prevent unauthorized access, change, damage or improper disclosure.
3. Require the colleagues to perform the responsibility of properly keeping and using their accounts, passwords and permissions and replace the passwords periodically.
4. Appropriate backup, standby or monitoring mechanisms have been established for important information systems or equipment and then regularly drilled to maintain their availability.
5. Establish a business continuity management mechanism, and regularly test and

drill it to maintain its applicability.

6. Implement internal audit periodically every year to ensure the effectiveness of the information security management system and various kinds of information security internal control.

(4) Resources invested in information security management:

1. Professionals with international information certification and experience have been recruited to continuously enhance information protection and information security.
2. The network security protection solutions have been built and the network is properly segmented according to the business type to reduce the possibility of external attacks and internal illegal access activities.
3. Information security assessments and related tests have been provided by professional information security vendors to check the effectiveness of existing control measures.
4. Endpoint protection solutions have been built. Anti-virus software is installed on all personal computers and the virus pattern is updated regularly. The use of unauthorized software is prohibited to reduce the possibility of infiltration or spreading of malicious programs.
5. A mobile storage control mechanism has been introduced to limit the use of writable and portable media (only a few authorized personnel can use it).
6. Centralized monitoring has been adopted for important services and hosts, which is conducive to early detection of attack signs and early intervention upon occurrence of an accident.
7. CDN (Content Delivery Network) service has been imported to accelerate the protection of the Company's website applications, mitigate blocking attacks (DDOS) and block the abuse of malicious puppet programs.
8. The Company has joined the TW-ISAC enterprise information sharing platform sponsored by the government to receive and share major information security information in real time.
9. Standard procedures for responding and reporting information security incidents have been formulated, and the information security emergency response team is responsible for real-time handling of information security incidents to avoid damage expansion.

(5) In the most recent year and up to the date of publication of the annual report, Losses, possible impacts and solutions suffered by the Company due to major information security incidents in the recent year and as of the publication date of annual report:

The Company didn't suffer any losses due to any major information security incident in 2021 as of the publication date of annual report.

VII Important contracts

Agreement	Contracting Parties	Term	Major contents	Restrictions
Authorization contract	Optimer Pharmaceuticals, Inc. Sloan-Kettering Institution for Center Research	From May 7, 2009 for a period of twenty years, or until the expiration of patent, whichever is later.	Acquisition of patent licensing	NA
Authorization contract	Optimer Pharmaceuticals, Inc.	Effective from October 30, 2009	Acquisition of patent licensing	NA
Authorization contract	Optimer Pharmaceuticals, Inc.	From October 19, 2012 to July 30, 2022	Right to patent, manufacture and sell	NA
Authorization contract	Optimer Pharmaceuticals, Inc.	From June, 2011 to the expiration of the patent right of the product itself and its components in China, or within 10 years from the first sale date of the product in China, whichever is later	Obtain authorization to research, develop and sell products	NA
Authorization contract	Academia Sinica	From July, 2010, both parties to the contract may give a written notice to terminate the contract 30 days before (our company) or 60 days before (Academia Sinica)	Acquisition of technology licensing	NA
Authorization contract	Academia Sinica	From April 23, 2014 to the last patent expiration date	Acquisition of technology licensing	NA
Rights transfer contract	Optimer Pharmaceuticals, LLC	From May 2015 until the final patent expiration date	Transfer of rights	NA
Technical cooperation contract	Amaran Biotechnology, Inc.	January 25, 105-January 24, 115	Cooperatively developed products	NA

Agreement	Contracting Parties	Term	Major contents	Restrictions
Supply and marketing contract	Amaran Biotechnology, Inc.	January 25, 105-January 24, 115	Entrust OEM to manufacture products	NA
Long-term Borrowing Contract	E.SUN BANK	Effective from September 26, 2016	Long-term secured borrowing for laboratory	NA
Authorization contract	PolyTherics Limited	Effective from July 11, 2017	Acquisition of technology licensing	NA
Authorization contract	OBI Pharma Australia Pty Ltd.	Effective from June 13, 2018	Authorize some patents to Australian subsidiaries for clinical trials	NA
Commissioned service contract	Company A	Effective from February 14, 2019	Development of GMP Product	NA
Technical cooperation contract	EirGenix, Inc	Effective from August 27, 2015	Joint technical development	NA
Intellectual Property Transfer Contract	Threshold Pharmaceuticals	Effective from February 1, 2016	Transfer of intellectual property	Yes
Contract for transfer and joint development of intellectual property rights	ASCENTA PHARMACEUTICALS, LTD	Effective from February 1, 2016	Joint development of intellectual property rights	Yes
Technical cooperation contract	AP Biosciences Inc.	Effective from September 12, 2018	Joint development of antibody	NA
Commissioned service contract	Novotech (Australia) Pty Limited	Effective from December 16, 2019 ~ December 15, 2026	Commissioned to provide clinical trial services	NA
Technical cooperation contract	National Taiwan University	From January 01,2020 to December 30, 2021	Joint development of antibody	NA

Agreement	Contracting Parties	Term	Major contents	Restrictions
Technical cooperation contract	AP Biosciences Inc.	Effective from August 12, 2019	Joint development of antibody	NA
Commissioned service contract	PSI CRO AG	From January 06,2020 to January 15, 2027	Commissioned to provide clinical trial services	NA
Commissioned service contract	Fuh Hwa Securities Investment Trust Co., Ltd.	April 27, 2020~April 26, 2020	Commissioned to execute investment in securities and trading of securities-related commodities	Yes
Commissioned service contract	QPS-QUALITIX CLINICAL RESEARCH CO., LTD.	March 18, 2020~March 17, 2027	Commissioned to provide clinical trial services	NA
Share exchange and cooperation contract	TONY CHOW and its representative shareholder, Amaran Biotechnology, Inc.	October 15, 2020	Share exchange and product development and production cooperation	Yes
Sale contract	Obigen Pharma Inc.	February 23, 2021	Sales of equipment	NA
Authorization contract	Obigen Pharma Inc.	February 23, 2021	Technology authorization	Yes
Commissioned service contract	Amaran Biotechnology, Inc.	April 19, 2021	Entrust OEM to manufacture products	NA
Technical cooperation contract	AlivaMab Discovery Services, LLC	May 10, 2021 ~ May 9, 2026	Cooperative Technologies	NA
Technical cooperation contract	Biosion Inc.	December 8, 2021 ~ April 23, 2041	Biosion licenses Trop2 mAb to OBI.	Yes

Agreement	Contracting Parties	Term	Major contents	Restrictions
Commissioned service contract	Protech Pharmaservices Corporation	Effective from December 12, 2021	Commissioned to provide clinical trial services	NA
Technical license agreement	Odeon Therapeutics (Hong Kong) Limited	Effective from February 22, 2022	OBI exclusively licenses the rights of OBI-833 and OBI-999 in China to Odeon HK.	Yes

VI. Financial Overview

I. Concise financial information in the last five years

(I) Concise balance sheet and consolidated profit and loss statement

1. Individual concise balance sheet - International Financial Reporting Standards

Unit: NT$thousand

Item \ Year		Financial information in the last five years					Financial information in current year as at March 31, 2022
		2017	2018	2019	2020	2021	
Current assets		4,667,464	3,678,055	4,577,337	2,986,360	1,462,385	Not applicable
Property, plant and equipment		234,441	234,296	241,259	211,646	145,668	
Intangible assets		127,266	105,950	87,967	69,010	55,806	
Other assets		170,315	491,916	973,000	1,281,246	1,342,898	
Total assets		5,199,486	4,510,217	5,879,563	4,548,262	3,006,757	
Current liabilities	Before distribution	78,110	111,138	193,607	227,961	205,260	
	After distribution	78,110	111,138	193,607	227,961	205,260	
Non-current liabilities		61,003	52,147	128,676	91,279	85,621	
Total liabilities	Before distribution	139,113	163,285	322,283	319,240	290,881	
	After distribution	139,113	163,285	322,283	319,240	290,881	
Equity attributable to owners of parent		5,060,373	4,346,932	5,557,280	4,229,022	2,715,876	
Share capital		1,721,657	1,739,907	1,881,287	1,992,794	1,992,794	
Capital surplus		9,037,381	9,530,118	11,504,987	3,684,782	3,702,222	
Retained earnings	Before distribution	(5,292,713)	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	
	After distribution	(5,292,713)	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	
Other equity interest		(19,231)	(21,417)	(22,392)	(16,788)	(24,528)	
Treasury share		(386,721)	(386,721)	-	(53,831)	(45,990)	
First-hand rights and interests under joint control		-	-	452,434	-	-	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	5,060,373	4,346,932	5,557,280	4,229,022	2,715,876	
	After distribution	5,060,373	4,346,932	5,557,280	4,229,022	2,715,876	

Notes: the above financial information have been audited and certified or checked and approved by the accountant.

2. Consolidated concise balance sheet - International Financial Reporting Standards

Unit: NT$thousand

Item \ Year		Financial information in the last five years					Financial information in current year as at March 31, 2022
		2017	2018	2019	2020	2021	
Current assets		4,713,520	3,793,229	5,025,007	3,894,812	2,854,137	5,543,014
Property, plant and equipment		234,645	235,442	646,566	731,193	898,878	927,938
Right-of-use assets		-	-	219,406	187,027	250,141	236,738
Intangible assets		127,266	574,075	515,792	453,881	398,284	425,333
Other assets		114,598	106,748	79,764	72,937	85,311	96,840
Total assets		5,190,029	4,709,494	6,486,535	5,339,850	4,486,751	7,229,863
Current liabilities	Before distribution	68,653	103,817	209,625	248,488	327,224	204,580
	After distribution	68,653	103,817	209,625	248,488	327,224	204,580
Non-current liabilities		61,003	132,211	354,654	253,603	288,724	316,582
Total liabilities	Before distribution	129,656	236,028	564,279	502,091	615,948	521,162
	After distribution	129,656	236,028	564,279	502,091	615,948	521,162
Equity attributable to owners of parent		5,060,373	4,473,466	5,104,846	4,229,022	2,715,876	5,606,593
Share capital		1,721,657	1,739,907	1,881,287	1,992,794	1,992,794	2,292,794
Capital surplus		9,037,381	9,530,118	11,504,987	3,684,782	3,702,222	6,593,884
Retained earnings	Before distribution	(5,292,713)	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	(3,214,191)
	After distribution	(5,292,713)	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	(3,214,191)
Other equity interest		(19,231)	(21,417)	(22,392)	(16,788)	(24,528)	(19,904)
Treasury share		(386,721)	(386,721)	-	(53,831)	(45,990)	(45,990)
First-hand rights and interests under joint control		-	-	452,434	-	-	-
Non-controlling interests		-	126,534	364,976	608,737	1,154,927	1,102,108
Total equity	Before distribution	5,060,373	4,473,466	5,922,256	4,837,759	3,870,803	6,708,701
	After distribution	5,060,373	4,473,466	5,922,256	4,837,759	3,870,803	6,708,701

Notes: the above financial information have been audited and certified or checked and approved by the accountant.

3. Notes: the above financial information have been audited and certified or checked and approved by the accountant.

Unit: NT$thousand

Item \ Year	Financial information in the last five years					Financial information in current year as at March 31, 2022
	2017	2018	2019	2020	2021	
Net revenue	376	5,162	872	1,489	826,462	Not applicable
Gross profit	376	5,162	872	1,489	826,462	
Income from operations (loss)	(1,188,216)	(1,300,667)	(1,321,659)	(1,219,334)	(1,168,378)	
Non-operating income and expenses	(191,220)	78,425	(269,723)	(238,206)	(362,309)	
Income before tax	(1,379,436)	(1,222,242)	(1,591,382)	(1,457,540)	(1,530,687)	
Continuing operating unit Net profit for the year	(1,379,436)	(1,222,242)	(1,591,382)	(1,457,540)	(1,530,687)	
Loss from discontinued operations	-	-	-	-	-	
Net profit (loss) for the year	(1,379,436)	(1,222,242)	(1,591,382)	(1,457,540)	(1,530,687)	
Other comprehensive profit and loss for the year (net of tax)	(20,659)	(2,186)	(975)	5,604	(7,740)	
Total comprehensive profit and loss for the year	(1,400,095)	(1,224,428)	(1,592,357)	(1,451,936)	(1,538,427)	
Net profit belongs to the owner of the parent company	-	-	(1,407,026)	(1,377,935)	(1,530,687)	
Net profit belongs to the first-hand equity under joint control	-	-	(184,356)	(79,605)	-	
Total consolidated profit and loss belongs to the owner of the parent company	-	-	(1,408,001)	(1,372,331)	(1,538,427)	
The total consolidated profit and loss is attributed to the first-hand equity under joint control	-	-	(184,356)	(79,605)	-	
Earnings per share	(8.06)	(7.06)	(8.30)	(7.34)	(7.69)	

4. Consolidated concise profit and loss statement - International Financial Reporting Standards

Unit: NT$thousand

Item \ Year	Financial information in the last five years					Financial information in current year as at March 31, 2022
	2017	2018	2019	2020	2021	
Net revenue	376	13,339	5,586	140,886	18,772	1,261
Gross profit	376	8,053	(6,838)	134,417	(25,590)	(11,665)
Income from operations (loss)	(1,189,642)	(1,427,683)	(1,576,866)	(1,465,881)	(1,716,014)	(406,634)
Non-operating income and expenses	(187,815)	171,881	(143,473)	(27,810)	(26,239)	30,679
Income before tax	(1,377,457)	(1,255,802)	(1,720,339)	(1,493,691)	(1,742,253)	(375,955)
Continuing operating unit Net profit for the year	(1,379,436)	(1,249,493)	(1,714,748)	(1,489,897)	(1,717,890)	(375,144)
Loss from discontinued operations	-	-	-	-	-	-
Net profit (loss) for the year	(1,379,436)	(1,249,493)	(1,714,748)	(1,489,897)	(1,717,890)	(375,144)
Other comprehensive profit and loss for the year (net of tax)	(20,659)	(2,287)	(975)	5,604	(7,740)	4,624
Total comprehensive profit and loss for the year	(1,400,095)	(1,251,780)	(1,715,723)	(1,484,293)	(1,725,630)	(370,520)
Net income attributable to shareholders of the parent	(1,379,436)	(1,222,242)	(1,407,026)	(1,377,935)	(1,530,687)	(305,569)
Net profit belongs to the first-hand equity under joint control	-	-	(184,356)	(79,605)	-	-
Net income attributable to non-controlling interests	-	(27,251)	(123,366)	(32,357)	(187,203)	(69,575)
Total comprehensive income (loss) attributable to shareholders of the parent	(1,400,095)	(1,224,428)	(1,408,001)	(1,372,331)	(1,538,427)	(300,945)
The total consolidated profit and loss is attributed to the first-hand equity under joint control	-	-	(184,356)	(79,605)	-	-
Total comprehensive income (loss) attributable to non-controlling interests	-	(27,352)	(123,366)	(32,357)	(187,203)	(69,575)
Earnings per share	(8.06)	(7.06)	(8.30)	(7.34)	(7.69)	(1.52)

Notes: the above financial information have been audited and certified or checked and approved by the accountant.

(II) Concise balance sheet and profit and loss statement - financial accounting standards of our country: The Company started to adopt International Financial Reporting Standards as of 2013, hence the financial information in the last five years are not applicable.

(III) Name and audit opinion of certified public accountants in the last five years:

Year	Accounting firm	Name of accountant	Audit opinion	Reason for change
2017	PwC Taiwan	Audrey Tseng Chang, Ming-Hui	Clean opinion	NA
2018	PwC Taiwan	Lin Yukuan Audrey Tseng	Clean opinion	Due to internal business transfer of the firm
2019	PwC Taiwan	Lin Yukuan David Teng	Clean opinion	Due to internal business transfer of the firm
2020	PwC Taiwan	David Teng Liang, Hua-Ling	Clean opinion	Due to internal business transfer of the firm
2021	PwC Taiwan	David Teng Liang, Hua-Ling	Clean opinion	NA

II Financial analysis in the last five years

(1) Individual important financial ratio analysis in the last five years - International Financial Reporting Standards

Analysis item \ Year		Financial analysis in the last five years (Notes 1)					Financial information in current year as at March 31, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	Proportion of liabilities in assets	2.68	3.62	5.48	7.02	9.67	Not applicable
	Proportion of long-term funds in property, plant and equipment	2,184.51	1,877.57	2,356.79	2,041.29	1,923.21	
Debt paying ability (%)	Current ratio	5,975.50	3,309.45	2,364.24	1,310.03	712.45	
	Liquidity ratio	5,880.37	3,229.38	2,305.13	1,252.51	665.51	
	Interest coverage ratio (ratio)	(1,146.62)	(1,154.24)	(619.18)	(608.85)	(857.49)	
Operating capacity	Receivables turnover rate (time)	7.30	10.59	1.01	1.29	517.83	
	Average cash collection days	50.00	34.47	361.39	282.95	0.70	
	Inventory turnover rate (time)	-	-	-	-	-	
	Payables turnover rate (time)	-	-	-	-	-	
	Average sales days	-	-	-	-	-	
	Property, plant and equipment turnover rate (time)	-	-	-	0.01	4.63	
	Total assets turnover rate (time)	-	-	-	-	0.22	
Profitability	Return on assets (%)	(23.89)	(25.16)	(30.59)	(27.92)	(40.48)	
	Return on equity (%)	(24.59)	(25.98)	(32.14)	(29.79)	(44.08)	
	Proportion of net profit before tax in paid-up capital (%)	(80.12)	(70.25)	(84.59)	(73.14)	(76.81)	
	Net profit ratio (%)	(366,871.28)	(23,677.68)	(182,497.94)	(97,887.17)	(185.21)	
	Earnings per share (NT$) retroactive adjustment	(8.06)	(7.06)	(8.30)	(7.34)	(7.69)	
Cash flow (Notes 2)	Cash flow ratio (%)	-	-	-	-	-	
	Cash flow adequacy ratio (%)	-	-	-	-	-	
	Cash reinvestment ratio (%)	-	-	-	-	-	
Degree of leverage (Notes 3)	Degree of operating leverage	-	-	-	-	-	
	Degree of financial leverage	-	-	-	-	-	

Description on the reasons for change of all kinds of financial ratios in the last two years:

1. Financial structure: the increase in the ratio of liabilities to assets is mainly due to cash and equivalent cash used to meet R&D and operating expenses, resulting in a decrease in assets; The decrease in the ratio of long-term funds to real estate, plant and equipment is mainly due to the loss, resulting in the decrease in equity.
2. Solvency: the decrease in current ratio and quick ratio is mainly due to cash and equivalent cash used to meet R&D and operating expenses, resulting in a decrease in current assets; In addition, our products are still in the research and development stage, and there is no profit yet, so the interest guarantee multiple is negative.
3. Operating ability and profitability: the company's products are still in the research and development stage, and have not yet generated stable operating income. However, according to the industrial characteristics, it will generate authorized income, labor income and material sales income, etc., and the authorized income is recognized once according to the contract milestone, which may not occur on average every year.

Note1: The financial information have been audited and certified or checked and approved by the accountant.

Note2: The cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio are negative, hence relevant cash flow proportions are not calculated.

Note3: Since the company is still at the stage of research and development, hence it is still under net operating loss, and the degree of leverage is not calculated because it is negative.

(2) Consolidated important financial ratio analysis in the last five years - International Financial Reporting Standards

Analysis item \ Year		Financial analysis in the last five years (Notes 1)					Financial information in current year as at March 31, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	Proportion of liabilities in assets	2.50	5.01	8.70	9.40	13.73	7.21
	Proportion of long-term funds in property, plant and equipment	2,182.61	1,922.18	922.65	666.41	433.74	725.80
Debt paying ability (%)	Current ratio	6,865.72	3,653.76	2,397.14	1,567.40	872.23	2,709.46
	Liquidity ratio	6,756.39	3,566.55	2,338.17	1,505.45	818.16	2,618.34
	Interest coverage ratio (ratio)	(1,144.97)	(750.08)	(440.23)	(356.00)	(457.73)	(351.35)
Operating capacity	Receivables turnover rate (time)	7.30	27.36	4.34	94.78	7.64	2.51
	Average cash collection days	50.00	13.34	84.10	3.85	47.77	145.42
	Inventory turnover rate (time)	-	-	2.67	1.12	5.24	5.94
	Payables turnover rate (time)	-	-	-	-	130.09	133.26
	Average sales days	-	-	136.70	325.89	69.66	61.45
	Property, plant and equipment turnover rate (time)	-	0.06	0.01	0.20	0.02	0.01
	Total assets turnover rate (time)	-	-	-	-	-	-
Profitability	Return on assets (%)	(23.94)	(25.22)	(27.88)	(25.14)	(34.90)	(6.39)
	Return on equity (%)	(24.59)	(26.21)	(29.89)	(27.69)	(39.45)	(7.09)
	Proportion of net profit before tax in paid-up capital (%)	(80.01)	(72.18)	(91.44)	(74.95)	(87.43)	(16.40)
	Net profit ratio (%)	(366,871.28)	(9,367.22)	(30,697.24)	(1,057.52)	(9,151.34)	(29,749.72)
	Earnings per share (NT$) retroactive adjustment	(8.06)	(7.06)	(8.30)	(7.34)	(7.69)	(1.52)
Cash flow (Notes 2)	Cash flow ratio (%)	-	-	-	-	-	-
	Cash flow adequacy ratio (%)	-	-	-	-	-	-
	Cash reinvestment ratio (%)	-	-	-	-	-	-
Degree of leverage (Notes 3)	Degree of operating leverage	-	-	-	-	-	-
	Degree of financial leverage	-	-	-	-	-	-

Description on the reasons for change of all kinds of financial ratios in the last two years:

1. Financial structure: the increase in the ratio of liabilities to assets is mainly due to cash and equivalent cash used to meet R&D and operating expenses, resulting in a decrease in assets; The decrease in the ratio of long-term funds to real estate, plant and equipment is mainly due to the loss, resulting in the decrease in equity.
2. Solvency: the decrease in current ratio and quick ratio is mainly due to cash and equivalent cash used to meet R&D and operating expenses, resulting in a decrease in current assets; In addition, our products are still in the research and development stage, and there is no profit yet, so the interest guarantee multiple is negative.
3. Operating ability and profitability: the company's products are still in the research and development stage, and have not yet generated stable operating income. However, according to the industrial characteristics, it will generate authorized income, labor income and material sales income, etc., and the authorized income is recognized once according to the contract milestone, which may not occur on average every year.

Note1: The financial information have been audited and certified or checked and approved by the accountant.

Note2: The cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio are negative, hence relevant cash flow proportions are not calculated.

Note3: Since the company is still at the stage of research and development, hence it is still under net operating loss, and the degree of leverage is not calculated because it is negative.

Calculation formulas of the above financial analysis data are as follows:

1. Financial structure
   (1) Proportion of liabilities in assets=total liabilities/total assets.
   (2) Proportion of long-term funds in property, plant and equipment=(total equity+non-current liabilities)/net amount of property, plant and equipment.

2. Debt paying ability
   (1) Current ratio=current assets/current liabilities
   (2) Liquidity ratio=(current assets-inventory-prepaid costs)/current liabilities
   (3) Interest coverage ratio=income tax and net profit before interest expense/current interest expenditure.

3. Operating capacity
   (1) Receivables (including accounts receivable and notes receivable arising from business) turnover rate=net sales/balance of average receivables in each period (including accounts receivable and notes receivable arising from business).
   (2) Average cash collection days=365/receivables turnover rate.
   (3) Inventory turnover rate=sales cost/average inventory.
   (4) Payables (including accounts payable and notes payable arising from business) turnover rate=net sales/balance of average payables in each period (including accounts payable and notes payable arising from business).
   (5) Average sales days=365/inventory turnover rate.
   (6) Property, plant and equipment turnover rate=net sales/average net amount of property, plant and equipment.
   (7) Total assets turnover rate=net sales/average total assets amount.

4. Profitability
   (1) Return on assets=[post-tax profit or loss+interest expense x (1-tax rate)]/average total assets amount.
   (2) Return on equity=post-tax profit or loss/average total equity amount.
   (3) Net profit ratio=post-tax profit or loss/net sales.
   (4) Earnings per share=(profit and loss attributable to parent company owner-special share dividend)/weighted average number of outstanding shares.

5. Cash flow
   (1) Cash flow ratio=net cash flow in operating activity/current liabilities.
   (2) Cash flow adequacy ratio=net cash flow in operating activities in the last five years/(capital expenditure+inventory increment+cash dividend) in

the last five years.

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

6. Degree of leverage

(1) Degree of operating leverage=(net operating income-changes in operating costs and expenses)/operating profit.

(2) Degree of financial leverage=operating profit/(operating profit-interest expense).

(3) Individual important financial ratio analysis in the last five years - financial accounting standards of our country: The Company started to adopt International Financial Reporting Standards as of 2013, hence the financial information in the last five years are not applicable.

(4) Consolidated important financial ratio analysis in the last five years - financial accounting standards of our country: The Company started to adopt International Financial Reporting Standards as of 2013, hence the financial information in the last five years are not applicable.

III Supervisor of the financial report in the last year or Audit Committee's Review Report

The 2021 Audit Committee's Review Report as follows:

Audit Committee's Review Report

Board of Directors has prepared 2021 business report, financial statements and deficit compensation table proposals of the Company, among them, the financial statements have been audited by PwC Taiwan, and audit report has been issued. Proposals regarding the above business report, financial statements and deficit compensation table have been audited by Audit Committee, and those proposals are appropriate, it is hereby proposed for supervision pursuant to relevant provisions of Securities Exchange Act and Company Act.

Sincerely submitted to
2022 General Meeting of the Company

OBI Pharma, Inc.

Convener of Audit Committee: Jerry Fong
Member of Audit Committee: Taychang Wang
Member of Audit Committee: Howard Lee

March 18, 2022

IV Financial statements and accountant's audit report in the last year: please see page 188 to page 268 this annual report for details.

V Company individual financial report audited and certified by accountant in the last year: please see page 269 to page 337 this annual report for details.

VI In the last year and as at the publication date of annual report, if the Company and affiliated enterprise have difficulty in financial turnover, its impact on the financial situation of the Company shall be listed: NA.

VII Financial situation and financial performance review analysis and risks

I Financial situation

In the last two years, the main reasons for significant changes of assets, liabilities and shareholders' equity and its impact, in case of significant impact, the future solutions shall be described:

Unit: NT$thousand

Item \ Year	2020	2021	Balance	
			Amount	Percentage (%)
Current assets	3,894,812	2,854,137	(1,040,675)	(26.72)
Available-for-sale financial assets - non-current	8,037	9,106	1,069	13.30
Property, plant and equipment	731,193	898,878	167,685	22.93
Right-of-use assets	187,027	250,141	63,114	33.75
Intangible assets	453,881	398,284	(55,597)	(12.25)
Other non-current assets	64,900	76,205	11,305	17.42
Total assets	5,339,850	4,486,751	(853,099)	(15.98)
Current liabilities	248,488	327,224	78,736	31.69
Non-current liabilities	253,603	288,724	35,121	13.85
Total liabilities	502,091	615,948	113,857	22.68
Share capital	1,992,794	1,992,794	-	-
Capital surplus	3,684,782	3,702,222	17,440	0.47
Accumulated deficit	(1,377,935)	(2,908,622)	(1,530,687)	(111.09)
Other equity interest	(16,788)	(24,528)	(7,740)	(46.10)
Treasury stock	(53,831)	(45,990)	7,841	(14.57)
First-hand rights and interests under joint control	-	-	-	-
Non-controlling interests	608,737	1,154,927	546,190	89.73
Total equity	4,837,759	3,870,803	(966,956)	(19.99)

If the changes in adjacent periods reach to over twenty percent and the changed amounts reach to over NT$10 million, descriptions on the main reasons and its impact analysis are as follows:

1. The decrease in current assets is mainly due to cash and equivalent cash used to meet R&D and operating expenses.
2. The increase in real property, plant and equipment was mainly due to the unfinished

works and equipment of the DP plant of Amaran Biotechnology, Inc. and the construction of the DS plant of subsidiary Obigen Pharma Inc..

3. The increase in right-of-use assets was mainly due to Obigen's lease of offices in Zhuke and Nanke Park.
4. The increase in current liabilities was mainly due to the higher estimated accrued expenses in 2021 and the newly added office lease of subsidiary Obigen, which was resulted from the application of IFRS 16 to recognize lease liabilities.
5. The increase in accumulated losses was mainly due to the fact that the Company is still in the R&D stage and has not yet generated stable operating income. Therefore, it was still in a state of loss in 2021.
6. The increase in non-controlling interests was mainly due to the newly added non-controlling interests of Obigen.

II Financial performance

Main reasons for significant changes in operating income, operating net profit and net profit before tax in the last two years, and expected sales quantity and its basis, and possible impact on future financial affairs of the company and solutions:

Unit: NT$thousand

Item \ Year	2020	2021	Balance	
			Amount	Percentage (%)
Net revenue	140,886	18,772	(122,114)	(86.68)
Operating costs	(6,469)	(44,362)	(37,893)	(585.76)
Gross profit	134,417	(25,590)	(160,007)	(119.04)
Operating expenses	(1,600,298)	(1,690,424)	(90,126)	(5.63)
Operating loss	(1,465,881)	(1,716,014)	(250,133)	(17.06)
Non-operating income and expenses	(27,810)	(26,239)	1,571	5.65
Net loss	(1,489,897)	(1,717,890)	(227,993)	(15.30)
Total comprehensive loss for the year	(1,484,293)	(1,725,630)	(241,337)	(16.26)

Notes:

1. The increase in operating income was mainly due to Ap Biosciences Inc.'s recognition of authorized income of US$ 4.5 million from Tasly.
2. The Company's products are still in the development stage at present, and no major sales are expected in the coming year; However, after the clinical trial data of various products are analyzed, they will apply for new drug inspection and registration as soon as possible, with a view to the early listing of products.

