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:

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Key audit matter – Impairment assessment of intangible assets and investments accounted for under 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 under 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 under 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:

   (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.

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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

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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.

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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)

	Items	Notes	2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
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 under 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 (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 losses 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)	(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 and diluted loss per share		($ 7.69)		($ 7.34)	

Year ended December 31.

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 (loss) for the year		-	-	-	-	(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 offset accumulated deficit	6(13)(14)	-	(8,259,036)	-	-	8,259,036	-	-	-	-	-
Share-based payment transactions	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 subsidiaries	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
Unrealised gain on intercompany transactions	6(4)	789,666	-
Authorised acquisition of subsidiaries equity interest in non-cash payment	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)
Proceeds from 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.

OBI PHARMA, INC.
NOTES TO THE PARENT COMPANY ONLY 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 is primarily engaged in new drugs research.

2. 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.

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 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.

(2) 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.

(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
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.

4. 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.

(1) Compliance statement

The parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the 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.

(9) 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.

(10) Derecognition of financial assets

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

(11) 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.

(12) 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

(13) 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.

(14) 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.

(15) 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.

(16) 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.

(17) Derecognition of financial liabilities

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

(18) Employee benefits

A. Short-term employee benefits

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

(19) Employee share-based payment

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

(20) <u>Income tax</u>

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.

(21) 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.

(22) 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.

(23) 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.

5. 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.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) 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.

(2) 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).

(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 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).

(4) Investments accounted for using equity method

	Years ended December 31, 2021	Years ended December 31, 2020
At January 1 (Adjusted)	$ 1,156,711	$ 788,320
Addition of investments accounted for under equity method	1,245,301	508,537
Unrealised 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 under 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 accounted for as a deduction of "investments accounted for under equity method". There was no such transaction for the year ended December 31, 2020.

(5) 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.

(6) 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.

(7) 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^{TM} (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^{TM}, 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.

(8) 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%.

(9) Other payables

	December 31, 2021	December 31, 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

(10) 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.

(11) 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.

(12) 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.

(13) 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

(14) 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.

(15) Reorganisation of entities under common control

A. The Company's products 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 under 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'.

(16) 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 revenue form patent licensing 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. issued 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.

(17) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	$ 4,625	$ 42,125

(18) 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)

(19) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense	$ 1,783	$ 2,390

(20) 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 expenses	$ 1,205,174	$ 1,220,823

(21) 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.

(22) 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

December 31, 2020				
Year incurred	Amount filed/ 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

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
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.

(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 for the year	($ 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 for the year (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) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31, 2021	Years ended December 31, 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	Years ended December 31, 2020
Acquisition of investments accounted for under 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 revenue from patent licensing, proceeds from disposal of other miscellaneous equipment (shown as 'Other income') and sales tax in the amount of $824,706, $448 and $45,000, respectively.

(25) 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

7. 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 calibration and analysis service. The price and payment terms were based on mutual agreement

(c) The Company borrowed lab equipment from AP Biosciences, Inc. The price of such transactions 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 Company 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, aforementioned transaction had been completed.

(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 under equity method

	Year ended December 31, 2021			
	Accounts	No. of shares (shares in thousands)	Objects	Consideration
Subsidiaries				
-OBI Pharma Limited	Investments accounted for under 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 under 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 Company 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 Company 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

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2021	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.

9. 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. Refer to Note 6(7)B.(d).

10. SIGNIFICANT DISASTER LOSS

None.

11. 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 and November 11, 2021, 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) on February 22, 2022. 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 date the agreement was signed. The authorisation agreement provides for a payment upon signing 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 consideration from Odeon Therapeutics (Cayman) Limited (the parent company and owned a 100% equity interest in Odeon).

12. OTHERS

(1) 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

(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	$ -	$ 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.

(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 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 (including those to related parties), 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.

(4) Impact of COVID-19

Based on the Company’s assessment, the COVID-19 pandemic has no significant impact on the Company.

13. <u>SUPPLEMENTARY DISCLOSURES</u>

(1) <u>Significant transactions information</u>

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.

(2) <u>Information on investees</u>

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) <u>Information on investments in Mainland China</u>

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) <u>Major shareholders information</u>

Please refer to table 7.

14. <u>SEGMENT INFORMATION</u>

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)

	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 the addition includes the Company’s new investment amounting to $945,000 in Obigen Pharma, Inc. and unrealised revenue form patent licensing and unrealised gains on disposal of property, plant and equipment 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)

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 charges	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 (Cont.)

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.

OBI Pharma, Inc.

Loans to others

For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	Is a related party	General ledger account	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
0	OBI Pharma, Inc.	OBI Pharma (Shanghai) Limited	Y	Other receivables - related party	$ 17,692	$ -	$ -	1.60%	2	$ -	Working capital	$ -	-	$ -	$ 271,588	$ 1,086,350	Note 1
1	OBI Pharma Australia Pty Ltd	"	"	"	2,768	2,768	1,405	1.33%	"	-	"	-	-	-	4,516	18,065	Note 2

Note 1: In accordance with the Company’s “Procedures for Provision of Loans”, ceiling on total loans to others is 40% of the Company’s net assets and limit on loans granted to a single party is 10% of the Company’s net assets.

Note 2: Ceiling on total loans from a subsidiary to others is 40% of the subsidiary’s net assets and limit on loans from a subsidiary to a single party is 10% of the subsidiary’s net assets.

Note 3: The nature of the loan is as follows:

(1) Business transaction: 1

(2) Short-term financing: 2

OBI Pharma, Inc.