III Cash flow

(i) Analytical statement of cash flow changes in the last year

Unit: NT$thousand

Item \ Year	2020	2021	Balance	
			Amount	Percentage (%)
Cash flows from operating activities (outflow)	(1,609,441)	(1,064,479)	544,962	33.86
Cash flows from investing activities (outflow)	(195,903)	82,678	278,581	142.20
Cash flows from financing activities (outflow)	283,092	163,748	(119,344)	(42.16)

Notes:

1. The decrease in cash outflows from operating activities was mainly due to the fact that the financial products entrusted to FH for investment had been settled.
2. The decrease in cash outflows from investing activities was mainly due to the consolidation of cash in the accounts of subsidiary Obigen and the commitment of fixed deposits for more than three months.
3. The decrease in cash inflows from financing activities was mainly due to the less capital increase of subsidiary AP this year and the repayment of the loan borrowed by subsidiary Amaran last year in current year.

(ii) Improvement plan for liquidity shortage: not applicable.

(iii) Cash liquidity analysis in the coming year:

Unit: NT$thousand

Opening cash balance (1)	Expected annual net cash flow from operating activity (2)	Expected annual net cash flow from other activity (3)	Number of residual (insufficient) cash (1)+(2)+(3)	Remedial measure for cash shortage	
				Investment plan	Financial plan
2,512,186	(2,100,000)	4,478,000	4,890,186	-	-

Analysis description:

1. Analysis on cash flow changes in the coming year:

   Operating activity:In 2022, the Company's main products were still in the research and development stage, so it was a net operating cash outflow.

   Other activities: The net cash flow from other activities in 2022 was mainly the cash inflow from cash capital increase and issuance of new shares, and the cash outflow from acquiring real estate, plant and equipment and intangible assets, repaying long-term loans of laboratories and leasing principal.
2. Expected remedial measure for cash shortage and liquidity analysis: not applicable.

IV. The impact of significant capital expenditure on financial affairs in the last year: NA.

V. Reinvestment policy in the last year, main reason for its profit or loss, improvement plan and investment plan in the coming year

(1) Reinvestment policy:

The Company complies with the "Regulations Governing the Acquisition and Disposal of Assets by Listed Company" and has formulated the "Regulations Governing the Acquisition and Disposal of Assets" as the basis for the Company's reinvestment business, so as to master relevant business and financial conditions; and the Company has formulated the "Measures for Supervision and Management of Subsidiaries" to improve the supervision and management of reinvested company, and formulate relevant regulations for the management of its information disclosure, financial affairs, business, inventory and financing; besides, the Company otherwise carries out regular audit operation to establish relevant risk control mechanism to maximize the effectiveness of reinvestment business of the Company.

(2) Main reason for profit or loss, improvement plan and investment plan in the coming year:

1. In order to smoothly carry out the clinical trial in China Mainland and USA, in November, 2012, March and April 2013, the Company had completed the registration of establishment of Hong Kong OBI Pharma Limited, OBI Pharma (Shanghai) Limited (reinvestment of OBI Pharma Limited) and OBI PHARMA USA, INC. respectively, up to now, it is still under accumulated loss status, in the future, with completion of each product clinical trial and smooth launch of product, it will bring revenue and profit to each reinvestment business.
2. In order to strengthen the ability in research and development of new antibody drugs, the Company carries out clinical trial in Australia and applies for R&D subsidy provided by Australian Government locally. In January and June of 2018, the Company reinvested AP Biosciences Inc. and OBI PHARMA AUSTRALIA PTY LTD by issuing new shares for assignment of shares of other company and establishing wholly-owned subsidiaries respectively, despite it is unprofitable currently, with completion of product development and test in the future, it will bring revenue and profits to reinvestment businesses.
3. The Company's active immune anticancer drug products have all entered human clinical trials, and Amaran Biotechnology Inc. is the OEM manufacturer of active immune anticancer drug products of the company. In order to ensure the stable quality and safe supply of the drugs and products at this stage after going public in the future, and to prepare and strengthen the CMC production, manufacturing and development capabilities of the company according to the regulatory units before going public, it exchanges with Amaran Biotechnology Inc. shareholders by increasing capital and issuing new shares, so as to promote the sharing of technical resources such as R&D, manufacturing and marketing, and strengthen the comprehensive effect of

cooperation between the two companies.

4. In order to focus the existing resources on the development of new anti-cancer drugs for immunotherapy, and to spread risks and avoid crowding out resources and affecting the existing R&D process, the company signed an agreement with Obigen Pharma, Inc. to authorize the global intellectual property rights of OBI-858 new botulinum toxin preparation, and Obigen Pharma, Inc. conducted the follow-up clinical research and development of OBI-858 cosmetic medicine indications.
5. In order to focus the existing resources on various clinical R&D projects already executed, diversify the R&D risks and avoid resource crowding to affect the existing R&D process, the Company has signed license agreements of intellectual property rights of OBI-833 (Globo H-DT active immune anti-cancer drug) and OBI-999 (Globo H antibody small molecule drug complex) with Odeon Therapeutics (Hong Kong) Limited (hereinafter referred to as "Odeon") in China (including Hong Kong and Macao), and Odeon will engage in the clinical R&D of the aforesaid projects in China (including Hong Kong and Macao).

VI Risk analysis and assessment

(i) In the last year and as at the publication date of annual report, the impact of interest rate, fluctuation in exchange rate, and inflation on company profit and loss and future solutions:

1. The impact of interest rate, fluctuation in exchange rate, and inflation in the last year on company profit and loss:

(1) Interest rate change:

The Company has real estate financing loan, but the impact of interest rate on liabilities is slight; despite the interest income is declining due to interest rate, its impact on the Company is not significant.

(2) Fluctuation in exchange rate:

In the operating activities of the Company, those priced in foreign currency and might be impacted by the exchange rate in the future include:

A. Technology licensing fee and royalty paid overseas due to acquiring technology licensing overseas.
B. Technology licensing fee and royalty collected overseas due to licensing technology overseas.
C. Relevant costs needed to be paid due to carrying out clinical trial overseas.

(3) Inflation:

In March 2022, the Consumer Price Index (CPI) is 107.14, dropped by 0.76% comparing with the last month, and dropped by 3.38% year-on-year; the Wholesale Price Index is 116.87, dropped by 2.07% comparing with the last month, and dropped by 15.07% year-on-year. In the future, the Company will pay close attention to the impact of inflation on all kinds of costs.

2. Future solutions of the Company in respond to the fluctuation in exchange rate

and interest rate change:

(1) Pay attention to the trend and change of each major currency in international foreign exchange market at any time, so as to master the trend of exchange rate and respond promptly, in consideration of the risk generated from fluctuation in exchange rate, adjust the foreign currency position in due time to safeguard the due profits.

(2) The Company adopts natural hedging to control and reduce foreign currency position as far as possible.

(3) Open foreign currency deposit account in the correspondent bank, keep certain part of foreign currency position in respond to the demand of foreign exchange fund.

(4) Keep a good interactive relationship with the bank, strive for more extensive foreign exchange and interest rate information, and more favorable quotation.

(5) Pay attention to the trend of interest rate at any time, utilize all kinds of financing tools in capital market in due time to reduce the cost of capital acquisition.

3. The impact of inflation on company profit and loss in the last year and future solutions:

The Company pays attention to market price fluctuation at any time, and keeps a good interaction with suppliers and customers, in recent years, there is no significant impact caused by inflation, and there is no inflation risk within a short term, hence it has no significant impact on the annual profit and loss of the Company.

(ii) Policy on engaging in high risk highly leveraged investment, granting of loans, endorsement and derivative securities transaction, main reason for profit or loss, and future solutions:

In 2021 and as at the publication date of annual report in 2022, the Company has not engaged in high risk highly leveraged investment, granting of loans, derivative securities transaction and endorsement. In order to meet the needs of OBI Pharma (Shanghai) Limited for business turnover, the Company lent RMB 344,000 to this company in 2020, and repayment was due in the first three quarters of 2021. As of the publication date of the annual report, this Company hasn’t lent any funds to others. In order to meet the needs of OBI Pharma (Shanghai) Limited for business turnover, subsidiary OBI Pharma Australia Pty Ltd. Lent AUD 70,000 to this company. OBI Pharma (Shanghai) Limited already repaid the due loans in the first quarter of 2022. As of the publication date of the annual report, subsidiary OBI Pharma Australia Pty Ltd. hasn’t lent any funds to others.

The Company has formulated the "Regulations Governing the Acquisition and Disposal of Assets", "Procedures of Making Endorsement and Guarantees" and "Procedures of Granting of Loans" and have been passed in the resolution of Shareholders' Meeting, in the future, if engaging in relevant business, the Company will handle according to relevant procedures and immediately and accurately announce all kinds of information pursuant to laws and decrees.

(iii) Future research and development plan and expected invested research and development costs:

Time	Research and development plan
Short or medium term	● OBI-822 global phase III clinical trial inclusion. ● The new generation active immune anticancer drug OBI-833 phase II clinical trial inclusion. ● The active immune anticancer drug OBI-866 phase I clinical trial inclusion. ● OBI-888 cancer carbohydrate monoclonal antibody phase II clinical trial inclusion. ● OBI-999 cancer therapeutic drug, Globo H antibody drug conjugate phase II clinical trial inclusion ● OBI-3424 small molecule chemotherapy prodrugs phase II clinical trial inclusion.
Medium and long term	● Complete global phase III clinical trial for active immuno-oncology drug OBI-822. ● Continue to expand anti-cancer product lines, such as Bi-Specific Antibody and immune cell therapy. ● Continue to expand the research and development of Antibody-Drug Conjugate, such as Trop2 antibody-drug conjugate. ● Continuous clinical development of OBI-888, OBI-999 and OBI-3424. ● Pursuit for the possibility of cooperation with international manufacturers

The Company mainly invests in the clinical trial, product development and pre-clinical research and development of each new drug product, in the future, the research and development costs will be listed gradually according to the new product development progress, and it is expected to invest research and development costs of about NT$4 billion in total from 2022 to 2024.

(iv) The impact of changes in domestic and overseas important policies and laws on company financial affairs and solutions:

In recent years, the government attaches importance to the development of biotechnology industry, under the promotion by policies such as "Biotech and New Pharmaceutical Development Act", "Taiwan Biotechnology Take-off Diamond Action Plan" and "Economic Cooperation Framework Agreement" etc., including the compliance with Good Clinical Practice (GCP) standards, the government gives priority to promote the cross-strait clinical trial, drug research and development cooperation and "Drug Project Advisory Guidelines of Food and Drug Administration, Department of Health, Executive Yuan" in the way of pilot program and project, and has been leading the research and development energy of biotechnology industry.

OBI was approved as a “Biotechnology New Drug Company” since September 2010, apart from actively applying for relevant tax preference and budget subsidy to reduce capital outflow, OBI Pharma also observed the changes of relevant

biotechnology policies and laws and regulations both at home and abroad at any time, so as to master the opportunity to respond to the change of market environment. Meanwhile, under the ECFA cooperation framework between the governments across the strait, OBI-822 program of OBI Pharma and other four biotechnology companies in Taiwan had been elected as the first pilot program in cross-strait clinical trial.

Biotechnology industry is under high control by laws and regulations, from research and development stage of product, clinical trial execution, medicament license acquisition to production and launch for sales, every stage must conform to the operation specification of medical laws and regulations. Moreover, due to the territoriality characteristics of medical laws and regulations, if product needs to be exported to other countries, it needs to conform to the requirement of medical laws and regulations of every country. The change of medical laws and regulations in each country will directly impact the development schedule and research funding of biotechnology product. Therefore, the solutions of the Company include:

1. Actively recruit talents with experience in global laws and regulations, and set medical regulatory department.
2. The development of new drug chooses the USA and Taiwan which with the most mature, transparent and open medical laws and regulations as the prior bases for clinical trial execution.
3. Apart from keeping close attention to the changes of laws and regulations in each country, personnel of medical regulatory department will also actively participate in the medical laws and regulations seminar held by each public association in biotechnology industry, and hire experts familiar with local medical laws and regulations in the country of executing clinical trial as the consultant, so as to actually master the change of latest laws and regulations, and reduce the adverse impact caused by the changes of laws and regulations on the developing products of the Company.

(v) The impact of changes of technology (Include information security risk) and industry on company financial affairs and solutions:

1. Information security risks and solutions:

   The information security threats are changing with each passing day. Common information security risks include hacker attacks, network traffic attacks, software (ransomware), viruses, phishing, spam, software vulnerabilities, permission control, etc. The Company has always emphasized on information security risk control and protection, and has established multi-level network and computer-related information security protection measures. However, it is still unable to guarantee the computer system that controls or maintains the company's R&D operations and accounting and other important corporate functions can completely avoid serious network problems. Therefore, the Company follows the international information security management system of ISO/IEC 27001, adopts the Plan-Do-Check-Act (PDCA) cycle method, and constructs multi-layer in-depth information security defense. Additionally, the Company performs information security risk assessment operations, and

continuously strengthens information security management systems and technologies, including mechanisms such as beforehand security protection, in-event emergency response, and post-event recovery operations to ensure their appropriateness and effectiveness. By continuing to invest in information security management and technical resources, the Company continues to improve information security protection capabilities and information security resilience, achieve effective prevention in advance, and speed up response to information security incidents when they occur, so as to reduce their impact on the Company's financial business.

The Company's measures for information security management are shown in VI. Information Security Management.

2. Industry change risks and solution:

The entry threshold of biotechnology industry is high, the product research and development period is long, and the added value is high but the risk is also high. Hence from research and development to the output of new drug, it might take over ten years, therefore, the Company will always pay attention to the technology development trend of biotechnology industry, commence on assessing possible impacts, and carry out necessary direction or strategy adjustment. In flexible respond to the change of technology or industry, and effectively avoid the possible impact, the Company takes the following solutions:

(1) Has prepared adequate funding to complete the OBI-822 new drug clinical trial.

The consolidated total assets value of the Company is NT$5.58 billion as at the end of March 2021, among them, the current assets are NT$4.14 billion, hence the Company has prepared sufficient fund to respond to the expenditures in the OBI-822 new drug development application and the clinical experiments in each phase.

(2) Prudently assess the opportunity and benefit of the new drug under development

For products under research and development currently, all kinds of trials are carried out according to the new drug development process, and their success likelihood and market value are assessed gradually according to the trial result, once the product benefit of competitor is better or its development speed is ahead, all the result of each trial of the Company is not as well as expected etc., the Company will adjust or suspend the plan in due time to reduce unnecessary subsequent risks.

(3) Implement saving and costs rationalization

The Company strictly executes budget management system to reduce unnecessary expenditure.

(4) Apply for research and development plan subsidy

Actively strive for research and development plan subsidy from the government to reduce the costs expenditure of the Company.

(5) Cooperate with major pharmaceutical company through technology

licensing

The Company possess sufficient financial resources and experience for independent research and development and developing global market, but not excluding the cooperative development with major pharmaceutical company to accelerate the extension of product research and development progress, and share the research and development risks through collecting early signing bonus and milestone payment.

(vi) The impact of change of corporate image on corporate crisis management and solutions:

Ever since the establishment, the Company has been adhering to the operating principles of sustainability and integrity and concentrating on new drug development, hoping to provide patients a new medical choice; meanwhile, the Company continuously strengthens company internal management, actively marches towards international market and improves quality management capability. In the last year and as at the publication date of annual report, the Company has no relevant corporate crisis derived from the change of corporate image; in the future, the Company will continuously implement corporate governance requirement and consult expert opinion in due time to reduce the impact of such risk on company operation.

(vii) Expected benefit and possible risk of merger and acquisition and solutions: Please refer to Item vii. Handling situation of acquiring or transferring shares of other company to issue new shares in the Item IV. Fundraising Situation of the annual report.

(viii) Expected benefit and possible risk of plant expansion and solutions: currently the Company has no plan of plant expansion.

(ix) Risk encountered in centralized purchasing or sales and solutions:

Apart from that DIFICID™ of the Company has acquired the new drug license issued by the Ministry of Health and Welfare, other products are still at the stage of development and clinical experiment, and there is no launch and production of other new drug product yet. In October 2015, the Company had licensed DIFICID™ to American Merck Sharp & Dohme, in the future, Merck Sharp & Dohme will be responsible for product purchasing and sales, and the Company will not need to bear the purchasing or sales risks. The future sales of other products mainly target at hospitals, and there is no risk of centralized sales, and the Company may conduct self-production or outsource for manufacturing, the choice of outsourcing manufacturing is large, and there is no risk of centralized purchasing.

(x) The impact and risk of massive transfer or change of the stock rights of directors, supervisors or substantial shareholders with shareholding over ten percent and solutions:There is no such circumstance.

(xi) The impact and risk of change of operation right and solutions:

Most of the operations of the Company are planned by the business unit and executed after approved by the management echelon, hence a sound and complete operation mode has been established; even if in case of change of operation right, its impact on sustainable operation is limited.

(xii) Litigation or non-litigation case:

1. In the last two years and as at the publication date of public prospectus, the litigation, non-litigation or administrative litigation case already concluded by the final and unappealable judgment or still under litigation, where the result thereof might have significant impact on the shareholders' equity or security price, the facts in dispute, amount of money at stake , the commencement date of litigation, major parties involved in litigation and current status of dispute shall be disclosed:
   (1) Mr.Lin (Lin○○) intentionally intersperse O8I and OBLIE on November 13, 2015 and March 23, 2016 respectively, intending to affect the price of securities in centralized trading market, and published false statements at www.inspire.com to damage the reputation of the Company, on September 7, 2017, the Company lodged a complaint to the criminal investigation bureau of National Police Agency pursuant to law. On June 4, 2019, the Taipei District Prosecutor's Office of Taiwan sued the defendant for committing the crime of blatant insult and damaging credit. On April 6, 2021, the two parties reached a settlement in Taipei District Court of Taiwan.
   (2) Since April 7, 2016, Next Media Publishing Limited (that is, Next Weekly Magazine) and its related personnel have deliberately fabricated, published and distributed false reports in its next weekly magazine, with the intention of damaging our reputation, causing great damage to our reputation and affecting our stock price. On May 3, 2016, the Company filed a civil lawsuit to claim damages.The Taipei District Court of Taiwan rejected our request on April 26, 2017, and the Company filed an appeal according to law. On April 26, 2017, the Taipei District Court in Taiwan rejected the Company’s request. Later, the Company filed an appeal in accordance with the law. However, on November 28, 2018, the Taiwan High Court ruled that the company lost the case. The Company still appealed to Supreme Court on December 28, 2018, and the Supreme Court annulled the original judgment on October 14, 109 and sent it back to the Taiwan High Court. The two parties reached a settlement at the Taiwan High Court on September 8, 2021.
   (3) Because the Shilin District Prosecutor's Office of Taiwan sued Michael N. Chang, the chairman of the Company, on January 9, 2017 for violating the prohibition of insider trading in the Securities and Exchange Law, portfolio investor, a legal person of the consortium, and the Securities and Futures Investors Protection Center (hereinafter referred to as the Insurance Center) applied to the Shilin District Court of Taiwan on May 1, 2006 to dismiss Michael N. Chang as a director, and the Insurance Center requested to withdraw the lawsuit, which was confirmed to be

withdrawn on March 22, 2021.

(4) Since the Korean Intellectual Property Office rejected the Company's OBI-822 patent application, the Company filed a lawsuit against the administrative sanction of the rejected patent application, which was repeatedly rejected by the Korean Intellectual Property Tribunal Court. The Company filed an administrative lawsuit to the Patent Court of Korea on May 29, 2020, requesting the revocation of the administrative sanction on rejecting the patent application. Subsequently, the Patent Court of Korea ruled that the Company lost the lawsuit on September 16, 2021. Based on the Company's evaluation, the Korean FDA approved the phase II clinical trial of OBI-822 on April 10, 2020. The clinical trial is still in progress without being affected by this case, and OBI-822 still has two patents (Publication No. KR20170090405A: 822 Optimized vaccine with 821/834 adjuvant; KR20180128496A: 822 for breast cancer treatment course and dose) which are currently under review. The optimized vaccine patent has been approved by the European Union Intellectual Property Office, and is currently under the expedited review by the Korean Intellectual Property Office under a system of "Patent Examination Expressway". The review of the aforesaid two patent applications were not affected by this case. To this end, the Company decided to abandon the appeal of this case.

(5) On April 28, 2020, Amaran Biotechnology, Inc., a subsidiary of the Company, terminated the labor relationship with Hsu ○○, one of its employee in charge of personnel-related affairs on the ground of Paragraph 2 "Loss or Business Contraction" in Article 11 of the Labor Standards Act. Hsu ○○ didn't agree and then filed a lawsuit to Hsinchu District Court in Taiwan on May 19, 2020 to request confirmation of the employment relationship and payment of wages until the date of reinstatement. The Taiwan Hsinchu District Court ruled on May 24, 2021 that Amaran Biotechnology, Inc. won the case, and Hsu ○○ appealed against it. However, later the two parties reached a settlement at the Taiwan High Court on August 16, 2021.

2. In the last two years and as at the publication date of this annual report, whether the director, supervisor, General Manager, any person with actual responsibility for the company and any major shareholders holding a stake of greater than ten percent of the Company are involved in any litigation, non-litigation or administrative litigation case already concluded by the final and unappealable judgment or still under litigation, where, the results thereof might have significant impact on company shareholders' equity or securities price:

(1) Since Michael N. Chang, Chairman of the Company, was suspected of violating Punishment of Corruption Act, Taiwan Shilin District Prosecutors Office prosecuted on January 9, 2017, after trial by Taiwan Shilin District Court, he was announced not guilty on December 28, 2018, and Taiwan Shilin District Prosecutors Office

decided not to appeal on January 23, 2019, and this case was closed and confirmed.

(2) The Shilin District Prosecutor's Office of Taiwan sued Michael N. Chang, the chairman of the company, and Amy Huang, the general manager of the Company (resigned from December 1, 2019, the same below) for violating the prohibition of insider trading in the Securities and Exchange Law. The Shilin District Prosecutor's Office of Taiwan was acquitted on June 21, 2019, and the Shilin District Prosecutor's Office of Taiwan declared an appeal on July 11, 2019, which was rejected by the Taiwan High Court on January 26, 2021.

(3) Michael N. Chang, Chairman of the Board of Directors and Amy Huang, General Manager of the Company, filed an incidental civil lawsuit to claim damages in April 2018. The Shilin District Court of Taiwan rejected the request of the Insurance Center on June 21, 2019, and the Insurance Center declared an appeal in July 2019. On January 26, 2021, the High Court of Taiwan rejected the appeal and upheld the original judgment. Because the prosecutor gave up the criminal appeal, the case was also confirmed.

(4) Michael N. Chang, Chairman of the Board of Directors of the Company, filed an application with the Shilin District Court of Taiwan on May 1, 2017 to dismiss Michael N. Chang as a director. The Insurance Center requested to withdraw the lawsuit. This document was definitely withdrawn on March 22, 2021.

3. In the last two years and as at the publication date of this annual report, whether the director, supervisor, manager and major shareholders holding a stake of greater than ten percent of the Company have any circumstance as prescribed in Article 157 of Securities Exchange Act and the current status of the company’s disposition: NA.

(xiii)Other important risks and solutions:

Major operating items of the Company are the new drug development, despite the predictable profits are impressive after successful launch of products, but, relatively, the risk is also high. Overall operating risks of the Company and solutions are summarized as follows:

1. Risk of new drug development failure

   If the new drug development and clinical trial results are not as well as expected, it will cause the risk that the new drug cannot launch on the market. Patients with triple negative breast cancer have more variables and currently there is no uniform treatment guideline worldwide, and it is more difficult in clinical trial, hence rigorous and thorough trial must be designed to verify that OBI-822 can indeed postpone the recurrence of triple negative breast cancer and increase survival rate.

Solutions:

(1) It is planned to select patients with early triple negative breast cancer as the test population for global phase III trial: previous phase II/III breast cancer trials found that conditions of patients with advanced breast cancer were relatively unstable, and the recurrence speed was fast, most patients had already suffered recurrence without finishing the course of treatment of 9 injections, in order to increase of the ratio of generating sufficient antibody to fight against cancer cells in the body of patients having received complete trial course of treatment, the global phase III trial case will take the patients with early triple negative breast cancer as the test population.

(2) Use OBI-822 as adjuvant treatment after operation: currently the species diversity of neoadjuvant chemotherapy received by patients with early triple negative breast cancer before operation is great worldwide, not only there is no approved standard treatment worldwide, the selection of treatment course in each country is also different, in order to improve the homogeneity among test population, accelerate recruitment speed and expand sales market after the drug is approved to launch on the market in the future, the global phase III trial case will include triple negative breast cancer patients who have completed adjuvant chemotherapy and the residual tumor tissues have been cut off in the operation, patients may receive adjuvant chemotherapy or radiotherapy after operation according to the judgment of physician, and then start to receive OBI-822 therapy after the end of treatment course.

2. New drug product technical aspect - new drug manufacturing and raw materials supply risks

   The biological preparation and protein drug always encounter the challenge of consistency in supply source and quality, since OBI-822 belongs to carbohydrate protein drug, there is no exception.

   Solutions:

   (1) Apart from currently stable sources of raw materials supply, the Company also actively seeks for secondary supplier of high quality raw materials supply, so as to ensure the demand of clinical trial and the product supply upon launching on the market in the future.

   (2) The Company continuously recruits excellent talents to improve pharmaceutical process and research and development technology, and select cooperative manufacturers conforming to the highest specification of Good Manufacturing Practice (PIC/S GMP) to meet the requirements of laws and regulations upon new drug registration in each country in the future, so that product can launch on the market smoothly.

3. Risk of new drug development industry aspect - despite the profit of cancer new drug is expectable, the research and development schedule is long, and the spending is also considerable.

Solutions:

(1) The cash flow of the Company and experience of internal talents are sufficient to handle the current development demand, but in order to maintain strategic flexibility and accelerate new product and new indication development, the Company will not exclude the cooperation with major international pharmaceutical company to carry out clinical trial, through technology licensing signing bonus and milestone payment income, or the joint sharing of trial expenses, so as to reduce the research and development costs and accelerate the speed of product development.

(2) The Company will continue to control the cost and make the best use of resources; and coordinate with product development schedule and assess all kinds of available fund-raising instruments to initiate the next stage of fund-raising plan in due time.

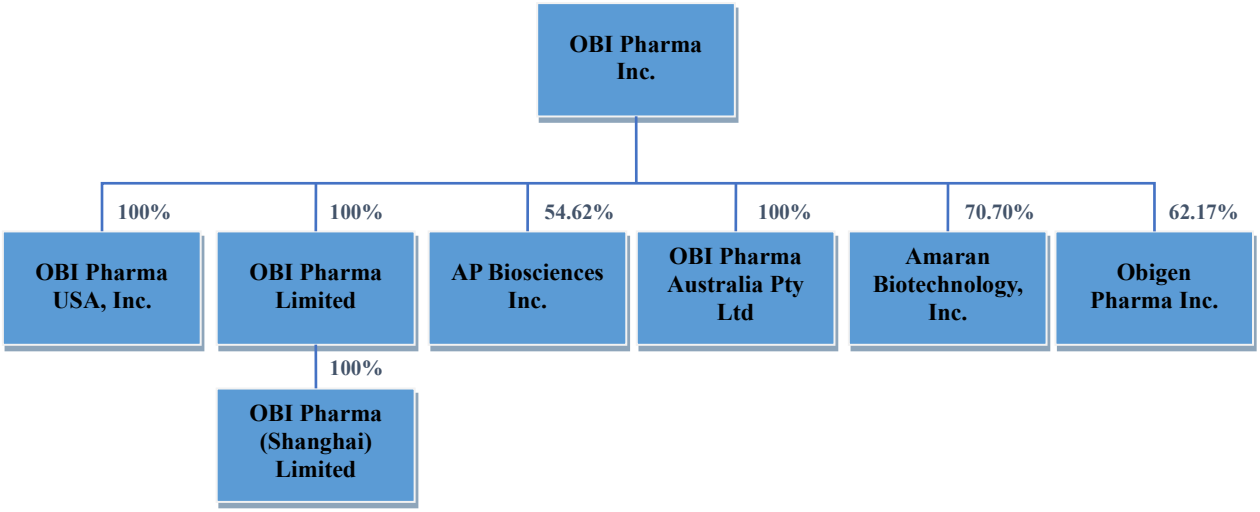
VII Other important matters: NA.

VIII Special Recorded Matters

I. Relevant information of affiliated enterprise:

(i) Consolidated business report of affiliated enterprise

1. Consolidated business report of affiliated enterprise



2. Basic information of affiliated enterprises

Date: December 31,2021

Name of enterprise	Establishment date	Address	Paid-up capital	Main business or production item
OBI Pharma USA,Inc.	102.04.30	Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801.	USD 2,700,001	Biotechnology research and development
OBI Pharma Limited	101.11.29	Rm. 2401, 24/F., 101 King's Road, Fortress Hill, Hong Kong	USD 2,650,000	Investment and trading business
OBI Pharma (Shanghai) Limited	102.03.29	K, Room 1006, No. 376, Zhaojiabang Road, Shanghai	USD 2,500,000	Biotechnology research and development
AP Biosciences Inc.	102.05.27	17F., No.3, Yuancyu St., Nangang Dist., Taipei City 11503, Taiwan (R.O.C.)	NTD 243,739,550	Biotechnology research and development
OBI PHARMA AUSTRALIA PTY LTD	107.05.25	58 Gipps Street, Collingwood VIC 3066	AUD 10,650,000	Biotechnology research and development
Amaran Biotechnology, Inc.	99.04.28	No.19, Shengyi 5th Rd., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 917,965,060	Wholesale of Western Manufacture and Pharmaceutical, Biotechnology research and development
Obigen Pharma Inc.	109.12.10	11F.-6&7, No. 66, Shengyi 5th Rd., Zhubei City, Hsinchu County 302041,	NTD 760,030,000	Investment and trading business

		Taiwan (R.O.C.) (hsinchu science park)		

3. Same shareholder information of those presumed with control and subordinate relationship: NA.
4. Industries covered by the operating business of overall affiliated enterprises.
   (1) Industries covered by the operating business of overall affiliated enterprises and divisions are as follows:
      A. Investment and trading: OBI Pharma Limited
      B. Biotechnology research and development: OBI Pharma USA, Inc.、OBI Pharma (Shanghai) Limited, AP Biosciences Inc.,OBI PHARMA AUSTRALIA PTY LTD、Amaran Biotechnology, Inc.、Obigen Pharma Inc.
   (2) For details of main business or production item of each affiliated enterprise, please see the preceding Item 2. Basic information of affiliated enterprise.
5. Information of directors, supervisors and General Manager of each affiliated enterprise

Date: December 31,2021, Unit: NT$ thousand; share; %

Name of enterprise	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
OBI Pharma USA,Inc.	Director	OBI Pharma Inc. (legal representative: Michael N. Chang)	2,701,000	100%
	Director	OBI Pharma Inc. (legal representative: Tessie M Che)		
	Director	OBI Pharma Inc. (legal representative: Kevin Poulos)		
OBI Pharma Limited	Director	OBI Pharma Inc. (legal representative: Tsai, Cheng-En)	2,650,000	100%
OBI Pharma (Shanghai) Limited	Director	OBI Pharma Limited (legal representative: Tsai, Cheng-En)	-	100%
AP Biosciences Inc.	Chairman	OBI Pharma Inc. (legal representative: Frank Chen)	13,312,000	58.99%
	Director	OBI Pharma Inc. (legal representative: Lai, Ming-Tien)		
	Director	OBI Pharma Inc. (legal representative: Tseng, Hui-Chin)		
	Director & General Manager	ABPROTIX INC. (legal representative: He Zhenghong)	3,300,000	14.62%
	Director	Lin, Hsin-Yu	0	0%
	Supervisor	Ting, Wan-Fang	0	0%
OBI PHARMA AUSTRALIA PTY LTD	Director	OBI Pharma Inc. (legal representative: Michael N. Chang)	10,650,000	100%
	Director	OBI Pharma Inc. (legal representative: Lai, Ming-Tien)		

Name of enterprise	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
	Director	OBI Pharma Inc. (legal representative: Julian William Edward Caples)		
Amaran Biotechnology, Inc.	Chairman	Tessie Che	759,517	0.83%
	Director	Hui Hong Investment Co., Ltd. (legal representative: Tamon Tseng)	5,468,391	5.96%
	Director	OBI Pharma Inc. (legal representative: Michael N. Chang)	64,915,252	70.70%
	Director	OBI Pharma Inc. (legal representative: Frank Chen)		
	Director	OBI Pharma Inc. (legal representative: Lai, Ming-Tien)		
	Supervisor	Ting, Wan-Fang	0	0%
Obigen Pharma Inc.	Chairman	OBI Pharma Inc. (legal representative: Frank Chen)	47,250,000	62.17%
	Director	OBI Pharma Inc. (legal representative: Chen, Hsin-Ming)		
	Director	OBI Pharma Inc. (legal representative: YEN, YUN)		
	Director	OBI Pharma Inc. (legal representative: Ma, Hai-Yi)		
	Director	Ruentex Investment Co., Ltd. (legal representative: Yin, Chung-Yao)	5,000,000	6.58%
	Supervisor	Colin Kao	50,000	0.07%

(ii) Operation profile of each affiliated enterprise

Date: December 31, 2021; Unit: NT$thousand; and NT$ for earnings per share

Name of enterprise	Capital amount	Total assets	Total liabilities	Net value	Net revenue	Income from operations	Current profit and loss (after tax)	Earnings per share (after tax)
OBI Pharma USA,Inc.	74,736	65,360	10,644	54,716	161,053	10,525	(9,733)	(3.60)
OBI Pharma Limited	73,352	19,771	7,440	12,331	0	(9,748)	(10,006)	(3.78)
OBI Pharma (Shanghai) Limited	69,200	18,866	7,440	11,426	0	(9,915)	(9,880)	-
AP Biosciences Inc.	243,740	579,345	21,149	558,196	6,993	(186,717)	(187,606)	(7.70)
OBI PHARMA AUSTRALIA PTY LTD	213,852	49,079	3,917	45,162	0	(86,698)	(65,492)	(6.15)
Amaran Biotechnology, Inc.	917,965	1,058,622	172,528	886,094	34,813	(116,554)	(127,385)	(1.39)
Obigen Pharma Inc.	760,030	1,453,791	69,221	1,384,570	0	(122,245)	(134,905)	(1.77)

(iii) Affiliated enterprise consolidated financial statement

Pursuant to the provisions of "Affiliated Enterprise Consolidated Business Report, Affiliated Enterprise Consolidated Financial Statement and Relationship Report Preparation Standards", in 2021 [from January 1, 2021 to December 31, 2021], the

Company shall be included in the company preparing affiliated enterprise consolidated financial statement, and it is the same pursuant to the provisions of Securities Issuer Financial Statement Preparation Standards and No. 10 "Related Party Disclosures" of International Accounting Standards, the Company shall be included in the company preparing parent company and subsidiary consolidated financial report, and relevant information shall be disclosed in affiliated enterprise consolidated financial statement have been disclosed in the preceding parent company and subsidiary consolidated financial report.

(iv) Relationship report: NA.

II In the last year and as at the publication date of annual report, handling situation of private placement of securities: NA.

III In the last year and as at the publication date of annual report, subsidiary's holding or disposal of shares of the Company: NA.

IV Other necessary supplementary explanations:

The Company became public listing on March 23, 2015, the execution situation of commitments for listing so far:

Commitments for listing	Handling situation of commitments
(i) Commits that Taipei Exchange may ask OBI to appoint the accountant or institution designated by Taipei Exchange when necessary, so as to carry out external professional review according to the audit scope designated by it and submit the examination result to the Center, and OBI shall bear relevant costs thereof.	There is no such circumstance yet.
(ii) Commits to additionally stipulate that "The Company shall not give up the capital increase to OBI Pharmaceutical Biotechnology Co., Ltd. and OBI Pharma USA Inc. in the coming years; the OBI Pharmaceutical Biotechnology Co., Ltd. shall not give up the capital increase to OBI Bio-pharmaceutical Technology (Shanghai) Co., Ltd. in the coming years; in the future, if the Company needs to give up capital increase to or dispose the said companies due to strategic alliance consideration or other reasons as agreed by Taipei Exchange, special resolution needs to be passed by Board of Directors of the Company." in the "Handling Procedures for Acquisition or Disposal of Assets". And in case of amendment to such handling procedures subsequently, significant information disclosure shall be input at mops.twse.com.tw and reported to Taipei Exchange for future reference.	1 The commitments on the left have been passed in General Meeting held on June 27, 2016. 2 According to the letter of commitment submitted upon the first application for OTC, the Company commits not to waive the capital increase to subsidiary.

V The first listing (foreign public) company shall include the description on significant difference from the shareholders' equity protection regulations of our country: Not applicable

VI In the last year and as at the publication date of annual report, the occurrence of matter having significant impact on the shareholders' equity or security price as prescribed in Subparagraph 2, Paragraph 3, Article 36 of Securities Exchange Act: NA.

OBI PHARMA, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of OBI PHARMA, INC.

Opinion

We have audited the accompanying consolidated balance sheets of OBI PHARMA, INC. and its subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, 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 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 generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 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 2021 consolidated financial statements are stated as follows:

Key audit matter – Impairment assessment of intangible assets

Description

Refer to Note 4(17) for accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgements adopted in accounting policies on impairment assessment of intangible assets, and Note 6(7) for account details of intangible assets.

As of December 31, 2021, the balance of the Group's intangible assets amounted to NT$398,284 thousand. The intangible assets consist of related technologies acquired from other companies for new drug development as well as patents, patented technologies and goodwill arising from equity investments in AP Biosciences, Inc. Since the drug is still under development, no cash inflow can be generated. As of the balance sheet date, the Group determines whether the patents and patented technologies are impaired based on external and internal information. The Group would then consider to recognise an impairment loss by comparing the recoverable amount if there is an indication that they are impaired. The goodwill of AP Biosciences, Inc. was tested for impairment based on the goodwill impairment test report obtained from an external appraiser firm. Since the impairment assessment performed by the management involves management's subjective judgment and the key assumptions used in the impairment assessment have a significant impact on the value-in-use estimates, we considered the impairment assessment of intangible assets a key audit matter.

How our audit addressed the matter

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

1. Reviewed the information used by the Group management for impairment assessment of intangible assets (excluding goodwill) including plan and progress for each development project, etc., conducted discussion with management and director of research and development department regarding the information used for impairment assessment of intangible assets, and assessed whether:

   (1) The features, marketing advantages and market tendency of the main products including research and development technology are still competitive.

   (2) The progress of the major research and development plan has no significant delay.

   (3) The total market value of the company is higher than the net assets as of the balance sheet date.

2. Performed the following procedures based on the obtained valuation report on goodwill impairment on the investments accounted for under equity method prepared by external experts:

   (1) Assessed whether the valuation methods adopted are reasonable for the industry, environment and the valued assets of the Group;

   (2) Evaluated the reasonableness of main assumptions used in estimating the value-in-use, including R&D timeline, R&D success rate, market share of products after the receipt of drug permit license and royalty rate.

   (3) Examined model parameters and calculations.

   (4) Compared the discount rate used and assumptions on the capital cost of cash-generating units.

   (5) Verified whether the value-in-use exceeds the book value of equity in AP Biosciences, Inc.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of OBI PHARMA, INC. as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in 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 generally accepted auditing standards in 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

David Teng　　Liang, Hua-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 18, 2022

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.

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,512,186	56	$ 3,338,302	63
1110	Financial assets at fair value through profit or loss - current	6(2)	1,767	-	383,531	7
1136	Financial assets at amortised cost - current	6(4)	140,000	3	-	-
1170	Accounts receivable, net		3,465	-	1,451	-
1200	Other receivables		19,804	1	17,567	-
130X	Inventories		9,562	-	7,358	-
1410	Prepayments		167,353	4	146,603	3
11XX	**Total current assets**		2,854,137	64	3,894,812	73
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	9,106	-	8,037	-
1600	Property, plant and equipment, net	6(5), 7 and 8	898,878	20	731,193	14
1755	Right-of-use assets	6(6)	250,141	5	187,027	3
1780	Intangible assets, net	6(7)	398,284	9	453,881	9
1900	Other non-current assets	8	76,205	2	64,900	1
15XX	**Total non-current assets**		1,632,614	36	1,445,038	27
1XXX	**Total assets**		$ 4,486,751	100	$ 5,339,850	100

(Continued)

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(8)	$ -	-	$ 9,468	-
2170	Accounts payable		525	-	157	-
2200	Other payables	6(10)	264,790	6	189,775	3
2220	Other payables to related parties		70	-	-	-
2230	Current income tax liabilities		336	-	1,112	-
2280	Current lease liabilities	7	52,070	1	37,078	1
2320	Long-term liabilities, current portion	6(9)	7,000	-	9,000	-
2399	Other current liabilities		2,433	-	1,898	-
21XX	**Total current liabilities**		327,224	7	248,488	4
	Non-current liabilities					
2540	Long-term borrowings	6(9)	28,000	1	35,000	1
2570	Deferred income tax liabilities		54,762	1	63,196	1
2580	Non-current lease liabilities	7	205,962	5	155,407	3
25XX	**Total non-current liabilities**		288,724	7	253,603	5
2XXX	**Total liabilities**		615,948	14	502,091	9
	Equity attributable to owners of parent					
	Share capital	6(13)				
3110	Common stock		1,992,794	44	1,992,794	37
	Capital surplus	6(12)(14)(24)				
3200	Capital surplus		3,702,222	82	3,684,782	69
	Accumulated deficit	6(15)				
3350	Accumulated deficit		(2,908,622)	(65)	(1,377,935)	(26)
3400	Other equity interest	6(3)	(24,528)	-	(16,788)	-
3500	Treasury shares	6(13)(24)	(45,990)	(1)	(53,831)	(1)
31XX	**Equity attributable to owners of the parent**		2,715,876	60	4,229,022	79
36XX	Non-controlling interest	4(3) and 6(24)	1,154,927	26	608,737	12
3XXX	**Total equity**		3,870,803	86	4,837,759	91
	Significant Contingent Liabilities and Unrecognised Contract Commitments	6(7), 7 and 9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 4,486,751	100	$ 5,339,850	100

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

			Year ended December 31			
			2021		2020	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16)	$ 18,772	1	$ 140,886	9
5000	Operating costs		(44,362)	(2)	(6,469)	-
5900	Gross (loss) profit		(25,590)	(1)	134,417	9
	Operating expenses	6(5)(6)(7)(11)(12)(20)(21) and 7				
6200	Administrative expenses		(240,826)	(14)	(290,417)	(19)
6300	Research and development expenses		(1,449,598)	(83)	(1,309,881)	(88)
6000	Total operating expenses		(1,690,424)	(97)	(1,600,298)	(107)
6900	Operating loss		(1,716,014)	(98)	(1,465,881)	(98)
	Non-operating income and expenses					
7100	Interest income	6(17)	6,458	-	43,418	3
7010	Other income		8,846	-	8,348	-
7020	Other gains and losses	6(18)	(37,745)	(2)	(75,392)	(5)
7050	Finance costs	6(19) and 7	(3,798)	-	(4,184)	-
7000	Total non-operating income and expenses		(26,239)	(2)	(27,810)	(2)
7900	**Loss before tax**		(1,742,253)	(100)	(1,493,691)	(100)
7950	Income tax benefit	6(22)	24,363	1	3,794	-
8200	**Loss for the year**		($ 1,717,890)	(99)	($ 1,489,897)	(100)
	Other comprehensive (loss) income for the year, net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealised valuation gains and loss from equity investment instruments measured at fair value through other comprehensive income	6(3)	$ 1,069	-	($ 281)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(8,809)	-	5,885	1
8300	**Other comprehensive (loss) income for the year, net**		($ 7,740)	-	$ 5,604	1
8500	**Total comprehensive loss for the year**		($ 1,725,630)	(99)	($ 1,484,293)	(99)
	Loss attributable to:					
8610	Owners of the parent		($ 1,530,687)	(88)	($ 1,377,935)	(92)
8615	Former owner of business combination under common control		-	-	(79,605)	(6)
8620	Non-controlling interest		(187,203)	(11)	(32,357)	(2)
	Total		($ 1,717,890)	(99)	($ 1,489,897)	(100)
	Comprehensive loss attributable to:					
8710	Owners of the parent		($ 1,538,427)	(88)	($ 1,372,331)	(92)
8715	Former owner of business combination under common control		-	-	(79,605)	(5)
8720	Non-controlling interest		(187,203)	(11)	(32,357)	(2)
	Total		($ 1,725,630)	(99)	($ 1,484,293)	(99)
	Loss per share (in dollars)	6(23)				
9750	Basic and diluted loss per share		($ 7.69)		($ 7.34)	

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											
		Capital Reserves					Other Equity Interest						
		Share capital - common stock	Additional paid-in capital	Employee stock options	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Equity attributable to former owner of business combination under common control	Non-controlling interest	Total equity
Year ended December 31, 2020													
Balance at January 1, 2020		$ 1,881,287	$ 10,127,077	$ 1,159,405	$ 218,505	($ 8,259,036)	($ 3,529)	($ 18,863)	$ -	$ 5,104,846	$ 452,434	$ 364,976	$ 5,922,256
Net loss for the year		-	-	-	-	(1,377,935)	-	-	-	(1,377,935)	(79,605)	(32,357)	(1,489,897)
Other comprehensive income (loss) for the year		-	-	-	-	-	5,885	(281)	-	5,604	-	-	5,604
Total comprehensive income (loss) for the year		-	-	-	-	(1,377,935)	5,885	(281)	-	(1,372,331)	(79,605)	(32,357)	(1,484,293)
Effect of reorganisation	6(14)(24)(25)	106,932	336,764	-	-	-	-	-	-	443,696	(372,829)	22,588	93,455
Capital surplus used to cover accumulated deficit	6(14)(15)	-	(8,259,036)	-	-	8,259,036	-	-	-	-	-	-	-
Share-based payment transactions	6(12)(14)(21)(24)	4,575	1,468	37,023	17,517	-	-	-	-	60,583	-	20,813	81,396
Changes in non-controlling interest - effect of subsidiary's issuance of common stock for cash		-	-	-	31,922	-	-	-	-	31,922	-	(31,922)	-
Disgorgement exercised	6(14)	-	-	-	14,137	-	-	-	-	14,137	-	-	14,137
Shares of the parent company held by subsidiaries treated as treasury shares		-	-	-	-	-	-	-	(53,831)	(53,831)	-	(26,511)	(80,342)
Subsidiary's capital increase and issuance of new shares		-	-	-	-	-	-	-	-	-	-	291,150	291,150
Balance at December 31, 2020		$ 1,992,794	$ 2,206,273	$ 1,196,428	$ 282,081	($ 1,377,935)	$ 2,356	($ 19,144)	($ 53,831)	$ 4,229,022	$ -	$ 608,737	$ 4,837,759
Year ended December 31, 2021													
Balance at January 1, 2021		$ 1,992,794	$ 2,206,273	$ 1,196,428	$ 282,081	($ 1,377,935)	$ 2,356	($ 19,144)	($ 53,831)	$ 4,229,022	$ -	$ 608,737	$ 4,837,759
Net loss for the year		-	-	-	-	(1,530,687)	-	-	-	(1,530,687)	-	(187,203)	(1,717,890)
Other comprehensive income (loss) for the year		-	-	-	-	-	(8,809)	1,069	-	(7,740)	-	-	(7,740)
Total comprehensive income (loss) for the year		-	-	-	-	(1,530,687)	(8,809)	1,069	-	(1,538,427)	-	(187,203)	(1,725,630)
Increase in non-controlling interests	6(24)	-	-	-	-	-	-	-	-	-	-	473,370	473,370
Share-based payment transactions	6(12)(14)(21)	-	-	33,993	16,077	-	-	-	-	50,070	-	934	51,004
Share-based payment transactions of subsidiaries	6(12)(14)(21)(24)	-	-	-	543	-	-	-	-	543	-	2,995	3,538
Expiration of share options	6(12)(14)	-	-	(137,527)	137,527	-	-	-	-	-	-	-	-
Expiration of share options issued by a subsidiary	6(12)(14)	-	-	-	1,253	-	-	-	-	1,253	-	(1,253)	-
Changes in non-controlling interest - effect of subsidiary's issuance of common stock for cash	6(24)	-	-	-	(35,272)	-	-	-	(2,403)	(37,675)	-	37,675	-
Disposal of the company's share by subsidiaries recognised as treasury share transactions		-	-	-	846	-	-	-	10,244	11,090	-	5,902	16,992
Subsidiary's capital increase and issuance of new shares	6(24)	-	-	-	-	-	-	-	-	-	-	213,770	213,770
Balance at December 31, 2021		$ 1,992,794	$ 2,206,273	$ 1,092,894	$ 403,055	($ 2,908,622)	($ 6,453)	($ 18,075)	($ 45,990)	$ 2,715,876	$ -	$ 1,154,927	$ 3,870,803

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 1,742,253)	($ 1,493,691)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)	156,820	166,964
Amortisation	6(7)	59,455	64,875
Interest expense	6(19)	3,798	4,184
Interest income	6(17)	(6,458)	(43,418)
Dividend income		(80)	(2,096)
Gains on financial assets at fair value through profit or loss	6(2)	(373)	(53,996)
Loss on disposal of property, plant and equipment	6(18)	15,081	-
Compensation cost for share-based payment transactions	6(12)	54,017	76,821
Prepaid equipment transferred to expense		-	229
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	6(2)	382,137	(328,141)
Accounts receivable, net		(2,014)	71
Inventories		(2,204)	(3,158)
Other receivables		(3,144)	(1,000)
Prepayments		(20,750)	(27,178)
Changes in operating liabilities			
Notes payable		-	(193)
Accounts payable		368	(20)
Contract liabilities		-	(77,640)
Other payables		21,716	49,127
Other payables to related parties		70	-
Other current liabilities		535	(10)
Cash outflow generated from operations		(1,083,279)	(1,668,270)
Interest received		7,365	65,302
Dividends received		80	2,096
Interest paid		(3,798)	(4,184)
Income tax received (paid)		15,153	(4,385)
Net cash flows used in operating activities		(1,064,479)	(1,609,441)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost	6(4)	(140,000)	-
Acquisition of property, plant and equipment	6(26)	(219,891)	(167,160)
Acquisition of intangible assets	6(7)	(3,858)	(2,964)
Increase in prepayments for business facilities		(21,434)	(15,521)
Increase in refundable deposits		(4,790)	(10,258)
Cash acquired from acquisition of subsidiaries		472,651	-
Net cash flows from (used in) investing activities		82,678	(195,903)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of employee stock options	6(12)	-	4,575
Proceeds from exercise of employee stock options by subsidiaries	6(12)(24)	525	-
Repayment of lease principal	6(6)(27)	(49,071)	(45,598)
(Decrease) increase in short-term borrowings	6(8)(27)	(9,468)	9,468
Repayment of long-term debt	6(9)(27)	(9,000)	(9,000)
Increase in capital and issuance of new shares by the subsidiary		213,770	291,150
Disposal of the shares of parent company held by the subsidiary	6(24)	16,992	18,360
Disgorgement exercised	6(14)	-	14,137
Net cash flows from financing activities		163,748	283,092
Effect due to changes in exchange rate		(8,063)	539
Net decrease in cash and cash equivalents		(826,116)	(1,521,713)
Cash and cash equivalents at beginning of year		3,338,302	4,860,015
Cash and cash equivalents at end of year		$ 2,512,186	$ 3,338,302

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

OBI PHARMA, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

OBI PHARMA, INC. (the "Company") was established on April 29, 2002 upon approval by the Ministry of Economic Affairs. The Company conducted the initial public offering in May 2012, and traded its shares on the Emerging Stock Market of the Taipei Exchange (formerly GreTai Securities Market) since March 23, 2015. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in new drugs research.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 18, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, "Extension of the temporary exemption from applying IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, "Interest Rate Benchmark Reform— Phase 2"	January 1, 2021
Amendment to IFRS 16, "Covid-19-related rent concessions beyond 30 June 30, 2021"	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

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 IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, "Reference to the conceptual framework"	January 1, 2022
Amendments to IAS 16, "Property, plant and equipment: proceeds before intended use"	January 1, 2022
Amendments to IAS 37, "Onerous contracts - cost of fulfilling a contract"	January 1, 2022
Annual improvements to IFRS Standards 2018 - 2020	January 1, 2022

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) IFRSs 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 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
Amendments to IAS 1, "Classification of liabilities as current or non-current"	January 1, 2023
Amendments to IAS 1, "Disclosure of accounting policies"	January 1, 2023
Amendments to IAS 8, "Definition of accounting estimates"	January 1, 2023
Amendments to IAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, these consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in compliance 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 (including structured 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) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary

should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(d) Shares of the Company held by subsidiaries are treated as treasury shares.

B. Subsidiaries included in the consolidated financial statements and movements for the year are as follows:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Description
The Company	OBI Pharma Limited	Investing and trading	100.00	100.00	
The Company	OBI Pharma USA, Inc.	Biotechnology development	100.00	100.00	
The Company	AP Biosciences, Inc.	Biotechnology development	54.62	58.99	Note 1
The Company	OBI Pharma Australia Pty Ltd.	Biotechnology development	100.00	100.00	
The Company	Amaran Biotechnology Inc.	Manufacture and wholesale of western pharmaceuticals as well as research and development of biotechnology	70.70	67.00	Notes 2 and 4
The Company	Obigen Pharma, Inc.	Biotechnology development	62.17	-	Note 3
OBI Pharma Limited	OBI Pharma (Shanghai) Limited	Biotechnology development	100.00	100.00	

Note 1: AP Biosciences, Inc. changed its Chinese name as approved at the shareholders' meeting on October 28, 2021, but the English name remained the same. The subsidiary, AP Biosciences, Inc., increased its capital by issuing 10,566 thousand and 1,808 thousand new shares as resolved by the Board of Directors during its meeting on October 23, 2020 and January 22, 2021, respectively. However, as the Company did not acquire shares proportionally to its interest, the Company's shareholding ratio decreased to 58.99% and 54.62% as of December 31, 2020 and December 31, 2021, respectively.

Note 2: On December 31, 2020, the Company increased its capital by issuing new shares to acquire 67% equity interest in Amaran Biotechnology Inc.

Note 3: On February 23, 2021, the Company entered into an intellectual property rights licensing agreement of global aesthetic medicine for OBI-858, Novel Botulinum Toxin, with Obigen Pharma, Inc. The future clinical research and development of indication for OBI-858 aesthetic medicine will be proceeded by Obigen Pharma, Inc. Obigen Pharma, Inc. increased its capital by issuing 47,250 thousand new shares as a consideration to the Company. As a result, Obigen Pharma, Inc. became a subsidiary controlled by the Company with 62.17% equity interest.

Note 4: On March 4, 2021, the Board of Directors of Amaran Biotechnology Inc. resolved to issue 12,000 thousand new shares. The Company subscribed to the capital increase in the amount of $286,231, thereby increasing its shareholding ratio to 70.72%. On December 21, 2021, the Board of Directors of Amaran Biotechnology Inc. approved the subscription of stock options by employees for a total number of 25 thousand shares. As a result, the Company's shareholding ratio decreased to 70.70%.

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

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

E. Significant restrictions: None.

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

As of December 31, 2021 and 2020, the non-controlling interest amounted to $1,154,927 and $608,737, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2021		December 31, 2020		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
AP Biosciences, Inc.	Taiwan	$ 353,416	45.38%	$ 367,284	41.01%	
Amaran Biotechnology, Inc.	Taiwan	278,451	29.30%	241,453	33.00%	Note
Obigen Pharma, Inc.	Taiwan	523,060	37.83%	-	-	

Note: Shares of the Company held by subsidiaries are treated as treasury shares. Thus, the non-controlling interest as of December 31, 2021 and 2020 decreased by $19,062 and $26,511, respectively.

Summarised financial information of the subsidiaries:

Balance sheet

	AP Biosciences, Inc.	
	December 31, 2021	December 31, 2020
Current assets	$ 563,945	$ 632,254
Non-current assets	289,211	335,750
Current liabilities	(21,149)	(9,162)
Non-current liabilities	(54,762)	(63,196)
Total net assets	$ 777,245	$ 895,646

	Amaran Biotechnology Inc.	
	December 31, 2021	December 31, 2020
Current assets	$ 260,693	$ 133,925
Non-current assets	744,577	625,395
Current liabilities	(82,062)	(34,940)
Non-current liabilities	(90,465)	(93,060)
Total net assets	$ 832,743	$ 631,320

	Obigen Pharma, Inc.
	December 31, 2021
Current assets	$ 459,589
Non-current assets	994,201
Current liabilities	(12,804)
Non-current liabilities	(56,416)
Total net assets	$ 1,384,570

Statement of comprehensive income

	AP Biosciences, Inc.	
	Years ended December 31,	
	2021	2020
Revenue	$ 6,993	$ 137,560
Loss before tax	(229,775)	(424)
Income tax benefit	8,434	8,434
(Loss) profit for the year	(221,341)	8,010
Other comprehensive loss	-	-
Total comprehensive (loss) income for the year	($ 221,341)	$ 8,010
Comprehensive (loss) income attributable to non-controlling interest	($ 99,842)	$ 6,851

	Amaran Biotechnology Inc.	
	Years ended December 31,	
	2021	2020
Revenue	$ 34,813	$ 1,837
Loss before tax	(127,385)	(118,813)
Income tax benefit	-	-
Loss for the year	(127,385)	(118,813)
Other comprehensive loss	-	-
Total comprehensive loss for the year	($ 127,385)	($ 118,813)
Comprehensive loss attributable to non-controlling interest	($ 36,397)	($ 39,208)

	Obigen Pharma, Inc.
	Period from February 23, 2021 to December 31, 2021
Revenue	$ -
Loss before tax	(134,715)
Income tax benefit	-
Loss for the year	(134,715)
Other comprehensive loss	-
Total comprehensive loss for the year	($ 134,715)
Comprehensive loss attributable to non-controlling interest	($ 50,964)

Statements of cash flows

	AP Biosciences, Inc.	
	Years ended December 31,	
	2021	2020
Net cash used in operating activities	($ 168,684)	($ 17,045)
Net cash used in investing activities	(34,919)	(7,304)
Net cash provided by financing activities	100,000	581,110
Net (decrease) increase in cash and cash equivalents	(103,603)	556,761
Cash and cash equivalents at beginning of year	630,724	73,963
Cash and cash equivalents at end of year	$ 527,121	$ 630,724

	Amaran Biotechnology Inc.	
	Years ended December 31,	
	2021	2020
Net cash used in operating activities	($ 60,989)	($ 60,905)
Net cash used in investing activities	(210,873)	(142,546)
Net cash provided by financing activities	288,501	9,468
Net increase (decrease) in cash and cash equivalents	16,639	(193,983)
Cash and cash equivalents at beginning of year	114,918	308,901
Cash and cash equivalents at end of year	$ 131,557	$ 114,918

	Obigen Pharma, Inc.
	Period from February 23, 2021 to December 31, 2021
Net cash used in operating activities	($ 96,568)
Net cash used in investing activities	(65,441)
Net cash provided by financing activities	252,056
Net increase in cash and cash equivalents	90,047
Cash and cash equivalents at beginning of year	317,550
Cash and cash equivalents at end of year	$ 407,597

(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.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

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

(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 re-translated 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 other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within "other gains and losses".