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

December 31, 2021

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2021				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership	Fair value	Footnote
OBI Pharma, Inc.	Agnitio Science & Technology Inc./Stock	None	Financial assets at fair value through other comprehensive income - non-current	867,018	$ 9,106	3.27%	$ 9,106	None
Amaran Biotechnology Inc.	Edesa Biotech, Inc./Stock	"	Financial assets at fair value through profit or loss - current	11,338	1,767	-	1,767	"

OBI Pharma, Inc.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2021

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2021		Additions		Disposal				Balance as at December 31, 2021		
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Footnote
OBI Pharma, Inc.	Obigen Pharma, Inc. Common stock	Investments accounted for under the equity method	Obigen Pharma, Inc.	Subsidiary	-	$ -	47,250,000	$ 63,438 Note 2	-	$ -	$ -	$ -	47,250,000	$ 63,438	Note 1

Note 1: Obigen Pharma, Inc. became a subsidiary of the Company since the first quarter of 2021.

Note 2: It includes the Company’s new investment amounting to $945,000 in Obigen Pharma, Inc. in February 2021, and the investment loss and unrealised gain on disposal recognised for the year.

OBI Pharma, Inc.

Significant inter-company transactions during the reporting period

For the year ended December 31, 2021

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	OBI Pharma USA, Inc.	OBI Pharma, Inc.	2	Accounts receivable	$	11,190	(Note 4)	0.25
1	"	"	"	Service revenue		161,053	"	857.94
2	Amaran Biotechnology Inc.	"	"	CMO revenue, equipment calibration and analysis service revenue		23,384	"	124.57

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

(1) Parent company is ‘0’.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Note 4: The transaction terms are based on the mutual agreement.

Note 5: Only those inter-company transactions exceeding $10,000 are disclosed, with the transactions from the counterparty undisclosed.

OBI Pharma, Inc.

Information on investees

For the year ended December 31, 2021

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2021	Initial investment amount: Balance as at December 31, 2020	Shares held as at December 31, 2021: Number of shares	Shares held as at December 31, 2021: Ownership (%)	Shares held as at December 31, 2021: Book value	Net loss of the investee for the year ended December 31, 2021	Investment loss recognised by the Company for the year ended December 31, 2021	Footnote
OBI Pharma, Inc.	Amaran Biotechnology Inc.	Taiwan	Manufacture and wholesale of western pharmaceuticals as well as research and development of biotechnology	$ 676,096	$ 389,865	64,915,252	70.70	$ 554,291	($ 127,385)	($ 80,990)	Note 3
"	AP Biosciences, Inc.	Taiwan	Research and development of biotechnology	640,035	640,035	13,312,000	54.62	484,977	(187,606)	(121,499)	"
"	Obigen Pharma, Inc.	Taiwan	Research and development of biotechnology	945,000	-	47,250,000	62.17	63,438	(134,905)	(83,750)	Notes 2 and 3
"	OBI Pharma USA, Inc.	USA	Research and development of biotechnology	74,736	74,736	2,701,000	100.00	54,716	(9,733)	(9,733)	Note 3
"	OBI Pharma Australia Pty Ltd.	Australia	Research and development of biotechnology	213,852	213,852	10,650,000	100.00	45,162	(65,492)	(65,492)	"
"	OBI Pharma Limited	Hong Kong	Investments and trading	73,352	59,512	2,650,000	100.00	12,330	(10,006)	(10,006)	"

Note 1: The accounts of the Company are maintained in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates and balance sheet accounts at spot exchange rates prevailing at the balance sheet date.

Note 2: The Company exchanged receivables for new shares of Obigen Pharma, Inc. As a result, Obigen Pharma, Inc. became a subsidiary of the Company. The initial investment amount included unrealised revenue from patent licensing of $824,706 and unrealised gains on disposal of $16,907.

Note 3: Inter-company transactions between companies within the Group are eliminated.

OBI Pharma, Inc.

Information on investments in Mainland China

For the year ended December 31, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
OBI Pharma (Shanghai) Limited	Research and development of biotechnology	$ 69,200	Note 1	$ 55,360	13,840	$ -	$ 69,200	($ 9,880)	100.00	($ 9,880)	$ 11,426	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021 (Note 2)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
OBI Pharma, Inc.	$ 69,200	$ 69,200	$ 1,629,526

Note 1: Reinvesting in the investee in Mainland China through OBI Pharma Limited.

Note 2: The total investment amount of USD 2.5 million was approved pursuant to the Jing-Shen-II-Zi Letter No.10200125600, No. 10600182730, No. 10800182030, No. 10900147100 and No.11000049960.

Note 3: Abovementioned investment income (loss) was recognised based on the financial reports audited by the parent company’s CPA.

Note 4: The accounts of the Company are maintained in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates and balance sheet accounts at spot exchange rates prevailing at the balance sheet date.

OBI Pharma, Inc.

Major shareholders information

December 31, 2021

Table 7

Name of major shareholders	Shares: Number of shares held	Shares: Ownership (%)
Yi Tai Investment Co., Ltd.	25,765,032	12.92%
Huei Hong Investment Co., Ltd.	17,471,099	8.76%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in calculation basis.

Note 2: If the aforementioned data contains shares which were held in the trust by the shareholders, the data was disclosed as separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with the Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

Note 3: Basis for preparation of this table is presumably in accordance with the shareholders' register as of the date for suspension of share transfer for a shareholders' special meeting (no covering of short sale positions) to further calculate the allocation of the balance of each margin trading.

Note 4: Ownership (%) = Total number of shares held / Total number of shares in dematerialised form.

Note 5: Total number of shares in dematerialised form (including treasury shares) amounted to 199,279,374 shares = 199,279,374 (common shares) + 0 (preference shares).