B. Translation of foreign operations

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

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise, they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, they are classified as non-current liabilities.

(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. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade 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.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

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

(9) Accounts receivable

Accounts receivable are loans that are created by the entity by selling goods or providing services to customers and are initially recognised at fair value. Accounts receivable are subsequently measured at amortised cost using the effective interest method, less impairment loss. Interest amortised using the effective interest method is recognised in profit or loss. However, short-term accounts receivable without bearing interest are measured at transaction amount as the effect of discounting is immaterial.

(10) 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, and subsequently measured it 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 revenue 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.

(11) Impairment of financial assets

For financial assets at amortised cost, 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. 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.

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.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if

appropriate, at each balance sheet date. 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	10~50 years
Machinery and equipment	3~20 years
Lab equipment	3~5 years
Office equipment	3~5 years
Leasehold improvements	1~5 years

(15) Operating leases (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;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

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) Intangible assets

A. Trademark right

Trademark right is stated at cost and are amortised on a straight-line basis over the estimated useful life of 10 years.

B. Patent and acquired special technology:

(a) Patents acquired in intellectual property right as equity are recognised at fair value at the acquisition date, and amortised on a straight-line basis over the estimated useful life of 17 years.

(b) If acquired by cash, it is recorded at acquisition cost; if acquired through business combination, it is recorded at fair value as measured at the acquisition date. The estimated useful life is 10 to 14 years, and it is amortised on a straight-line basis.

C. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

D. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(17) Impairment of non-financial assets

A. 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. Except for goodwill, 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.

B. The recoverable amount of goodwill is evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(18) Borrowings

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

(19) Accounts payable

Accounts payable from purchasing raw materials, goods or services on credit are initially recognised at fair value less any transaction costs directly attributable to the issuance and subsequently measured at amortised cost using the effective interest method. Interest amortised using the effective interest method is recognised in profit or loss. However, short-term accounts payable without bearing interest are subsequently measured at transaction amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

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

(21) 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 expenses in that period when the employees render service.

B. Pensions - Defined contribution plans

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

C. Employees' compensation and directors' remuneration

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

(22) Employee share-based payment

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

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or

items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred income 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 consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or 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. 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 income 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 income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income 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. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(24) 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.

(25) Revenue recognition

A. Revenue from licensing intellectual property

(a) The Group entered into a contract with a customer to grant a license of patents to the customer. Given the license is distinct from other promised goods or services in the contract, the Group recognises the revenue from licensing when the license is transferred to a customer either at a point in time or over time based on the nature of the license granted. The customer pays a non-refundable upfront fee upon signing of the contract, and makes milestone payments once each milestone is achieved. Revenue is recognised based on the transaction price. The nature of the Group's promise in granting a license is a promise to provide a right to access the Group's intellectual property if the Group undertakes activities that significantly affect the patents to which the customer has rights, the customer is affected by the Group's activities and those activities do not result in the transfer of a good or a service to the customer as they occur. The royalties are recognised as revenue on a straight-line basis throughout the licensing period. In case the abovementioned conditions are not met, the nature of the Group's promise in granting a license is a promise to provide a right to use the Group's intellectual property and therefore the revenue is recognised when transferring the license to a customer at a point in time

(b) Some contracts require a sales-based royalty in exchange for a license of intellectual property. The Group recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

B. Sales of goods

The Group researches, designs, develops, manufactures and sells protein new drugs and adjuvants. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

C. Service revenue

The Group provides services including analytical method development, method validation and sample stability testing. Revenue from delivering services is recognised when the outcome of services provided can be estimated reliably.

(26) Reorganisation of entities under common control

In accordance with the IFRS Q&A 'Questions on the accounting treatment of business combination under common control' issued by the Accounting Research and Development Foundation of the R.O.C. (ARDF) on October 26, 2018, there are no definite rules for business combinations of entities under common control in IFRS 3, 'Business combinations'. Therefore, the Group applies the related interpretations issued in the R.O.C. to account for the reorganisation using the book value method and restate the prior year financial statements as if the entity had always been consolidated since the beginning.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments.

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) Impairment assessment of intangible assets (excluding goodwill)

In accordance with IAS 36, the Group determines whether an intangible asset (excluding goodwill) may be impaired requiring significant judgements. The Group assesses whether there is any indication for impairment based on internal and external information, including the plan and progress of research and development project and the prospect of such technology.

(2) Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 224	$ 162
Checking accounts and demand deposits	1,097,103	1,289,589
Time deposits	1,414,859	2,048,551
	$ 2,512,186	$ 3,338,302

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

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2021	December 31, 2020
Current item:		
Financial assets mandatorily measured at fair value		
Domestic listed and over-the-counter stocks	$ -	$ 106,320
Domestic open-end fund	-	264,287
Foreign listed stocks	1,394	1,394
	1,394	372,001
Valuation adjustment	373	11,530
	$ 1,767	$ 383,531

A. The Group recognised a gain of $20,029 and $48,772 on financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

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

C. 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 fair value through other comprehensive income

Items	December 31, 2021	December 31, 2020
Non-current item:		
Unlisted stocks	$ 27,181	$ 27,181
Valuation adjustment	(18,075)	(19,144)
	$ 9,106	$ 8,037

A. The Group has elected to classify equity investments 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 $9,106 and $8,037 as at December 31, 2021 and 2020, respectively.

B. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 1,069	($ 281)

C. As at December 31, 2021 and 2020, 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 financial assets at fair value through other comprehensive income held by the Group was $9,106 and $8,037, respectively.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	December 31, 2021	December 31, 2020
Current items:		
Time deposits	$ 140,000	$ -

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	2021	2020
Interest income	$ 58	$ -

B. As at December 31, 2021 and 2020, 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 financial assets at amortised cost held by the Group was $140,000 and $0, respectively.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Property, plant and equipment

The Group's property, plant and equipment are mainly for its own use. Details are as follows:

	Land	Buildings and structures	Machinery and equipment	Lab equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2021									
Cost	$ 87,514	$ 328,657	$ 291,907	$ 368,061	$ 34,721	$ 664	$ 73,737	$ 117,366	$ 1,302,627
Accumulated depreciation	-	(78,786)	(152,184)	(259,759)	(28,840)	(664)	(51,201)	-	(571,434)
	$ 87,514	$ 249,871	$ 139,723	$ 108,302	$ 5,881	$ -	$ 22,536	$ 117,366	$ 731,193
2021									
At January 1	$ 87,514	$ 249,871	$ 139,723	$ 108,302	$ 5,881	$ -	$ 22,536	$ 117,366	$ 731,193
Additions	-	625	660	24,033	4,869	506	2,442	240,055	273,190
Disposals	-	-	(178)	(14,903)	-	-	-	-	(15,081)
Reclassifications (Note 1)	-	-	-	3,304	225	-	357	11,033	14,919
Depreciation	-	(13,407)	(30,703)	(47,379)	(2,871)	(25)	(10,923)	-	(105,308)
Net exchange differences	-	-	-	-	(1)	-	(34)	-	(35)
At December 31	$ 87,514	$ 237,089	$ 109,502	$ 73,357	$ 8,103	$ 481	$ 14,378	$ 368,454	$ 898,878
At December 31, 2021									
Cost	$ 87,514	$ 329,282	$ 292,267	$ 338,104	$ 39,722	$ 1,170	$ 65,848	$ 368,454	$ 1,522,361
Accumulated depreciation	-	(92,193)	(182,765)	(264,747)	(31,619)	(689)	(51,470)	-	(623,483)
	$ 87,514	$ 237,089	$ 109,502	$ 73,357	$ 8,103	$ 481	$ 14,378	$ 368,454	$ 898,878

	Land	Buildings and structures	Machinery and equipment	Lab equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2020									
Cost	$ 87,514	$ 292,936	$ 288,922	$ 329,926	$ 30,409	$ 664	$ 62,203	$ 7,417	$ 1,099,991
Accumulated depreciation	-	(63,366)	(123,054)	(201,511)	(26,232)	(594)	(38,668)	-	(453,425)
	$ 87,514	$ 229,570	$ 165,868	$ 128,415	$ 4,177	$ 70	$ 23,535	$ 7,417	$ 646,566
2020									
At January 1	$ 87,514	$ 229,570	$ 165,868	$ 128,415	$ 4,177	$ 70	$ 23,535	$ 7,417	$ 646,566
Additions	-	35,622	4,278	16,363	4,716	-	7,192	103,987	172,158
Reclassifications (Note 1)	-	99	-	21,795	-	-	4,240	5,962	32,096
Depreciation	-	(15,420)	(30,423)	(58,270)	(3,016)	(70)	(12,526)	-	(119,725)
Net exchange differences	-	-	-	(1)	4	-	95	-	98
At December 31	$ 87,514	$ 249,871	$ 139,723	$ 108,302	$ 5,881	$ -	$ 22,536	$ 117,366	$ 731,193
At December 31, 2020									
Cost	$ 87,514	$ 328,657	$ 291,907	$ 368,061	$ 34,721	$ 664	$ 73,737	$ 117,366	$ 1,302,627
Accumulated depreciation	-	(78,786)	(152,184)	(259,759)	(28,840)	(664)	(51,201)	-	(571,434)
	$ 87,514	$ 249,871	$ 139,723	$ 108,302	$ 5,881	$ -	$ 22,536	$ 117,366	$ 731,193

Note 1: The reclassifications resulted from a transfer from prepayments for business facilities (shown as 'other non-current asset') to property, plant and equipment.

Note 2: Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

Note 3: Please refer to Note 6(26).

(6) Leasing arrangements - lessee

A. The Group leases various assets including land, office space and business vehicles. Rental contracts are typically made for periods of 1 to 14 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Short-term leases with a lease term of 12 months or less comprise offices. Low-value assets comprise photocopiers.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land use right	$ 92,527	$ 95,512
Buildings	157,614	91,515
Transportation equipment (Business vehicles)	-	-
	$ 250,141	$ 187,027

	Years ended December 31,	
	2021	2020
	Depreciation charge	Depreciation charge
Land use right	$ 2,985	$ 2,430
Buildings	48,527	44,237
Transportation equipment (Business vehicles)	-	572
	$ 51,512	$ 47,239

D. For the years ended December 31, 2021 and 2020, the Group increased 'right-of-use assets' by $114,761 and $14,686, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2021	2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,281	$ 3,404
Expense on short-term lease contracts	8,607	5,460
Expense on leases of low-value assets	446	458

F. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases arising from right-of-use assets were $61,405 (of which $49,071 represents principal of lease liabilities) and $54,920 (of which $45,598 represents principal of lease liabilities), respectively.

G. Extension options

(a) Extension options are included in the Group's lease contracts pertaining to land. These terms and conditions are the lessor's general practice and are in line with the plan and utilisation of

the effective resources of the Group.

(b) Extension options are included in the Group's lease contracts pertaining to certain offices based on the terms of the industrial park. The Group shall have the priority to lease the premises if it has no significant violation of the lease. These terms and conditions are in line with the plan and utilisation of the effective resources of the Group.

(c) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(7) Intangible assets

	Patent					Patented technology				
	OBI-858 Product development project of botulinum	OBI-833 Next-generation cancer vaccine	OBI-3424 AKR1C3 enzyme prodrug	Bifunctional fusion protein for age-related mascular degeneration	Bispecific monoclonal antibody	Antibody-drug development platform	Trademarks	Software	Goodwill	Total
At January 1, 2021										
Cost	$ 42,858	$ 1,500	$ 90,693	$ 81,037	$ 271,933	$ 96,644	$ 1,815	$ 11,403	$ 61,148	$ 659,031
Accumulated amortisation	(37,858)	(1,188)	(30,231)	(17,470)	(81,579)	(28,993)	(231)	(7,600)	-	(205,150)
	$ 5,000	$ 312	$ 60,462	$ 63,567	$ 190,354	$ 67,651	$ 1,584	$ 3,803	$ 61,148	$ 453,881
2021										
At January 1	$ 5,000	$ 312	$ 60,462	$ 63,567	$ 190,354	$ 67,651	$ 1,584	$ 3,803	$ 61,148	$ 453,881
Additions	-	-	-	-	-	-	-	3,858	-	3,858
Amortisation	(4,286)	(150)	(9,069)	(5,823)	(27,193)	(9,665)	(181)	(3,088)	-	(59,455)
At December 31	$ 714	$ 162	$ 51,393	$ 57,744	$ 163,161	$ 57,986	$ 1,403	$ 4,573	$ 61,148	$ 398,284
At December 31, 2021										
Cost	$ 42,858	$ 1,500	$ 90,693	$ 81,037	$ 271,933	$ 96,644	$ 1,815	$ 9,413	$ 61,148	$ 657,041
Accumulated amortisation	(42,144)	(1,338)	(39,300)	(23,293)	(108,772)	(38,658)	(412)	(4,840)	-	(258,757)
	$ 714	$ 162	$ 51,393	$ 57,744	$ 163,161	$ 57,986	$ 1,403	$ 4,573	$ 61,148	$ 398,284

	Patent						Patented technology				
	OBI-822	OBI-858	OBI-833	OBI-3424							
	Therapeutically metastatic vaccines	Product development project of botulinum	Next-generation cancer vaccine	AKR1C3 enzyme prodrug	Bifunctional fusion protein for age-related mascular degeneration	Bispecific monoclonal antibody	Antibody-drug development platform	Trademarks	Software	Goodwill	Total
At January 1, 2020											
Cost	$ 87,577	$ 42,858	$ 1,500	$ 90,693	$ 81,037	$ 271,933	$ 96,644	$ 1,808	$ 14,133	$ 61,148	$ 749,331
Accumulated amortisation	(82,426)	(33,572)	(1,038)	(21,162)	(11,646)	(54,386)	(19,328)	(50)	(9,931)	-	(233,539)
	$ 5,151	$ 9,286	$ 462	$ 69,531	$ 69,391	$ 217,547	$ 77,316	$ 1,758	$ 4,202	$ 61,148	$ 515,792
2020											
At January 1	$ 5,151	$ 9,286	$ 462	$ 69,531	$ 69,391	$ 217,547	$ 77,316	$ 1,758	$ 4,202	$ 61,148	$ 515,792
Additions	-	-	-	-	-	-	-	7	2,957	-	2,964
Amortisation	(5,151)	(4,286)	(150)	(9,069)	(5,824)	(27,193)	(9,665)	(181)	(3,356)	-	(64,875)
At December 31	$ -	$ 5,000	$ 312	$ 60,462	$ 63,567	$ 190,354	$ 67,651	$ 1,584	$ 3,803	$ 61,148	$ 453,881
At December 31, 2020											
Cost	$ 87,577	$ 42,858	$ 1,500	$ 90,693	$ 81,037	$ 271,933	$ 96,644	$ 1,815	$ 11,403	$ 61,148	$ 746,608
Accumulated amortisation	(87,577)	(37,858)	(1,188)	(30,231)	(17,470)	(81,579)	(28,993)	(231)	(7,600)	-	(292,727)
	$ -	$ 5,000	$ 312	$ 60,462	$ 63,567	$ 190,354	$ 67,651	$ 1,584	$ 3,803	$ 61,148	$ 453,881

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2021	2020
Administrative expenses	$ 2,082	$ 2,582
Research and development expenses	57,373	62,293
	$ 59,455	$ 64,875

B. Goodwill is allocated as follows to the Group's cash-generating units:

	December 31, 2021	December 31, 2020
AP Biosciences, Inc.	$ 61,148	$ 61,148

C. The Company purchased patents named "OPT-822", therapeutically metastatic breast cancer vaccines, and "OPT-80", Macrolide, from Optimer Pharmaceuticals, Inc. (the name "Optimer" is no longer used since January 2013 and the name was changed to "OBI-822/821" after the organisation changed in October 2012) on December 29, 2003. The main contract information is as follows:

(a) The patent amounting to USD 6 million (approximately NTD 204,000) based on the appraisal report, was acquired as intellectual property right through equity of 20,400 thousand shares.

(b) The Company signed an authorised sale contract for Antibiotics-Fidaxomicin with OPT. The contract states that the Company must pay royalty fees to OPT based on 17% or 22% of sales under the revenue achievements. The payment period of the royalty fee is the duration of patent right or ten years starting from the initial sales, whichever is later.

(c) On October 2, 2015, the Company entered into a contract with Optimer Pharmaceuticals, LLC. (hereafter referred to as "Optimer"), agreeing to transfer all the rights of DIFICID™ (Fidaxomicin) in terms of marketing approval and filing a trademark application pursuant to Taiwan legislations. The contract will expire on November 27, 2028 when the patent term lapses. The contract provides that the Company is obliged to transfer all related rights to Optimer. In return, Optimer is obliged to pay the Company (a) US$3 million of contract value; (b) a maximum of US$3.25 million of accumulated net sales revenue and additional US$1 million of milestone payment for each new indication; (c) sales royalty calculated based on a certain percentage of net sales revenue. As for all business activities related to DIFICID™, it is handed over to Optimer's associate in Taiwan, Merck Sharp & Dohme (I.A.) LLC. - Taiwan Branch (hereafter referred to as "MSD"). In addition, the authorised sale contract mentioned in Note 6(7)C.(b) has been terminated when the contract value of this transfer contract was settled based on mutual agreement. For the years ended December 31, 2021 and 2020, the Company recognised the aforementioned royalty income of $1,756 and $1,489, respectively.

(d) The Company needs to pay the achieved milestones. As of December 31, 2021, the remaining unpaid amount was US$10 million. The amount of payment was determined based on whether the milestones in the agreement are achieved or not. Furthermore, the Company must pay

royalty fees based on a certain percentage of the sales of patented products annually.

D. In order to improve mass production and manufacturing process of OBI-822 for expanding global market, the Company has signed an exclusive patent license for the Globo H series' chemosynthesis of carbohydrates with Academia Sinica on April 23, 2014, and the contract period is from April 23, 2014 to the expiration of protection duration of the last patented product. The Company must pay upfront patent licensing fees and royalty fees in accordance with the contract. Except for royalty fees, the Company assesses whether to pay periodical patent licensing fees based on 4 achieved milestones. The total contract amount was approximately $60,000. Further, pursuant to the supplements and amendments agreement on February 18, 2016, the patent licensing fees was reduced to $57,320. As of December 31, 2021, the Company paid royalty fees of $20,000 in 2014, milestone patent licensing fees of $27,320 in 2016 and $10,000 in 2017. These fees were recognised as research and development expenses.

E. The Company purchased a patent named "product development project of botulinum" (OBI-858) from Amaran Biotechnology Inc. on March 2, 2012, which amounted to $42,858 based on external experts' valuation.

F. In 2010, the Company acquired patents named "next-generation cancer vaccine" (OBI-833) and "reagent for cancer screening" (OBI-868). The contract states that the Company must pay royalty fees based on the achieved milestones. In 2013, the Company paid royalty fees of $1,500 separately for both projects. Furthermore, the Company must pay royalty fees based on a certain percentage of the sales of patented products annually.

G. On May 31, 2017, the Company entered into an agreement with Threshold Pharmaceuticals, Inc. to acquire the global IP right (excluding Mainland China, Hong Kong, Macao, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, Turkey and India) and patent regarding the innovative micromolecule drug TH-3424, which was then renamed OBI-3424.

H. Aiming to bolster the competitive edge of products and the ability to develop new drugs, on January 10, 2018, the Company issued 1,675 thousand new common stocks in exchange for 6,700 thousand common stocks of AP Biosciences, Inc., which were held by AbProtix,Inc., at a share exchange ratio of 1:4 for a 67% equity interest in AP Biosciences, Inc. The Company hired independent experts to issue a purchase price allocation report for the business combination. Based on the report, the Company recognised patent and acquired special technology, computer software, and goodwill in the amounts of $449,614, $105, and $61,148, respectively.

I. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

   The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use

calculations are as follows:

	AP Biosciences, Inc.	
	Years ended December 31,	
	2021	2020
Gross margin	80%~100%	87.5%~100%
Growth rate	5%	5%
Discount rate	15%	16%

J. The Group has no intangible assets pledged to others.

(8) Short-term borrowings

Type of borrowings	December 31, 2020	Interest rate	Collateral
Bank borrowings			
Secured borrowings	$ 9,468	1.20%	Buildings located at No. 01410-000 and 01410-001, Shixing Section, Zhubei City

The Group had no short-term borrowings as of December 31, 2021.

(9) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2021	December 31, 2020
Long-term bank borrowings					
Secured borrowings	Borrowing period is from October 5, 2016 to October 5, 2026; interest is payable monthly (Note 1)	Note 3	Note 2	$ 35,000	$ 42,000
Unsecured borrowings	Borrowing period is from October 5, 2016 to October 5, 2021; interest is payable monthly (Note 1)	Note 3	None	-	2,000
				35,000	44,000
Less: Current portion				(7,000)	(9,000)
				$ 28,000	$ 35,000

Note 1: The Group negotiated borrowing contract with the bank whereby the principal will be payable quarterly starting from January 2017.

Note 2: Please refer to Note 8 for details.

Note 3: It was calculated based on 3-month adjustable rates for consumer loans plus 0.53%

annual rate. As of December 31, 2021 and 2020, the interest rate was 1.33%.

(10) Other payables

	Years ended December 31,	
	2021	2020
Accrued clinical trials cost	$ 115,754	$ 23,708
Payable on equipment	66,321	13,022
Accrued consulting and service fee	28,337	21,036
Accrued clinical materials expense	18,291	10,653
Wages and salaries payable	15,437	12,294
Payable on investment	-	91,210
Others	20,650	17,852
	$ 264,790	$ 189,775

(11) Pension

A. 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. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were $12,639 and $11,316, respectively.

B. OBI Pharma Australia Pty Ltd. and OBI Pharma Limited were not required to set up a policy for employee pension plans. For the pension plan based on local government regulations, OBI Pharma USA, Inc. and OBI Pharma (Shanghai) Limited recognised pension costs of $5,254 and $4,844 for the years ended December 31, 2021 and 2020, respectively.

(12) Share-based payment

A. Information on share-based payments made by the Company and the subsidiaries is as follows:

(a) The options were granted to qualified employees of the Company and the subsidiaries which the Company holds over 50% equity interest by issuing new shares of the Company when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2010.03.08	2,360,000	1	One year after services, employees can exercise options monthly at a certain percentage based on the schedule	-
〃	2010.05.21	100,000	1	〃	-
〃	2010.09.10	60,000	1	〃	-
〃	2010.12.15	144,000	1	〃	-
〃	2011.01.01	588,000	1	〃	-
〃	2011.03.30	80,000	1	〃	-
〃	2011.06.10	124,000	1	〃	-
〃	2011.09.30	260,000	1	〃	-
〃	2011.12.16	2,450,000	1	〃	-
〃	2012.01.01	1,560,000	1	〃	-
〃	2012.03.09	270,000	1	〃	0.19
〃	2013.11.27	1,821,000	1	Two years after services, employees can exercise options monthly at a certain percentage based on the schedule	1.91
〃	2014.02.21	1,744,000	1	〃	2.14
〃	2014.03.26	575,000	1	〃	2.23
〃	2015.05.06	2,861,000	1	〃	3.35
〃	2015.08.04	75,000	1	〃	3.59
〃	2015.11.06	353,000	1	〃	3.85
〃	2015.12.15	13,000	1	〃	3.96
〃	2016.03.25	1,377,000	1	〃	4.23
〃	2017.03.09	3,145,000	1	〃	5.19
〃	2017.05.12	20,000	1	〃	5.36
〃	2017.08.11	20,000	1	〃	5.61
〃	2017.11.10	130,000	1	〃	5.86
〃	2018.01.19	1,685,000	1	〃	6.05
〃	2019.09.06	1,125,000	1	〃	7.68
〃	2019.11.08	385,000	1	〃	7.85
〃	2020.08.05	510,000	1	〃	8.59
〃	2021.11.05	3,859,000	1	〃	9.85

Note: The above share-based payment arrangements are equity-settled.

(b) The options were granted to qualified employees of the subsidiary, Amaran Biotechnology Inc., issuing new shares of the subsidiary when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2014.01.15	920	1,000	One year after services, employees can exercise options monthly at a certain percentage based on the schedule	2.04
〃	2014.05.02	310	1,000	〃	2.33
〃	2014.09.03	270	1,000	〃	2.67
〃	2015.02.12	255	1,000	〃	3.11
〃	2015.05.27	300	1,000	〃	3.40
〃	2015.09.09	70	1,000	〃	3.68
〃	2015.12.15	235	1,000	〃	3.95
〃	2016.03.02	2,382	1,000	〃	4.16
〃	2016.09.02	45	1,000	〃	4.67
〃	2017.01.01	179	1,000	〃	5.00
〃	2017.04.01	34	1,000	〃	5.25
〃	2017.06.01	60	1,000	〃	5.41
〃	2018.03.23	1,090	1,000	〃	6.22
〃	2018.09.18	60	1,000	〃	6.71
〃	2019.01.01	65	1,000	〃	7.00
〃	2019.03.01	65	1,000	〃	7.16
〃	2019.10.01	210	1,000	〃	7.75
〃	2020.04.01	250	1,000	〃	8.25
〃	2020.05.01	120	1,000	〃	8.33
〃	2021.07.01	110	1,000	〃	9.50
〃	2021.08.01	115	1,000	〃	9.59
〃	2021.09.01	15	1,000	〃	9.67
〃	2021.10.01	1,139	1,000	〃	9.75

Note: The above share-based payment arrangements are equity-settled.

(c) The options were granted by the subsidiary, Obigen Pharma, Inc., to qualified employees of the subsidiary and the Company by issuing new shares of the subsidiary when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2021.12.09	1,568,000	1	Two years after services, employees can exercise options monthly at a certain percentage based on the schedule	9.95

Note: The above share-based payment arrangement is equity-settled.

(d) The options were granted by the subsidiary, AP Biosciences, Inc., to qualified employees of the subsidiary and the Company by issuing new shares of the subsidiary when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2021.12.16	2,286,000	1	Two years after services, employees can exercise options monthly at a certain percentage based on the schedule	9.95

Note: The above share-based payment arrangement is equity-settled.

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

(a) The Company's employee stock option plan:

	Years ended December 31,			
	2021		2020	
	No. of units	Weighted-average exercise price (in dollars)	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	9,954,335	$ 251.81	10,634,832	$ 249.44
Options granted	3,859,000	108.00	510,000	120.00
Options exercised	-	-	(457,500)	10.00
Options forfeited or expired	(1,088,021)	272.04	(732,997)	276.68
Options outstanding at end of the year	12,725,314	206.34	9,954,335	251.81
Options exercisable at end of the year	7,801,399		7,629,383	
Options authorised but not granted at end of the year	1,141,000		-	

(b) The employee stock option plan of subsidiary, Amaran Biotechnology Inc.:

	Years ended December 31,			
	2021		2020	
	No. of units	Weighted-average exercise price (in dollars)	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	3,230	$ 41.58	3,828	$ 41.55
Options granted	1,379	25.00	370	25.00
Options exercised	(25)	21.00	-	-
Options forfeited or expired	(248)	39.11	(968)	33.76
Options outstanding at end of the year	4,336	36.57	3,230	41.58
Options exercisable at end of the year	2,632		2,554	
Options authorised but not granted at end of the year	251		1,130	

(c) The employee stock option plan of subsidiary, Obigen Pharma, Inc.:

	Year ended December 31, 2021	
	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	-	$ -
Options granted	1,568,000	20.00
Options exercised	-	-
Options forfeited or expired	-	-
Options outstanding at end of the year	1,568,000	20.00
Options exercisable at end of the year	-	
Options authorised but not granted at end of the year	1,432,000	

No stock option was planned for the year ended December 31, 2020.

(d) The employee stock option plan of subsidiary, AP Biosciences, Inc.:

	Year ended December 31, 2021	
	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	-	$ -
Options granted	2,286,000	55.00
Options exercised	-	-
Options forfeited or expired	-	-
Options outstanding at end of the year	2,286,000	55.00
Options exercisable at end of the year	-	
Options authorised but not granted at end of the year	151,000	

No stock option was planned for the year ended December 31, 2020.

C. The weighted-average stock price of the Company's stock options at exercise dates for the year ended December 31, 2020 was $105.3 (in dollars), and no stock option was exercised for the year ended December 31, 2021. The weighted-average stock price of the subsidiary's, Amaran Biotechnology Inc., stock options at exercise dates for the year ended December 31, 2021 was $21 (in dollars), and no stock option was exercised for the year ended December 31, 2020. For the subsidiaries, Obigen Pharma, Inc. and AP Biosciences, Inc., no stock option was exercised for the years ended December 31, 2021 and 2020.

D. As of December 31, 2021 and 2020, the range of exercise prices of the Company's stock options outstanding were $108~$727 (in dollars) and $120~$727 (in dollars), respectively. The range of exercise prices of the subsidiary's, Amaran Biotechnology Inc., stock options outstanding was $15~$70 (in dollars). As of December 31, 2021, the exercise prices of the subsidiaries', Obigen Pharma, Inc. and AP Biosciences, Inc., stock options outstanding were $20 (in dollars) and $55 (in dollars), respectively. For the year ended December 31, 2020, no stock option was outstanding for the subsidiaries, Obigen Pharma, Inc. and AP Biosciences, Inc..

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

(a) The Company's employee stock option plan:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2010.03.08	$ 6.9	$ 10.0	44.23%	10 years	0%	1.42%	$ 3.16
〃	2010.05.21	6.9	10.0	44.23%	10 years	0%	1.42%	3.16
〃	2010.09.10	6.9	10.0	44.23%	10 years	0%	1.42%	3.16
〃	2010.12.15	6.9	10.0	44.23%	10 years	0%	1.42%	3.16
〃	2011.01.01	9.6	10.0	41.62%	10 years	0%	1.51%	4.98
〃	2011.03.30	9.6	10.0	41.62%	10 years	0%	1.51%	4.98
〃	2011.06.10	9.6	10.0	41.62%	10 years	0%	1.51%	4.98
〃	2011.09.30	7.4	10.0	40.94%	10 years	0%	1.29%	3.21
〃	2011.12.16	7.4	10.0	40.94%	10 years	0%	1.29%	3.21
〃	2012.01.01	10.1	10.0	40.83%	10 years	0%	1.22%	5.21
〃	2012.03.09	10.1	10.0	40.83%	10 years	0%	1.22%	5.21
〃	2013.11.27	255.6	247.4	49.72%	6.375 years	0%	1.44%	128.42
〃	2014.02.21	231.4	214.4	47.62%	6.375 years	0%	1.34%	114.80
〃	2014.03.26	215.0	227.6	46.54%	6.375 years	0%	1.38%	97.07
〃	2015.05.06	334.0	334.0	44.46%	6.375 years	0%	1.33%	150.18
〃	2015.08.04	283.0	283.0	43.90%	6.375 years	0%	1.21%	125.27
〃	2015.11.06	422.0	422.0	44.11%	6.375 years	0%	1.01%	186.00
〃	2015.12.15	727.0	727.0	45.44%	6.375 years	0%	0.99%	328.28
〃	2016.03.25	420.0	420.0	47.70%	6.375 years	0%	0.72%	195.43
〃	2017.03.09	326.0	326.0	50.01%	6.375 years	0%	1.11%	159.90
〃	2017.05.12	261.0	261.0	49.51%	6.375 years	0%	0.96%	126.34
〃	2017.08.11	191.0	191.0	48.61%	6.375 years	0%	0.82%	90.60
〃	2017.11.10	169.0	169.0	48.44%	6.375 years	0%	0.81%	79.91
〃	2018.01.19	170.5	170.5	48.61%	6.375 years	0%	0.88%	81.04
〃	2019.09.06	144.0	144.0	45.65%	6.375 years	0%	0.62%	64.29
〃	2019.11.08	131.0	131.0	45.03%	6.375 years	0%	0.65%	57.88
〃	2020.08.05	120.0	120.0	45.37%	6.375 years	0%	0.37%	52.76
〃	2021.11.05	108.0	108.0	45.03%	6.375 years	0%	0.45%	47.33

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period and the Company's historical transaction data since its shares traded on the Emerging Stock Market.

(b) The employee stock option plan of subsidiary, Amaran Biotechnology Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2014.01.15	$ 27.5	15.0	48.22%	10 years	0%	1.09%	$ 18.20
〃	2014.05.02	27.5	15.0	48.22%	10 years	0%	1.09%	18.20
〃	2014.09.03	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
〃	2015.02.12	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
〃	2015.05.27	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
〃	2015.09.09	31.5~35.6	50.0	42.31%~42.87%	10 years	0%	0.78%~0.93%	12.80
〃	2015.12.15	31.5~35.6	50.0	42.31%~42.87%	10 years	0%	0.78%~0.93%	12.80
〃	2016.03.02	31.5	50.0	42.87%	10 years	0%	0.93%	12.80
〃	2016.09.02	35.6	50.0	42.31%	10 years	0%	0.78%	15.33
〃	2017.01.01	31.5~35.6	70.0	42.31%~42.87%	10 years	0%	0.78%~0.93%	15.33
〃	2017.04.01	31.5~35.6	70.0	42.31%~42.87%	10 years	0%	0.78%~0.93%	15.33
〃	2017.06.01	31.5~35.6	70.0	42.31%~42.87%	10 years	0%	0.78%~0.93%	15.33
〃	2018.03.23	20.9~29.0	25.0	20.75%~34.14%	10 years	0%	0.69%~0.86%	4.04
〃	2018.09.18	20.9~29.0	25.0	20.75%~34.14%	10 years	0%	0.69%~0.86%	4.04
〃	2019.01.01	24.8	25.0	33.59%~34.14%	10 years	0%	0.74%~0.79%	8.46
〃	2019.03.01	21.9	25.0	33.36%~33.92%	10 years	0%	0.69%~0.77%	6.44
〃	2019.10.01	20.9	25.0	32.15%~32.78%	10 years	0%	0.63%~0.67%	5.59
〃	2020.04.01	24.4	25.0	38.00%~38.12%	10 years	0%	0.42%~0.44%	8.94
〃	2020.05.01	20.4	25.0	38.59%~38.75%	10 years	0%	0.41%~0.47%	6.47
〃	2021.07.01	23.0	25.0	45.53%~46.68%	10 years	0%	0.32%~0.38%	9.58
〃	2021.08.01	23.0	25.0	45.53%~46.68%	10 years	0%	0.32%~0.38%	9.58
〃	2021.09.01	23.0	25.0	45.53%~46.68%	10 years	0%	0.32%~0.38%	9.58
〃	2021.10.01	23.0	25.0	45.53%~46.68%	10 years	0%	0.32%~0.38%	9.58

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period.

(c) The employee stock option plan of subsidiary, Obigen Pharma, Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2021.12.09	$ 20.7	20.0	46.70%~47.97%	6.375 years	0%	0.48%~0.51%	$ 9.70

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period.

(d) The employee stock option plan of subsidiary, AP Biosciences, Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2021.12.16	$ 45.2	55.0	80.87%	6.38 years	0%	0.48%	$ 30.08

Note: Expected price volatility rate was estimated by using the historical volatility record of similar entities.

F. For the years ended December 31, 2021 and 2020, the Group recognised employee stock option plan compensation expense of $54,017 and $76,821, respectively.

(13) Share capital

A. As of December 31, 2021, the Company's authorised capital was $3,000,000, consisting of 300 million shares of ordinary stock (including 24 million shares reserved for employee stock options), and the outstanding capital was $1,992,794 with a par value of $10 (in dollars) per share. Additionally, the Company increased its capital by issuing 10,693 thousand new shares to acquire 67% equity interest in Amaran Biotechnology Inc. with the merger effective date set on December 31, 2020. The registration was completed on February 3, 2021.

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

(Unit: shares in thousands)

	2021	2020
At January 1	198,892	187,655
Effect of reorganisation	-	10,693
Shares of the parent company sold by subsidiaries	74	87
Treasury shares arising from changes in shareholding ratio of subsidiaries	(18)	-
Exercise of employee stock options	-	457
At December 31	198,948	198,892

B. Treasury stock:

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

	Year ended December 31, 2021				
Reason for reacquisition	Beginning shares	Additions	Disposal	Ending shares	Carrying amount
Shares of the parent company held by subsidiaries treated as treasury shares (Note)	387 thousand shares	18 thousand shares	74 thousand shares	331 thousand shares	$ 45,990

	Year ended December 31, 2020				
Reason for reacquisition	Beginning shares	Additions	Disposal	Ending shares	Carrying amount
Shares of the parent company held by subsidiaries treated as treasury shares (Note)	474 thousand shares	-	87 thousand shares	387 thousand shares	$ 53,831

Note: Shares of the parent company held by subsidiaries are treated as treasury share but are entitled to the shareholders' rights. The number of shares was calculated by multiplying the number of shares of the Company held by the subsidiaries by the the Company's shareholding ratio to subsidiaries. Also noted that the shares of the parent company held by subsidiaries are held by the subsidiary, Amaran Biotechnology Inc., before it was included in the Group.

(b) 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.

(c) 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.

(14) 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 Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2021		
	Share premium	Employee stock options	Others
At January 1	$ 2,206,273	$ 1,196,428	$ 282,081
Employee stock options compensation cost	-	33,993	16,077
Employee stock options compensation cost from subsidiaries	-	-	543
Expiration of employee stock options	-	(137,527)	138,780
Changes in ownership interests in subsidiaries	-	-	(35,272)
Treasury share transactions	-	-	846
At December 31	$ 2,206,273	$ 1,092,894	$ 403,055

	2020		
	Share premium	Employee stock options	Others
At January 1	$ 10,127,077	$ 1,159,405	$ 218,505
Effect of reorganisation	336,764	-	-
Capital surplus used to offset accumulated deficit	(8,259,036)	-	-
Employee stock options compensation cost	-	38,491	17,517
Employee stock options exercised	1,468	(1,468)	-
Changes in ownership interests in subsidiaries	-	-	31,922
Disgorgement exercise	-	-	14,137
At December 31	$ 2,206,273	$ 1,196,428	$ 282,081

(15) Accumulated Deficit

A. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Cash dividends shall first be appropriated, and the remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

B. The Company is facing a capital intensive industrial environment, with the life cycle of the industry in the growth phase. The residual dividend policy is adopted taking into consideration the Company's operating expansion plans and investment demands. According to the balanced dividend policy adopted by the Board of Directors, stock dividends and cash dividends will be allocated in consideration of the actual net income and funds status and are subject to the approval by the Board of Directors and resolution by shareholders and cash dividends shall account for at least 10% of the total dividends distributed.

C. Except for covering accumulated deficit, increasing capital or payment of cash, the legal reserve shall not be used for any other purpose. The amount capitalised or the cash payment shall not

exceed 25% of the paid-in capital.

D. As resolved by the shareholders on July 16, 2021, the Company's 2020 deficit is as follows:

	Year ended December 31, 2020
Accumulated deficit at beginning of the year	$ -
Net loss for 2020 (Note)	(1,377,935)
Accumulated deficit at end of the year	($ 1,377,935)

Note: This excludes effect of equity attributable to former owner of business combination under common control in the amount of $79,605.

E. As resolved by the shareholders on March 18, 2022, the Company's proposal for 2021 deficit compensation is as follows:

	Year ended December 31, 2021
Accumulated deficit at beginning of the year	($ 1,377,935)
Net loss for 2021	(1,530,687)
Accumulated deficit at end of the year	($ 2,908,622)

As of March 18, 2022, the aforementioned proposal for 2021 deficit compensation has not yet been resolved by the shareholders.

(16) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	$ 18,772	$ 140,886

Disaggregation of revenue from contracts with customers is as follows:

Year ended December 31, 2021	Sales of materials	Service provision	Patent technology licensing	Total
Revenue from external customer contracts				
Contract revenue	$ 4,837	$ 5,186	$ 8,749	$ 18,772

Year ended December 31, 2020	Sales of materials	Service provision	Patent technology licensing	Total
Revenue from external customer contracts				
Contract revenue	$ 1,169	$ 668	$ 139,049	$ 140,886

A. The Group's subsidiary, AP Biosciences, Inc., entered into a co-development and licensing agreement for new antibody drugs with Company T on July 26, 2019. AP Biosciences, Inc. offered Company T professional knowledge on three developed antibody products and data on eight targets selected out of the targets in the early stage of research and development for the following co-development to proceed. Company T is responsible for all the subsequent clinical development when the transfer of professional expertise from AP Biosciences, Inc. is completed. Company T will obtain the exclusive manufacture and sale rights in China, Hong Kong and Macao after the successful development of the new drugs. In accordance with the agreement, AP Biosciences, Inc. will receive upfront payments, milestone payments and royalties on future sales based on a percentage stipulated in the agreement.

However, AP Biosciences, Inc. entered into a supplemental agreement with Company T in September 2020 in order to extend the scope of authority on the aforementioned four targets selected in the early stage of research and development which are not only applicable in China, Hong Kong and Macao but also applicable in the world.

As of December 31, 2021, AP Biosciences, Inc. received the upfront payments amounting to USD2,000 thousand for the three developed antibody products and USD2,500 thousand for the targets selected in the early stage of research and development. For the year ended December 31, 2021, no licensing revenue was recognised under the aforementioned licensing agreement as there was no new target added or milestone achieved. For the year ended December 31, 2020, operating revenue of $137,560 was recognised under the aforementioned licensing agreement.

B. AP Biosciences, Inc. entered into a co-development and licensing agreement for new antibody drugs with Company I in February 2016. AP Biosciences, Inc. granted the patent right to Company I. Company I is responsible for all the subsequent clinical development, and will obtain the exclusive manufacture and sale rights in China and emerging markets after the successful development of the new drugs. In accordance with the agreement, AP Biosciences, Inc. will receive royalties on future sales based on a percentage stipulated in the agreement.

As of December 31, 2021, AP Biosciences, Inc. received the upfront payments amounting to USD250 thousand for the completion of the Phase I clinical trial and USD250 thousand for the completion of the Phase II clinical trial. As the above two phases of clinical trials were completed during 2021, AP Biosciences, Inc. recognised milestone licensing revenue amounting to $6,993 for the year ended December 31, 2021. For the year ended December 31, 2020, no operating revenue was recognised under the aforementioned licensing agreement as there was no milestone achieved.

(17) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	$ 6,458	$ 43,418

(18) Other gains and losses

	Years ended December 31,	
	2021	2020
Net currency exchange loss	($ 42,062)	($ 124,118)
Gains on financial assets at fair value through profit or loss	20,029	48,751
Losses on disposals of property, plant and equipment	(15,081)	-
Others	(631)	(25)
	($ 37,745)	($ 75,392)

(19) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense	$ 3,798	$ 4,184

(20) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expenses	$ 452,499	$ 432,999
Clinical material expenses	196,976	211,246
Consulting and service fees	306,945	245,934
Clinical trials cost	456,899	414,114
Rental expenses	9,163	5,360
Depreciation charges	156,820	166,964
Amortisation charges	59,455	64,875
Other expenses	96,029	65,275
Operating costs and expenses	$ 1,734,786	$ 1,606,767

(21) Employee benefit expense

	Years ended December 31,	
	2021	2020
Wages and salaries (including directors' remuneration)	$ 337,284	$ 305,082
Employee stock options	54,017	76,821
Labor and health insurance fees	20,887	17,217
Pension costs	17,893	16,160
Other personnel expenses	22,418	17,719
	$ 452,499	$ 432,999

A. In accordance with the Articles of Incorporation, 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 not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the abovementioned employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The term shall be defined by the Board of Directors.

B. As of December 31, 2021 and 2020, the Company had an accumulated deficit; thus, no employees' compensation and directors' and supervisors' remuneration was recognised for the years ended December 31, 2021 and 2020. Information about employees' compensation and directors' and supervisors' remuneration of the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on loss for the year	($ 5,264)	($ 4,639)
Prior year income tax over estimation	21,193	-
Total current tax	15,929	(4,639)
Deferred tax:		
Origination and reversal of temporary difference	$ 8,434	$ 8,433
Total deferred tax	8,434	8,433
Income tax benefit	$ 24,363	$ 3,794

B. The reconciliation between accounting income and income tax benefit:

	Years ended December 31,	
	2021	2020
Tax calculated based on loss before tax and statutory tax rate	($ 309,306)	($ 279,380)
Tax effects of items required to be added by tax regulation	187,418	-
Tax effects of items disallowed by tax regulation	50	235
Withholding income tax	5,264	4,639
Tax effects of unrecognised deferred tax assets	113,404	270,712
Prior year income tax overestimation	(21,193)	-
Income tax benefit	($ 24,363)	($ 3,794)

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

	Year ended December 31, 2021			
	January 1	Recognised in profit or loss	Business combination	December 31
－Deferred tax liabilities:				
Book-tax differences on business combinations	$ 63,196	($ 8,434)	$ -	$ 54,762

	Year ended December 31, 2020			
	January 1	Recognised in profit or loss	Business combination	December 31
－Deferred tax liabilities:				
Book-tax differences on business combinations	$ 71,629	($ 8,433)	$ -	$ 63,196

D. Details of the amount the Company and its subsidiary, AP Biosciences, Inc., are entitled as investment tax credits and unrecognised deferred tax assets under the Act for the Development of Biotech and New Pharmaceuticals Industry are as follows:

(a) Amounts of investment tax credits and unrecognised deferred tax assets that the Company is entitled to are as follows:

December 31, 2021			
Qualifying items	Amount field/ assessed	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 958,393	$ 958,393	$ 958,393

December 31, 2020			
Qualifying items	Amount field/ assessed	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 872,272	$ 872,272	$ 872,272

(b) Amounts of investment tax credits and unrecognised deferred tax assets that the subsidiary, AP Biosciences, Inc., is entitled to are as follows:

2021			
Qualifying items	Amount field/ assessed	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 20,991	$ 20,991	$ 20,991

2020			
Qualifying items	Amount field/ assessed	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 346	$ -	$ -

The unused tax credits can be offset against the current income tax payable for the next five years with a range of not more than 50% of each year's income tax payable, but the last year can be fully offset.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets for the Company and the subsidiaries are as follows:

(a) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company are as follows:

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 239,902	$ 239,902	$ 239,902	2022
2013	405,027	405,027	405,027	2023
2014	606,286	606,286	606,286	2024
2015	981,510	981,510	981,510	2025
2016	943,536	943,536	943,536	2026
2017	1,040,320	1,040,320	1,040,320	2027
2018	1,211,688	1,211,688	1,211,688	2028
2019	1,186,227	1,186,227	1,186,227	2029
2020	1,108,714	1,108,714	1,108,714	2030
2021	181,002	181,002	181,002	2031

December 31, 2020				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2011	$ 116,457	$ 116,457	$ 116,457	2021
2012	239,902	239,902	239,902	2022
2013	405,027	405,027	405,027	2023
2014	606,286	606,286	606,286	2024
2015	981,510	981,510	981,510	2025
2016	943,536	943,536	943,536	2026
2017	1,040,320	1,040,320	1,040,320	2027
2018	1,211,688	1,211,688	1,211,688	2028
2019	1,196,669	1,196,669	1,196,669	2029
2020	1,159,787	1,159,787	1,159,787	2030

(b) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the subsidiary, AP Biosciences, Inc., are as follows:

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 18,960	$ 10,300	$ 10,300	2025
2016	27,321	27,321	27,321	2026
2017	17,032	17,032	17,032	2027
2018	25,038	25,038	25,038	2028
2019	62,699	62,699	62,699	2029
2021	186,281	186,281	186,281	2031

December 31, 2020				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	$ 8,309	$ -	$ -	2023
2014	22,773	-	-	2024
2015	18,960	9,786	9,786	2025
2016	27,321	27,321	27,321	2026
2017	17,032	17,032	17,032	2027
2018	25,038	25,038	25,038	2028
2019	62,699	62,699	62,699	2029

(c) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the subsidiary, Amaran Biotechnology Inc., are as follows:

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	$ 20,042	$ 20,042	$ 20,042	2023
2014	47,575	47,575	47,575	2024
2015	70,767	70,767	70,767	2025
2016	82,758	82,758	82,758	2026
2017	119,168	119,168	119,168	2027
2018	143,583	143,583	143,583	2028
2019	125,177	125,177	125,177	2029
2020	113,522	113,522	113,522	2030
2021	117,292	117,292	117,292	2031

December 31, 2020				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	$ 20,042	$ 20,042	$ 20,042	2023
2014	47,575	47,575	47,575	2024
2015	70,767	70,767	70,767	2025
2016	82,758	82,758	82,758	2026
2017	119,168	119,168	119,168	2027
2018	143,583	143,583	143,583	2028
2019	125,177	125,177	125,177	2029
2020	126,550	126,550	126,550	2030

(d) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the subsidiary, Obigen Pharma, Inc., are as follows:

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	$ 134,667	$ 134,667	$ 134,667	2031

As of December 31, 2020, the subsidiary, Obigen Pharma, Inc., has no unused loss carryforward.

F. The Company's and the subsidiaries', AP Biosciences, Inc. and Amaran Biotechnology Inc., income tax returns through 2019 have been assessed and approved by the Tax Authority.

G. The subsidiary, OBI Pharma Australia Pty Ltd., was qualified for the Research and Development Tax Incentive provided by the Australian Government, and the subsidiary received prior year income tax refund amounting to $21,193 in 2021.

(23) Loss per share

	Year ended December 31, 2021		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 1,530,687)	198,941	($ 7.69)

	Year ended December 31, 2020		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent (Note 2)	($ 1,457,540)	198,591	($ 7.34)

Note 1: The potential ordinary shares have anti-dilutive effect due to net loss for the years ended December 31, 2021 and 2020, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

Note 2: The Company's merger transaction in 2020 was treated as if it had always been consolidated since the beginning. Thus, the loss for the year included the parent company and equity attributable to former owner of business combination under common control.

Note 3: The new shares issued due to the reorganisation were included when calculating the weighted average number of ordinary shares, and the loss per share for the year ended December 31, 2020 was calculated retrospectively.

(24) Non-controlling interest

A. Information on the capital increase of the Group's subsidiary, AP Biosciences, Inc., in 2020 is provided in Note 4(3) B. The effective date for the capital increase was set on November 2, 2020, and the Company did not acquire shares proportionally to its interest, which resulted in a decrease

in its ownership by 8.01%. This capital increase resulted in an increase in the non-controlling interest by $259,228, and an increase in the equity attributable to owners of the parent by $31,922.

B. On December 31, 2020, the Company issued new shares to obtain 67% shares in the subsidiary, Amaran Biotechnology Inc. However, as the transaction pertains to a reorganisation, Amaran Biotechnology Inc. was treated as if it had always been consolidated since the beginning. Refer to Note 6(25) for details. This transaction resulted to an increase in the non-controlling interest by $22,588 and equity attributable to owners of the parent by $443,696, of which $372,829 was equity attributable to former owner of business combination under common control. Shares of the Company held by the subsidiary, Amaran Biotechnology Inc., are treated as treasury shares, resulting to a decrease in the non-controlling interest by $26,511 and equity attributable to owners of the parent by $53,831. Refer to Note 6(13)B for details.

C. For the year ended December 31, 2020, the Company granted stock options to employees of the subsidiary, AP Biosciences Inc., resulting to an increase in the non-controlling interest by $2,029 and equity attributable to owners of the parent by $3,968.

D. For the year ended December 31, 2020, the subsidiary, Amaran Biotechnology Inc., granted stock options to its employees, resulting to an increase in the non-controlling interest by $18,784.

E. The Group's subsidiary, AP Biosciences, Inc., increased its capital by issuing new shares, and the effective date for the cash capital increase was set on February 22, 2021. However, as the Company did not acquire shares proportionally to its interest, the Company's shareholding ratio decreased by 4.37%. The transaction resulted to an increase in non-controlling interest by $83,991 and equity attributable to owners of the parent by $16,009.

F. The Group's subsidiary, Amaran Biotechnology Inc., increased its capital by issuing new shares, and the effective date for the cash capital increase was set on May 3, 2021. However, as the Company did not acquire shares proportionally to its interest, the Company's shareholding ratio increased by 3.72%. The transaction resulted to an increase in non-controlling interest by $67,470 and decrease in the equity attributable to owners of the parent by $53,700.

G. For the year ended December 31, 2021, the Company granted stock options to employees of the subsidiaries, AP Biosciences, Inc. and Obigen Pharma, Inc., resulting to an increase in the non-controlling interest by $934 and equity attributable to owners of the parent by $1,234.

H. For the year ended December 31, 2021, the subsidiaries, AP Biosciences, Inc., Amaran Biotechnology Inc. and Obigen Pharma, Inc. granted stock options to employees of each subsidiary, resulting to an increase in the non-controlling interest by $3,013. Among them, some subsidiaries granted stock options to employees of the Company, resulting to an decrease in the non-controlling interest by $16 and increase in the equity attributable to owners of the parent by $16.

I. For the year ended December 31, 2021, employees of the subsidiary, Amaran Biotechnology Inc., exercised employee stock options, resulting to decrease in the Company's shareholding ratio,

decrease in the non-controlling interest by $18 and increase in the equity attributable to owners of the parent by $543.

J. For the year ended December 31, 2021, some of employee stock options of the subsidiary, Amaran Biotechnology Inc., expired, resulting to decrease in the non-controlling interest by $1,253 and increase in equity attributable to owners of the parent by $1,253.

K. For the year ended December 31, 2021, the subsidiary, Amaran Biotechnology Inc., disposed shares of the Company which are treated as treasury shares by the Company. Refer to Note 6(13)B for details. The transaction resulted to an increase in the non-controlling interest by $5,902 and equity attributable to owners of the parent by $11,090.

L. Details of the Company's transactions with Obigen Pharma, Inc. are provided in Note 4(3) B. Obigen Pharma, Inc. increased its capital by issuing 75,853 thousand new shares. There are 47,250 thousand new shares as payment for the above transaction. As such, the Group increased non-controlling interest amounting to $473,370 in the first quarter of 2021. Remaining proceeds from the capital increase were collected by Obigen Pharma, Inc. in the second quarter of 2021, resulting to an increase in non-controlling interest amounting to $100,000.

M. The changes in non-controlling interests in the subsidiaries, AP Biosciences, Inc., Amaran Biotechnology Inc. and Obigen Pharma, Inc., and effects on the equity attributable to owners of the parent for the years ended December 31, 2021 and 2020 is shown below:

Effect of not participating in capital increase proportionally to its interest:

	Years ended December 31,	
	2021	2020
Cash	$ 113,770	$ 291,150
Increase in the carrying amount of non-controlling interest	(151,445)	(259,228)
Treasury shares - recognition of changes in ownership interests in subsidiaries	2,403	-
Capital surplus - recognition of changes in ownership interest in subsidiaries	($ 35,272)	$ 31,922

Effect of share-based payment transactions:

	Years ended December 31,	
	2021	2020
Cash	$ 525	$ -
Employee compensation cost	5,147	24,781
Increase in the carrying amount of non-controlling interest	(2,676)	(20,813)
Capital surplus - others	$ 2,996	$ 3,968

Effect of shares of the Company held by the subsidiary treated as treasury shares:

	Years ended December 31,	
	2021	2020
Recognized as treasury share	$ 16,992	($ 80,342)
Increase in the carrying amount of non-controlling interest	(5,902)	26,511
Treasury shares	(10,244)	53,831
Capital surplus - transactions of treasury shares	$ 846	$ -

(25) Reorganisation of entities under common control

A. The Company's product, Adagloxad Simolenin, has entered into clinical trials. To ensure stable quality and ceaseless supply of current clinical trial drugs and those products that will be sold in the market in the future, to prepare for the inspection by the competent authority before selling the products in the market and to improve the Company's ability on the CMC manufacture and development. Thus, the Company issued 10,693 thousand shares of common share in exchange for 53,466 thousand shares of common share of Amaran Biotechnology Inc. from Amaran Biotechnology Inc.'s shareholders to acquire 67% equity interest in Amaran Biotechnology Inc. on December 31, 2020. Since the Company and Amaran Biotechnology Inc. are under common control, this merger transaction is considered as a reorganisation transaction. Amaran Biotechnology Inc. was accounted for using the book value method. The difference between the book value of Amaran Biotechnology Inc. and the investment cost was adjusted in the 'capital surplus, additional paid-in capital' in the amount of $336,764.

B. The Company treats Amaran Biotechnology Inc. as if it had always been consolidated since the beginning and restated the pre-acquisition consolidated financial statements for the year ended December 31, 2020. Regarding the equity held by the initial controller of the target company, profit attributable to the initial controller of the target company was classified as 'profit attributable to former owner of business combination under common control' when preparing the comparative consolidated statements of comprehensive income.

(26) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2021	2020
Acquisition of property, plant and equipment	$ 273,190	$ 172,158
Add: Opening balance of payable	13,022	8,024
Less: Ending balance of payable	(66,321)	(13,022)
Cash paid during the year	$ 219,891	$ 167,160

(27) Changes in liabilities from financing activities

	Lease liabilities	Short-term borrowings	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2021	$ 192,485	$ 9,468	$ 44,000	$ 245,953
Changes in cash flow from financing activities	(49,071)	(9,468)	(9,000)	(67,539)
Impact of changes in foreign exchange rate	(143)	-	-	(143)
Changes in other non-cash items	114,761	-	-	114,761
At December 31, 2021	$ 258,032	$ -	$ 35,000	$ 293,032

	Lease liabilities	Short-term borrowings	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2020	$ 223,224	$ -	$ 53,000	$ 276,224
Changes in cash flow from financing activities	(45,598)	9,468	(9,000)	(45,130)
Impact of changes in foreign exchange rate	173	-	-	173
Changes in other non-cash items	14,686	-	-	14,686
At December 31, 2020	$ 192,485	$ 9,468	$ 44,000	$ 245,953

7. RELATED PARTY TRANSACTIONS

(1) Name of related party and relationship

Name of related party	Relationship with the Group
Tanvex Biologics Corporation	Other related party
Ruentex Engeineering & Construction Co., Ltd.	Other related party
Ruentex Xu-Zhan Development Co., Ltd.	Other related party
Ruentex Construction Co., Ltd.	Other related party

(2) Significant related party transactions

A. Research and development expenses - manufacture of clinical materials

	Years ended December 31,	
	2021	2020
Tanvex Biologics Corporation	$ 2,323	$ -

The Group commissioned Tanvex Biologics Corporation to carry out clone selection services. The total contract price was $7,250 (tax excluded), and the expenditures on consumables and other experiments are charged additionally. The aforementioned research and development expenses of $2,323 included consumables and other related expenses.

B. Lease transactions (lessee)

(a) The Group leases office buildings from Ruentex Xu-Zhan Development Co., Ltd.. Rental contracts are made for periods from 2015 to 2025. The rentals are determined based on mutual agreements, and are paid monthly. The Group paid rental deposits for the above lease amounting to $5,121.

(b) Lease liability

i. Outstanding balance:

	December 31, 2021	December 31, 2020
Ruentex Xu-Zhan Development Co., Ltd.	$ 56,279	$ 68,142

ii. Interest expense:

	Years ended December 31,	
	2021	2020
Ruentex Xu-Zhan Development Co., Ltd.	$ 1,004	$ 1,191

C. The subsidiary, Amaran Biotechnology Inc., commissioned Ruentex Engeineering & Construction Co., Ltd. to undertake an additional construction for a total contract price of $50,620 (tax included) in January 2020. However, the final completed price was $38,484. The construction was completed, and the payment was made in August 2020.

D. The subsidiary, Obigen Pharma, Inc., commissioned Ruentex Construction Co., Ltd. to construct plants in Hsinchu Biomedical Science Park in July 2021, and the total contract price was $90,092 (tax included). In addition, there was an additional construction cost of $22,886 (tax included) in November 2021. As of December 31, 2021, the Group had paid $69,243 for the construction.

(3) Key management compensation

	Years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	$ 108,842	$ 124,077
Share-based payments	38,186	30,860
	$ 147,028	$ 154,937

8. PLEDGED ASSETS

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

Pledged asset	Book value December 31, 2021	Book value December 31, 2020	Purpose
Land	$ 87,514	$ 87,514	Long-term borrowings (Note 1)
Buildings and structures	13,420	13,720	Long-term borrowings (Note 1)
Buildings and structures	-	236,151	Short-term borrowings (Note 2)
Other non-current assets (refundable deposits and time deposits)	53,324	48,534	Duty paid after customer release, deposits for clinical trial agreement, rental deposit and letters of credit, etc.
	$ 154,258	$ 385,919	

Note 1: The Company has entered into a mortgage contract with E. SUN Bank in 2016. The contract requires a property as collateral and the credit line is $100 million. Please refer to Note 6(9) for details.

Note 2: The subsidiary, Amaran Biotechnology Inc., entered into a loan agreement with Mega International Commercial Bank in 2020 for a total credit facility of $100 million, and pledged properties as collateral with line of credit guaranty to Mega International Commercial Bank. The loan was fully paid in 2021. Please refer to Note 6(8) for details.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Aside from the promised payments described in Note 6(7) Intangible assets and the significant transactions with related parties described in Note 7(2), others are as follows:

(1) Pursuant to the government grants for OBI-822 (formerly OPT-822/821), therapeutically metastatic breast cancer vaccines, in Phase Ⅱ/Ⅲ obtained by the Company from Department of Industrial Technology of Ministry of Economic Affairs R.O.C. (MOEA) on December 25, 2012, if OBI-822 (formerly OPT-822/821) will be successfully licensed to others, the Company promises to contribute 5% of the signing bonus and achieved milestones as feedback fund and the maximum amount for feedback fund is $150,256.

(2) In September 2017, the Company commissioned EirGenix, Inc. to jointly develop CRM197 under an agreement. On December 13, 2018, the Company has amended the agreement with EirGenix, Inc. whereby additional tasks were included to further improve the development process. The contract price totaled $47,848, of which $44,098 had been paid as of December 31, 2021.

(3) On December 8, 2021, the Company and Biosion, Inc. (hereafter referred to as "Biosion") entered into an exclusive authorisation contract of humanised Trop2 monoclonal antibody (product No. BSI-04702). The authorisation include global exclusive right, except Mainland China, Hong Kong and

Macao. Under the contract, the Company will pay signing bonus to Biosion, milestone payment based on the progress of the research and development, and royalties based on a certain percentage of sales amount after the product has been launched in the market.

(4) As the Company has begun the third stage of human subjects in clinical trials of OBI-822, the Company will pay milestone payment to the American company, Optimer, in the amount of US$1 million depending on the progress of the research. Refer to Note 6(7)C.(d).

(5) On November 17, 2020, the subsidiary, Amaran Biotechnology Inc., entered into a construction agreement with Xuan Tong System Integration Co. Ltd. to build an aseptic plant with a total contract price of $113,400 (tax included). As of December 31, 2021, Amaran Biotechnology Inc. has paid $79,380.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) Refer to Note 6(15) for details on the proposal of 2021 deficit compensation.

(2) On November 26, 2021, the Board of Directors of the Company approved to increase cash capital. On January 18, 2022, the capital increase had been approved by the Financial Supervisory Commission, with the effective date set on February 26, 2022. The total issuance was 30 million common shares with a par value of $100 (in dollars) per share, at an issuance price of $105 (in dollars) per share.

(3) After the approval by the Board of Directors of the Company and the Investment Commission of MOEA on September 28, 2020, November 11, 2021 and February 22, 2022, respectively, the Company and Odeon Therapeutics (Hong Kong) Limited (hereafter referred to as "Odeon") entered into an exclusive authorisation agreement in China (including Hong Kong and Macao) of OBI-833 (Globo H Adagloxad Simolenin) and OBI-999 (Globo H Antibody Drug Conjugate). Under the agreement, Odeon will possess the clinical trials of OBI-833 and OBI-999 in China and legal registration to sell products in the market. The agreement including the right of prior purchase of intellectual property of OBI-888 (Globo H monoclonal antibody), covers a period of 2 years starting from the contract was signed. The authorisation contract provides for a signing bonus of US$12 million and milestone payments that could reach a total of US$200 million, as well as royalties as a percentage of net sales. Under the agreement, the Company received the new shares as consideration from Odeon Therapeutics (Cayman) Limited (the parent company which owns a 100% equity interest in Odeon).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern through maintaining an optimal capital structure to reduce the cost of capital, and to provide returns for shareholders after the Company turns around from loss to profit. In order to

maintain or adjust the capital structure, the Group may increase capital by cash and sell assets to pay off or improve operating capital, adjust the amount of dividends paid to shareholders or capital reduction, etc. The Group monitors capital on the basis of the Debt/Equity ratio. The ratio is calculated by the "Net debt" divided by the "Total equity". The "Net debt" is the "Total liability" less cash and cash equivalents, and the "Total equity" is the same as the consolidated balance sheet.

During 2021, the Group's strategy, which was unchanged from 2020, was to maintain the gearing ratio within reasonable security range. The ratios are as follows:

	December 31, 2021	December 31, 2020
Total liability	$ 615,948	$ 502,091
Less: Cash and cash equivalents	(2,512,186)	(3,338,302)
Net debt	($ 1,896,238)	($ 2,836,211)
Total equity	$ 3,870,803	$ 4,837,759

(2) Financial instruments

A. Financial instruments by category

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at fair value through profit or loss	$ 1,767	$ 383,531
Financial assets at fair value through other comprehensive income	$ 9,106	$ 8,037
Financial assets at amortised cost		
Cash and cash equivalents	2,512,186	3,338,302
Financial assets at amortised cost	140,000	-
Accounts receivable	3,465	1,451
Other receivables	19,804	17,567
Other financial assets (guarantee deposits paid)	53,324	48,534
	$ 2,728,779	$ 3,405,854
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ -	$ 9,468
Accounts payable	525	157
Other payables (including related parties)	264,860	189,775
Long-term borrowings (including current portion)	35,000	44,000
	$ 300,385	$ 243,400
Lease liabilities	$ 258,032	$ 192,485

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 price 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) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board 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, 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 operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB and AUD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiaries' functional currencies: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021					
				Sensitivity Analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 40,887	27.680	$ 1,131,752	1%	$ 11,318	$ -
USD:RMB	314	6.372	8,692	1%	87	-
Financial assets						
Non-monetary items						
USD:NTD	2,422	27.680	67,046	-	-	-
RMB:USD	2,630	0.157	11,426	-	-	-
AUD:NTD	2,249	20.080	45,162	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	4,317	27.680	119,495	1%	1,195	-

	December 31, 2020					
				Sensitivity Analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 72,284	28.480	$ 2,058,648	1%	$ 20,586	$ -
RMB:NTD	1,165	4.377	5,099	1%	51	-
Financial assets						
Non-monetary items						
USD:NTD	2,096	28.480	59,697	-	-	-
RMB:USD	1,722	0.154	7,537	-	-	-
AUD:NTD	5,359	21.950	117,639	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	2,172	28.480	61,859	1%	619	-

v. The total exchange loss, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020 amounted to $42,062 and $124,118, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $14 and $3,057, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity for the years ended December 31, 2021 and 2020 would have increased/decreased by $91 and $80, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from long-term and short-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. The Group's borrowings were calculated by floating rate and stated at New Taiwan Dollars for the years ended December 31, 2021 and 2020.

ii. At December 31, 2021 and 2020, if interest rates had been 1% higher or lower with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have been $313 and $423 lower or higher, respectively, mainly as a result of changes in interest expense on floating rate borrowings.

(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.

ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with stable credit rating are accepted. 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 standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal

or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. Under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Group classifies customer's accounts receivable, contract assets and rent receivable in accordance with customer types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. When estimating the allowance for uncollectible accounts for receivables, the Group incorporates forward-looking information in the adjustment of the loss rate, which is calculated based on historical data from specific periods and current information. As of December 31, 2021 and 2020, the expected loss rate of the Group's accounts receivable that are not past due is immaterial.

viii. 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, 2021			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost				
Domestic bank	$ 140,000	$ -	$ -	$ 140,000

The Group has no investments in debt instruments at amortised cost as of December 31, 2020.

The credit risk of investments in debt instruments at amortised cost, held by the Group, is

free from material misstatement.

(c) Liquidity risk

i. Cash flow forecasting is performed by Group treasury to monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational and R&D needs. Such forecasting is in compliance with internal R&D project schedule targets.

ii. Group treasury invests surplus cash in interest bearing current deposits, time deposits, and foreign currency deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. 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 for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2021				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Accounts payable	$ 525	$ -	$ -	$ -	$ -
Other payables (including related parties)	264,860	-	-	-	-
Long-term borrowings (including current portion)	7,415	7,322	7,229	14,178	-
Lease liabilities (including current portion)	55,542	43,112	27,321	34,461	123,210

	December 31, 2020				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Short-term borrowings	$ 9,569	$ -	$ -	$ -	$ -
Accounts payable	157	-	-	-	-
Other payables	189,775	-	-	-	-
Long-term borrowings (including current portion)	9,520	7,415	7,322	14,365	7,043
Lease liabilities (including current portion)	39,658	22,519	20,610	35,436	96,992

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(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 financial assets at fair value through other comprehensive income is included in Level 3.

B. The carrying amount of financial instruments not measured at fair value including cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, other financial asset (guarantee deposits paid) and other payables (including those to related parties) is a reasonable approximation to their fair value; the interest rate on long-term borrowings (including the portion due within a year or one operating cycle) is close to the market interest rate, therefore their carrying amount is a reasonable basis for the estimation of their fair value.

C. The related information on 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 is as follows:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Foreign listed stocks	1,767	-	-	1,767
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	9,106	9,106
	$ 1,767	$ -	$ 9,106	$ 10,873

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Domestic listed and over-the-counter stocks	$ 105,726	$ -	$ -	$ 105,726
Domestic open-end fund	276,433	-	-	276,433
Foreign listed stocks	1,372	-	-	1,372
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	8,037	8,037
	$ 383,531	$ -	$ 8,037	$ 391,568

D. The methods and assumptions the Group used to measure fair value are as follows:

The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed stocks	Open-end fund
Market quoted price	Closing price	Net asset value

E. Financial segment 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.

F. The following is the qualitative information on 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, 2021	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 9,106	Market comparable companies	Price to book ratio multiple	1.41~2.63 (1.83)	The higher the mulitple, the higher the fair value
			Discount for lack of marketability	16.68%~ 46.21% (29%)	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 8,037	Market comparable companies	Price to book ratio multiple	1.43~4.19 (2.26)	The higher the mulitple, the higher the fair value
			Discount for lack of marketability	26.27%~ 68.19% (45%)	The higher the discount for lack of marketability, the lower the fair value

G. 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 measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book ratio multiple	±10%	$ -	$ -	$ 910	($ 910)
	Discount for lack of marketabilitv	±10%	$ -	$ -	$ 374	($ 374)

			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book ratio multiple	±10%	$ -	$ -	$ 807	($ 807)
	Discount for lack of marketability	±10%	$ -	$ -	$ 647	($ 647)

H. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	Equity securities	
	Years ended December 31,	
	2021	2020
Opening net book amount	$ 8,037	$ 8,318
Profit (loss) recognised in other comprehensive income	1,069	(281)
Closing net book amount	$ 9,106	$ 8,037

I. As of December 31, 2021 and 2020, there was no transfer into or out from Level 3.

(4) Impact of COVID-19

Based on the Group's assessment, the COVID-19 pandemic has no significant impact on the Group.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 3.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

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

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

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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

(4) Major shareholders information

Please refer to table 7.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry, new drug research. The Chief Operating Decision-Maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

A. The Chief Operating Decision-Maker evaluates the performance of the operating segments based on income before tax. The significant accounting policies and estimates of the operating segment and the accounting policies, estimates and assumptions described in Notes 4 and 5 of the consolidated financial statements are the same.

B. The financial information reported to the Chief Operating Decision-Maker and the financial information on the consolidated statements of comprehensive income are the same.

(3) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Years ended December 31,			
	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 4,131	$ 1,559,728	$ 3,326	$ 1,372,564
Others	14,641	10,456	137,560	15,903
	$ 18,772	$ 1,570,184	$ 140,886	$ 1,388,467

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets (excluding guarantee deposits paid), and are classified based on their geographic location.

(4) Major customer information

In 2021 and 2020, the Group's revenues to a single customer accounting for more than 10% of consolidated operating income is as follows:

	2021		2020	
	Revenue	Division	Revenue	Division
Company C	$ 7,648	Taiwan	$ 1,169	Taiwan
Company D	6,993	Taiwan	-	-
Company E	2,314	Taiwan	603	Taiwan
Company A	-	-	137,560	Taiwan

OBI PHARMA, INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of OBI PHARMA, INC.

Opinion

We have audited the accompanying parent company only balance sheets of OBI PHARMA, INC. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Key audit matter – Impairment assessment of intangible assets and investments accounted for using equity method

Description

Refer to Note 4(15) for accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgements adopted in accounting policies on impairment assessment of intangible assets, and Note 6(7) in the parent company only financial statements and Note 6(7) in the consolidated financial statements for account details of intangible assets.

As of December 31, 2021, the balance of the Company's intangible assets amounted to NT$55,806 thousand, which consists of related technologies acquired from other companies for new drug development. The balance of patents, patented technologies and goodwill arising from equity investments in AP Biosciences, Inc. amounted to NT$213,466 thousand (shown as investments accounted for using equity method). Since the drug is still under development, no stable cash inflow can be generated. As of the balance sheet date, the Company assesses whether there is any indication that the patents and patented technologies are impaired based on external and internal information. The Company would then consider to recognise an impairment loss by comparing the recoverable amount if there is an indication that they are impaired. The goodwill of AP Biosciences, Inc. was tested for impairment based on the goodwill impairment test report obtained from an external appraiser firm. Since the impairment assessment performed by the management involves management's subjective judgment and the key assumptions used in the impairment assessment have a significant impact on the value-in-use estimates, we considered the impairment assessment of intangible assets and investments accounted for using equity method a key audit matter.

How our audit addressed the matter

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

1. Reviewed the information used by the Company management for impairment assessment of intangible assets including plan and progress for each development project, etc., conducted discussion with management and director of research and development department regarding the information used for impairment assessment of intangible assets, and assessed whether:
   (6) The features, marketing advantages and market tendency of the main products including research and development technology are still competitive.
   (7) The progress of the major research and development plan has no significant delay.
   (8) The total market value of the Company is higher than the net assets as of the balance sheet date.

2. Performed the following procedures based on the obtained valuation report on goodwill impairment on the reinvestments accounted for under equity method prepared by external experts:

   (1) Assessed whether the valuation methods adopted are reasonable for the industry, environment and the valued assets of the Company;

   (2) Evaluated the reasonableness of main assumptions used in estimating the value-in-use, including R&D timeline, R&D success rate, market share of products after the receipt of drug permit license and royalty rate.

   (3) Examined model parameters and calculations.

   (4) Compared the discount rate used and assumptions on the capital cost of cash-generating units.

   (5) Verified whether the value-in-use exceeds the book value of equity in AP Biosciences, Inc.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally

accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain

solely responsible for our audit opinion.

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

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

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

David Teng　　Eileen Liang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 18, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and 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.

OBI PHARMA, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,345,684	45	$ 2,454,956	54
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	382,159	9
1170	Accounts receivable, net		1,741	-	1,451	-
1200	Other receivables		18,429	1	14,879	-
1210	Other receivables due from related parties		170	-	1,795	-
1410	Prepayments		96,361	3	131,120	3
11XX	**Total current Assets**		1,462,385	49	2,986,360	66
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	9,106	-	8,037	-
1550	Investments accounted for under equity method	6(4) and 7	1,214,914	40	1,156,711	25
1600	Property, plant and equipment	6(5), 7 and 8	145,668	5	211,646	5
1755	Right-of-use assets	6(6)	87,065	3	80,130	2
1780	Intangible assets	6(7)	55,806	2	69,010	1
1900	Other non-current assets	8	31,813	1	36,368	1
15XX	**Total non-current assets**		1,544,372	51	1,561,902	34
1XXX	**Total assets**		$ 3,006,757	100	$ 4,548,262	100

(Continued)

OBI PHARMA, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2200	Other payables	6(9)	$ 147,614	5	$ 144,299	3
2220	Other payables to related parties	7	13,232	1	44,157	1
2280	Current lease liabilities	7	35,843	1	29,108	1
2320	Long-term liabilities, current portion	6(8)	7,000	-	9,000	-
2399	Other current liabilities		1,571	-	1,397	-
21XX	**Total current liabilities**		205,260	7	227,961	5
	Non-current liabilities					
2540	Long-term borrowings	6(8)	28,000	1	35,000	1
2580	Non-current lease liabilities	7	57,621	2	56,279	1
25XX	**Total non-current liabilities**		85,621	3	91,279	2
2XXX	**Total liabilities**		290,881	10	319,240	7
	Equity					
	Share capital	6(12)				
3110	Common stock		1,992,794	66	1,992,794	44
	Capital Surplus	6(11)(13)				
3200	Capital surplus		3,702,222	123	3,684,782	80
	Accumulated deficit	6(14)				
3350	Accumulated deficit		(2,908,622)	(97)	(1,377,935)	(30)
	Other equity interest	6(3)				
3400	Other equity interest		(24,528)	(1)	(16,788)	-
3500	Treasury stocks	6(12)	(45,990)	(1)	(53,831)	(1)
3XXX	**Total equity**		2,715,876	90	4,229,022	93
	Significant Contingent Liabilities and Unrecognised Contract Commitments	6(7) and 9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 3,006,757	100	$ 4,548,262	100

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

OBI PHARMA, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

			Year ended December 31			
			2021		2020	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7	$ 826,462	54	$ 1,489	-
5000	Operating costs		-	-	-	-
5900	Gross profit		826,462	54	1,489	-
5910	Unrealised loss from sales	6(4)	(789,666)	(51)	-	-
5950	Net operating margin		36,796	3	1,489	-
	Operating expenses	6(5)(6)(7)(10)(11)(20)(21) and 7				
6200	Administrative expenses		(123,068)	(8)	(151,737)	(11)
6300	Research and development expenses		(1,082,106)	(71)	(1,069,086)	(73)
6000	Total operating expenses		(1,205,174)	(79)	(1,220,823)	(84)
6900	Operating loss		(1,168,378)	(76)	(1,219,334)	(84)
	Non-operating income and expenses					
7100	Interest income	6(17)	4,625	-	42,125	3
7010	Other income	7	18,552	1	5,956	-
7020	Other gains and losses	6(18)	(12,233)	(1)	(71,391)	(5)
7050	Finance costs	6(19)	(1,783)	-	(2,390)	-
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(4)	(371,470)	(24)	(212,506)	(14)
7000	Total non-operating income and expenses		(362,309)	(24)	(238,206)	(16)
7900	**Loss before tax**		(1,530,687)	(100)	(1,457,540)	(100)
7950	Income tax expense	6(22)	-	-	-	-
8200	**Loss for the year**		($ 1,530,687)	(100)	($ 1,457,540)	(100)
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised valuation gains and loss from equity investment instruments measured at fair value through other comprehensive income	6(3)	$ 1,069	-	($ 281)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(8,809)	(1)	5,885	-
8300	**Other comprehensive loss (income) for the year, net**		($ 7,740)	(1)	$ 5,604	-
8500	**Total comprehensive loss for the year**		($ 1,538,427)	(101)	($ 1,451,936)	(100)
	Loss attributable to:					
	Owners of the parent		($ 1,530,687)	(100)	($ 1,377,935)	(95)
	Former owner of business combination under common control		-	-	($ 79,605)	(5)
	Total		($ 1,530,687)	(100)	($ 1,457,540)	(100)
	Comprehensive loss attributable to:					
	Owners of the parent		($ 1,538,427)	(100)	($ 1,372,331)	(95)
	Former owner of business combination under common control		-	-	($ 79,605)	(5)
	Total		($ 1,538,427)	(100)	($ 1,451,936)	(100)
	Loss per share	6(23)				
9750	Basic loss per share		($ 7.69)		($ 7.34)	

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

OBI PHARMA, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital Reserves: Additional paid-in capital	Capital Reserves: Employee stock warrants	Capital Reserves: Others	Accumulated deficit	Other Equity Interest: Financial statements translation differences of foreign operations	Other Equity Interest: Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Equity attributable to former owner of business combination under common control	Total equity
Year ended December 31, 2020											
Balance at January 1, 2020		$ 1,881,287	$ 10,127,077	$ 1,159,405	$ 218,505	($ 8,259,036)	($ 3,529)	($ 18,863)	$ -	$ 452,434	$ 5,557,280
Net loss for the year		-	-	-	-	(1,377,935)	-	-	-	(79,605)	(1,457,540)
Other comprehensive income (loss) for the year		-	-	-	-	-	5,885	(281)	-	-	5,604
Total comprehensive income		-	-	-	-	(1,377,935)	5,885	(281)	-	(79,605)	(1,451,936)
Effect of reorganisation	6(4)	106,932	336,764	-	-	-	-	-	-	(372,829)	70,867
Capital surplus used to cover accumulated deficit	6(13)(14)	-	(8,259,036)	-	-	8,259,036	-	-	-	-	-
Share-based payment transations	6(11)(12)(13)(21)	4,575	1,468	37,023	17,517	-	-	-	-	-	60,583
Changes in non-controlling interest - effect of subsidiary's issuance of common stock for cash (Note)	6(13)	-	-	-	31,922	-	-	-	-	-	31,922
Disgorgement exercise	6(13)	-	-	-	14,137	-	-	-	-	-	14,137
Shares of the parent company held by subsidiaries treated as treasury shares	6(4)	-	-	-	-	-	-	-	(53,831)	-	(53,831)
Balance at December 31, 2020		$ 1,992,794	$ 2,206,273	$ 1,196,428	$ 282,081	($ 1,377,935)	$ 2,356	($ 19,144)	($ 53,831)	$ -	$ 4,229,022
Year ended December 31, 2021											
Balance at January 1, 2021		$ 1,992,794	$ 2,206,273	$ 1,196,428	$ 282,081	($ 1,377,935)	$ 2,356	($ 19,144)	($ 53,831)	$ -	$ 4,229,022
Net loss for the year		-	-	-	-	(1,530,687)	-	-	-	-	(1,530,687)
Other comprehensive income (loss) for the year		-	-	-	-	-	(8,809)	1,069	-	-	(7,740)
Total comprehensive income (loss) for the year		-	-	-	-	(1,530,687)	(8,809)	1,069	-	-	(1,538,427)
Share-based payment transactions	6(11)(13)(21)	-	-	33,993	16,077	-	-	-	-	-	50,070
Share-based payment transactions of subsidiaries	6(13)	-	-	-	543	-	-	-	-	-	543
Expiration of share options	6(11)(13)	-	-	(137,527)	137,527	-	-	-	-	-	-
Forfeiture of share options issued by a subsidiary	6(13)	-	-	-	1,253	-	-	-	-	-	1,253
Changes in non-controlling interest - effect of subsidiary's issuance of common stock for cash (Note)	6(4)(13)	-	-	-	(35,272)	-	-	-	(2,403)	-	(37,675)
Disposal of the company's share by subsidiaries recognised as treasury share transactions	6(13)	-	-	-	846	-	-	-	10,244	-	11,090
Balance at December 31, 2021		$ 1,992,794	$ 2,206,273	$ 1,092,894	$ 403,055	($ 2,908,622)	($ 6,453)	($ 18,075)	($ 45,990)	$ -	$ 2,715,876

Note: It refers to effect of not acquiring shares issued by subsidiaries in proportion to its interest.

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

OBI PHARMA, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 1,530,687)	($ 1,457,540)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(20)	66,430	105,238
Amortisation	6(7)(20)	15,495	20,774
Interest expense	6(19)	1,783	2,390
Interest income	6(17)	(4,625)	(42,125)
Dividend income		(80)	(2,096)
Gains on disposals of property, plant and equipment	6(18)	(8,870)	-
Gains on finacial assets at fair value through profit or loss	6(2)	-	(11,552)
Compensation cost for share-based payment	6(11)	34,027	38,491
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(4)	371,470	212,506
Prepaid equipment transferred to expenses		-	229
Authorised acquisition of subsidiaries equity interest in non-cash payment	6(4)	789,666	-
Unrealise gain on intercompany transactions	6(24)	(870,154)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		382,159	(370,607)
Accounts receivable, net		(290)	(597)
Other receivables		(4,504)	(214)
Other receivables due from related parties		1,625	(1,795)
Prepayments		34,759	(16,670)
Changes in operating liabilities			
Other payables		3,151	34,545
Other payables-related parties		(30,925)	9,534
Other current liabilities		174	180
Cash outflow generated from operations		(749,396)	(1,479,309)
Interest received		5,579	64,864
Dividends received		80	2,096
Income tax paid		(1,783)	(2,390)
Net cash flows used in operating activities		(745,520)	(1,414,739)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for under equity method	6(4)(24)	(300,301)	(508,537)
Acquisition of property, plant and equipment	6(24)	(17,774)	(15,504)
Gain on disposal of property, plant and equipment		370	-
Acquisition of intangible assets	6(7)	(2,291)	(1,817)
Decrease (increase) in other non-current assets		1,391	(3,203)
Decrease in refundable deposits		627	1,380
Net cash flows used in investing activities		(317,978)	(527,681)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term debt	6(8)(25)	(9,000)	(9,000)
Proceeds from exercise of employee stock options	6(11)	-	4,575
Repayment of lease principal	6(6)(25)	(36,774)	(36,965)
Disgorgement exercised	6(13)	-	14,137
Net cash flows used in financing activities		(45,774)	(27,253)
Net decrease in cash and cash equivalents		(1,109,272)	(1,969,673)
Cash and cash equivalents at beginning of year		2,454,956	4,424,629
Cash and cash equivalents at end of year		$ 1,345,684	$ 2,454,956

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

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

15. HISTORY AND ORGANISATION

OBI PHARMA, INC. (the "Company") was established on April 29, 2002 upon approval by the Ministry of Economic Affairs. The Company conducted the initial public offering in May 2012, and traded its shares on the Emerging Stock Market of the Taipei Exchange (formerly GreTai Securities Market) since March 23, 2015. The Company is primarily engaged in new drugs research.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 18, 2022.

17. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(4) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, "Extension of the temporary exemption from applying IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, "Interest Rate Benchmark Reform— Phase 2"	January 1, 2021
Amendment to IFRS 16, "Covid-19-related rent concessions beyond June 30, 2021"	April 1, 2021 (Note)

Note:Earlier application from January 1, 2021 is allowed by the FSC.

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

(5) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, "Reference to the conceptual framework"	January 1, 2022
Amendments to IAS 16, "Property, plant and equipment: proceeds before intended use"	January 1, 2022
Amendments to IAS 37, "Onerous contracts—cost of fulfilling a contract"	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

(6) IFRSs 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 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance contracts"	January 1, 2023
Amendment to IFRS 17, "Initial application of IFRS 17 and IFRS 9 – comparative information"	January 1, 2023
Amendments to IAS 1, "Classification of liabilities as current or non-current"	January 1, 2023
Amendments to IAS 1, "Disclosure of accounting policies"	January 1, 2023
Amendments to IAS 8, "Definition of accounting estimates"	January 1, 2023
Amendments to IAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023

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

18. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(7) Compliance statement

The parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(8) Basis of preparation

A. Except for financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income, these parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(9) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

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

(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 re-translated 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 other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within "other gains and losses".

B. Translation of foreign operations

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

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(10) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise, they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its

classification.

Otherwise, they are classified as non-current liabilities.

(11) 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.

(12) 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. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

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

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

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(13) Accounts receivable

Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(14) 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 Company 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 Company measures the financial assets at fair value plus transaction costs, and subsequently measured it 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 revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(15) Impairment of financial assets

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

(16) Derecognition of financial assets

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

(17) Investments accounted for using equity method / subsidiaries

A. Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financials and operating policies. In general, it is presumed that the parent has the power to govern the financials and operating policies, if a parent holds, directly or indirectly, more than half of the voting power of an entity. Investments in subsidiaries are accounted for using equity method in these parent company only financial statements.

B. Unrealised profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

E. Shares of the parent company held by subsidiaries are treated as treasury shares.

F. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities

Issuers," profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the non-consolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(18) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. 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	50 years
Lab equipment	3~5 years
Office equipment	3~5 years
Leasehold improvements	3~5 years

(19) Operating leases (lessee) - right-of-use assets / lease liabilities

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

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

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

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.

(20) Intangible assets

A. Patent and acquired special technology:

(a) Patents acquired in intellectual property right as equity are recognised at fair value at the acquisition date, and amortised on a straight-line basis over the estimated useful life of 17 years.

(b) If acquired by cash, it is recorded at acquisition cost. The estimated useful life is 10 years, and it is amortised on a straight-line basis.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(21) Impairment of non-financial assets

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

B. The recoverable amount of goodwill is evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to

benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other short-term loans. 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.

(23) 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.

(24) 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 expenses in that period when the employees render service.

B. Pensions - Defined contribution plans

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

C. Employees' compensation and directors' and supervisors remuneration

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

(25) Employee share-based payment

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

(26) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred income 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 consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or 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. 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 Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income 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. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(27) 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.

(28) Revenue recognition

A. The Company entered into a contract with a customer to grant a license of patents to the customer. Given the license is distinct from other promised goods or services in the contract, the Company recognises the revenue from licensing when the license is transferred to a customer either at a point in time or over time based on the nature of the license granted. The customer pays a non-refundable upfront fee upon signing of the contract, and makes milestone payments once each milestone is achieved. Revenue is recognised based on the transaction price. The nature of the Company's promise in granting a license is a promise to provide a right to access the Company's intellectual property if the Company undertakes activities that significantly affect the patents to which the customer has rights, the customer is affected by the Company's activities and those activities do not result in the transfer of a good or a service to the customer as they occur. The royalties are recognised as revenue on a straight-line basis throughout the licensing period. In case the abovementioned conditions are not met, the nature of the Company's promise in granting a license is a promise to provide a right to use the Company's intellectual property and therefore the revenue is recognised when transferring the license to a customer at a point in time

B. Some contracts require a sales-based royalty in exchange for a license of intellectual property. The Company recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

(29) Reorganisation of entities under common control

On October 26, 2018, the 'Explanations to business combinations under common control' in the IFRS Q&A issued by the Accounting Research and Development Foundation states that as IFRS 3, 'Business combinations', has no definite rules for business combinations under common control, the related interpretations issued in Taiwan shall be applied. The aforementioned transaction is stated at book value method and the comparative financial statements of prior years were restated based on the assumption that the business combination occurred at the beginning of the year.

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

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

(1) Impairment assessment of intangible assets (excluding goodwill)

In accordance with IAS 36, the Company determines whether an intangible asset (excluding goodwill) may be impaired requiring significant judgements. The Company assesses whether there is any indication for impairment based on internal and external information, including the plan and progress of research and development project and the prospect of such technology.

(2) Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Company's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

20. DETAILS OF SIGNIFICANT ACCOUNTS

(30) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 100	$ 100
Checking accounts and demand deposits	349,104	478,344
Time deposits	996,480	1,976,512
	$ 1,345,684	$ 2,454,956

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

B. The Company has no cash and cash equivalents pledged to others.

(31) Financial assets at fair value through profit or loss

Items	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ -	$ 106,320
Open-end fund	-	264,287
	-	370,607
Valuation adjustment	-	11,552
	$ -	$ 382,159

A. The Company recognised a gain of $19,656 and $48,772 on financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

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

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

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

Items	December 31, 2021	December 31, 2020
Non-current item:		
Unlisted stocks	$ 27,181	$ 27,181
Valuation adjustment	(18,075)	(19,144)
	$ 9,106	$ 8,037

A. The Company has elected to classify equity investments 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 $9,106 and $8,037 as at December 31, 2021 and 2020, respectively.

B. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 1,069	($ 281)

C. As at December 31, 2021 and 2020, 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 financial assets at fair value through other comprehensive income held by the Company was $9,106 and $8,037, respectively.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(33) Investments accounted for using equity method

	Years ended December 31,	
	2021	2020
At January 1 (Adjusted)	$ 1,156,711	$ 788,320
Addition of investments accounted for using equity method	1,245,301	508,537
Unrealized gain on intercompany transactions	(798,072)	-
Shares of the parent company held and diposed by subsidiaries treated as treasury shares	8,687	(53,831)
Share of profit or loss of investments accounted for using equity method (Note 1)	(371,470)	(212,506)
Acquisition of equity attributable to former owner of business combination under common control	-	70,867
Changes in ownership interests in subsidiaries	(35,272)	31,922
Changes in capital surplus	17,838	17,517
Changes in other equity items	(8,809)	5,885
At December 31	$ 1,214,914	$ 1,156,711

	December 31, 2021	December 31, 2020
Amaran Biotechnology Inc. (Note 2)	$ 554,291	$ 389,865
AP Biosciences, Inc.	484,977	589,510
Obigen Pharma, Inc.	63,438	-
OBI Pharma USA, Inc.	54,716	51,101
OBI Pharma Australia Pty Ltd.	45,162	117,639
OBI Pharma Limited	12,330	8,596
	$ 1,214,914	$ 1,156,711

Note 1: Including loss attributable to former owner of business combination under common control amounting to $79,605 for the year ended December 31, 2020.

Note 2: Including shares of the Company held and disposed by subsidiaries that are treated as treasury shares.

A. Details of the subsidiaries of the Company are provided in Note 4(3) in the Company's 2021 consolidated financial statements.

B. The Company increased its capital by issuing new shares to acquire shares of Amaran Biotechnology Inc. from related parties with the merger effective date set on December 31, 2020. The merger transaction pertains to the intra-group reorganisation. Refer to Note 6(15) for details.

C. On February 23, 2021, the Company entered into an intellectual property rights licensing agreement with respect to the global aesthetic medicine for OBI-858, Novel Botulinum Toxin with Obigen Pharma, Inc. The future clinical research and development of indication for OBI-858

aesthetic medicine will be proceeded by Obigen Pharma, Inc. The future clinical research and development of the OBI-858 aesthetic medicine will be proceeded by Obigen Pharma, Inc. Further, Obigen Pharma, Inc. will issue new 47,250 thousand shares, for a total of $945,000 as consideration. The Company acquired 62.17% equity interest in Obigen Pharma, Inc. which then became a subsidiary under the control of the Company.

D. Unrealised gross sales through downstream transactions and unrealised gain on disposal of property, plant and equipment amounting to $789,666 and $8,406 for the years ended December 31, 2021, respectively, had been eliminated in accordance with the regulations. They had been as a deduction of "investments accounted for under equity method". There was no such transaction for the year ended December 31, 2020.

(34) Property, plant and equipment

	Land	Buildings and structures	Lab equipment	Office equipment	Leasehold improvements	Total
At January 1, 2021						
Cost	$ 87,514	$ 26,818	$ 329,982	$ 23,020	$ 67,584	$ 534,918
Accumulated depreciation	-	(13,098)	(240,940)	(19,841)	(49,393)	(323,272)
	$ 87,514	$ 13,720	$ 89,042	$ 3,179	$ 18,191	$ 211,646
2021						
At January 1	$ 87,514	$ 13,720	$ 89,042	$ 3,179	$ 18,191	$ 211,646
Additions	-	-	13,655	3,450	833	17,938
Disposal	-	-	(48,771)	-	(9,168)	(57,939)
Reclassifications (Note 1)	-	-	2,180	-	357	2,537
Depreciation	-	(300)	(23,007)	(1,435)	(3,772)	(28,514)
At December 31	$ 87,514	$ 13,420	$ 33,099	$ 5,194	$ 6,441	$ 145,668
At December 31, 2021						
Cost	$ 87,514	$ 26,818	$ 258,127	$ 26,470	$ 48,960	$ 447,889
Accumulated depreciation	-	(13,398)	(225,028)	(21,276)	(42,519)	(302,221)
	$ 87,514	$ 13,420	$ 33,099	$ 5,194	$ 6,441	$ 145,668

	Land	Buildings and structures	Lab equipment	Office equipment	Leasehold improvements	Total
At January 1, 2020						
Cost	$ 87,514	$ 26,818	$ 301,487	$ 20,887	$ 61,087	$ 497,793
Accumulated depreciation	-	(10,171)	(191,152)	(17,659)	(37,552)	(256,534)
	$ 87,514	$ 16,647	$ 110,335	$ 3,228	$ 23,535	$ 241,259
2020						
At January 1	$ 87,514	$ 16,647	$ 110,335	$ 3,228	$ 23,535	$ 241,259
Additions	-	-	9,760	2,150	2,257	14,167
Reclassifications (Note 1)	-	-	18,736	-	4,240	22,976
Depreciation	-	(2,927)	(49,789)	(2,199)	(11,841)	(66,756)
At December 31	$ 87,514	$ 13,720	$ 89,042	$ 3,179	$ 18,191	$ 211,646
At December 31, 2020						
Cost	$ 87,514	$ 26,818	$ 329,982	$ 23,020	$ 67,584	$ 534,918
Accumulated depreciation	-	(13,098)	(240,940)	(19,841)	(49,393)	(323,272)
	$ 87,514	$ 13,720	$ 89,042	$ 3,179	$ 18,191	$ 211,646

Note 1: The reclassifications resulted from a transfer from prepayments for business facilities (shown as 'other non-current asset') to property, plant and equipment.

Note 2: Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

Note 3: Refer to Note 6(24) for details.

(35) Leasing arrangements - lessee

A. The Company leases various assets including office space and business vehicles. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Short-term leases with a lease term of 12 months or less comprise offices. Low-value assets comprise photocopiers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Buildings	$ 87,065	$ 80,130

	Years ended December 31,			
	2021		2020	
	Depreciation charge		Depreciation charge	
Buildings	$	37,916	$	37,910
Transportation equipment (Business vehicles)		-		572
	$	37,916	$	38,482

D. For the year ended December 31, 2021, the Company increased 'right-of-use asset' by $44,851 . There was no such transaction for the year ended December 31, 2020.

E. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,			
	2021		2020	
Items affecting profit or loss				
Interest expense on lease liabilities	$	1,263	$	1,687
Expense on short-term lease contracts		802		222
Expense on leases of low-value assets		370		401

F. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases arising from right-of-use assets were $39,209 (of which $36,774 represents principal of lease liabilities) and $39,275 (of which $36,965 represents principal of lease liabilities), respectively.

(36) Intangible assets

	Patent				
	OBI-858 Product development project of botulinum	OBI-833 Next-generation cancer vaccine	OBI-3424 AKR1C3 enzyme prodrug	Software	Total
At January 1, 2021					
Cost	$ 42,858	$ 1,500	$ 90,693	$ 8,630	$ 143,681
Accumulated amortisation	(37,858)	(1,188)	(30,231)	(5,394)	(74,671)
	$ 5,000	$ 312	$ 60,462	$ 3,236	$ 69,010
2021					
At January 1	$ 5,000	$ 312	$ 60,462	$ 3,236	$ 69,010
Additions	-	-	-	2,291	2,291
Amortisation	(4,286)	(150)	(9,069)	(1,990)	(15,495)
At December 31	$ 714	$ 162	$ 51,393	$ 3,537	$ 55,806
At December 31, 2021					
Cost	$ 42,858	$ 1,500	$ 90,693	$ 7,415	$ 142,466
Accumulated amortisation	(42,144)	(1,338)	(39,300)	(3,878)	(86,660)
	$ 714	$ 162	$ 51,393	$ 3,537	$ 55,806

	Patent					
	OBI-822	OBI-858	OBI-833	OBI-3424		
	Therapeutically metastatic vaccines	Product development project of botulinum	Next-generation cancer vaccine	AKR1C3 enzyme prodrug	Software	Total
At January 1, 2020						
Cost	$ 87,577	$ 42,858	$ 1,500	$ 90,693	$ 12,391	$ 235,019
Accumulated amortisation	(82,426)	(33,572)	(1,038)	(21,162)	(8,854)	(147,052)
	$ 5,151	$ 9,286	$ 462	$ 69,531	$ 3,537	$ 87,967
2020						
At January 1	$ 5,151	$ 9,286	$ 462	$ 69,531	$ 3,537	$ 87,967
Additions	-	-	-	-	1,817	1,817
Amortisation	(5,151)	(4,286)	(150)	(9,069)	(2,118)	(20,774)
At December 31	$ -	$ 5,000	$ 312	$ 60,462	$ 3,236	$ 69,010
At December 31, 2020						
Cost	$ 87,577	$ 42,858	$ 1,500	$ 90,693	$ 8,630	$ 231,258
Accumulated amortisation	(87,577)	(37,858)	(1,188)	(30,231)	(5,394)	(162,248)
	$ -	$ 5,000	$ 312	$ 60,462	$ 3,236	$ 69,010

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2021	2020
Administrative expenses	$ 805	$ 1,167
Research and development expenses	14,690	19,607
	$ 15,495	$ 20,774

B. The Company purchased patents named "OPT-822", therapeutically metastatic breast cancer vaccines, and "OPT-80", Macrolide, from Optimer Pharmaceuticals, Inc. (the name "Optimer" is no longer used since January 2013 and the name was changed to "OBI-822/821" after the organisation changed in October 2012) on December 29, 2003. The main contract information is as follows:

(a) The patent amounting to USD 6 million (approximately NTD 204,000) based on the appraisal report, was acquired as intellectual property right through equity of 20,400 thousand shares.

(b) The Company signed an authorised sale contract for Antibiotics-Fidaxomicin with OPT. The contract states that the Company must pay royalty fees to OPT based on 17% or 22% of sales under the revenue achievements. The payment period of the royalty fee is the duration of patent right or ten years starting from the initial sales, whichever is later.

(c) On October 2, 2015, the Company entered into a contract with Optimer Pharmaceuticals, LLC. (hereafter referred to as "Optimer"), agreeing to transfer all the rights of DIFICID™ (Fidaxomicin) in terms of marketing approval and filing a trademark application pursuant to Taiwan legislations. The contract will expire on November 27, 2028 when the patent term lapses. The contract provides that the Company is obliged to transfer all related rights to Optimer. In return, Optimer is obliged to pay the Company (a) US$3 million of contract value; (b) a maximum of US$3.25 million of accumulated net sales revenue and additional US$1 million of milestone payment for each new indication; (c) sales royalty calculated based on a certain percentage of net sales revenue. As for all business activities related to DIFICID™, it is handed over to Optimer's associate in Taiwan, Merck Sharp & Dohme (I.A.) LLC. - Taiwan Branch (hereafter referred to as "MSD"). In addition, the authorised sale contract mentioned in Note 6(7)B.(b) has been terminated when the contract value of this transfer contract was settled based on mutual agreement. For the years ended December 31, 2021 and 2020, the Company recognised the aforementioned royalty income of $1,756 and $1,489, respectively.

(d) The Company needs to pay the achieved milestones. As of December 31, 2021, the remaining unpaid amount for achieved milestones amounted to US$10 million. The amount of payment was determined based on whether the milestones in the agreement are achieved or not. Furthermore, the Company must pay royalty fees based on a certain percentage of the sales of patented products annually.

C. In order to improve mass production and manufacturing process of OBI-822 for expanding global market, the Company has signed an exclusive patent license for the Globo H series' chemosynthesis of carbohydrates with Academia Sinica on April 23, 2014, and the contract period is from April 23, 2014 to the expiration of protection duration of the last patented product. The Company must pay upfront patent licensing fees and royalty fees in accordance with the contract. Except for royalty fees, the Company assesses whether to pay periodical patent licensing fees based on 4 achieved milestones. The total contract amount was approximately $60,000. Further, pursuant to the supplements and amendments agreement on February 18, 2016, the patent licensing fees was reduced to $57,320. As of December 31, 2021, the Company paid royalty fees of $20,000 in 2014, milestone patent licensing fees of $27,320 in 2016 and $10,000 in 2017. These fees were recognised as research and development expenses.

D. The Company purchased a patent named "product development project of botulinum" (OBI-858) from Amaran Biotechnology Inc. on March 2, 2012, which amounted to $42,858 based on external experts' valuation.

E. In 2010, the Company acquired patents named "next-generation cancer vaccine" (OBI-833) and "reagent for cancer screening" (OBI-868). The contract states that the Company must pay royalty fees based on the achieved milestones. In 2013, the Company paid royalty fees of $1,500 separately for both projects. Furthermore, the Company must pay royalty fees based on a certain percentage of the sales of patented products annually.

F. On May 31, 2017, the Company entered into an agreement with Threshold Pharmaceuticals, Inc. to acquire the global IP right (excluding Mainland China, Hong Kong, Macao, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, Turkey and India) and patent regarding the innovative micromolecule drug TH-3424, which was then renamed OBI-3424.

G. The Company has no intangible assets pledged to others.

(37) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2021	December 31, 2020
Long-term bank borrowings					
Secured borrowings	Borrowing period is from October 5, 2016 to October 5, 2026; interest is payable monthly (Note 1)	Note 3	Note 2	$ 35,000	$ 42,000
Unsecured borrowings	Borrowing period is from October 5, 2016 to October 5, 2021; interest is payable monthly (Note 1)	Note 3	None	-	2,000
				35,000	44,000
Less: Current portion				(7,000)	(9,000)
				$ 28,000	$ 35,000

Note 1: The Company negotiated a borrowing contract with the bank whereby the principal will be payable quarterly starting from January 2017.

Note 2: Please refer to Note 8 for details.

Note 3: It was calculated based on 3-month adjustable rates for consumer loans plus 0.53% annual rate. As of December 31, 2021 and 2020, the interest rate was 1.33%.

(38) Other payables

	2021	2020
Accrued clinical trials cost	$ 109,457	$ 16,973
Accrued clinical material expense	16,822	9,214
Accrued consulting and service fee	6,447	14,109
Wages and salaries payable	4,674	3,789
Payable on equipment	164	-
Payable on investment	-	91,210
Others	10,050	9,004
	$ 147,614	$ 144,299

(39) Pension

The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits

accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2021 and 2020 were $7,873 and $7,623, respectively.

(40) Share-based payment

A. The options were granted to qualified employees of the Company and the subsidiaries which the Company holds over 50% equity interest by issuing new shares of the company when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2010.03.08	2,360,000	1	One year after service, employees can exercise options monthly at a certain percentage based on the schedule	-
〃	2010.05.21	100,000	1	〃	-
〃	2010.09.10	60,000	1	〃	-
〃	2010.12.15	144,000	1	〃	-
〃	2011.01.01	588,000	1	〃	-
〃	2011.03.30	80,000	1	〃	-
〃	2011.06.10	124,000	1	〃	-
〃	2011.09.30	260,000	1	〃	-
〃	2011.12.16	2,450,000	1	〃	-
〃	2012.01.01	1,560,000	1	〃	-
〃	2012.03.09	270,000	1	〃	0.19
〃	2013.11.27	1,821,000	1	Two years after service, employees can exercise options monthly at a certain percentage based on the schedule	1.91
〃	2014.02.21	1,744,000	1	〃	2.14
〃	2014.03.26	575,000	1	〃	2.23
〃	2015.05.06	2,861,000	1	〃	3.35
〃	2015.08.04	75,000	1	〃	3.59
〃	2015.11.06	353,000	1	〃	3.85
〃	2015.12.15	13,000	1	〃	3.96
〃	2016.03.25	1,377,000	1	〃	4.23
〃	2017.03.09	3,145,000	1	〃	5.19
〃	2017.05.12	20,000	1	〃	5.36
〃	2017.08.11	20,000	1	〃	5.61
〃	2017.11.10	130,000	1	〃	5.86
〃	2018.01.19	1,685,000	1	〃	6.05
〃	2019.09.06	1,125,000	1	〃	7.68
〃	2019.11.08	385,000	1	〃	7.85

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2020.08.05	510,000	1	Two years after service, employees can exercise options monthly at a certain percentage based on the schedule	8.59
〃	2021.11.05	3,859,000	1	〃	9.85

Note: The above share-based payment arrangements are equity-settled.

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

	Years ended December 31,			
	2021		2020	
	No. of units	Weighted-average exercise price (in dollars)	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	9,954,335	$ 251.81	10,634,832	$ 249.44
Options granted	3,859,000	108.00	510,000	120.00
Options exercised	-	-	(457,500)	10.00
Options forfeited or expired	(1,088,021)	272.04	(732,997)	276.68
Options outstanding at end of the year	12,725,314	206.34	9,954,335	251.81
Options exercisable at end of the year	7,801,399		7,629,383	
Options authorised but not granted at end of the year	1,141,000		-	

C. The weighted-average stock price of stock options at exercise dates for the year ended December 31, 2020 was $105.3 (in dollars) and no stock option was exercised for the year ended December 31, 2021.

D. As of December 31, 2021 and 2020, the range of exercise prices of the Company's stock options outstanding were $108~$727 (in dollars) and $120~$727 (in dollars), respectively.

E. 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 agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2010.03.08	$ 6.9	$ 10.0	44.23%	10 years	0%	1.42%	$ 3.16
〃	2010.05.21	6.9	10.0	44.23%	10 years	0%	1.42%	3.16
〃	2010.09.10	6.9	10.0	44.23%	10 years	0%	1.42%	3.16
〃	2010.12.15	6.9	10.0	44.23%	10 years	0%	1.42%	3.16
〃	2011.01.01	9.6	10.0	41.62%	10 years	0%	1.51%	4.98
〃	2011.03.30	9.6	10.0	41.62%	10 years	0%	1.51%	4.98
〃	2011.06.10	9.6	10.0	41.62%	10 years	0%	1.51%	4.98
〃	2011.09.30	7.4	10.0	40.94%	10 years	0%	1.29%	3.21
〃	2011.12.16	7.4	10.0	40.94%	10 years	0%	1.29%	3.21
〃	2012.01.01	10.1	10.0	40.83%	10 years	0%	1.22%	5.21
〃	2012.03.09	10.1	10.0	40.83%	10 years	0%	1.22%	5.21
〃	2013.11.27	255.6	247.4	49.72%	6.375 years	0%	1.44%	128.42
〃	2014.02.21	231.4	214.4	47.62%	6.375 years	0%	1.34%	114.80
〃	2014.03.26	215.0	227.6	46.54%	6.375 years	0%	1.38%	97.07
〃	2015.05.06	334.0	334.0	44.46%	6.375 years	0%	1.33%	150.18
〃	2015.08.04	283.0	283.0	43.90%	6.375 years	0%	1.21%	125.27
〃	2015.11.06	422.0	422.0	44.11%	6.375 years	0%	1.01%	186.00
〃	2015.12.15	727.0	727.0	45.44%	6.375 years	0%	0.99%	328.28
〃	2016.03.25	420.0	420.0	47.70%	6.375 years	0%	0.72%	195.43
〃	2017.03.09	326.0	326.0	50.01%	6.375 years	0%	1.11%	159.90
〃	2017.05.12	261.0	261.0	49.51%	6.375 years	0%	0.96%	126.34
〃	2017.08.11	191.0	191.0	48.61%	6.375 years	0%	0.82%	90.60
〃	2017.11.10	169.0	169.0	48.44%	6.375 years	0%	0.81%	79.91
〃	2018.01.19	170.5	170.5	48.61%	6.375 years	0%	0.88%	81.04
〃	2019.09.06	144.0	144.0	45.65%	6.375 years	0%	0.62%	64.29
〃	2019.11.08	131.0	131.0	45.03%	6.375 years	0%	0.65%	57.88
〃	2020.08.05	120.0	12.0	45.37%	6.375 years	0%	0.37%	52.76
〃	2021.11.05	108.0	108.0	45.03%	6.375 years	0%	0.45%	47.33

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period and the Company's historical transaction data since its shares traded on the Emerging Stock Market.

F. For the years ended December 31, 2021 and 2020, the Company recognised employee stock option plan compensation expense of $34,027 and $38,491, respectively.

(41) Share capital

A. As of December 31, 2021, the Company's authorised capital was $3,000,000, consisting of 300 million shares of ordinary stock (including 24 million shares reserved for employee stock options), and the outstanding capital was $1,992,794 with a par value of $10 (in dollars) per

share. Additionally, the Company increased its capital by issuing 10,693 thousand new shares to acquire 67% equity interest in Amaran Biotechnology Inc. with the merger effective date set on December 31, 2020. The registration was completed on February 3, 2021.

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

(Unit: share in thousands)

	2021	2020
At January 1	198,892	187,655
Effect of reorganisation	-	10,693
Shares of the parent company sold by subsidiaries	74	87
Treasury shares arising from changes in shareholding ratio of subsidiaries	(18)	-
Exercise of employee stock options	-	457
At December 31	198,948	198,892

B. Treasury stock:

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

	Year ended December 31, 2021				
Reason for reacquisition	Beginning shares	Additions	Disposal	Ending shares	Carrying amount
Shares of the Company held by the subsidiary, Amaran Biotechnology Inc., treated as treasury shares (Note)	387 thousand shares	18 thousand shares	74 thousand shares	331 thousand shares	$45,990

	Year ended December 31, 2020				
Reason for reacquisition	Beginning shares	Additions	Disposal	Ending shares	Carrying amount
Shares of the Company held by the subsidiary, Amaran Biotechnology Inc., treated as treasury shares (Note)	474 thousand shares	-	87 thousand shares	387 thousand shares	$53,831

Note: Shares of the parent company held by subsidiaries are treated as treasury share but are entitled to the shareholders' rights. The number of shares was calculated by multiplying the number of shares of the Company held by the subsidiaries by the the Company's shareholding ratio to subsidiaries. Also noted that the shares of the parent company held by subsidiaries are held by the subsidiary, Amaran Biotechnology Inc., before it was included in the Group.

(b) 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.

(c) 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.

(42) 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 Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2021		
	Share premium	Employee stock options	Others
At January 1	$ 2,206,273	$ 1,196,428	$ 282,081
Employee stock options compensation cost	-	33,993	16,077
Employee stock options compensation cost from subsidiaries	-	-	543
Expiration of employee stock options	-	(137,527)	138,780
Changes in ownership interests in subsidiaries	-	-	(35,272)
Treasury share transactions	-	-	846
At December 31	$ 2,206,273	$ 1,092,894	$ 403,055

	2020		
	Share premium	Employee stock options	Others
At January 1	$ 10,127,077	$ 1,159,405	$ 218,505
Effect of reorganization	336,764	-	-
Capital surplus used to offset accumulated deficit	(8,259,036)	-	-
Employee stock options compensation cost	-	38,491	17,517
Employee stock options exercised	1,468	(1,468)	-
Changes in ownership interests in subsidiaries	-	-	31,922
Disgorgement exercised	-	-	14,137
At December 31	$ 2,206,273	$ 1,196,428	$ 282,081

(43) Accumulated deficit

A. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Cash dividends shall first be appropriated, and the remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

B. The Company is facing a capital intensive industrial environment, with the life cycle of the industry in the growth phase. The residual dividend policy is adopted taking into consideration the Company's operating expansion plans and investment demands. According to the balanced dividend policy adopted by the Board of Directors, stock dividends and cash dividends will be allocated in consideration of the actual net income and funds status and are subject to the approval by the Board of Directors and resolution by shareholders and cash dividends shall account for at least 10% of the total dividends distributed.

C. Except for covering accumulated deficit, increasing capital or payment of cash, the legal reserve shall not be used for any other purpose. The amount capitalised or the cash payment shall not exceed 25% of the paid-in capital.

D. As resolved by the shareholders on July 16, 2021, the Company's 2020 deficit is as follows:

	Year ended December 31, 2020
Accumulated deficit at beginning of the year	$ -
Net loss for 2020 (Note)	(1,337,935)
Accumulated deficit at end of the year	($ 1,337,935)

Note: Excluding effect of equity attributable to former owner of business combination under common control in the amount of $79,605.

E. As resolved by the shareholders on March 18, 2022, the Company's proposal for 2021 deficit compensation is as follows:

	Year ended December 31, 2021
Accumulated deficit at beginning of the year	($ 1,377,935)
Net loss for 2021	(1,530,687)
Accumulated deficit at end of the year	($ 2,908,622)

As of March 18, 2022, the aforementioned proposal for 2021 deficit compensation has not yet been resolved by the shareholders.

(44) Reorganisation of entities under common control

A. The Company's products, Adagloxad Simolenin, has entered into clinical trials. To ensure stable quality and ceaseless supply of current clinical trial drugs and those products that will be sold in the market in the future, to prepare for the inspection by the competent authority before selling the products in the market and to improve the Company's ability on the CMC manufacture and

development, the Company issued 10,693 thousand shares of common share in exchange for 53,466 thousand shares of common share of Amaran Biotechnology Inc. from Amaran Biotechnology Inc.'s shareholders to acquire 67% equity interest in Amaran Biotechnology Inc. on December 31, 2020. Since the Company and Amaran Biotechnology Inc. are under common control, this merger transaction is considered as a reorganisation transaction. Amaran Biotechnology Inc. was accounted for using the book value method. The difference between the book value of Amaran Biotechnology Inc. and the investment cost was adjusted in the 'capital surplus, additional paid-in capital' in the amount of $336,764.

B. The Company accounted for Amaran Biotechnology Inc. as if it had always been consolidated since the beginning and restated the parent company only financial statements before reorganization in 2020. Equity held by the initial controller of the target company was classified as 'equity attributable to former owner of business combination under common control' when preparing the comparative parent company only balance sheet, and profit attributable to the initial controller of the target company was classified as 'profit attributable to former owner of business combination under common control'.

(45) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	$ 826,462	$ 1,489

The Company recognises the revenue from licensing at a point in time, and the related information is as follows:

Year ended December 31, 2021	Patent technology licensing
Revenue from external customer contracts	
Contract revenue	$ 826,462

Year ended December 31, 2020	Patent technology licensing
Revenue from external customer contracts	
Contract revenue	$ 1,489

On February 23, 2021, the Company entered into an intellectual property rights licensing agreement with respect to the global aesthetic medicine for OBI-858, Novel Botulinum Toxin with Obigen Pharma, Inc and recognised royalties income in the amount of $824,706. The future clinical research and development of the OBI-858 aesthetic medicine will be proceeded by Obigen Pharma, Inc. Further, Obigen Pharma, Inc. will issue 47,250 thousand new shares as a consideration. The Company acquired 62.17% equity interest in Obigen Pharma, Inc. which then became a subsidiary under the control of the Company. Information relating to unrealised gains is provided in Note 6(4)D.

(46) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	$ 4,625	$ 42,125

(47) Other gains and losses

	Years ended December 31,	
	2021	2020
Net currency exchange loss	($ 40,642)	($ 120,163)
Gains on financial assets at fair value through profit or loss	19,656	48,772
Gain on disposal of property, plant and equipment	8,870	-
Others	(117)	-
	($ 12,233)	($ 71,391)

(48) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense	$ 1,783	$ 2,390

(49) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expenses	$ 212,501	$ 210,056
Clinical material expenses	196,639	198,937
Consulting and service fees	298,766	317,839
Clinical trials cost	362,985	310,407
Rental expenses	1,278	680
Depreciation charges	66,430	105,238
Amortisation charges	15,495	20,774
Other expenses	51,080	56,892
Operating costs and expenses	$ 1,205,174	$ 1,220,823

(50) Employee benefit expense

	Years ended December 31,	
	2021	2020
Wages and salaries	$ 144,917	$ 139,777
Employee stock options	34,027	38,491
Labor and health insurance fees	12,632	11,242
Pension costs	7,873	7,623
Directors' remuneration	4,338	4,343
Other personnel expenses	8,714	8,580
	$ 212,501	$ 210,056

A. In accordance with the Articles of Incorporation, 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 not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the abovementioned employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The term shall be defined by the Board of Directors.

B. As of December 31, 2021 and 2020, the Company had an accumulated deficit; thus, no employees' compensation and directors' and supervisors' remuneration was recognised for the years ended December 31, 2021 and 2020. Information about employees' compensation and directors' and supervisors' remuneration of the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(51) Income tax

A. The reconciliation between accounting income and income tax expense:

	Years ended December 31,	
	2021	2020
Tax calculated based on loss before tax and statutory tax rate	($ 306,137)	($ 275,587)
Tax effects of items required to be added by tax regulation	187,418	-
Tax effects of items disallowed by tax regulation	50	235
Tax effects of unrecognised deferred tax assets	118,669	275,352
Income tax expense	$ -	$ -

B. Details of the amount the Company is entitled as investment tax credits and unrecognised deferred tax assets under the Act for the Development of Biotech and New Pharmaceuticals Industry are as follows:

December 31, 2021		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 958,393	$ 958,393

December 31, 2020		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 872,272	$ 872,272

The unused tax credits can offset the current income tax payable for the next five years with a range of not more than 50% of each year's income tax payable, but the last year can be fully offset.

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets for the Company are as follows:

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 239,902	$ 239,902	$ 239,902	2022
2013	405,027	405,027	405,027	2023
2014	606,286	606,286	606,286	2024
2015	981,510	981,510	981,510	2025
2016	943,536	943,536	943,536	2026
2017	1,040,320	1,040,320	1,040,320	2027
2018	1,211,688	1,211,688	1,211,688	2028
2019	1,186,227	1,186,227	1,186,227	2029
2020	1,108,714	1,108,714	1,108,714	2030
2021	181,002	181,002	181,002	2031
2011	$ 116,457	$ 116,457	$ 116,457	2021
2012	239,902	239,902	239,902	2022
2013	405,027	405,027	405,027	2023
2014	606,286	606,286	606,286	2024
2015	981,510	981,510	981,510	2025
2016	943,536	943,536	943,536	2026
2017	1,040,320	1,040,320	1,040,320	2027
2018	1,211,688	1,211,688	1,211,688	2028
2019	1,196,669	1,196,669	1,196,669	2029
2020	1,159,787	1,159,787	1,159,787	2030

D. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(52) Loss per share

	Year ended December 31, 2021		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss	($ 1,530,687)	198,941	($ 7.69)

	Year ended December 31, 2020		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss (Note 2)	($ 1,457,540)	198,591	($ 7.34)

Note 1: The potential ordinary shares have anti-dilutive effect due to net loss for the years ended December 31, 2021 and 2020, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

Note 2: The Company's merger transaction in 2020 was treated as if it had always been consolidated since the beginning. Thus, the loss for the year included the parent company and equity attributable to former owner of business combination under common control.

Note 3: The new shares issued due to the reorganisation were included when calculating the weighted average number of ordinary shares, and the loss per share for the year ended December 31, 2020 was calculated retrospectively.

(53) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31,	
	2021	2020
Acquisition of property, plant and equipment	$ 17,938	14,167
Add: Opening balance of payable	-	1,337
Less: Ending balance of payable	(164)	-
	$ 17,774	$ 15,504

	Years ended December 31,	
	2021	2020
Acquisition of investments accounted for using equity method	$ 1,245,301	$ -
Less: Acquisition of subsidiary equity interest in non-cash payment (Note)	(870,154)	-
Less: Acquisition of subsidiary equity interest using property, plant and equipment as a consideration	(74,846)	-
	$ 300,301	$ -

Note: Including patent technology licensing, disposal of other equipment (shown as 'Other income') and output tax in the amount of $824,706, $448 and $45,000.

(54) Changes in liabilities from financing activities

	Lease liabilities	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2021	$ 85,387	$ 44,000	$ 129,387
Changes in cash flow from financing activities	(36,774)	(9,000)	(45,774)
Changes in other non-cash items	44,851	-	44,851
At December 31, 2021	$ 93,464	$ 35,000	$ 128,464

	Lease liabilities	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2020	$ 122,352	$ 53,000	$ 175,352
Changes in cash flow from financing activities	(36,965)	(9,000)	(45,965)
At December 31, 2020	$ 85,387	$ 44,000	$ 129,387

21. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
OBI Pharma USA, Inc.	Subsidiary
OBI Pharma Australia Pty Ltd.	Subsidiary
AP Biosciences, Inc. (Note 1)	Subsidiary
Amaran Biotechnology Inc. (Note 2)	Subsidiary
Obigen Pharma, Inc. (Note 3)	Subsidiary
OBI Pharma Limited	Subsidiary
OBI Pharma (Shanghai) Limited	Second-tier subsidiary
Shareholder of Amaran Biotechnology Inc.	Other related party
Ruentex Xu-Zhan Development Co., Ltd.	Other related party
Tanvex Biologics Corporation	Other related party

Note 1: AP Biosciences, Inc. changed its Chinese name as approved at the shareholders' meeting on October 28, 2021, but the English name remained the same.

Note 2: The Company issued 10,693 thousand shares of common share in exchange for 53,466 thousand shares of common share of Amaran Biotechnology Inc. from Amaran Biotechnology Inc.'s shareholders to acquire 67% equity interest in Amaran Biotechnology Inc. This transaction is considered a reorganisation of entities. Refer to Note 6(4) for details.

Note 3: Refer to Note 6(16) for details.

(2) Significant related party transactions

A. Non-operating income

	Years ended December 31,	
	2021	2020
Other income:		
Subsidiary		
-Obigen Pharma, Inc.	$ 8,517	$ -
Rental income:		
Subsidiary		
-Obigen Pharma, Inc.	857	-
Total	$ 9,374	$ -

The Company provided worker dispatching, maintenance service of information system and leased office to Obigen Parma, Inc. The price and payment terms were based on mutual agreement.

B. Research and development expenses

	Years ended December 31,	
	2021	2020
Subsidiaries		
-OBI Pharma USA, Inc.	$ 161,053	$ 152,571
-Amaran Biotechnology Inc.	23,384	25,325
-Obigen Pharma, Inc.	810	-
-AP Biosciences, Inc.	210	346
Other related party		
-Tanvex Biologics Corporation	2,323	-
	$ 187,780	$ 178,242

(a) The Company commissioned OBI Pharma USA, Inc. to render services of clinical trials and research and development for cancer. The price of services rendered was based on mutual agreement.

(b) The Company signed the drugs purchase agreement for clinical trial of OBI-821, OBI-822 and OBI-866 with Amaran Biotechnology Inc. The Company also commissioned Amaran Biotechnology Inc. to carry out equipment adjustment and analysis service. The price and payment terms were based on mutual agreement

(c) The Company commissioned AP Biosciences, Inc. to render services of clinical trials and research and development for cancer. The price of services rendered was based on mutual agreement.

(d) The Company commissioned Obigen Pharma, Inc. to render consulting services of clinical trials and research and development for cancer. The price and payment terms were based on mutual agreement.

(e) The Group commissioned Tanvex Biologics Corporation to carry out clone selection services. The total contract price was $7,250 (tax excluded), and the expenditures on consumables and other experiments are charged additionally. The aforementioned research and development expenses of $2,323 included consumables and other related expenses.

C. Other payables

	December 31, 2021	December 31, 2020
Subsidiaries		
-OBI Pharma USA, Inc.	$ 11,190	$ 37,078
-Amaran Biotechnology Inc.	1,862	7,051
-AP Biosciences, Inc.	16	28
-Obigen Pharma, Inc.	94	-
Others		
-Tanvex Biologics Corporation	70	-
	$ 13,232	$ 44,157

It was paid for research and development expenditures.

D. Property transactions

(a) Acquisition of property, plant and equipment

On March 26, 2016, the Company entered into a purchase agreement for production equipment with Amaran Biotechnology Inc. The Company purchased the existing equipment from Amaran Biotechnology Inc. and made it available for processing related products of OBI-821 (Saponin adjuvant), OBI-822 (therapeutically metastatic breast cancer vaccines), Globo H and OBI-858 (product development project of botulinum). The initial acquisition cost of $108,753 less the carrying amount (net of accumulated depreciation) was the purchase amount. As of December 31, 2020, the transaction was fully paid and all equipment had been transferred.

(b) Dispoal of property, plant and equipment

	Year ended December 31, 2021	
	Disposal proceeds	Gain on disposal
Subsidiary		
-Obigen Pharma, Inc.	$ 370	$ 370

(c) Acquisition of investments accounted for using equity method

	Year ended December 31, 2021			
	Accounts	No. of shares (shares in thousands)	Objects	Consideration
Subsidiaries				
-OBI Pharma Limited	Investments accounted for using equity method	500	Shares	$ 14,070
-Amaran Biotechnology Inc.	〃	11,449	Shares	286,231

	Year ended December 31, 2020			
	Accounts	No. of shares (shares in thousands)	Objects	Consideration
Subsidiaries				
-OBI Pharma Limited	Investments accounted for using equity method	500	Shares	$ 14,810
-OBI Pharma Australia Pty Ltd.	〃	10,000	Shares	203,768
-AP Biosciences, Inc.	〃	5,272	Shares	289,960
-Shareholder of Amaran Biotechnology Inc.(Note)	〃	53,466	Shares	443,696

Note: The Company issued 10,693 thousand shares of common share in exchange for 53,466 thousand shares of common share of Amaran Biotechnology Inc. from Amaran Biotechnology Inc.'s shareholders to acquire 67% equity interest in Amaran Biotechnology Inc. on December 31, 2020. This transaction is considered a reorganisation of entities. Refer to Note 6(4) for details.

E. Lease transactions(lessee)

(a) The Group leases office buildings from Ruentex Xu-Zhan Development Co., Ltd. Rental contracts are made for periods from 2015 to 2025. The rentals are determined based on mutual agreements, and are paid monthly. The Group paid rental deposits for the above lease amounting to $5,121.

(b) Lease liability

i. Outstanding balance:

	December 31, 2021	December 31, 2020
Other related party -Ruentex Xu-Zhan Development Co., Ltd.	$ 56,279	$ 68,142

ii. Interest expense:

	Year ended December 31,	
	2021	2020
Other related party -Ruentex Xu-Zhan Development Co., Ltd.	$ 1,004	$ 1,191

(3) Key management compensation

	Years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	$ 29,002	$ 27,041
Share-based payments	22,229	14,344
	$ 51,231	$ 41,385

22. PLEDGED ASSETS

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

Pledged asset	Book value December 31, 2021	Book value December 31, 2020	Purpose
Land	$ 87,514	$ 87,514	Long-term borrowings (Note)
Buildings and structures	13,420	13,720	Long-term borrowings (Note)
Other non-current assets (refundable deposits)	31,778	32,405	Duty paid after customer release, deposits for clinical trial agreement and rental deposit, etc.
	$ 132,712	$ 133,639	

Note: The Company has entered into a mortgage contract with E. SUN Bank in 2016. The contract requires a property as collateral and the credit line is $100 million. Refer to Note 6(8) for details.

23. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Aside from the promised payments described in Note 6(7) Intangible assets, others are as follows:

(1) Pursuant to the government grants for OBI-822 (formerly OPT-822/821), therapeutically metastatic breast cancer vaccines, in Phase Ⅱ/Ⅲ obtained by the Company from Department of Industrial Technology of Ministry of Economic Affairs R.O.C. (MOEA) on December 25, 2012, if OBI-822 (formerly OPT-822/821) will be successfully licensed to others, the Company promises to contribute 5% of the signing bonus and achieved milestones as feedback fund and the maximum amount for feedback fund is $150,256.

(2) In September 2017, the Company commissioned EirGenix, Inc. to jointly develop CRM197 under an agreement. On December 13, 2018, the Company has amended the agreement with EirGenix, Inc. whereby additional tasks were included to further improve the development process. The contract price totaled $47,848, of which $44,098 had been paid as of December 31, 2021.

(3) On December 8, 2021, the Company and Biosion, Inc. (hereafter referred to as "Biosion") entered into an exclusive authorisation contract of humanised Trop2 monoclonal antibody (product No. BSI-04702). The authorisation include global exclusive right, except Mainland China, Hong Kong and Macao. Under the contract, the Company will pay signing bonus to Biosion, milestone payment based on the progress of the research and development, and royalties based on a certain percentage of sales amount after the product has been launched in the market.

(4) The Company has begun the third stage of human subjects in clinical trials of OBI-822, and will pay milestone payment to the American company, Optimer, in the amount of US$1 million depending on the progress of the research. Please refer to Note 6(7)B.(d).

24. SIGNIFICANT DISASTER LOSS

None.

25. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) Refer to Note 6(14) for details on the proposal of 2021 deficit compensation.

(2) On November 26, 2021, the Board of Directors of the Company approved to increase cash capital. On January 18, 2022, the capital increase had been approved by the Financial Supervisory Commission, with the effective date set on February 26, 2022. The total issuance was 30 million common shares with a par value of $100 (in dollars) per share, at an issuance price of $105 (in dollars) per share.

(3) After the approval by the Board of Directors of the Company and the Investment Commission of MOEA on September 28, 2020, November 11, 2021 and February 22, 2022, respectively, the Company and Odeon Therapeutics (Hong Kong) Limited (hereafter referred to as "Odeon") entered into an exclusive authorisation agreement in China (including Hong Kong and Macao) of OBI-833 (Globo H Adagloxad Simolenin) and OBI-999 (Globo H Antibody Drug Conjugate). Under the agreement, Odeon will possess the clinical trials of OBI-833 and OBI-999 in China and legal registration to sell products in the market. The agreement including the right of prior purchase of intellectual property of OBI-888 (Globo H monoclonal antibody), covers a period of 2 years starting from the contract was signed. The authorisation contract provides for a signing bonus of US$12 million and milestone payments that could reach a total of US$200 million, as well as royalties as a percentage of net sales. Under the agreement, the Company received the new shares as a price from Odeon Therapeutics (Cayman) Limited (the parent company and owned a 100% equity interest in Odeon).

26. OTHERS

(5) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern through maintaining an optimal capital structure to reduce the cost of capital, and to provide returns for shareholders after the Company turns around from loss to profit. In order to maintain or adjust the capital structure, the Company may increase capital by cash and sell assets to pay off or improve operating capital, adjust the amount of dividends paid to shareholders or capital reduction, etc. The Company monitors capital on the basis of the Debt/Equity ratio. The ratio is calculated by the "Net debt" divided by the "Total equity". The "Net debt" is the "Total liability" less cash and cash equivalents, and the "Total equity" is the same as the consolidated balance sheet.

During 2021, the Company's strategy, which was unchanged from 2020, was to maintain the gearing ratio within reasonable security range. The ratios are as follows:

	December 31, 2021	December 31, 2020
Total liability	$ 290,881	$ 319,240
Less: Cash and cash equivalents	(1,345,684)	(2,454,956)
Net debt	($ 1,054,803)	($ 2,135,716)
Total equity	$ 2,715,876	$ 4,229,022

(6) Financial instruments

A. Financial instruments by category

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at fair value through profit or loss	$ -	$ 382,159
Financial assets at fair value through other comprehensive income	$ 9,106	$ 8,037
Financial assets at amortised cost/loans and receivables		
Cash and cash equivalents	1,345,684	2,454,956
Accounts receivable	1,741	1,451
Other receivables (including related parties)	18,599	16,674
Other financial assets (refundable deposits)	31,778	32,405
	$ 1,397,802	$ 2,505,486
Financial liabilities		
Financial liabilities at amortised cost		
Other payables (including related parties)	$ 160,846	$ 188,456
Long-term borrowings (including current portion)	35,000	44,000
	$ 195,846	$ 232,456
Lease liabilities	$ 93,464	$ 85,387

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board

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, 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 Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and AUD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021					
				Sensitivity Analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 38,997	27.680	$1,079,437	1%	$ 10,794	$ -
Financial assets						
Non-monetary items						
USD:NTD	2,422	27.680	67,046	-	-	-
AUD:NTD	2,249	20.080	45,162	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	4,316	27.680	119,467	1%	1,195	-

	December 31, 2020					
				Sensitivity Analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 70,642	28.480	$2,011,884	1%	$ 20,119	$ -
Financial assets						
Non-monetary items						
USD:NTD	2,096	28.480	59,697	-	-	-
AUD:NTD	5,359	21.950	117,639	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	2,172	28.480	61,859	1%	619	-

v. The total exchange loss, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020 amounted to $40,642 and $120,163, respectively.

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The prices of the Company's investments in equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the year ended December 31, 2021 and 2020 would have increased/decreased by $0 and $3,057, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity for the years ended December 31, 2021 and 2020 would have increased / decreased by $91 and $80, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. The Company's borrowings were calculated by floating rate and stated at New Taiwan Dollars for the years ended December 31, 2021 and 2020.

ii. At December 31, 2021 and 2020, if interest rates had been 1% higher or lower with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have been $313 and $423 lower or higher, respectively, mainly as a result of changes in interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. For banks and financial institutions the Company only independently rated parties with stable credit rating are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. Under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Company classifies customer's accounts receivable, contract assets and rent receivable in accordance with customer types. The Company applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. When estimating the allowance for uncollectible accounts receivable, the Company incorporates forward-looking information in the adjustment of the loss rate, which is calculated based on historical data from specific periods and current information. As of December 31, 2021 and 2020, the expected loss rate of the Company's accounts receivable that are not past due is immaterial.

(c) Liquidity risk

i. Cash flow forecasting is performed by Company treasury to monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational and R&D needs. Such forecasting is in compliance with internal R&D project schedule targets.

ii. Company treasury invests surplus cash in interest bearing current deposits, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

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

	December 31, 2021				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Other payables (including related parties)	$ 160,846	$ -	$ -	$ -	$ -
Long-term borrowings (including current portion)	7,415	7,322	7,229	14,178	-
Lease liabilities (including current portion)	36,999	30,461	16,144	12,108	-

	December 31, 2020				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Other payables (including related parties)	$ 188,456	$ -	$ -	$ -	$ -
Long-term borrowings (including current portion)	9,520	7,415	7,322	14,365	7,043
Lease liabilities (including current portion)	30,221	13,686	16,144	28,252	-

iv. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(7) 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 Company's investment in financial assets at fair value through other comprehensive income is included in Level 3.

B. The carrying amount of financial instruments not measured at fair value including cash and cash equivalents, accounts receivable, other receivables, other financial asset (guarantee deposits paid) and other payables (including those to related parties) is a reasonable approximation to their fair value; the interest rate on long-term borrowings (including the portion due within a year or one operating cycle) is close to the market interest rate, therefore their carrying amount is a reasonable basis for the estimation of their fair value.

C. The related information on 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 is as follows:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 9,106	$ 9,106

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Domestic listed and over-the-counter stocks	$ 105,726	$ -	$ -	$ 105,726
Domestic Open-end fund	276,433	-	-	$ 276,433
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	8,037	$ 8,037
	$ 382,159	$ -	$ 8,037	$ 390,196

D. The methods and assumptions the Company used to measure fair value are as follows:

The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

E. Financial segment 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.

F. The following is the qualitative information on 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, 2021	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 9,106	Market comparable companies	Price to book ratio multiple	1.41~2.63 (1.83)	The higher the mulitple, the higher the fair value
			Discount for lack of marketability	16.68%~ 46.21% (29%)	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 8,037	Market comparable companies	Price to book ratio multiple	1.43~4.19 (2.26)	The higher the mulitple, the higher the fair value
			Discount for lack of marketability	26.27%~ 68.19% (45%)	The higher the discount for lack of marketability, the lower the fair value

G. The Company 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 measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±10%	$ -	$ -	$ 910	($ 910)
	Discount for lack of marketability	±10%	$ -	$ -	$ 374	($ 374)

			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±10%	$ -	$ -	$ 807	($ 807)
	Discount for lack of marketability	±10%	$ -	$ -	$ 647	($ 647)

H. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	Equity securities	
	Years ended December 31,	
	2021	2020
Opening net book amount	$ 8,037	$ 8,318
Profit (loss) recognised in other comprehensive income	1,069	(281)
Closing net book amount	$ 9,106	$ 8,037

I. As of December 31, 2021 and 2020, there was no transfer into or out from Level 3.

(8) Impact of COVID-19

Based on the Company's assessment, the COVID-19 pandemic has no significant impact on the Company.

27. SUPPLEMENTARY DISCLOSURES

(9) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and oint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 3.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

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

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

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(10) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(11) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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

(12) Major shareholders information

Please refer to table 7.

28. SEGMENT INFORMATION

Pursuant to Article 22 of Regulations Governing the Preparation of Financial Reports by Securities Issuers, segment information is not required in the parent company only financial statements.

OBI PHARMA, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash on hand		$ 100
Checking accounts		19,287
Demand deposits - NTD		257,905
- Foreign currencies	USD 2,494 thousand, exchange rate 27.68	69,027
- Foreign currencies	RMB 341 thousand, exchange rate 4.344	1,480
- Foreign currencies	AUD 70 thousand, exchange rate 20.08	1,405
Time deposits - Foreign currencies	USD 36,000 thousand, exchange rate 27.68, interest rate 0.20%~0.35%, mature between January 2022 and March 2022	996,480
		$ 1,345,684

OBI PHARMA, INC.
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Beginning Balance		Addition		Decrease				Ending Balance				
Name	Shares (in shares)	Amount	Shares (in shares)	Amount	Shares (in shares)	Amount	Investment Income (Loss)	Change in Other Equity Interest	Shares (in shares)	Percentage of Ownership	Amount	Market Value or Net Assets Value	Collateral
Amaran Biotechnology Inc.	53,466,000	$ 389,865	11,449,252	$ 286,231	-	$ -	($ 80,990)	($ 40,815)	64,915,252	70.70%	$ 554,291	$ 554,291	None
AP Biosciences, Inc.	13,312,000	589,510	-	-	-	-	(121,499)	16,966	13,312,000	54.62%	484,977	484,977	"
Obigen Pharma, Inc. (Note)	-	-	47,250,000	146,928	-	-	(83,750)	260	47,250,000	62.17%	63,438	63,438	"
OBI Pharma USA, Inc.	2,701,000	51,101	-	-	-	-	(9,733)	13,348	2,701,000	100.00%	54,716	54,716	"
OBI Pharma Australia Pty Ltd.	10,650,000	117,639	-	-	-	-	(65,492)	(6,985)	10,650,000	100.00%	45,162	45,162	"
OBI Pharma Limited	2,150,000	8,596	500,000	14,070	-	-	(10,006)	(330)	2,650,000	100.00%	12,330	12,330	"
		$1,156,711		$ 447,229		$ -	($ 371,470)	($ 17,556)			$1,214,914	$ 1,214,914	

Note: The amount of inaddition includes the Company's new investment amounting to $945,000 in Obigen Pharma, Inc. and the investment loss and unrealised gain on disposal amounting to ($798,072).

OBI PHARMA, INC.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Administrative Expense	Research and Development Expense	Note
Wages and salaries and directors' remuneration	$ 55,688	$ 127,594	
Clinical material expenses	-	196,639	
Consulting and service fees	19,594	279,172	
Clinical trials cost	-	362,985	
Depreciation	14,525	51,905	
Other expenses	33,261	63,811	Balance of individual accounts has not exceeded 5% of total account balance
	$ 123,068	$ 1,082,106	

OBI PHARMA, INC.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Function / Nature	Years ended December 31,					
	2021			2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	$ -	$ 178,944	$ 178,944	$ -	$ 178,268	$ 178,268
Labour and health insurance fees	-	12,632	12,632	-	11,242	11,242
Pension costs	-	7,873	7,873	-	7,623	7,623
Directors' remuneration	-	4,338	4,338	-	4,343	4,343
Other personnel expenses	-	8,714	8,714	-	8,580	8,580
	$ -	$ 212,501	$ 212,501	$ -	$ 210,056	$ 210,056
Depreciation	$ -	$ 66,430	$ 66,430	$ -	$ 105,238	$ 105,238
Amortisation	$ -	$ 15,495	$ 15,495	$ -	$ 20,774	$ 20,774

Note:

A. As at December 31, 2021 and 2020, the Company had 131 and 129 employees, including 4 and 5 non-employee directors, respectively.

B. As at December 31, 2021 and 2020, the amounts of employee stock options expensed as employee salaries were $34,027 and $38,491, respectively.

C. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:

(a) Average employee benefit expense in current year was $1,639 ((Total employee benefit expense in current year – Total directors' compensation in current year)/(Number of employees in current year – Number of non-employee directors in current year)).
Average employee benefit expense in previous year was $1,659 ((Total employee benefit expense in previous year – Total directors' compensation in previous year)/ (Number of employees in previous year – Number of non-employee directors in previous year)).

(b) Average employees salaries in current year were $1,409 (Total employee salaries in current year / (Number of employees in current year – Number of non-employee directors in current year)).
Average employees salaries in previous year were $1,438 (Total employee salaries in previous year / (Number of employees in previous year –Number of non-employee directors in previous year)).
Average employees salaries, excluding the expenses from employee stock options, in current year, were $1,141 (Total employee salaries in current year – Total employee stock options expenses in current year / (Number of employees in current year – Number of non-employee directors in current year)).

OBI PHARMA, INC.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Average employees salaries, excluding the expenses from employee stock options, in previous year were $1,127 (Total employee salaries in previous year - Total employee stock options expenses in previous year / (Number of employees in previous year – Number of non-employee directors in previous year)).

(c) Adjustments of average employees salaries were -2.02% ((Average employee salaries in current year- Average employee salaries in previous year)/ Average employee salaries in previous year).

Adjustments of average employees salaries, excluding the expenses from employee stock options, were 1.24% ((Average employee salaries, excluding employee stock options expenses, in current year- Average employee salaries, excluding employee stock options expenses, in previous year)/ Average employee salaries, excluding employee stock options expenses, in previous year).

(d) The Company had no supervisors' remuneration in both current and previous years.

(e) The Company has set up the audit committee and therefore it has no supervisors' remuneration.

(f) The Company's remuneration policy (including directors, managers and employees) is as follows:

(1) Directors:

i. In accordance with the Articles of Incorporation, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed no be higher than 2% for directors' remuneration.

ii. The remuneration to directors is determined by the Remuneration Committee based on the extent of their participation and value of contribution to the Company by reference to the general pay levels in the same industry, and the reports thereof are submitted to the Board of Directors for resolution. The Company may set different remuneration for the independent directors and general directors.

(2) Managers and employees

i. In accordance with the Articles of Incorporation, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed at no lower than 2% for employees' compensation.

ii. The Company's annual salary adjustment levels are determined based on a comprehensive consideration of the Company's operational performance and profitability by reference to the salary adjustment levels in the same industry.The Company also differentiates rewards by offering different levels of salary adjustments based on managers'/employees' performance assessment. In addition, the Company sets up employee compensation and stock options regulations and rules, which establish a clear compensation, reward and punishment standards, to share the Company's operational performance and growth with employees.